

Geopolitics

BBVA Research Big Data Geopolitics Monitor

Big Data Unit
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Israel and Hamas truce discussions. Tensions between Russia and Western countries on weapons attacking Russia. Sheinbaum wins Mexican election

Israel-Hamas truce discussions: Benjamin Netanyahu showed cautious support for President Biden’s plan to a temporary cease-fire in exchange of hostages but claims for discretion to resume fighting. Hamas claims that the two sides must agree to end the fighting now and is pushing for written guarantees that Israel won’t restart after an initial pause. Netanyahu told the lawmakers that during later negotiations for a permanent cease-fire he would insist on freeing all the hostages and destroying the military and governance capabilities of Hamas ([WSJ](#)).

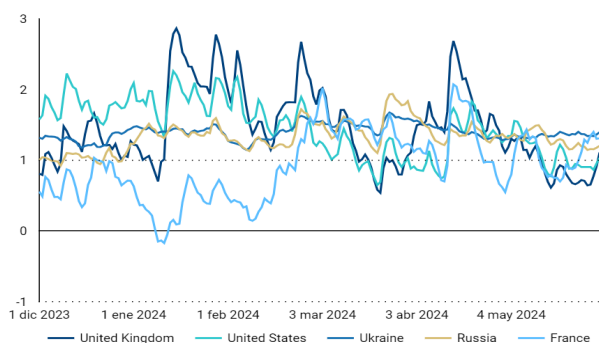
Tensions between US-Russia on Ukraine rise: The Kremlin warned the US of "fatal consequences" if Ukraine uses American weapons to attack Russia. Last week, the Biden administration discreetly allowed Ukraine to use US-supplied weapons to hit military targets in Russia. Some European countries gave similar consents ([Politico](#)).

Sheinbaum wins Mexican Presidential Elections: Claudia Sheinbaum of the National Regeneration Movement (MORENA) won the presidency becoming the first female president of Mexico. Sheinbaum secured a significant victory over her main rival, Xóchitl Gálvez from Frente Amplio. The elections also renewed all 500 seats in the Chamber of Deputies and all 128 Senate seats. Preliminary results indicate that MORENA and its allies will maintain a majority in the lower house ([INE](#)). In addition to the federal elections, local elections were held all over the country, including governorships in eight states and Mexico City, with MORENA winning in seven of them (Chiapas, Mexico City, Morelos, Puebla, Tabasco, Veracruz and Yucatán) further consolidating their power.

The BBVA Monitor: Geopolitical risk given Ukraine war raised, as well as China-Taiwan bilateral tensions

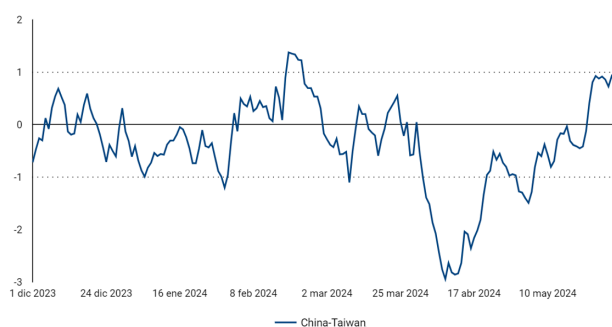
- **Geopolitical risk and conflict intensity** indicators raised in **Russia and Ukraine** after the increasing tensions for the potential use of US weapons from Ukraine. In the case of the Middle East, **Israel and Egypt** continue in the spotlight. Demonstrations in **Israel** kept on the high risk area (Fig 3).
- **The bilateral tensions indicator** between **China and Taiwan rose** during the last weeks after Taiwan President Lai Ching-te from Taiwan's governing Democratic Progressive Party was sworn in as president, pursuing Taiwan’s independence. As a reaction, Chinese Defence Minister Dong Jun has said the country’s military was ready to “forcefully” stop these separatism woes ([CNN](#)). China launched major military drills around Taiwan, simulating a full-scale attack on the island (Fig 2 and Fig 3).
- In the case of **Latam**, the region continues to be calm in most of the countries. **Political tensions** indicator raised in **Mexico** given elections, but it is contained in the neutral area (Fig 3 and Fig 4).

