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BBVA Research

Geopolitics

BBVA Research Big Data Geopolitics Monitor

Big Data Unit

US and Iran Continue Diplomatic Contacts During Pause in Military Strikes: Yemen Warns Houthis Seek to Expand Maritime Pressure in the Red Sea. Washington Maintains Diplomatic Focus

US and Iran Continue Diplomatic Contacts During Pause in Military Strikes: The United States and Iran remain engaged in diplomatic contacts during a pause in US military strikes, according to President Donald Trump. Tehran has publicly denied that direct negotiations are taking place, highlighting continuing differences over the nature of the discussions. Israeli Prime Minister Benjamin Netanyahu is in Washington as regional diplomacy continues amid concerns over Iran's nuclear program and broader regional security**.**

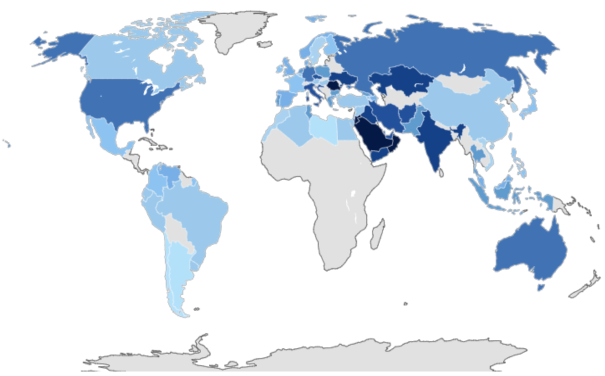
Yemen Warns Houthis Seek to Expand Maritime Pressure in the Red Sea: Yemen's internationally recognized government has warned that Houthi forces are attempting to replicate Iran's strategy in the Strait of Hormuz by disrupting shipping through the Red Sea. The warning comes as international attention remains focused on maritime security and freedom of navigation across key global trade routes. Officials argue that continued Houthi attacks could further threaten regional stability and complicate diplomatic efforts.

Washington Maintains Diplomatic Focus Alongside Regional Security Consultations: The US continues consultations with regional partners while maintaining a temporary pause in military operations against Iran. Senior officials are balancing diplomatic engagement with continued military readiness as negotiations over regional security remain fragile.The White House has emphasized that diplomacy remains possible

The BBVA Monitor: The geopolitical risk index shows that the Middle East remains the main hotspot

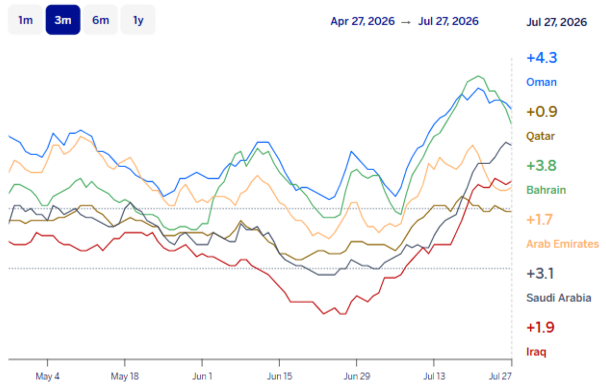
- **Middle Eastern** countries continue to stand out as the main geopolitical hotspot, as reflected in **the global geopolitical risk indicator map** (see Fig. 1). Geopolitical risk indicators remain at elevated levels in countries such as **Oman, Bahrain and Saudi Arabia**, although latest data shows that the upward trend is beginning to moderate for Oman and Bahrain (see Fig. 2 and Fig. 3).
- By contrast, **Economic Policy Uncertainty indicators** show a more heterogeneous pattern across the region. **Oman** has experienced a renewed and sharp increase with the indicator returning to extreme levels, while countries like **Qatar and the United Arab Emirates** remain close to neutral (see Fig. 3 and Fig. 5).

FIG 1. GLOBAL MAP - GEOPOLITICAL RISK
(Total media. 28-day weighted mov avg, normalized by its own history)



Source: BBVA Research & 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)

