

How the World feels about Trump

AI & Big Data (“Machine Learning”) Approach

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Using AI to understand how the “ World feels Trump” From Text to Numbers .. & ... Financial Assets



Source: Multimodal LLM Model (Gemini 2,5)

At BBVA Research, leveraging AI-driven sentiment analysis, we quantify global perceptions, translating textual narratives into actionable indicators that shape economic and financial market insights.

The President Trump Narratives

Does "Narrative" Matter? Each US President has their unique language depending also on the economic situation and plans

President Joe Biden

The Top 40 mentions during 1Q-21



President Donald Trump

The Top 40 mentions during 1Q-25



President Trump has brought contrasting views with different sentiment on many Topics in the Media. Including Countries...

Main Comments by President Trump during 1Q-2025: Countries

(Size proportion on Mentions. Positive in Green – Negative Sentiment in Orange)

“Positive” Comments on Countries



“Negative” Comments on Countries



Domestic and External Economic Policies...

Main Comments by President Trump during 1Q-2025: Economic Policies

(Size proportion on Mentions. Positive in Green – Negative Sentiment in Orange)

“Positive” Comments on Economic Policies



“Negative” Comments on Economic Policies



... as well as Sectoral and Trade issues

Main Comments by President Trump during 1Q-2025: Sectoral Policies

(Size proportion on Mentions. Positive in Green – Negative Sentiment in Orange)

“Positive” Comments on Sectoral Policies

A word cloud of positive comments on sectoral policies. The words are in green and vary in size. The most prominent words are 'Automotive Growth', 'Steel Industry', and 'Technology Advancement'. Other visible words include 'Energy Independence', 'Infrastructure Investment', 'Job Creation', 'Agriculture Support', 'Manufacturing Resurgence', and 'Trade Benefits'.

Automotive Growth
Energy Independence
Infrastructure Investment
Job Creation
Steel Industry
Agriculture Support
Technology Advancement
Manufacturing Resurgence
Trade Benefits

“Negative” Comments on Sectoral Policies

A word cloud of negative comments on sectoral policies. The words are in orange and vary in size. The most prominent words are 'Steel Tariffs', 'Trade War', and 'China Restrictions'. Other visible words include 'Global Trade Uncertainty', 'Auto Industry Regulations', 'Emission Rollbacks', 'Agriculture Tariffs', 'Foreign Investment Limits', and 'Tech Market Restrictions'.

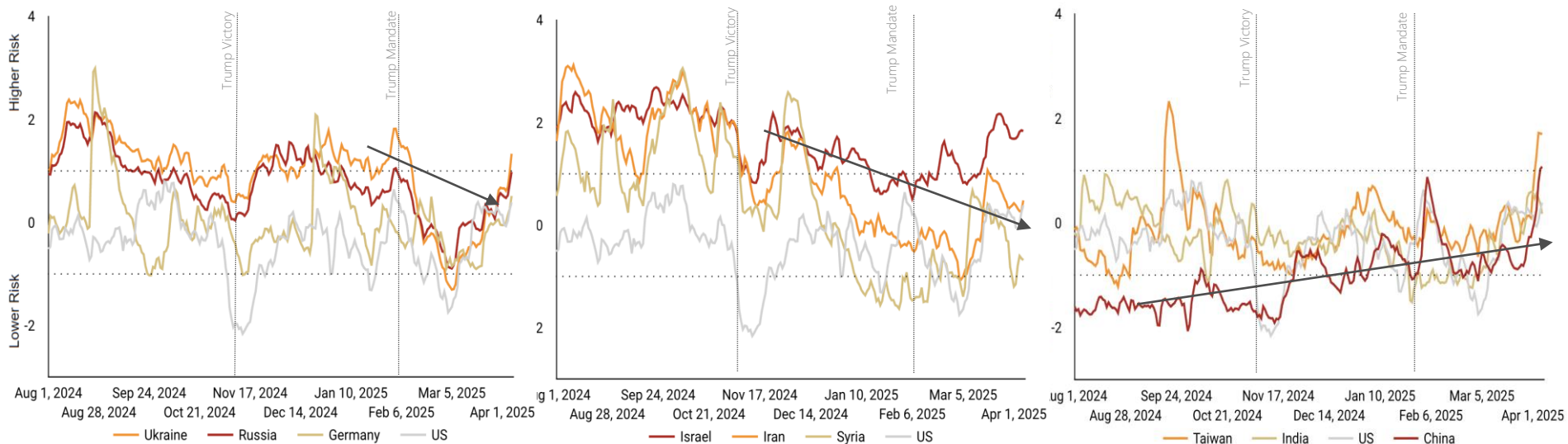
Global Trade Uncertainty
Steel Tariffs
Auto Industry Regulations
Emission Rollbacks
Trade War
Agriculture Tariffs
China Restrictions
Foreign Investment Limits
Tech Market Restrictions

From Text to Numbers : Geopolitics in Real Time ... according to AI

From West to East: Most of the “Hot Spot” Geopolitical Risk Indicators are easing with some incipient but mild signs of risk increasing in China

BBVA Research Geopolitical Risk Sentiment Index

(28-day weighted moving average, normalized by its own country history. Coverage & Tone. Positive (negative) values indicate greater (lower) risk sentiment relative mean form 2017)

