

Geo-World: Conflict & Protest April

GEOSTRATEGIC ANALYSIS

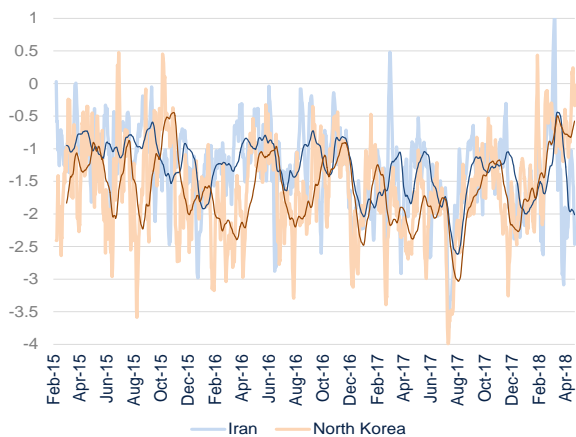
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April 2018

Geopolitical tensions between Iran and US are in the spotlight after President Trump pulled out from Iran nuclear deal and promised that sanctions would be reimposed. EU leaders stated that they would stay in the deal. On the other hand, North and South Korea set the geopolitical course towards peace and denuclearization after the meeting of the two Korean leaders, easing off tensions on the East. Several electoral processes are open in Middle East and Latin America, which could increase short-term political uncertainties and social noise in the coming months.

US withdrew from Iran Nuclear Deal but France, Germany and U.K. will stay.

Figure 1 Media sentiment¹ on US relationship with Iran and North Korea (daily data. Darker lines are mov.avg. 30days)



Source: BBVA Research & Mapbox

US withdrew from Iran deal and signalled sanctions

US decided to exit from Iran deal. Sanctions on Iran’s economy could be imposed in 90 and 180-day wind-down periods.

North and South Korean leaders had historical summit

Kim Jong Un and President Moon held a summit and warm messages have been given.

Domestic political agenda heats up in some countries

Turkey will go to early elections in late June. President Aliyev was reelected in Azerbaijan, Armenia faced with protests. Iraq will go to parliamentary elections next month. Colombia and Mexico are also in a pre-electoral period.

The BBVA Research World Conflict Intensity Index² increased during April. The main developments during the month were:

- **President Trump announced that the US would no longer be a part of the Iran Nuclear Deal and the sanctions that were lifted would be reimposed.** The US Treasury announced that sanctions could be initiated in 90 to 180 days. **However, the E3 partners of the deal (U.K., France and Germany) signalled that they would stay in the deal. Beforehand, Iranian President Rouhani had told “As long as our interests are guaranteed we will remain in the deal, whether the US remains or not. If our benefits are not guaranteed, we will not remain in the deal no matter the circumstances are”.** He had added that Iran would not accept any change or amendment to the deal. While EU remains committed to the deal, possible escalation of tensions by Iran could be contained. **The US Senate confirmed Mike Pompeo to be the Secretary of State.**
- **On April 27, North Korean leader Kim Jong Un and South Korean leader Moon held a historical summit.** Two Koreas discussed denuclearization. Both leaders agree to end Korean War next year. Kim also accepted

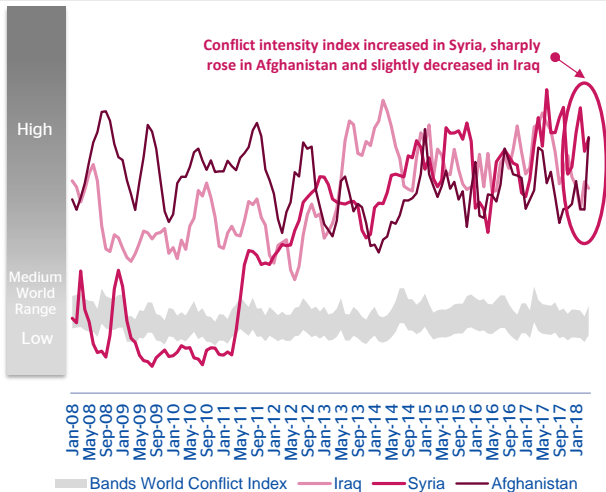
¹ Sentiment ranges from -100 (extremely negative) to +100 (extremely positive) but common values range between -10 and +10, with 0 indicating neutral.

