

Geopolitics

# BBVA Research Big Data Geopolitics Monitor

Big Data Unit

## Israel-Iran Ceasefire Faces Renewed Strain Amid Regional Tensions. Armenian Elections Reinforce Pro-European Course. Scrutiny continues over security challenges in the Sahel

**Headline: Iran and Israel signal de-escalation after renewed missile exchange:** Iran announced the suspension of its military operations against Israel following a new round of missile exchanges that raised fears of a broader regional conflict. Diplomatic efforts involving the United States and European partners intensified amid concerns over regional stability, maritime security, and energy transit routes. International officials, including EU representatives, called for restraint and a return to negotiations. Markets reacted sharply to the escalation before partially recovering as indications of de-escalation emerged.

**Armenian elections reinforce Pro-European course:** Armenian Prime Minister Nikol Pashinyan's Civil Contract party secured victory in national elections, maintaining its governing mandate. The result could support Yerevan's ongoing efforts to strengthen relations with European partners while balancing regional security challenges.

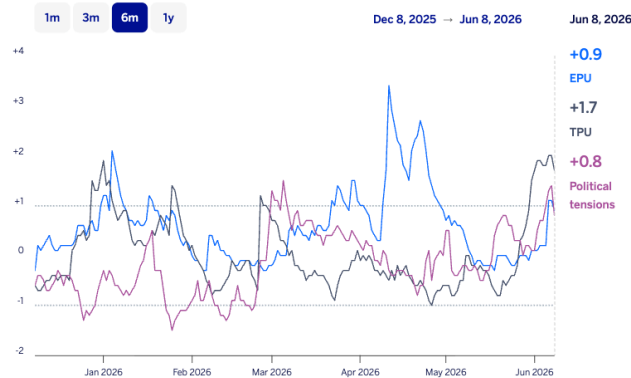
**International scrutiny continues over security challenges in the Sahel:** Security concerns linked to jihadist activity across the Sahel remain a focus for regional governments and international partners. Analysts note growing concern about the spread of militant violence into areas of increasing strategic importance for Western interests. International security cooperation and counterterrorism efforts continue across several West African states as governments seek to contain instability and prevent further territorial expansion by armed groups.

### The BBVA Monitor: Social tensions ease in Turkey while Middle East remain fragile

- **Political tensions and economic policy and trade uncertainty indicators** increased in Armenia ahead of the elections but began to ease after the results confirmed a more pro-European orientation and stronger support for a peace agreement with Azerbaijan (see Fig. 1).
- In the Middle East, **geopolitical risk indicators** increased in Bahrain following Iranian missile and drone attacks targeting the country amid escalating US-Iran tensions in the Gulf. **Economic Policy Uncertainty** rose in Bahrain too, while it declined in Saudi Arabia and the UAE. Concerns about potential spillovers from the regional conflict and disruptions to maritime traffic through the Strait of Hormuz continue to pose risks and could lead to renewed increases in uncertainty in the region (see Fig. 2, Fig. 3, Fig. 4, Fig. 5 and Fig. 6).