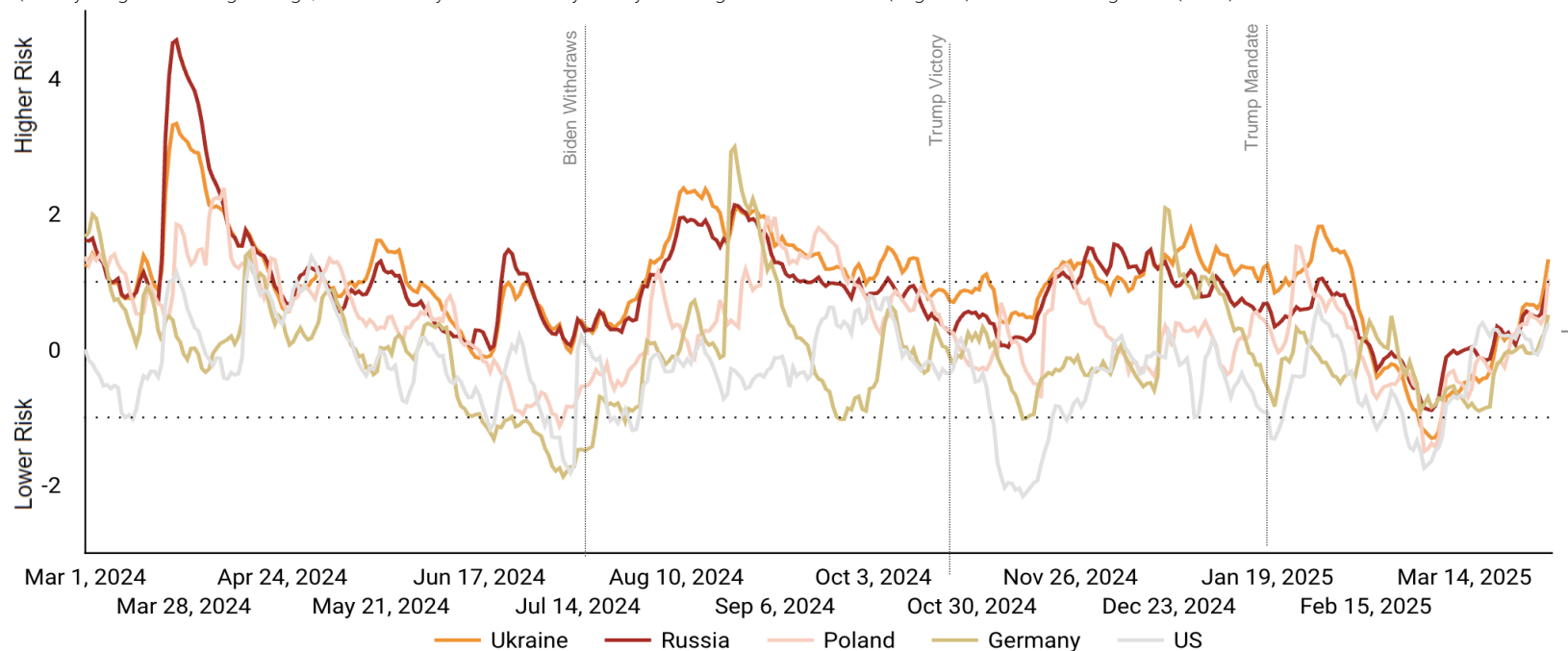


Source: BBVA Research

The Geopolitical Risk Indicators related to the Russian-Ukraine conflict have moderated with language now orientated to peace deals

BBVA Research Geopolitical Risk Sentiment Index: The Russian-Ukraine Conflict

(28-day weighted moving average, normalized by its own country history. Coverage & Tone. Positive (negative) values indicate greater (lower) risk sentiment relative mean form 2017)

