

Geopolitics

# BBVA Research Big Data Geopolitics Monitor

Big Data Unit

## US and Iran Prepare for New Talks. Russian Attacks Kill Civilians Across Ukraine. JP Morgan Calls for Stronger US Military and Economic Power Amid Rising Geopolitical Risks

**US and Iran Prepare for New Talks Following Strait of Hormuz Escalation:** The United States has indicated that it reached an understanding with Iran to halt recent military strikes in the Strait of Hormuz and resume negotiations, aiming to preserve a fragile ceasefire agreed earlier in June. According to US officials, both sides are expected to “stand down,” allowing maritime traffic to move more freely and creating conditions for renewed technical talks under the existing memorandum of understanding. However, Iranian officials have disputed that new negotiations are confirmed, stating that discussions on timing and conditions are still ongoing.

**Russian Missile and Drone Attacks Kill Civilians Across Ukraine:** Russian strikes overnight targeted several Ukrainian cities, resulting in civilian casualties and infrastructure damage. Emergency services continued rescue operations while Ukrainian authorities reported damage to residential areas.

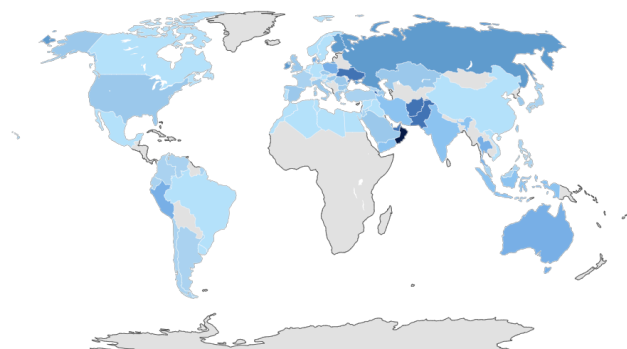
**JP Morgan Calls for Stronger US Military and Economic Power Amid Rising Geopolitical Risks:** JPMorgan CEO Jamie Dimon urged the United States to reinforce its military and economic strength to sustain global leadership, warning that continued dominance is not guaranteed without effective policies and long-term investment. He highlighted JPMorgan’s commitment of over \$1.5 trillion to support economic resilience, innovation, and domestic manufacturing, including \$10 billion in direct investments. Dimon also pointed to growing geopolitical risks, particularly tensions involving Iran. He raised concerns about Europe’s direction, advocating for a comprehensive US-Europe trade agreement.

### The BBVA Monitor: geopolitical risks keep contained since the sign of the memorandum of understanding

The memorandum of understanding signed between the United States and Iran has significantly reduced **geopolitical risk and economic policy uncertainty indicators** across most regions, as illustrated by the global map in Fig. 1. Overall, the scorecard in Fig. 3 shows a much calmer environment, with many indicators returning to the neutral or low-risk range compared with a few months ago. During the past week, however, renewed tensions around the Strait of Hormuz and the fragility of the agreement led to a slight increase in **geopolitical risk indicators** across several Middle Eastern countries, although in most cases they remain within the neutral range. Meanwhile, **Economic Policy Uncertainty indicators** continued to ease across the Middle East, with several countries going to neutral levels, while **economic sentiment indicators** remained broadly stable (see Fig. 2, Fig. 4, Fig. 5 and Fig. 6).

**FIG 1. GLOBAL MAP: GEORISK**

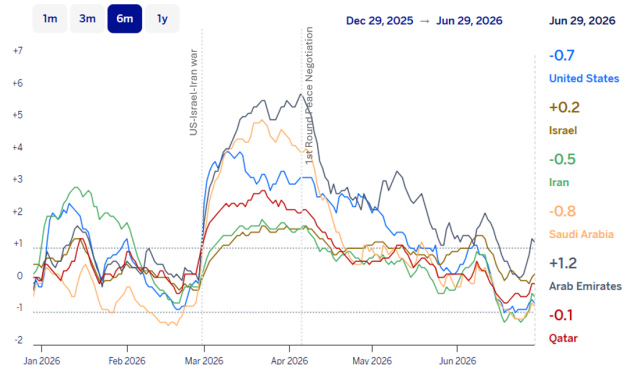
(Total media. 28-day weighted mov avg, normalized by its own history)



Source: BBVA Research & [www.gdelt.org](http://www.gdelt.org). Dark (light) color indicates higher (lower) 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.



## 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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