

Geopolitics

BBVA Research Big Data Geopolitics Monitor

Big Data Unit

The Strait of Hormuz Crisis Deepens. European Allies Reluctant to Join U.S.-Led Naval Effort in Hormuz. Trump Suggests U.S. Could “Take” Cuba Amid Deepening Crisis

The Strait of Hormuz Crisis Deepens Amid Naval Tensions and Global Security Concerns:Iran has effectively restricted maritime traffic through the Strait of Hormuz, targeting vessels and raising the risk of a prolonged blockade of one of the world’s most strategic shipping routes. The United States has called on allies to deploy naval forces to secure the passage, but key countries including Japan, Germany, and South Korea have so far declined to commit military assets. The disruption has heightened geopolitical tensions globally, with fears of further escalation if external powers intervene militarily. Iran has signaled readiness to intensify its response, while Western governments continue diplomatic efforts to avoid a broader conflict.

European Allies Reluctant to Join U.S.-Led Naval Effort in Hormuz: Several European countries have resisted U.S. calls to participate in military operations to secure the Strait of Hormuz, opting instead for diplomatic engagement. Governments have issued cautious statements emphasizing dialogue rather than direct involvement in the conflict. This reluctance highlights divisions among Western allies over how to respond to the escalating crisis, with concerns over the risks of direct confrontation with Iran.

Trump Suggests U.S. Could “Take” Cuba Amid Deepening Crisis: U.S. President Donald Trump stated that it would be the “honor” of the United States to “take” Cuba, in remarks made as the island faces a severe nationwide blackout and escalating energy crisis. His comments come amid intensified U.S. pressure on Havana, including an oil blockade that has contributed to widespread electricity shortages and growing domestic unrest.

The BBVA Monitor: Ongoing conflict escalation keeps geopolitical risk at extreme levels

- The geopolitical risk indicators are reaching unprecedented levels in the Middle East, particularly in the United Arab Emirates and Bahrain given the US–Israel–Iran war. In the case of the United States, the index has started to level off, although it remains at extremely elevated levels. In Europe, some moderation has been observed over the last two weeks (see Fig. 1, Fig. 2, and Fig. 3).
- The widespread deterioration in geopolitical and political indicators continues and it has increasingly extended to economic indicators. Political tension indices remain in the extreme range in several countries, while economic policy uncertainty indices worsened further, especially in Russia and Ukraine (see Fig. 3).
- Political tensions index remains at extreme levels in the US. In Europe, it eased in Spain, while it increased in France. At the same time, the economic sentiment index continues to deteriorate across the Middle East, reflecting the growing impact of the conflict on regional economic conditions (see Fig. 6).

FIG 1. MIDDLE EAST - GEOPOLITICAL RISK

(Total 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)

FIG 2. EUROPE & US - GEOPOLITICAL RISK

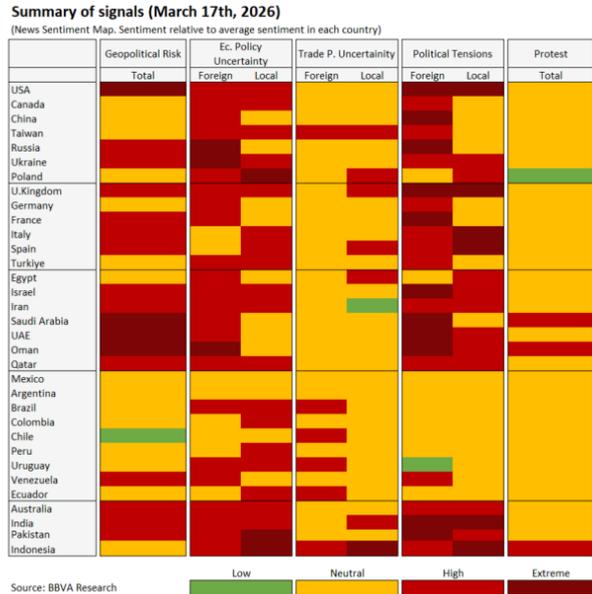
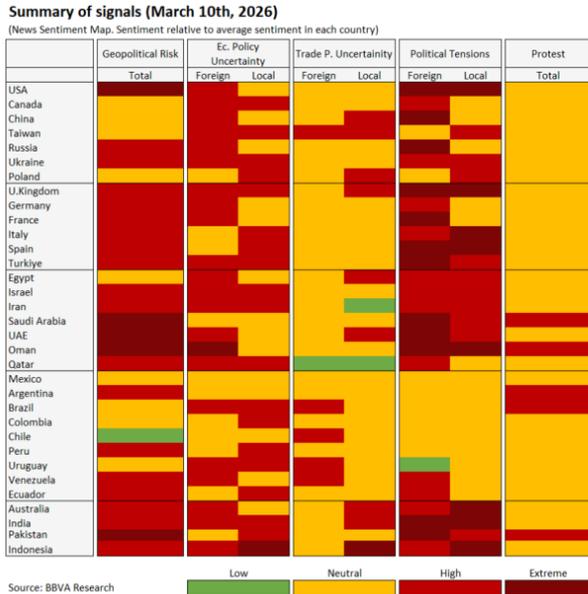
(Total media. 28-day weighted mov avg, normalized by its own history)



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.

FIG 3. BBVA RESEARCH GEOPOLITICS MONITOR "SIGNAL" CHANGES
(Signals in Geopolitical Risk, Political Tensions, Economic Policy Uncertainties, Protest and Conflict according to Standard Dev)



Source: BBVA Research and <http://www.qdelt.org/>

FIG 4. ECONOMIC POLICY UNCERTAINTY MAP
(Local media. 28-day weighted mov avg, normalized by its own history)

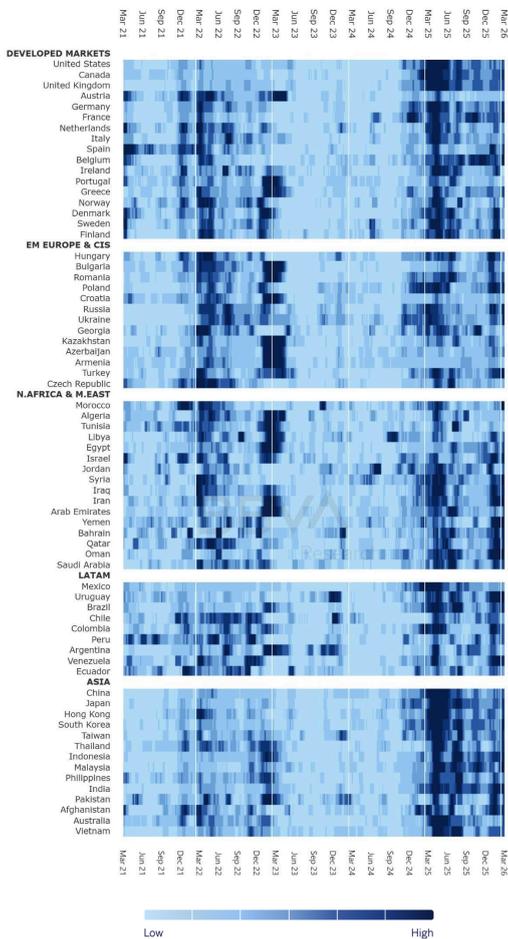


FIG 5. POLITICAL TENSIONS INDEX
(Total media. 28-day weighted mov avg, normalized by its own history)



FIG 6. CONFLICT AREA: ECONOMIC SENTIMENT
(Total media. 28-day weighted mov avg, normalized by its own history)



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 (GDELТ), created by Leetaru and Schrodt (2013). GDELТ 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 GDELТ 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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