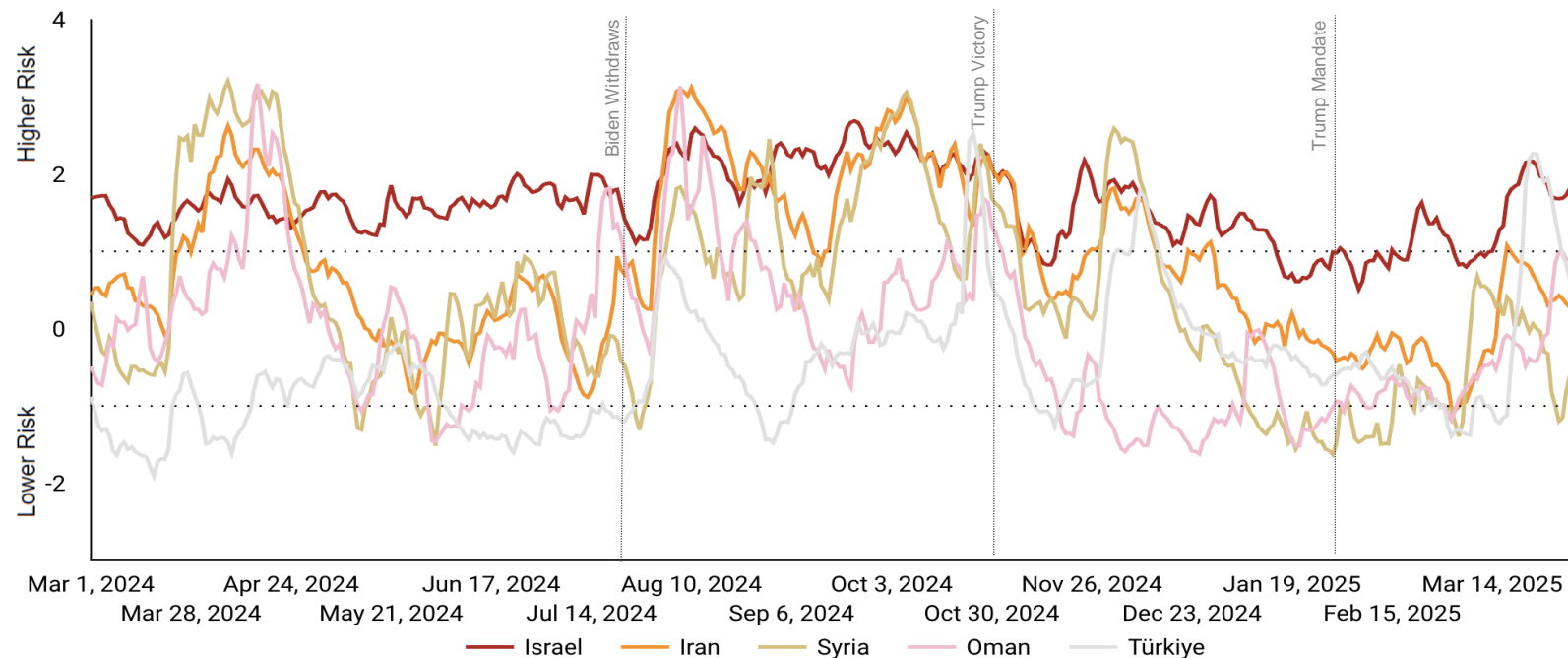


Source: BBVA Research

The Geopolitical Risk in the Middle East situation is still volatile..

BBVA Research Geopolitical Risk Sentiment Index: The Middle East Situation

(28-day weighted moving average, normalized by its own country history. Coverage & Tone. Positive (negative) values indicate greater (lower) risk sentiment relative mean form 2017)

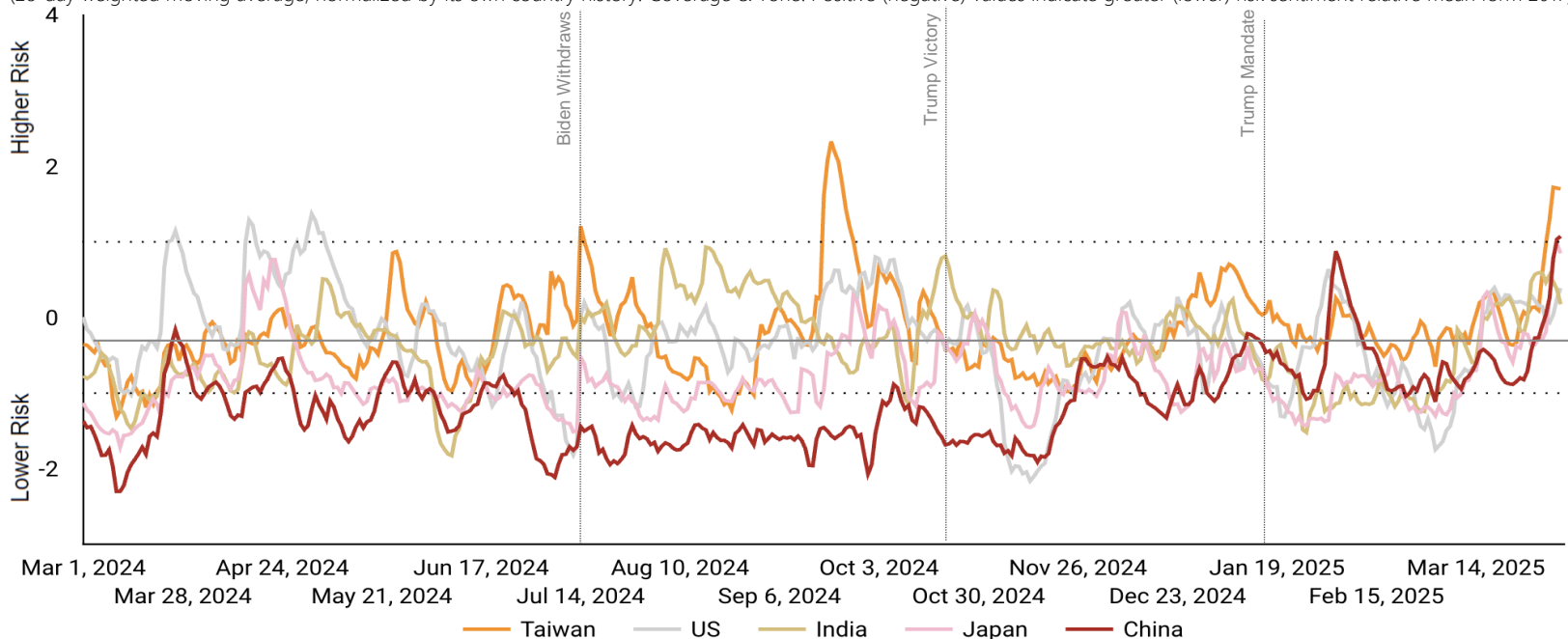


Source: BBVA Research

Although the risk in Asia remains neutral, there has been some recent activity in the Asian waters ...

BBVA Research Geopolitical Risk Sentiment Index: The Asian Situation

(28-day weighted moving average, normalized by its own country history. Coverage & Tone. Positive (negative) values indicate greater (lower) risk sentiment relative mean form 2017)