Fig1. **CONFLICT INTENSITY INDEX: EU & US**
(28-day weighted moving 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. **BILATERAL TENSIONS INDEX: CHINA-TAIWAN**
(28-day weighted moving 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

*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 After Hamas-Israel Conflict (May 27th, 2024)

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



Source: BBVA Research

Summary of Signals After Hamas-Israel Conflict June 3rd, 2024)

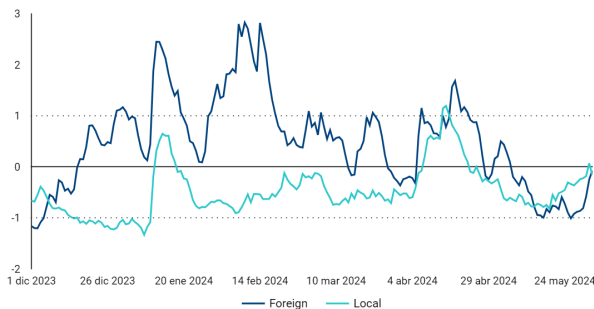
(News Sentiment Map. Sentiment relative to average sentiment in each country)



Source: BBVA Research

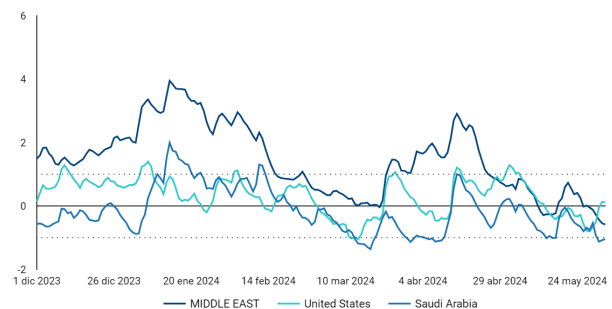
Source: BBVA Research and www.gdelt.org

Fig4. POLITICAL TENSIONS INDEX: MEXICO
(28-day weighted moving avg, normalized by its own history)



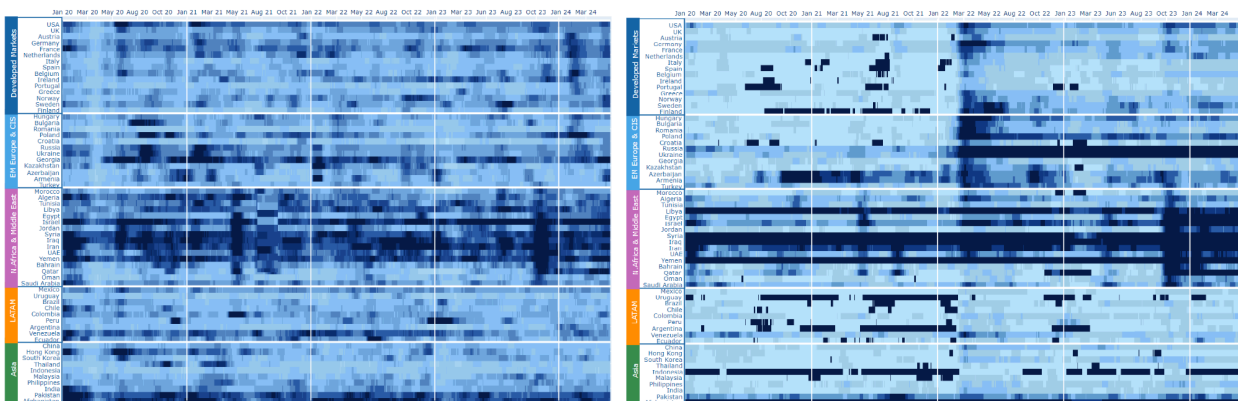
Source: BBVA Research & www.gdelt.org. Positive (negative) values indicate greater (lower) risk relative to the mean of period 2021-nowadays

Fig5. GEOPOLITICAL RISK: ME, US & SAUDI ARABIA
(28-day weighted moving 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

Fig6. BBVA RESEARCH PROTEST AND CONFLICT HEAT MAPS
(Evolution of Protest and Conflict over time by regions)



Source: BBVA Research and www.gdelt.org

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 which 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 its own country 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 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 is happening in the last days.

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