

Geopolitics

BBVA Research Big Data Geopolitics Monitor

Big Data Unit
19 March 2025

Putin agrees to pause attacks on Ukraine Energy Infrastructure after a phone call with Trump. Escalating Middle East tensions

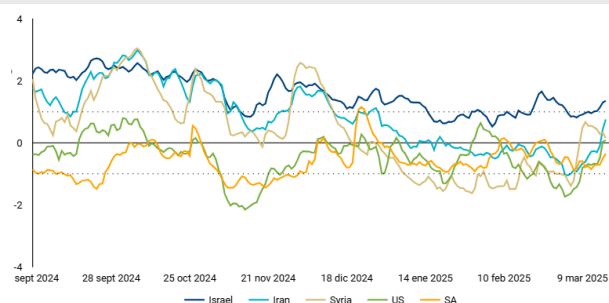
Putin Agrees to Pause Attacks on Ukraine Energy Infrastructure after call with Trump: President Putin agreed to a limited 30-day cease-fire on Ukraine's energy infrastructure during a phone call with President Trump, marking the first tangible win for Trump's peace initiative. In this deal, Russia halted strikes on energy facilities, while the U.S. continues to push for a broader peace plan that includes a permanent cease-fire and more comprehensive negotiations. The agreement is part of Trump's strategy of pressuring Ukraine for concessions while offering the Kremlin the promise of improved international relations. Broader negotiations, scheduled to begin immediately in the Middle East, aim to expand the cease-fire to include a maritime halt in the Black Sea and eventually a full, lasting peace. However, Moscow emphasized that any long-term deal must include concessions from Ukraine, such as stopping its military rearmament and forced mobilization.

Escalating Middle East Tensions: Rising geopolitical tensions in the Middle East have led to increased oil prices, marking the third consecutive gain. US military actions against Iran-backed Houthi rebels in Yemen have prompted threats of retaliation, heightening concerns about potential disruptions to oil flows from this critical region. Additionally, Israel's military operations in Gaza and Russia's conditional ceasefire proposal in Ukraine contribute to the complex geopolitical landscape affecting energy markets. Analysts caution that escalating conflicts involving Iran could significantly disrupt global oil supplies, especially if direct military confrontations ensue.

The BBVA Monitor: geopolitical tensions escalate in the Middle East

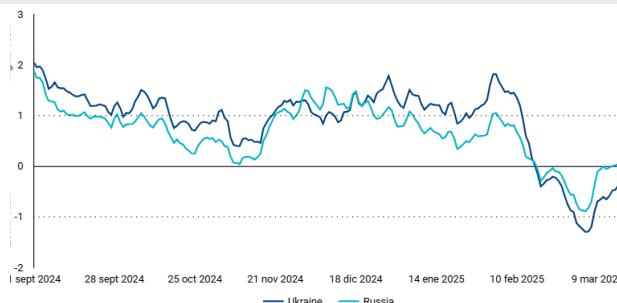
- **Geopolitical risk indicators** increased in the **Middle East** during the week, especially in **Iran**, where the indicator is approaching the high-risk area due to US military actions against Iran-backed Houthi rebels in Yemen (see Fig. 1 and Fig. 3). The geopolitical risk index stabilized in **Ukraine** and **Russia** following the ceasefire (see Fig. 2 and Fig. 3).
- In the case of **Latin America**, **geopolitical risk** increased in most countries, moving into the high-risk area, particularly in **Venezuela**, due to escalating tensions with the US over the refusal to accept the repatriation of its citizens from the US. Conversely, the US will impose new, severe, and escalating sanctions (see Fig. 3 and Fig. 4).
- **Economic Policy Uncertainty** indicators increased in **Iran** and the **US** (Fig. 3 and Fig. 5).

Fig1. **GEORISK INDEX: ISR&IR&SY&US&SA**
(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. **GEORISK INDEX: RUSSIA & UKRAINE**
(28-day weighted moving avg, normalized by its own history)



Source: BBVA Research & www.gdelt.org. Positive (negative) values indicate greater (lower) interest 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

Summary of Signals After Hamas-Israel Conflict (March 11th, 2025)