Source: BBVA Research

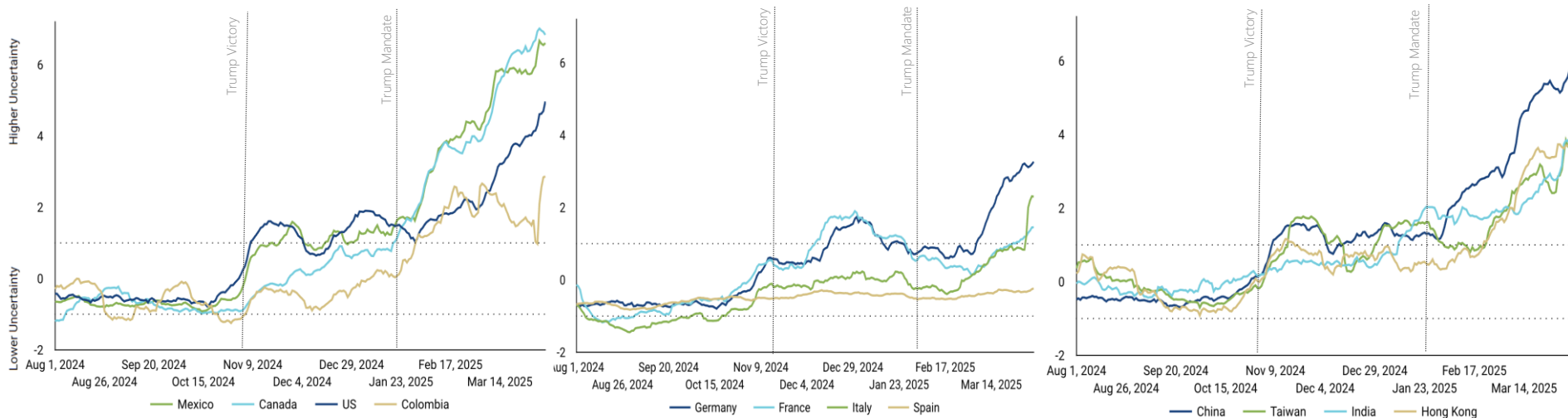
From Geopolitics to Geoeconomics

“Worries” have shifted from Geopolitics to Economic Policy Uncertainty but with different “Magnitude” of Uncertainty...

In Foreign Media

BBVA Research Economic Policy Uncertainty (EPU) Index

(28-day weighted moving average, normalized by its own country history. Positive (negative) values indicate greater (lower) uncertainty relative to the mean of period 2017-nowadays)



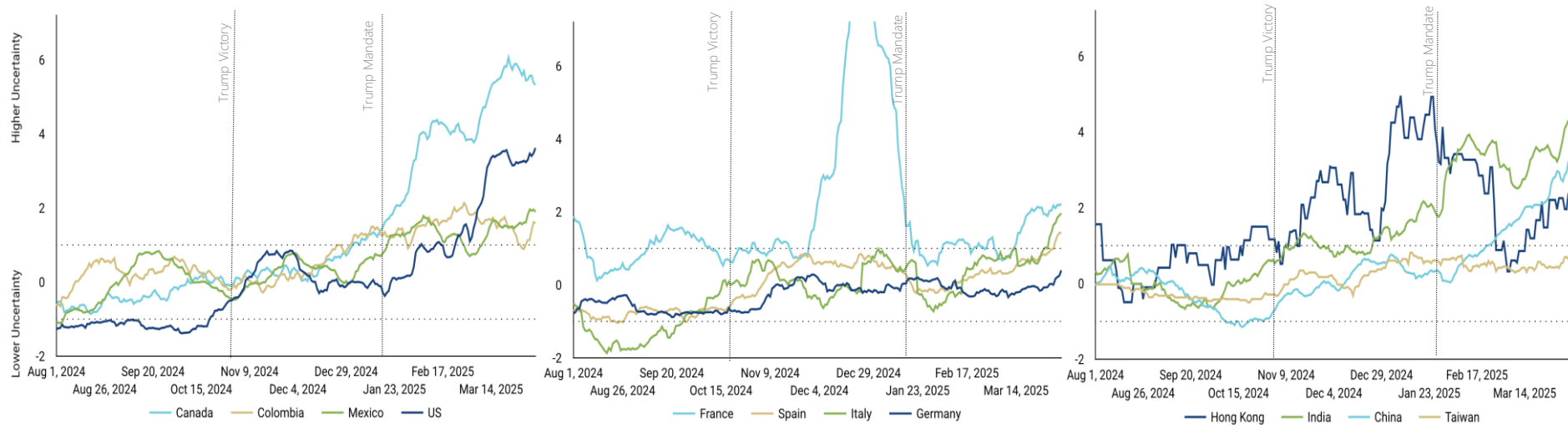
Source: BBVA Research

... and depend a lot on what you read !!!... Local Media focuses more on Economic Policy Local Uncertainties

In Local Media

BBVA Research Economic Policy Uncertainty (EPU) Index

(28-day weighted moving average, normalized by its own country history. Positive (negative) values indicate greater (lower) uncertainty relative to the mean of period 2017-nowadays)



Source: BBVA Research

The reality is that our Sentiment Signals Scorecard has been moving to “red” from the geopolitics to the Economic & Trade uncertainty area

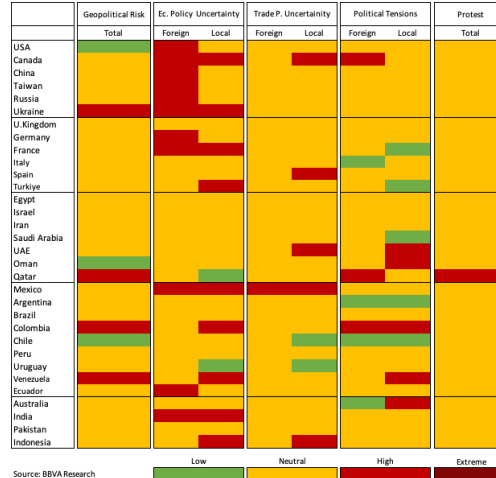
BBVA Research Sentiment Signals: April 2024, start of Presidential Mandate & Liberation Day