² Details about methodology can be found in the following link: [Methodology, tracking protests and conflicts.](#)

South Korean President Moon's invitation to visit South Korea's Presidential Palace. Before the summit Kim had said North Korea would stop conducting nuclear and missile tests, would discard one of its nuclear test site. However, the U.S. seems to carry sticks and carrots for a while. A Japanese newspaper reported that US President Trump might ask North Korea to get rid of its chemical and biological weapons during his visit to Japan in late May or early June. Nonetheless, two Koreas meeting and trying to resolve the long lasting dispute is noteworthy and could lift a high portion of risks in the region.

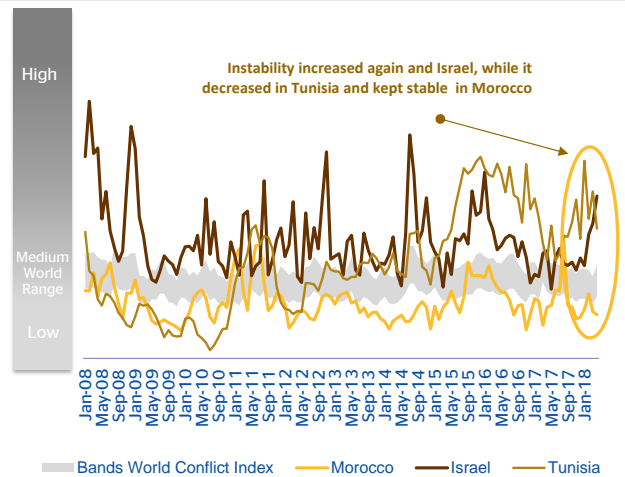
- **The US notified Russia that there would be no further sanctions against Moscow for a while.** Meanwhile, after the 10-day nationwide protests in Armenia, Prime Minister Sarkisian resigned on April 23. Armenian opposition leader Pashinian was elected as the prime minister. Azerbaijani President Ilham Aliyev earned victory in his country's snap elections. He secured another seven years in the office for the fourth consecutive term. Iraqi Kurdish Regional Government has set the parliamentary election date as 30 September.

Figure 2 BBVA Research Middle East Conflict Intensity Index (Number of conflicts / Total events)



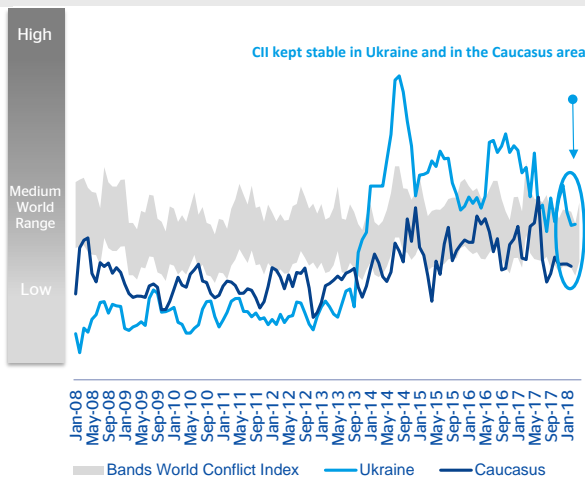
Source: www.dgelt.org & BBVA Research

Figure 3 BBVA Research North Africa Conflict Intensity Index (Number of conflicts / Total events)



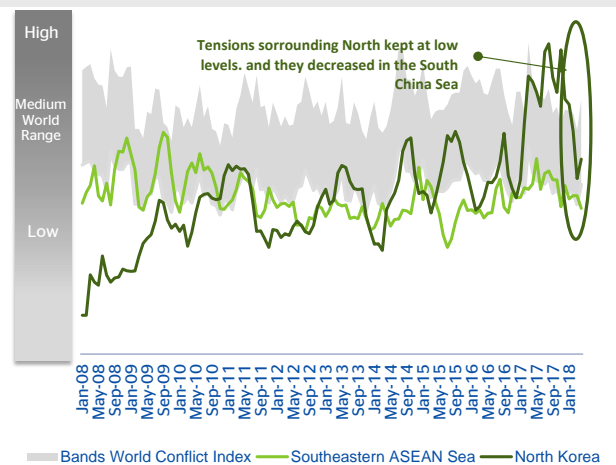
Source: www.dgelt.org & BBVA Research

Figure 4 BBVA Research Eastern Europe Conflict Intensity Index (Number of conflicts / Total events)



Source: www.dgelt.org & BBVA Research

Figure 5 BBVA Research Asia Conflict Intensity Index (Number of conflicts / Total events)

