

Geopolitics

BBVA Research Big Data Geopolitics Monitor

Big Data Unit

28 May 2025

Trump increases pressure on Russia. EU Approves €150 Billion Defense Fund. Israeli Airstrikes Intensify in Gaza

Trump increases pressure on Russia: Donald Trump has sharply criticized Russian President Putin, warning him he is "playing with fire" following one of the largest Russian drone and missile attacks on Ukraine since 2022. Trump claimed his restraint had thus far prevented more severe consequences for Russia, but hinted at potential US actions if the conflict persists. Meanwhile, momentum is growing in the US Senate for a new sanctions bill co-sponsored by Senator Lindsey Graham. The proposed legislation aims to impose severe trade penalties on any nation purchasing Russian energy, with the intent of crippling Russia's war capabilities. The bill has strong bipartisan support.

EU approves €150 billion defense fund to enhance military capabilities: EU ministers have approved the creation of the Security Action for Europe (SAFE) fund, allocating €150 billion to bolster defense capabilities amid concerns over Russian aggression and waning US security commitments. The fund will finance joint defense projects, emphasizing procurement from EU-based companies.

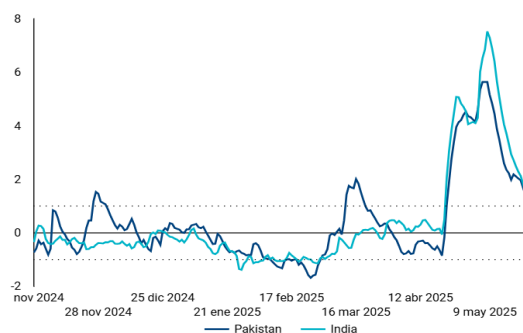
Israeli airstrikes intensify in Gaza: Israeli military operations in Gaza have escalated, resulting in at least 52 fatalities on Monday, including 31 individuals sheltering in a school. The humanitarian situation remains dire, with the UN expressing uncertainty over the effectiveness of aid deliveries by the Israeli-backed Gaza Humanitarian Foundation.

The BBVA Monitor: rising Geopolitical Risk indicators in Russia and Ukraine amid fears of a new offensive. Europe ramps up defense preparations

- **Geopolitical risk indicators** continued to ease in **India and Pakistan**, moving from the extreme to the high risk area (see Fig. 1 and Fig. 3). In contrast, the geopolitical risk index rose significantly in **Russia and Ukraine** in recent weeks, driven by heightened concerns over potential Russian aggression and the European Union's preparations to strengthen its defense capabilities (see Fig. 2 and Fig. 3). The geopolitical tensions and the indicator increased too in **Israel** due to the intensified military offensive in Gaza over the past week (see Fig. 3 and Fig. 4).
- **Economic Policy Uncertainty indicators**, particularly the **Trade Policy Uncertainty indices**, are trending toward the neutral range in several countries, after months of elevated risk across much of **Latin America** and certain **European countries**, such as **Germany** (see Fig. 3 and Fig. 5).

Fig1. **GEOPOLITICAL RISK INDEX**

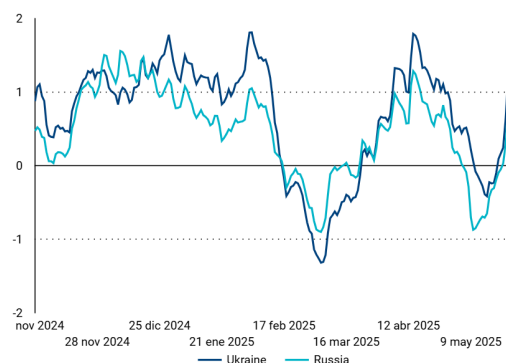
(Local media. 28-day weighted mov avg, normalized by its own history)



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

Fig2. **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) interest relative to the mean of period 2021-nowadays

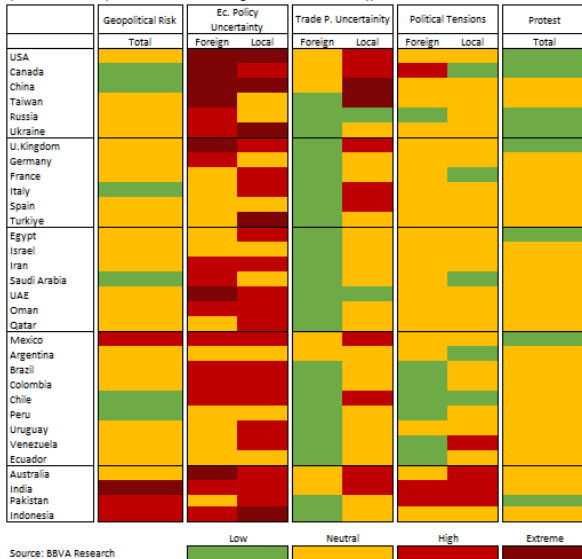
*The selection of news has been enriched by the BBVA Research Geo Assistant developed with Chat-GPT.