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

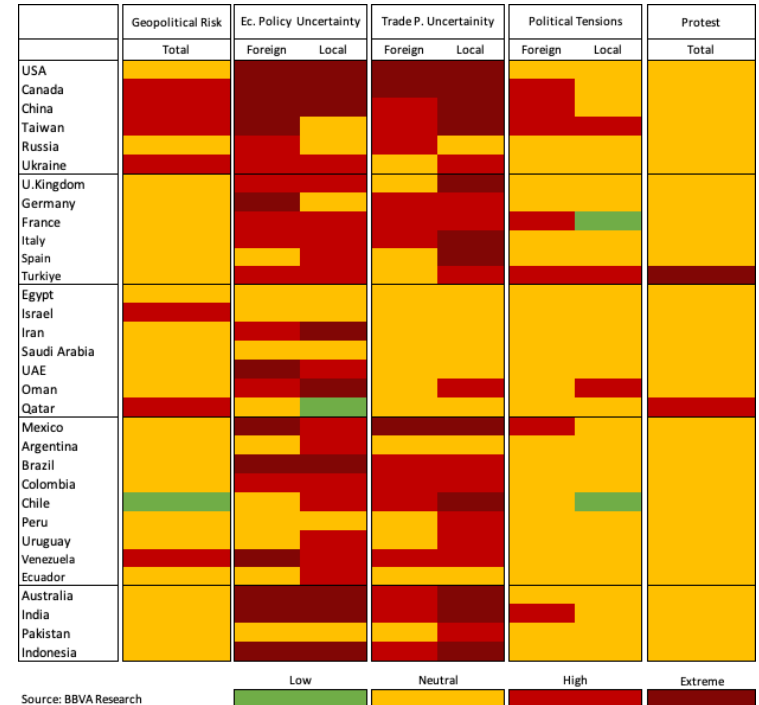
One year Ago: April 2024



US Presidential Inauguration Jan 20th 2025



Just After “Liberation Day” April 6th, 2025

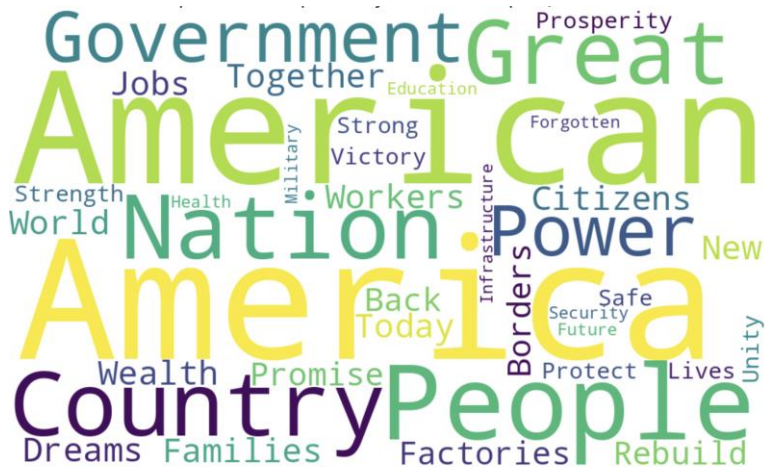


Lessons from Past Experiences?

President Trump's narrative during the initial months of his current term has been assertive, focus on "Measures" rather than the Strategy

First Mandate President Trump

The Top 40 mentions during 1Q-2017



Actual Mandate President Trump

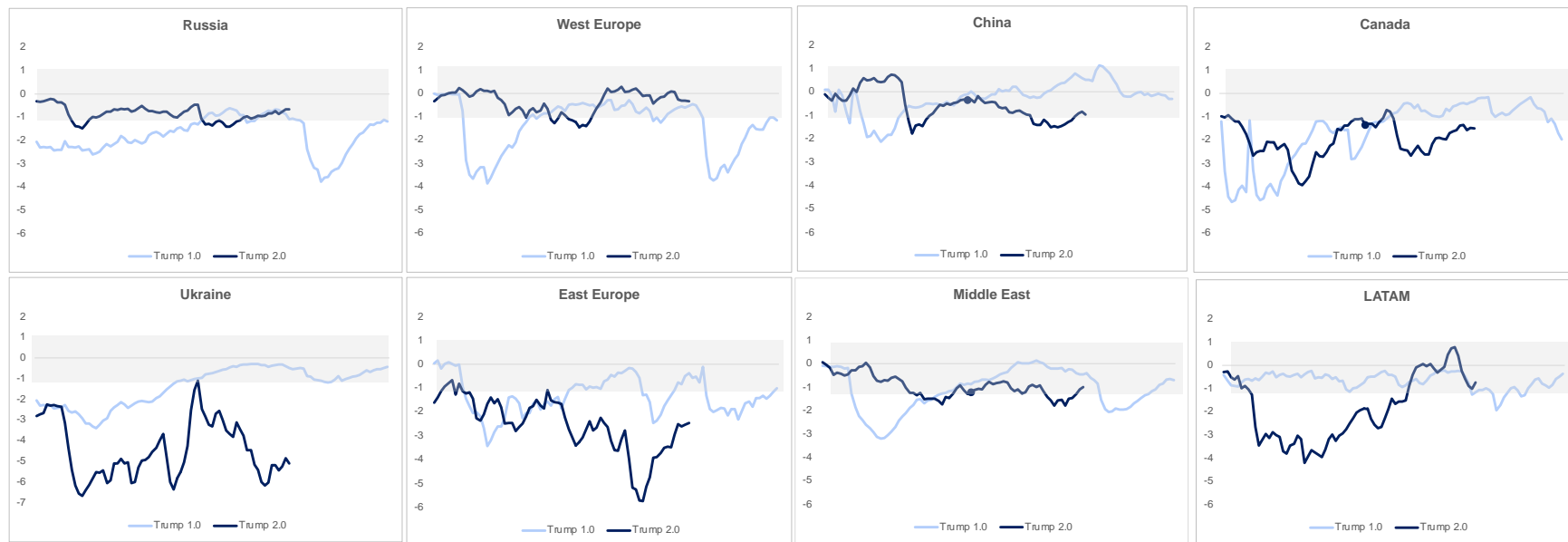
The Top 40 mentions during 1Q-2017



The sentiment towards President Trump varies across different regions of countries