**FIG 1. ARMENIA - GEO INDICATORS**

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



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

**FIG 2. MIDDLE EAST - GEOPOLITICAL RISK**

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

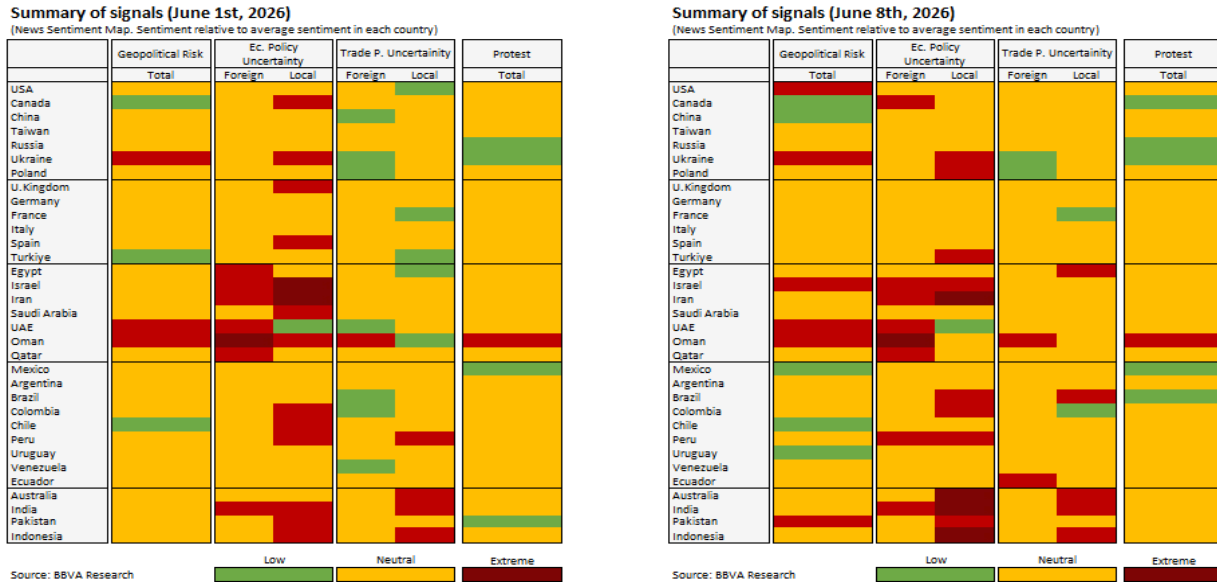


Source: BBVA Research & [www.gdelt.org](http://www.gdelt.org). Positive (negative) values indicate greater (lower) risk relative to the mean of period 2021-nowadays

\*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**

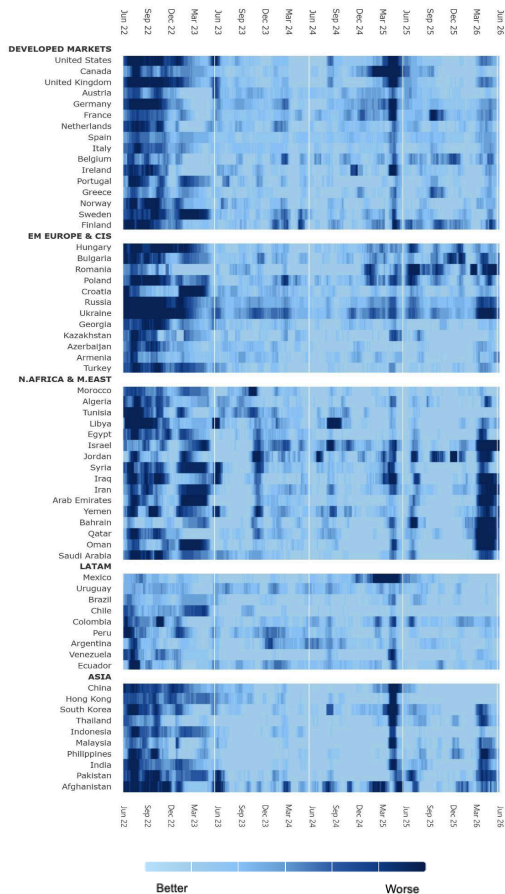
(Signals in Geopolitical Risk, Economic Policy Uncertainty, Trade Policy Uncertainty, Political Tensions and Protest according to Standard Dev)



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

**FIG 4. ECONOMIC SENTIMENT MAP**

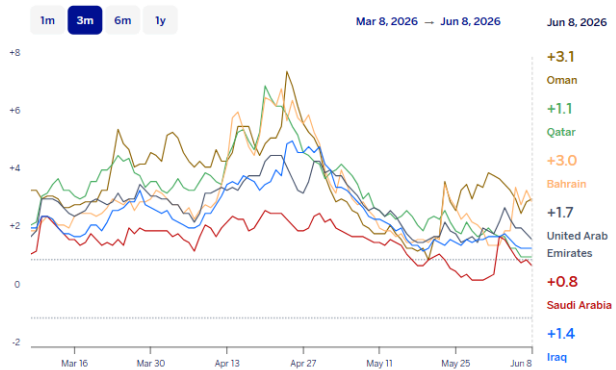
(Local media. 28-day weighted mov avg, normalized by its own history)



Source: BBVA Research & [www.gdelt.org](http://www.gdelt.org/). Darker Blue colors stands for higher economic policy uncertainty while lighter blue colors for low uncertainty

**FIG 5. CONFLICT AREA: EPU**

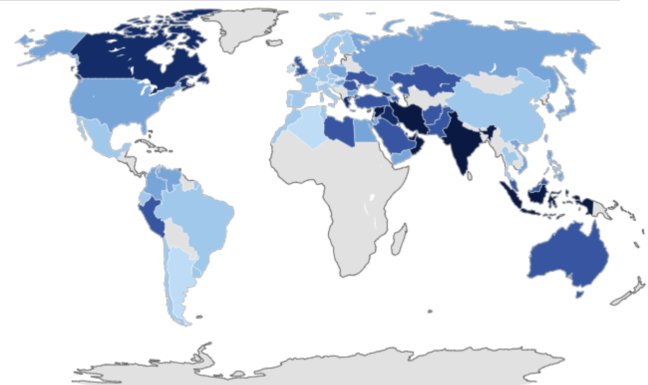
(Total media. 28-day weighted mov avg, normalized by its own history)



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

**FIG 6. GLOBAL MAP: EPU**

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



Source: BBVA Research & [www.gdelt.org](http://www.gdelt.org/). Dark (light) color indicates higher (lower) conflict index relative to the mean of period 2021-nowadays

## 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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