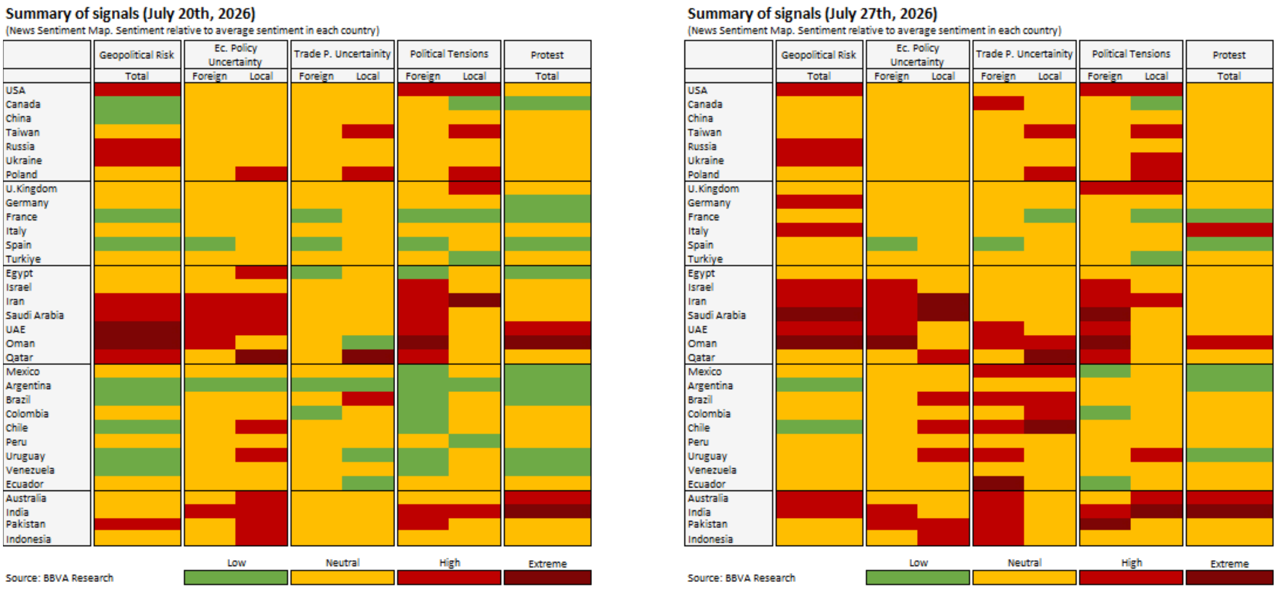


Source: BBVA Research & www.gdelt.org. **Positive (negative) values indicates greater (lower) uncertainty relative to the mean of period 2021-nowadays)**

***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

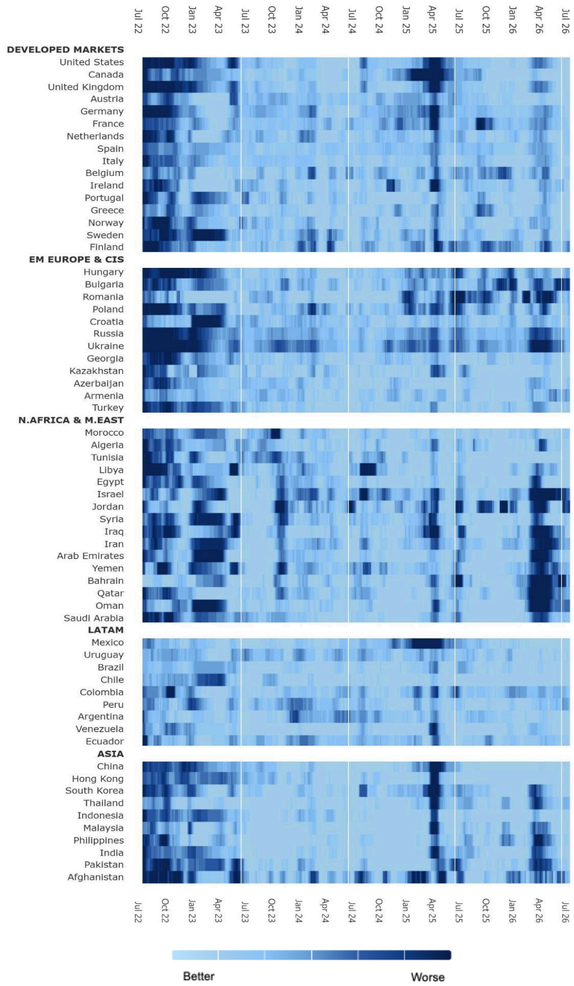
(Signals in Geopolitical Risk, Economic Policy Uncertainty, Trade Policy Uncertainty, Political Tensions and Protest according to Standard Dev)



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

FIG 4. ECONOMIC SENTIMENT MAP

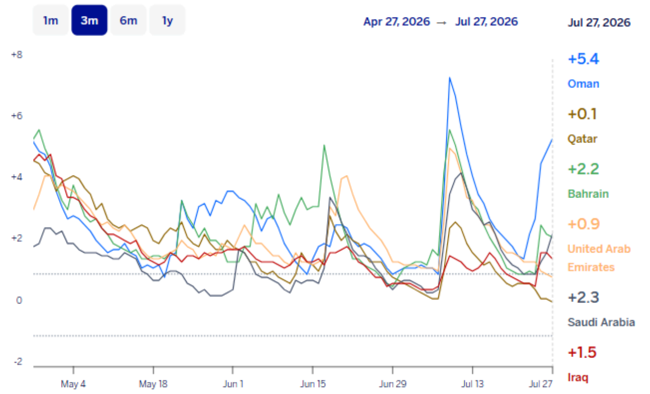
(Local media. 28-day weighted mov avg, normalized by its own history)



Source: BBVA Research & www.gdelt.org. **Darker Blue colors stands for higher economic policy uncertainty while lighter blue colors for low uncertainty**

FIG 5. MIDDLE EAST - EPU

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



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

FIG 6. EUROPE - GEOPOLITICAL RISK

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

Source: BBVA Research & www.gdelt.org. **Positive (negative) values indicates better (lower) sentiment 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 (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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