BBVA Research Country & Trump Sentiment Index during Trump Mandates (2017-21 (1.0) and actual (2.0))

(Sentiment of Countries on Trump, 28-day weighted moving average, normalized by its own country history. X axis = Days relative to the mandate)



Source: BBVA Research

The feeling by Countries on Trump was initially negative during the first mandate. The actual one is being more negative in Ukraine & East Europe and initially in Latin America. Russia & M. East are feeling better

And How do Sectors feel about Trump 2.0: Neutral Industry. Banks, Energy & Tech catching up while Defense, Health & Pharma are suffering

BBVA Research Sector & Trump Sentiment Index during Trump Mandates (2017-21 (1.0) and actual (2.0))

(Sentiment Sectors & Trump, 28-day weighted moving average, normalized by its own country history. X axis = Days relative to the mandate)



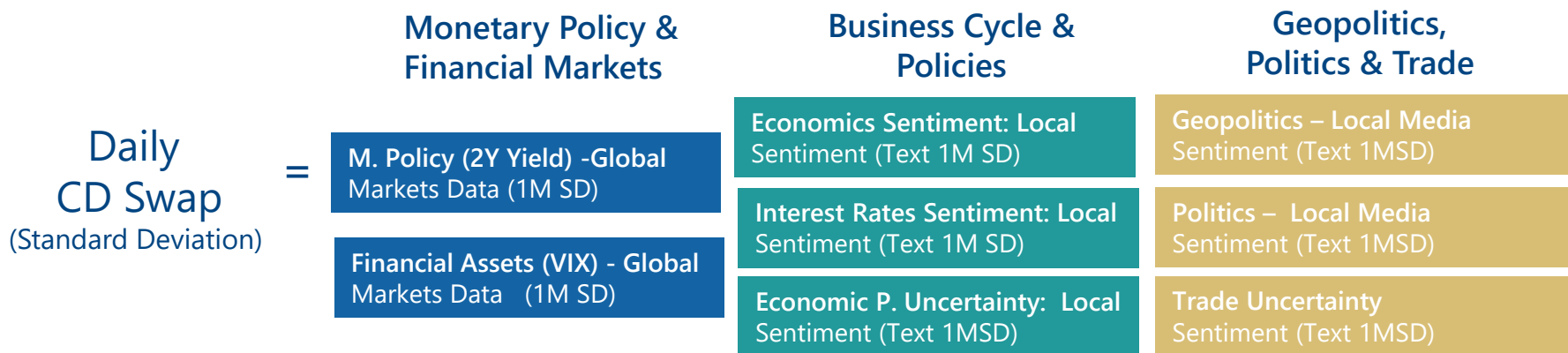
Source: BBVA Research

However, the US corporate sentiment is being more negative. It is converging to normal in some sector but falling behind in Banking, Technology and the (US) Defense sector

Text, Numbers & Assets: A ML Model to assess the impact of Sentiment on Risk

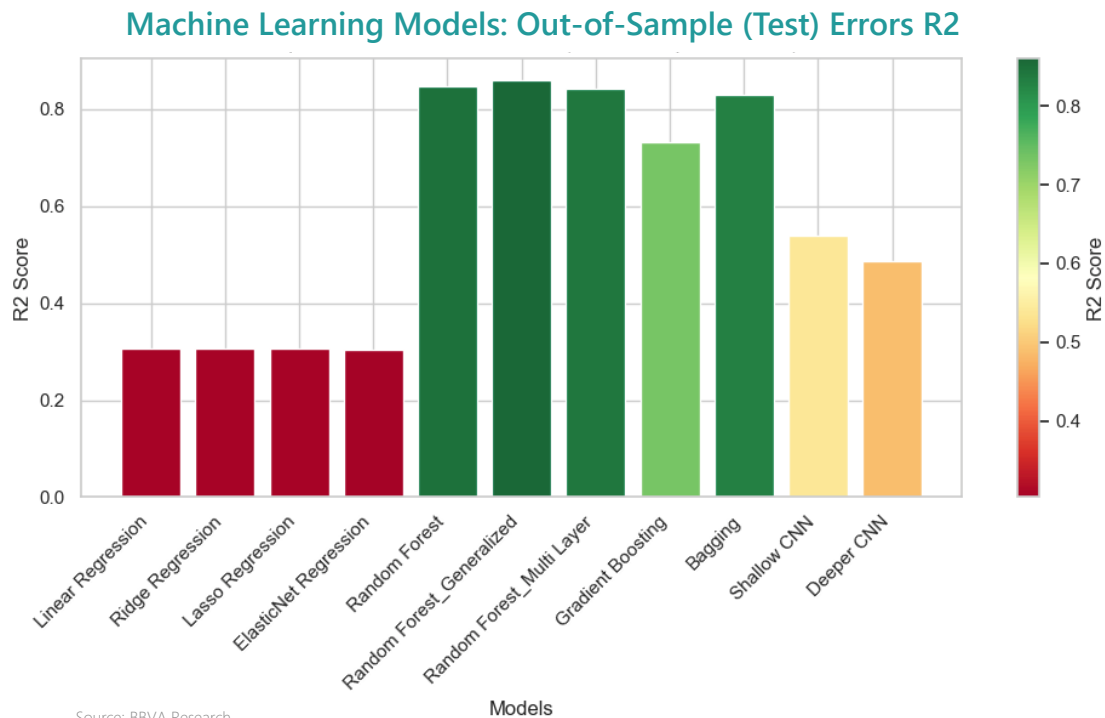
Our Risk Sentiment Model: What is the Contribution at every "Day" from Geopolitics, Politics, Trade and classical Macro & Financial variables

