

Geopolitics

BBVA Research Big Data Geopolitics Monitor

Big Data Unit

14 May 2025

India & Pakistan ceasefire holds but tension remains. Chinese exporters cautiously optimistic. Trump lifts Syria sanctions

India-Pakistan Ceasefire Holds Amid Ongoing Tensions: India and Pakistan have agreed to a US-brokered ceasefire following a period of intense cross-border hostilities. Despite the truce, both nations have exchanged accusations of violations, with India warning of swift retaliation against any aggression. Pakistan says it is committed to truce with India, vows to respond to aggression. The ceasefire was facilitated by US diplomatic efforts, but India has disputed claims that trade incentives influenced its decision to agree to the truce.

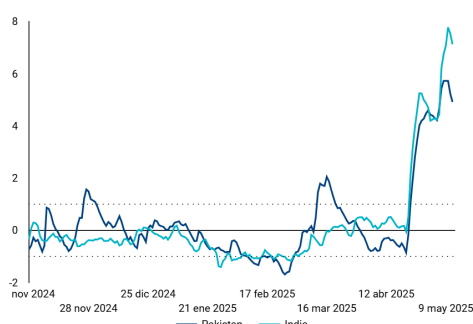
Chinese Exporters Cautious Amid Temporary US Tariff Reduction: Chinese exporters are cautiously optimistic following a 90-day reduction in tariffs by the US, with Washington reducing duties on Chinese goods from 145% to 30%, and China lowering its tariffs on US imports from 125% to 10%. While this temporary trade truce has brought relief, uncertainty about future developments fuels concerns among manufacturers who depend heavily on the US market ([Reuters](#)).

Trump Lifts Syria Sanctions, Urges Iran to Negotiate: President Donald Trump announced the lifting of American sanctions on Syria in Saudi Arabia, attributing the decision to encouragement from Turkish and Saudi leaders. He expressed optimism about Syria's future under its new government. Additionally, Trump extended an offer to Iran to engage in negotiations over its nuclear program, suggesting potential easing of economic sanctions in exchange for curtailing nuclear development. He emphasized that this opportunity would not remain open indefinitely ([Politico](#)).

The BBVA Monitor: Rising India – Pakistan tensions heighten Geopolitical Risk. Trade Policy Uncertainty indicators continue to ease this week amid temporary tariffs reduction between the US and China.

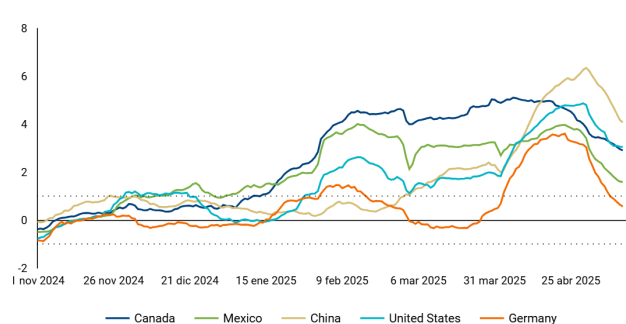
- **Geopolitical risk indicators** surged in **India and Pakistan** in recent days, following the latest hostilities and escalating tensions between the two nuclear powers. However, there are signs of stabilization following the recently agreed ceasefire (see Fig. 1 and Fig. 3).
- Relief on trade tariffs, especially this week between the **US and China**, led to a decline in both the **Trade Policy Uncertainty (TPU)** and **Economic Policy Uncertainty (EPU)** indicators. In some cases, these indicators even returned to neutral levels in local media coverage, as seen with the TPU in **Germany**. The relaxation was particularly pronounced in foreign media across most countries. While the EPU indicators are correcting more slowly, they follow a similar downward trend (see Fig. 2, Fig. 3, Fig. 4, and Fig. 5).

Fig1. **GEOPOLITICAL RISK INDEX**
(Local media. 28-day weighted mov avg, normalized by its own history)



Source: BBVA Research & www.gdelt.org. Positive (negative) values indicate greater (lower) risk relative to the mean of period 2021-nowadays

Fig2. **TRADE POLICY UNCERTAINTY INDEX**
(Local media. 28-day weighted mov avg, normalized by its own history)



Source: BBVA Research & www.gdelt.org. Positive (negative) values indicate greater (lower) interest relative to the mean of period 2021-nowadays

*The selection of news has been enriched by the BBVA Research Geo Assistant developed with Chat-GPT.

