Geopolitics

BBVA Research Big Data Geopolitics Monitor

Big Data Unit

31 July 2024

Hamas political leader killed in Iran heightening tensions and fears for a major regional conflict. Drone attacks in Kyiv intensified the conflict too

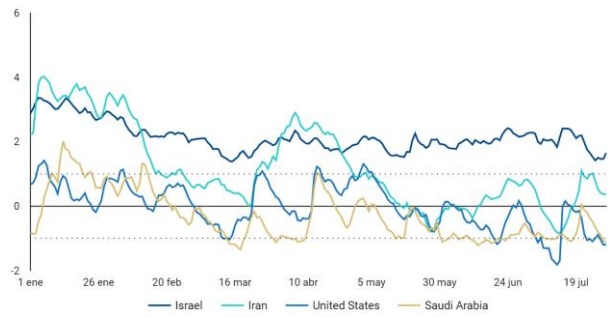
Hamas political leader Ismail Haniyeh killed in Iran after a week of escalating conflict between Israel and Hezbollah, threatening to expand into a major regional conflict: Hamas political leader Ismail Haniyeh has been killed in Tehran this Wednesday increasing fears of a wider war. He was a key figure in ceasefire and hostage negotiations. The assassination is being investigated and it comes after a week of escalating conflict. A rocket attack in the Israeli-occupied Golan Heights heightened tensions in the region. The attack, which is the deadliest incident in Israeli-controlled territory since October, caused the death of 12 children. Israel blamed the Lebanese militant group Hezbollah for the attack and vowed a strong response, conducting airstrikes against Hezbollah targets both deep inside Lebanese territory and along the border. These Israeli attacks have killed at least 19 Palestinians, including children, and injured numerous others, and targeted a senior Hezbollah figure in an airstrike on Beirut. The attacks have raised fears of a wider regional conflict (CNN). Israeli Prime Minister Benjamin Netanyahu is preparing to meet with his security cabinet to discuss new Hamas positions on a deal.

Russia hits Kyiv with the largest drone attack of war: Russia launched its largest drone attack on Kyiv since the beginning of the war late Tuesday, deploying over 40 drones, most of which were intercepted by Ukrainian air defense forces. The attack caused several explosions across the city, but no damage or casualties have been reported so far (FT).

The BBVA Monitor: demonstrations spread in Latin America, while they started to ease in Pakistan

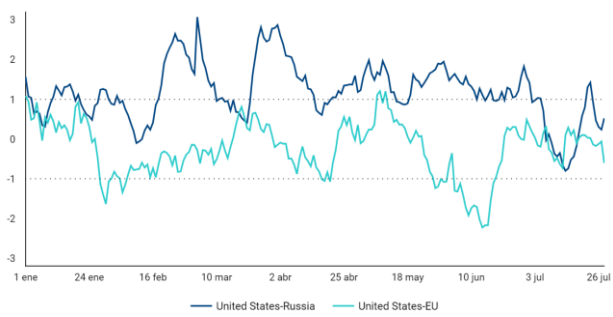
- **The Geopolitical tensions** indicators continue in the high risk area in **Israel** with risk of further escalation after the assassination of Hamas' political leader (Fig 1). On the contrary, they eased in the **United States** and **Saudi Arabia** approaching the low risk area. Despite the recent Russian attack in Kyiv, the bilateral tensions indexes remain contained in the neutral area (Fig 2).
- Social unrest and demonstrations sharply rise in **Latin America** this week given elections and political uncertainty in **Venezuela** (Fig 3 and Fig 4). **Protest intensity indicator** starts to correct in **Pakistan** this week going from the extreme to the high risk area (Fig 3 and Fig 5).

Fig1. **GEOPOLITICAL RISK: MIDDLE EAST & 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: USA-EU & USA-RUSSIA**
(28-day weighted moving avg, normalized by its own history)