41 Countries (Advanced & Emerging)
Daily
Sentiment Variables



A BBVA Research daily Model (2018-2025) for 41 Countries to assess the Impact of Sentiment Variables on Risk Movements

Machine Learning Models are well suited to capture Non-linearities: A Horse-Racing takes Non-Linear Models to the podium

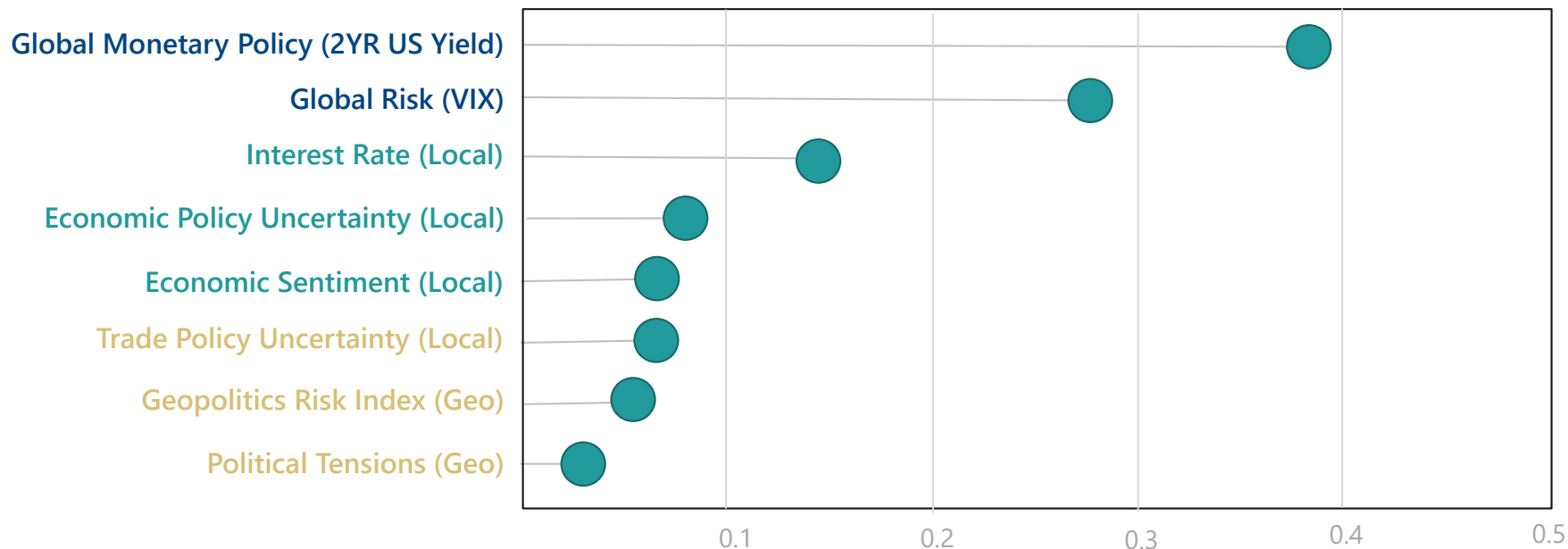


Source: BBVA Research

The Global Monetary Policy & Risk are the key determinants of Risk (CD Swaps), followed by Macro-Economics Uncertainty and Geopolitics

BBVA Research CD Swap Sentiment Model: Contribution by Variable

(Shapley Values contributions to the model. Impact on CD Swap forecasts of the model by region)

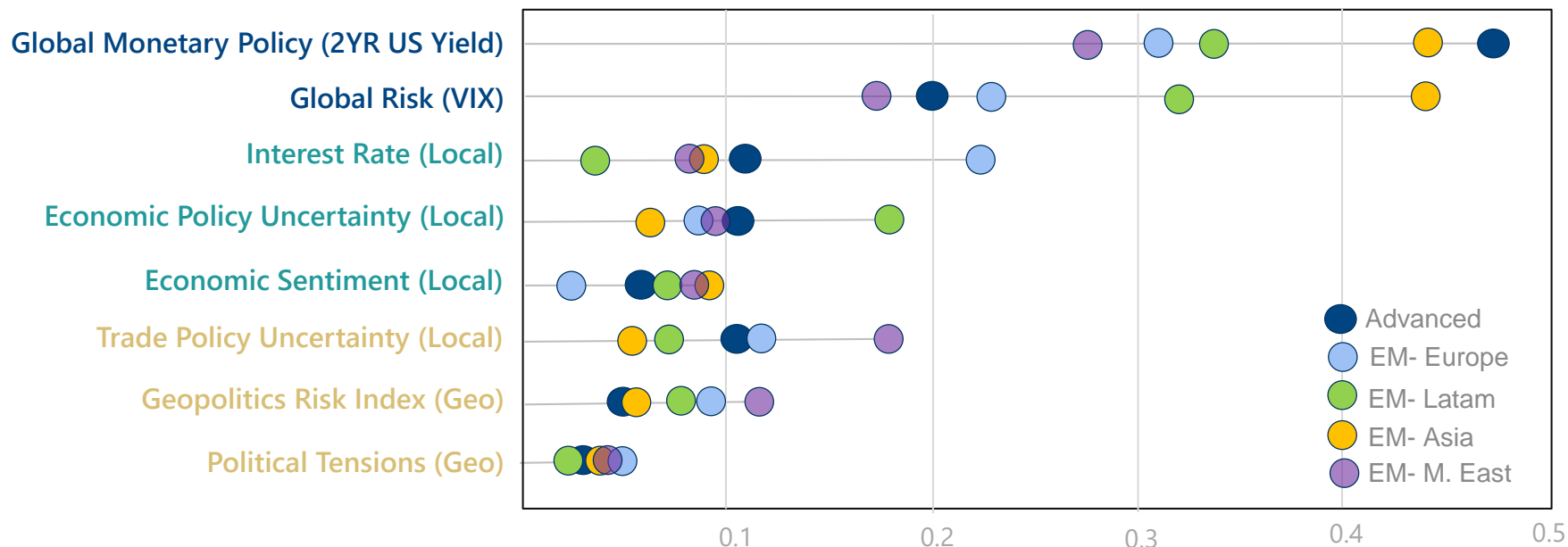


Source: BBVA Research

But the intensity of impact every variable depends on Asset Class (Advanced & EM), Integration in Global indexes and Regional Issues