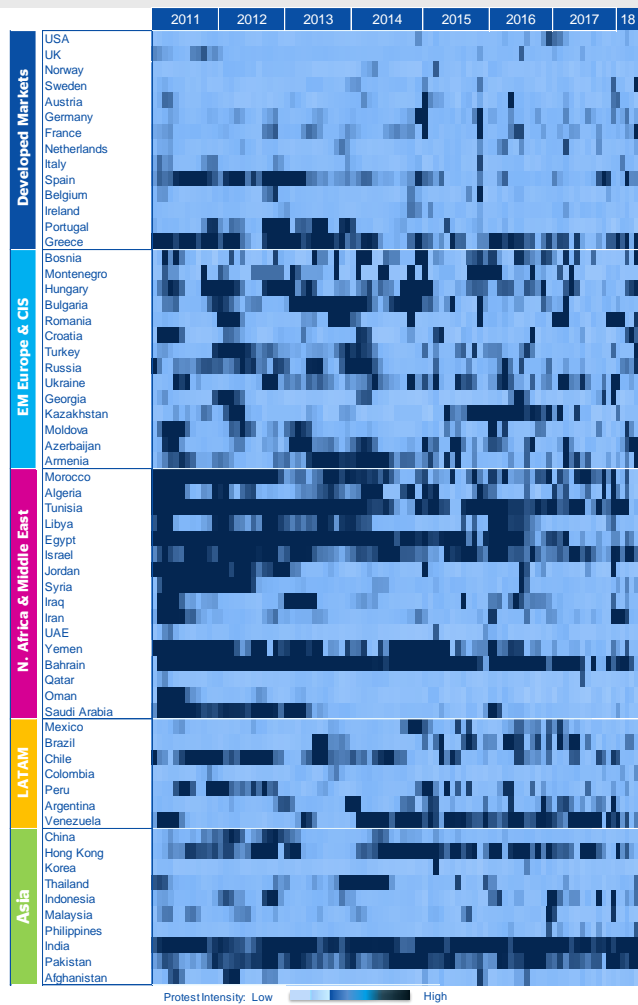


Source: www.dgelt.org & BBVA Research

Social unrest decreased by second consecutive month

The World Protest Index increased during April (as shown by our BBVA Research World Protest Intensity Index³). According to the BBVA Research World Protest Intensity Map, the key takeaway facts were:

Figure 6 BBVA Research World Protest Intensity Map Jan 2011 – May 2018 (Number of protests / Total events)



Source: www.dgelt.org & BBVA Research

Summary

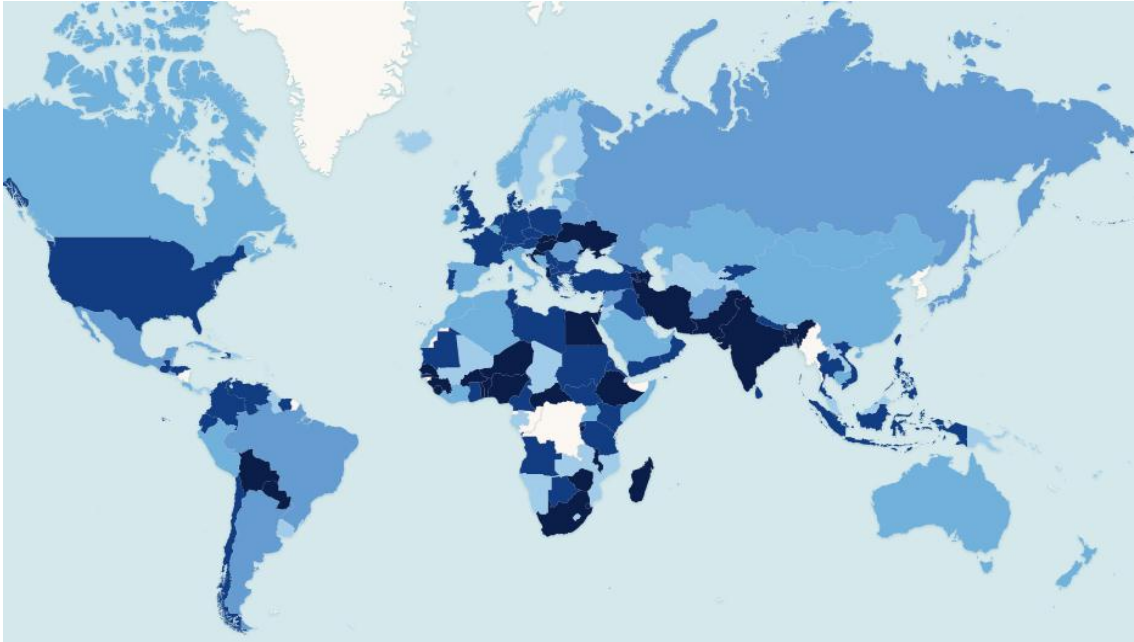
The end of April brought a relief to the long lasting dispute of the Korean Peninsula as North and South Korean leaders had a historical summit. However, withdrawal of the U.S. from Iran Nuclear Deal and promising to reimpose the sanctions created uncertainties for the region. Signals from the EU on remaining committed to the deal are positive. Several electoral processes are open in Middle East and North Africa, which could increase short-term political uncertainties. They should be closely monitored.