Fig3. **BBVA RESEARCH GEOPOLITICS MONITOR "SIGNAL" CHANGES**

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

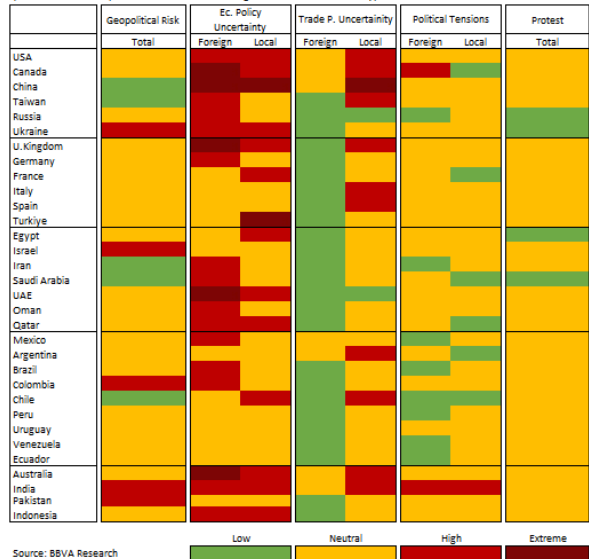
Summary of signals (May 20th, 2025)

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



Summary of signals (May 27th, 2025)

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



Source: BBVA Research and www.gdelt.org.

Fig4. **GEOPOLITICAL RISK INDEX**

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

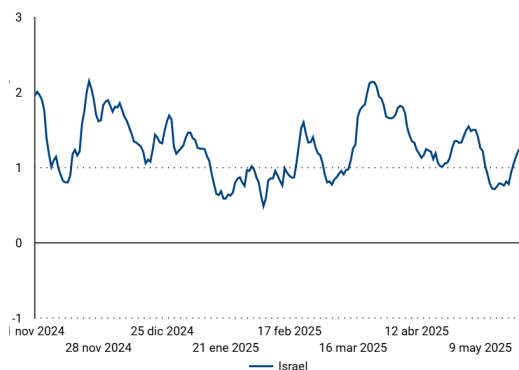


Fig5. **TRADE POLICY UNCERTAINTY INDEX**

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

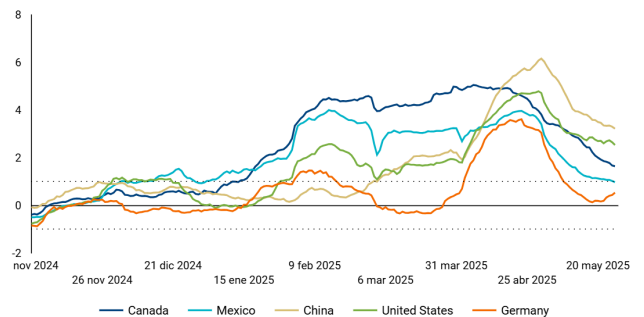
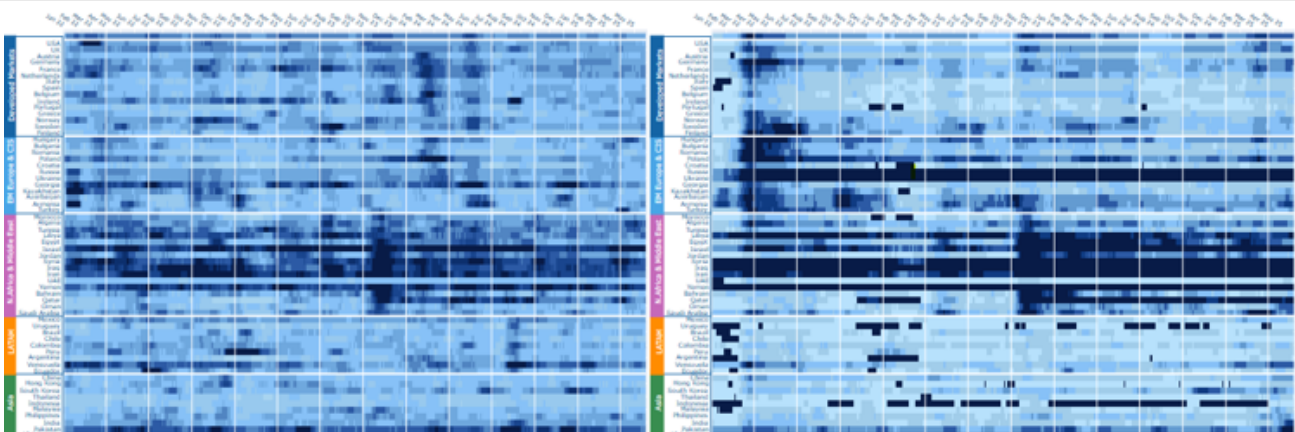


Fig6. **BBVA RESEARCH PROTEST AND CONFLICT HEAT MAPS**

(Evolution of Protest and Conflict over time by regions)



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