BBVA Research CD Swap Sentiment Model: Contribution by Variable

(Shapley Values contributions to the model. Impact on CD Swap forecasts of the model by region)

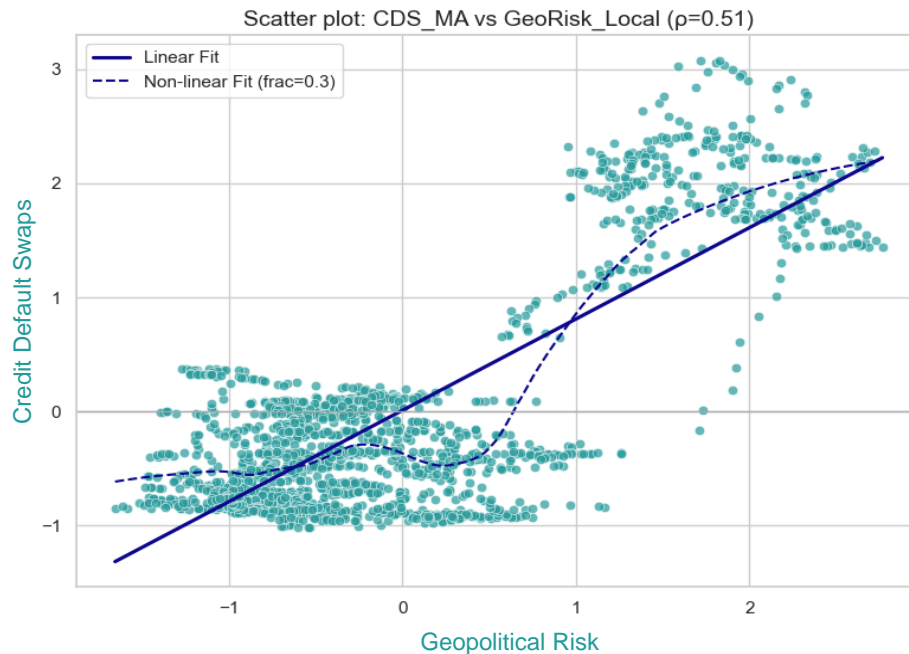


Source: BBVA Research

.. And don't forget that accidents and multiple equilibria exist

Geopolitical Risk & Credit Default Swaps Israel

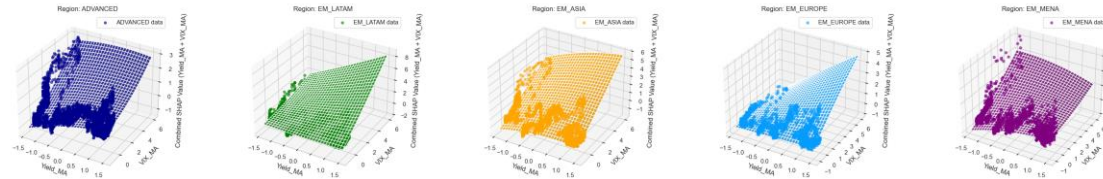
(Standard Variables)



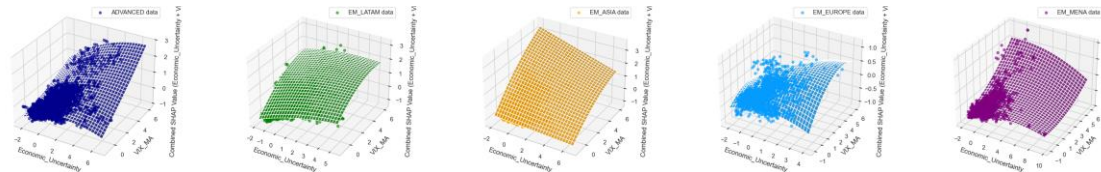
Source: BBVA Research

.. What combination are more perverse: Wacht out high values of Global Policy rates (Advanced) and VIX (EM)

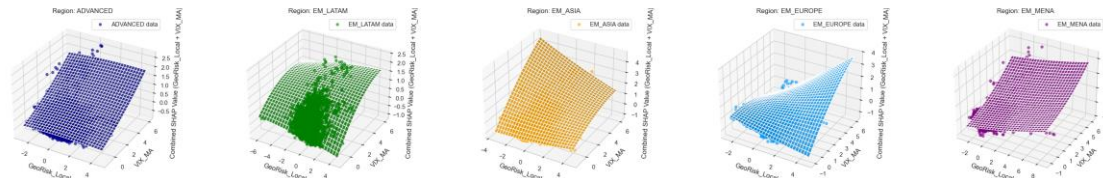
Impact on CDS (z) coming from Global Rates (2yr UST) + VIX (by Asset Class and Region)



Impact on CDS (z) coming from Economic Uncertainty + VIX (by Asset Class and Region)



Impact of CDS (z) from Geopolitical Risk + Eco. Uncertainty (by Asset Class and Region)



Advanced ■
 EM-Latam ■
 EM-Asia ■
 EM-Europe ■
 EM-MEast ■

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