Fig3. BBVA RESEARCH GEOPOLITICS MONITOR "SIGNAL" CHANGES

(Signals in Geopolitical Risk, Political Tensions, Economic Policy Uncertainties, Protest and Conflict according to Standard Dev)

Summary of signals (May 05th, 2025)

(News Sentiment Map. Sentiment relative to average sentiment in each country)

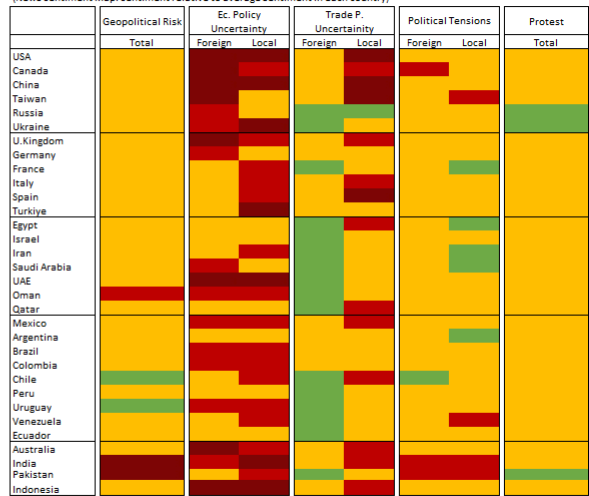


Source: BBVA Research

Low Neutral High Extreme

Summary of signals (May 13th, 2025)

(News Sentiment Map. Sentiment relative to average sentiment in each country)



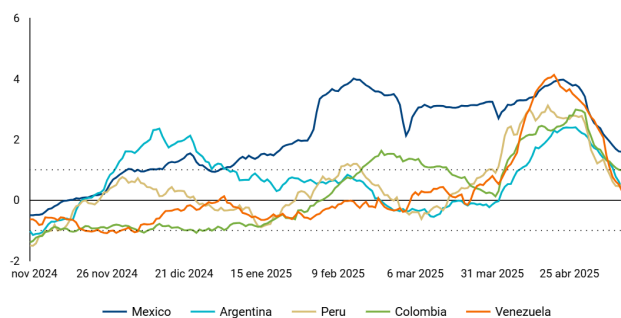
Source: BBVA Research

Low Neutral High Extreme

Source: BBVA Research and www.qdelt.org.

Fig4. TRADE POLICY UNCERTAINTY INDEX

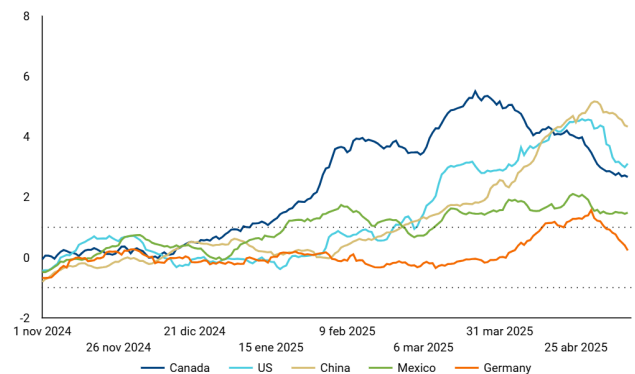
(Local media. 28-day weighted mov avg, normalized by its own history)



Source: BBVA Research & www.qdelt.org. Positive (negative) values indicate greater (lower) risk relative to the mean of period 2021-nowadays