3: Details about methodology can be found in the following link: [Methodology, tracking protests and conflicts.](#)

- **Some social noise was observed in Western Europe. In Developing Europe, tensions rose due to the electoral processes. North Africa and the Middle East kept in high levels. Latin American demonstrations eased off. In Asia, protests took place in the south-eastern region:**
- **In Europe,** some demonstrations took place in **France** against labor reforms. Migration issues lead to riots in **Sweden**.
- **In Emerging Europe,** tensions rose in **Russia, Hungary, Turkey** and **Armenia** due to the proximity of elections. In **Russia,** more than thousand people were detained in an anti-Putin protest, while **Armenians** blocked their capital in support of the opposition leader. **Croatia** and **Azerbaijan** also saw a rise of tensions.
- **In North Africa and the Middle East,** instability remains high in **Israel**; Palestinians continue to clash with Israeli soldiers in Gaza, causing over 41 dead. Protests ease off in **Egypt, Bahrain** and **Iran** after several months of intense unrest.
- **In Latin America,** social unrest continued in **Venezuela** and rose in Colombia given elections proximity.
- **In Asia,** protest index continued at high levels in India and Pakistan, while it rose in **Thailand, Indonesia** and **Phillipines**.

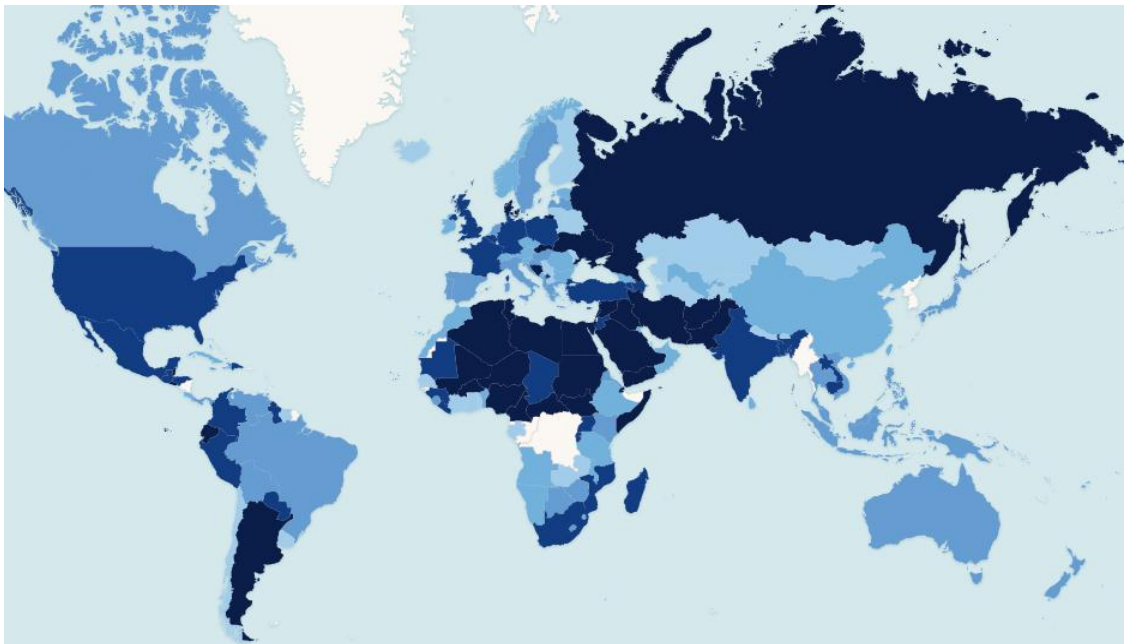
ANNEX

Figure 7 BBVA Research World Protest Map April 18 (Number of events of protest / Total events by country. Darker colors indicate higher values of the index)



Source: BBVA Research and www.gdelt.org

Figure 8 BBVA Research World Conflict Map April 18 (Number of events of conflict/ Total events by country. Darker colors indicate higher values of the index)



Source: BBVA Research and www.gdelt.org

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