

Geopolitics

BBVA Research Big Data Geopolitics Monitor

Big Data Unit
16 October 2024

Increasing tensions in Asia join the Middle East woes

The US warns Israel on Gaza Aid: The Biden administration has issued a strong warning to Israel, urging it to improve the humanitarian situation in Gaza or face potential restrictions on arms sales. In a letter signed by the Secretary of State and Defense Secretary, the U.S. criticized Israel for limiting humanitarian aid to Gaza, contributing to starvation and suffering. The letter gives Israel 30 days to reverse this trend, citing U.S. law that prohibits security aid to countries restricting American humanitarian assistance ([WSJ](#)).

Chinese Military Pressure on Taiwan: Tensions between China and Taiwan escalated further in mid-October 2024, when China conducted large-scale military exercises near Taiwan, involving a record 153 aircraft in a single day. These drills are part of China's ongoing pressure campaign on Taiwan, following a speech by Taiwanese President Lai Ching-te on National Day (October 10). The U.S. and other regional allies have voiced strong concerns over these developments, with U.S. reaffirming its commitment to maintaining stability in the Taiwan Strait

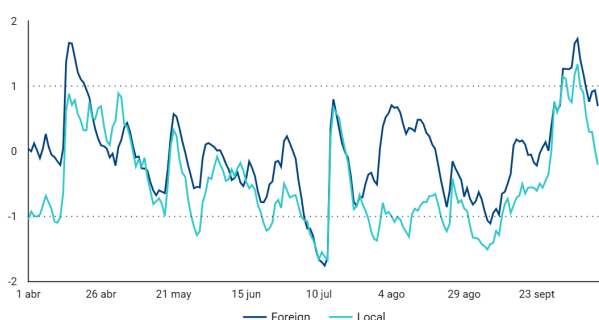
Tensions between the two Koreas: South Korea condemned North Korea for destroying symbolic roads near their heavily fortified border, calling the act a violation of agreements aimed at easing tensions. In response, South Korea's military fired warning shots and boosted readiness. This escalation follows North Korea's increased militarization of the border, including laying mines and deploying nuclear-capable missiles, and its declaration of South Korea as its "principal enemy." Tensions have risen further due to joint U.S.-South Korean military exercises and the arrival of a U.S. nuclear-powered submarine in the South.

US Presidential Elections Update: Kamala Harris continues leading the polls (48.5% to 46.1%), but the margin is shrinking according to the ABC poll of polls and uncertainty in potential swing states is high ([ABC](#)).

The BBVA Monitor: bilateral tensions between North and South Korea and China and Taiwan rose

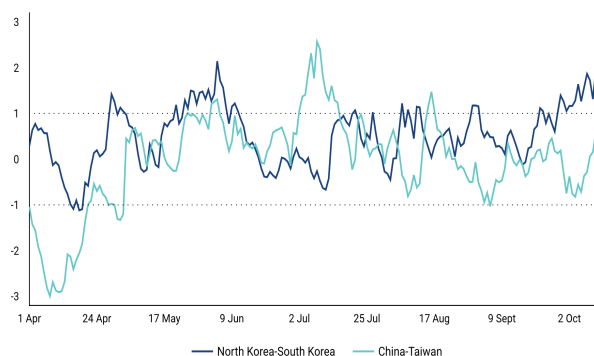
- After the sharp escalation of the previous weeks, **the geopolitical risk and conflict** indicators stopped worsening in **Israel and Iran**. **Conflict** indices went from the **extreme to the high risk area** (Fig. 3).
- **Political tensions** eased during the week in the **US** (Fig. 1 and Fig. 3), especially in local media, but with rising uncertainty in the presidential race. In the case of **Spain**, political tensions decreased too (Fig. 3). The correction of the indicator continued in **Venezuela**, but it kept in the high risk area (Fig. 3 and Fig. 4).
- **Bilateral tensions** indicators between **China and Taiwan**, as well as **North and South Korea** rose sharply during the last Chinese military exercises close to Taiwan this week and North Korea blew up inter-Korean roads as a sign of cross-border aggression (Fig 2 and Fig. 3).

Fig1. **POLITICAL TENSION INDEX: 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: CHINA-TAIWAN & KOREA**
(28-day weighted moving avg, normalized by its own history)