Fig5. ECONOMIC POLICY UNCERTAINTY INDEX

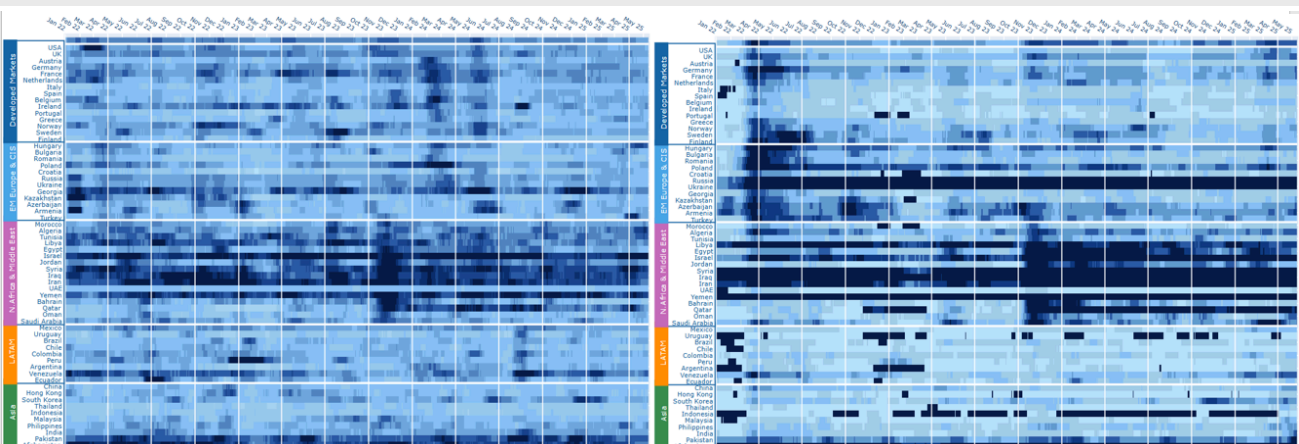
(Local media. 28-day weighted mov avg, normalized by its own history)



Source: BBVA Research & www.qdelt.org. Positive (negative) values indicate greater (lower) risk relative to the mean of period 2021-nowadays

Fig6. BBVA RESEARCH PROTEST AND CONFLICT HEAT MAPS

(Evolution of Protest and Conflict over time by regions)



Source: BBVA Research and www.qdelt.org.

Methodological annex: indicators' construction

We have developed a daily tracker with weekly updates to monitor protest and conflict indicators for every country in the world from 2019 to present day. To construct this, we use a rich 'big database' of international events (GDELT), created by Leetaru and Schrodt (2013). GDELT is an open-source database that extracts and parses digital news monitoring world events covered by news media from nearly every corner of the world, whether broadcast, printed, or published on the web, in over 100 languages, every moment of every day, updated every 15 minutes. Thus, it contains a comprehensive and high-resolution catalog of geo-referenced events and themes.

Using different dictionaries, several thousands of taxonomies and themes are identified in the news pieces to classify the information. The algorithms used by GDELT also identify emotions, organizations, locations, news sources, and events across the world as well as their average sentiment using Natural Language Processing (NLP) techniques and the lexicon approach.

The included indicators are:

- Geopolitical Risk: or sentiment (weighted by coverage) of the country's geopolitical risk perception.
- Political Tensions: or sentiment (weighted by coverage) of the country's political tensions.
- Economic Policy Uncertainty or sentiment (weighted by coverage) about the country's economic policy uncertainty, also disaggregated by media origin.
- Protests or coverage regarding social protests or unrest in the country.
- Conflict or coverage of armed conflicts, which go beyond verbal protests.
- Bilateral Tensions or the sentiment (weighted by coverage) between a specific pair of countries that appear together in the news article (plus NATO and EU).

The indicators track the evolution of tensions and are normalized by their country's history since 2019, thus they are all expressed in terms of standard deviations from their historical patterns. Indicators usually lie within the range [-1,1]. Therefore, when the values exceed one (the upper boundary of the range), this means escalating tensions. While it's possible to observe simultaneous tensions arising in multiple countries (for example, due to geopolitical events affecting several nations, as seen in some of our heatmaps), using these indicators for direct quantitative comparisons of risk levels between countries is not recommended.

We apply a weighted moving average of 28 days (to include four complete weeks with the same number of days of the weeks) to reduce the noise of daily information and identify signals more clearly. The weights have been calculated using a discrete geometric distribution such that it puts more weight on recent data and less on past data (see Graph 1). Aggregating by weeks, the weight of the most recent week has a weight of 68%, the past week 22%, the previous 7%, and the fourth 3%. The weight of the 28 days can be seen in the following image. In such a way, the indicators reflect what has been happening in the last few days.

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ENQUIRIES TO:

BBVA Research: Azul Street, 4. La Vela Building – 4th and 5th floor. 28050 Madrid (Spain).
Tel. +34 91 374 60 00 y +34 91 537 70 00 / Fax (+34) 91 374 25
www.bbvarresearch.com