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

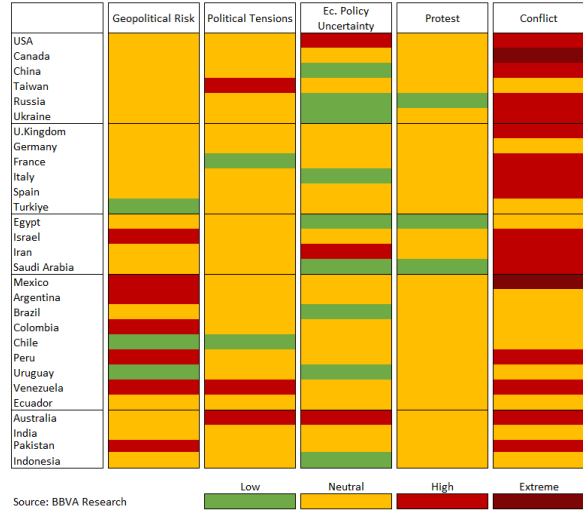


Source: BBVA Research



Summary of Signals After Hamas-Israel Conflict (March 18th, 2025)

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



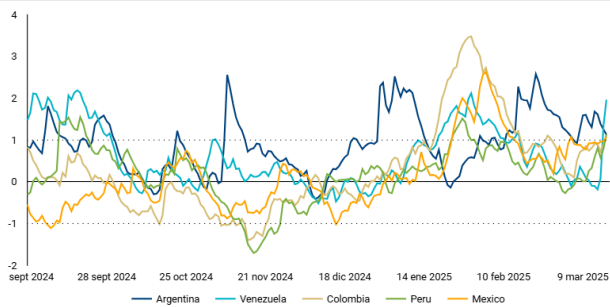
Source: BBVA Research



Source: BBVA Research and www.qdelt.org

Fig4. **GEOPOLITICAL RISK INDEX: LATAM**

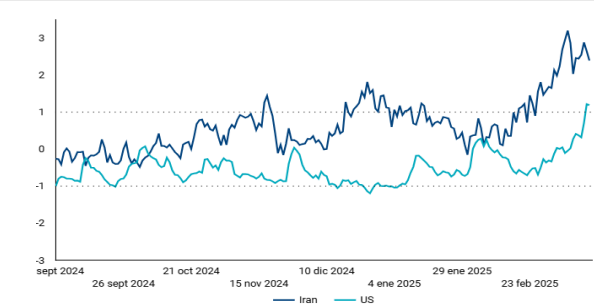
(28-day weighted moving avg, normalized by its own history)



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

Fig5. **EPU INDEX: UNITED STATES & IRAN**

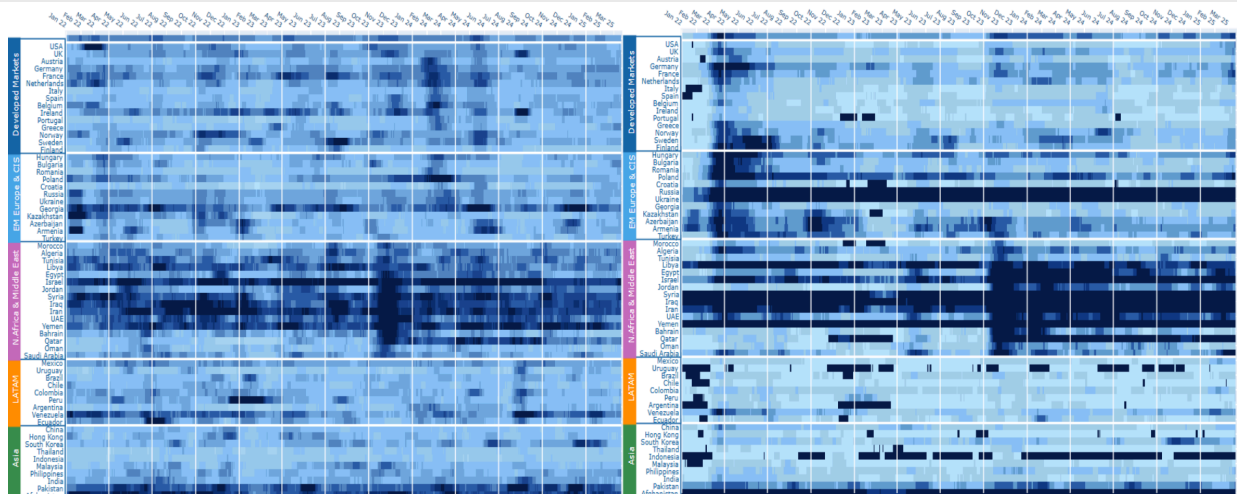
(28-day weighted moving avg, normalized by its own history)



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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ENQUIRIES TO:

BBVA Research: Azul Street, 4. La Vela Building – 4th and 5th floor. 28050 Madrid (Spain).

Tel. +34 91 374 60 00 y +34 91 537 70 00 / Fax (+34) 91 374 25

www.bbvarresearch.com