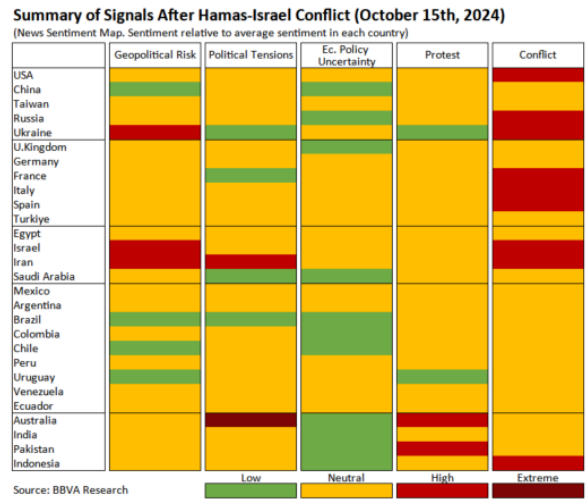
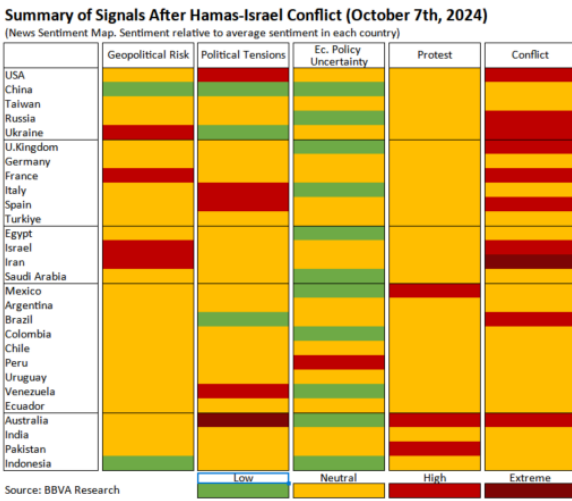
Source: BBVA Research & [www.gdelt.org](#). Positive (negative) values indicate greater (lower) risk relative to the mean of period 2021-nowadays

*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)

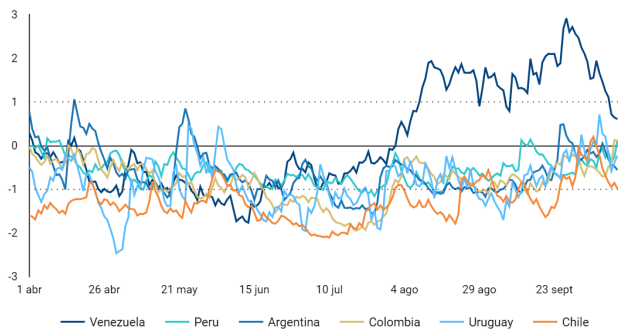
BBVA Research Geopolitics Monitor main "Signal" changes after the Hamas-Israel Conflict



Source: BBVA Research and www.qdelt.org.

Fig4. **POLITICAL TENSIONS INDEX: LATIN AMERICA**

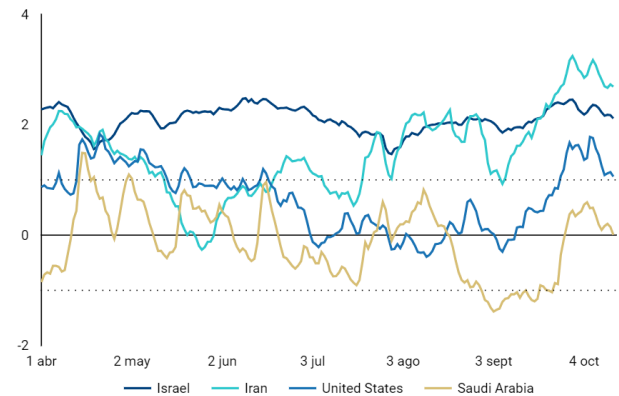
(28-day weighted moving avg, normalized by its own history)



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

Fig5. **CONFLICT INDEX: ISRAEL, IRAN, US, SA**

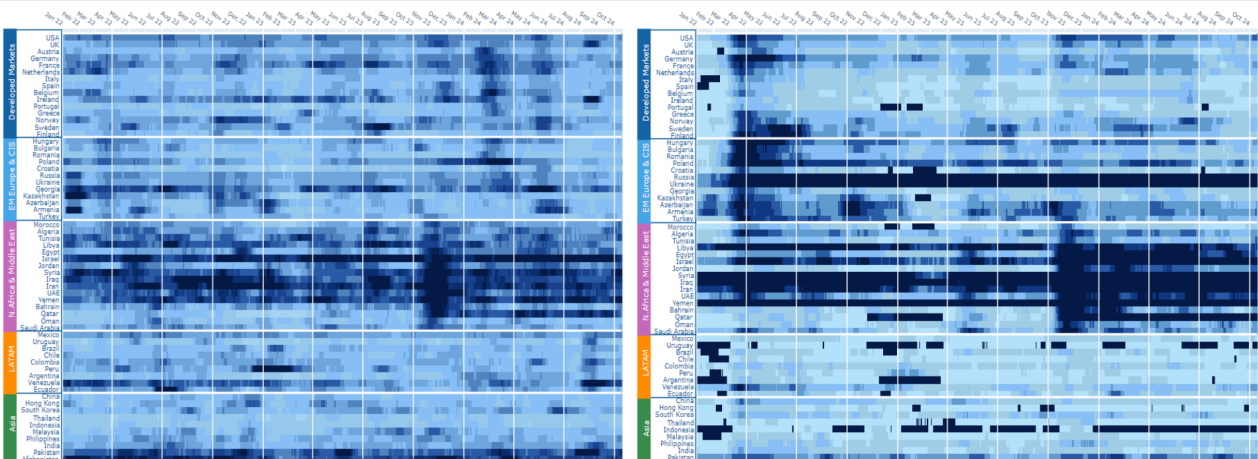
(28-day weighted moving avg, normalized by its own history)



Source: BBVA Research & www.qdelt.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.qdelt.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 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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