BBVA Research

Creating Opportunities

Geopolitics

BBVA Research Big Data Geopolitics Monitor

Big Data Unit
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Israel Supreme court rules that ultra-orthodox should be drafted into the military forces pressuring Netanyahu. Political Elections in the UK and France. Everything is ready for Biden-Trump debate in a very tight race

Ultra-OrthodoxJews must be drafted into the Military forces: Israel's Supreme Court has mandated the government to draft ultra-Orthodox Jews into the military, delivering a significant setback to Prime Minister Benjamin Netanyahu, with the potential to destabilize his ruling coalition.

Elections in the UK and France in Europe: As elections approach in the UK and France:
- **In the United Kingdom**, the Labour Party is leading the Conservatives by approximately 20 points, with 41.5% compared to 21.0%, indicating a potential large majority for Labour in the upcoming elections ([FT](#)).
- In **France,** polls conducted by the FT show Macron's Ensemble coalition (20.1%) trailing behind both the right-wing Rassemblement National (35.2%) and the left-wing Nouveau Front Populaire (28.3%). The center-right Les Républicains are fragmented and significantly behind. Macron continues to warn about the consequences of any opposition coalitions gaining power ([FT](#)).

Presidential Debate in the USA: The upcoming debate could prove crucial in the tightly contested race. The poll-of-polls by ABC News indicates a close race between Biden (40.9%) and Trump (40.7%). ([ABC](#)). Analysts predict that Biden will aim to highlight his achievements, downplay concerns about his age, and portray Trump as a radical candidate. Conversely, analysts will be watching to see how Trump interrupts the debate, addresses the January 6th riots, and attempts to attract supporters of other Republicans such as Nikki Haley. ([Washington Post](#)).

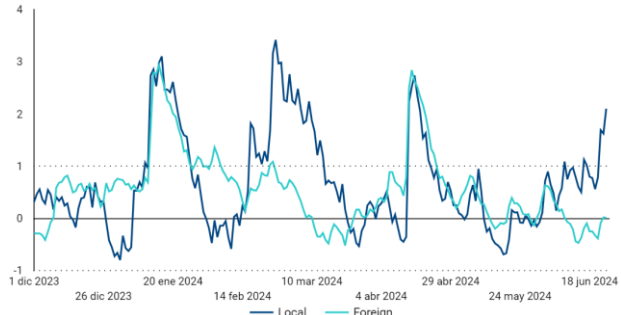**The BBVA Monitor: political tensions on the rise in Europe**

- **Geopolitical risk** indicators increased in **Russia and Ukraine** after the international criminal court (ICC) issued arrest warrants for Russia's ex-minister of defense given the latest missile campaign targeting Ukrainian power plants and other civilian infrastructure (Fig 1).
- **Political tensions** indicators increased in the **United Kingdom** going to the high risk area given the upcoming elections (Fig 2 and Fig 3). In the case of **France**, the political tensions index remained high, but it is still in the neutral area (Fig 3 and Fig 4). The indicator raised also in **Taiwan** after last weeks of contained values given the increasing tensions with China (Fig 3 and Fig 5).
- **Protests** eased in **Argentina** after the sharp rise of the indicator last week (Fig 3).

Fig1. **GEOPOLITICAL RISK INDEX: UP & RS**
(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. **POLITICAL TENSIONS INDEX: UK**
(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 (June 18th, 2024)
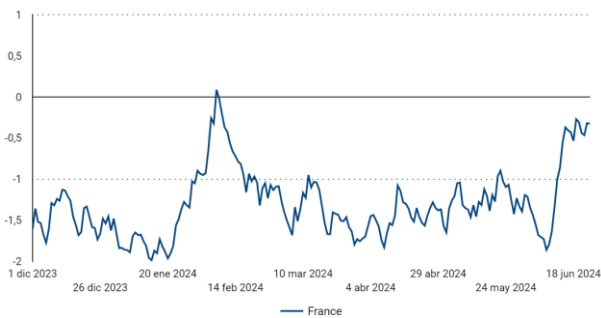(News Sentiment Map. Sentiment relative to average sentiment in each country)

Source: BBVA Research

| | Low | Neutral | High | Extreme |

Summary of Signals After Hamas-Israel Conflict June 25th, 2024
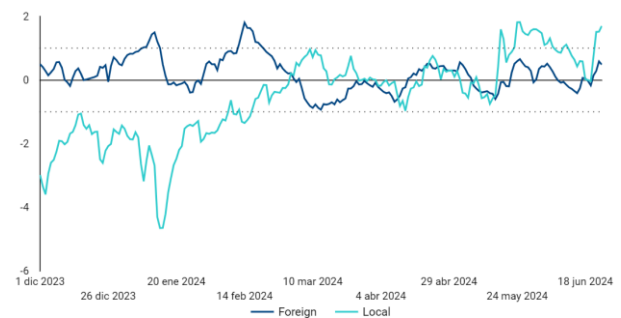(News Sentiment Map. Sentiment relative to average sentiment in each country)

Source: BBVA Research

| | Low | Neutral | High | Extreme |

Source: BBVA Research and www.gdelt.org

Fig4. POLITICAL TENSIONS INDEX: FRANCE

(28-day weighted moving avg, normalized by its own history)

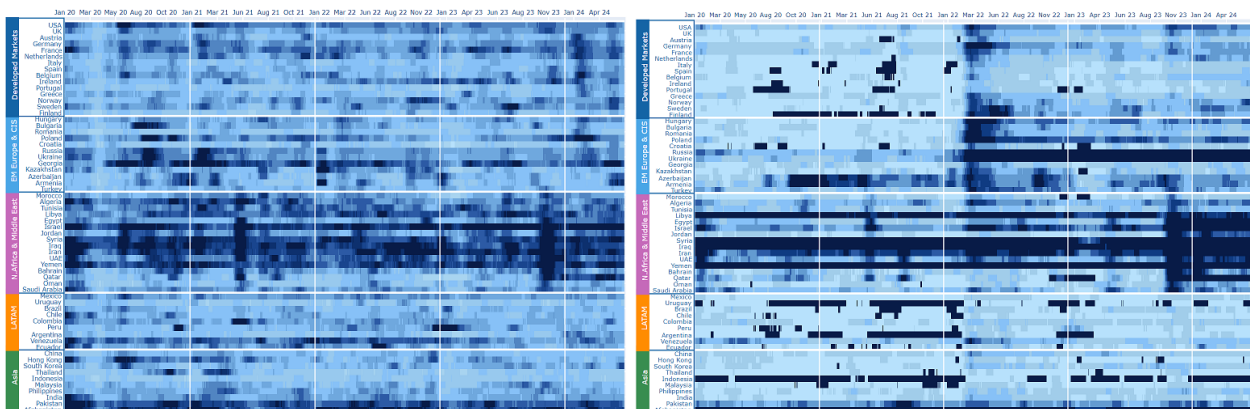Source: BBVA Research & www.gdelt.org. **Positive (negative) values indicate greater (lower) risk relative to the mean of period 2021-nowadays)**

Fig5. POLITICAL TENSIONS INDEX: 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)**

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