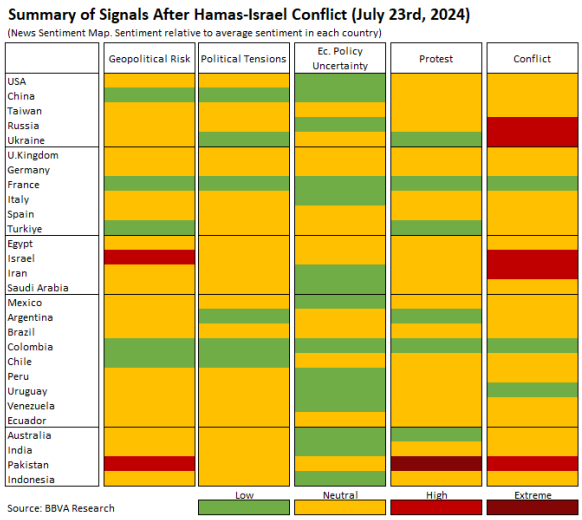


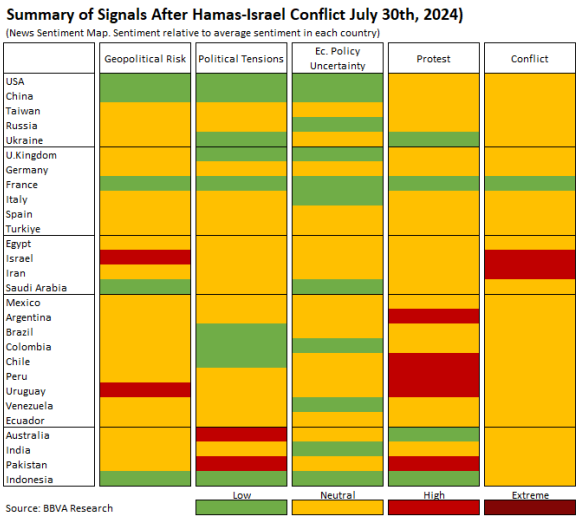
Source: BBVA Research & www.gdelt.org. **Positive (negative) values indicate greater (lower) risk relative to the mean of period 2021-nowadays)**

***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)

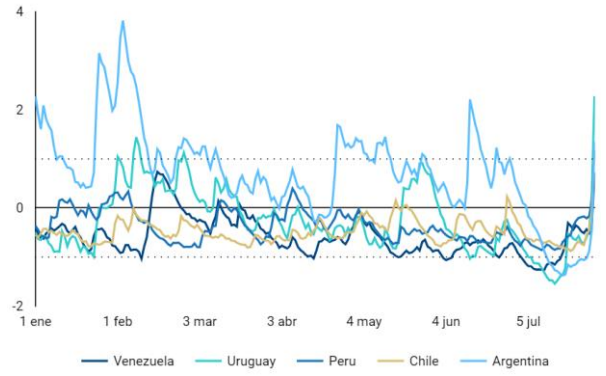




Source: BBVA Research and www.gdelt.org

Fig4.PROTEST INTENSITY INDEX: AR, CI, PE, UY,VE

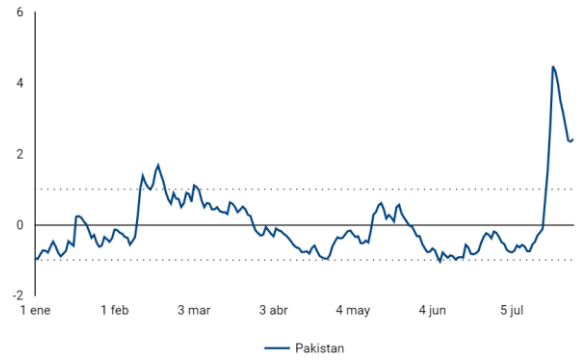
(28-day weighted moving avg, normalized by its own history)



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

Fig5. PROTEST INTENSITY INDEX: PAKISTAN

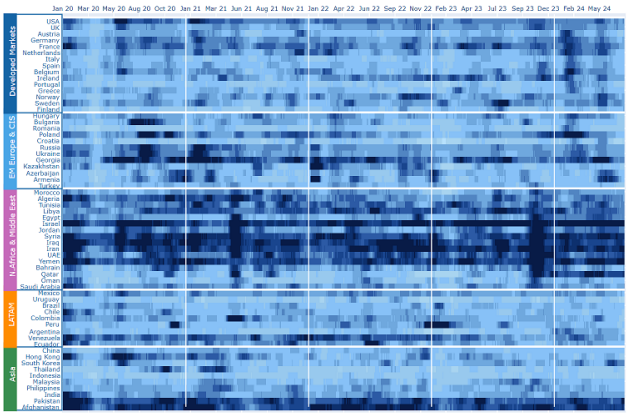
(28-day weighted moving avg, normalized by its own history)

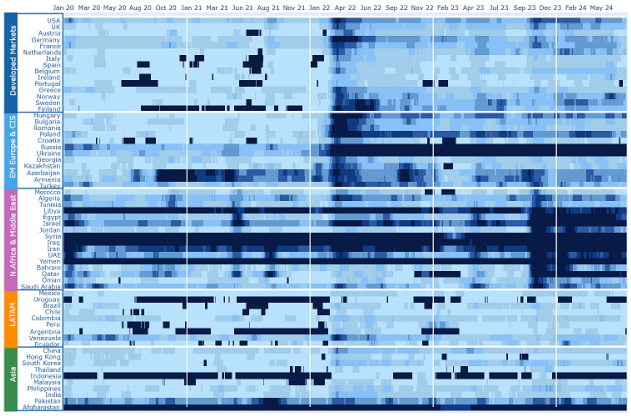


Source: BBVA Research & www.gdelt.org. **Positive (negative) values indicate greater (lower) risk relative to the mean of period 2021-nowadays)**

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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