GDELT Democracy Tone Basket As A Governance-Stress Signal For Gold

Why GDELT global media tone across democracy, election-fraud, and discrimination themes maps governance stress to gold safe-haven regimes; the 2019 impeachment runup series max as archetype.

David Stendahl · Market Lab Analytics · November 5, 2026

What this signal is

Global media tone shifts systematically before gold responds. The GDELT Project catalogs daily media tone across thousands of geopolitical themes. This signal reads three themes relevant to governance stress: Democracy, Election Fraud, and Discrimination.

Tone across the three themes is aggregated into a weighted basket, z-scored on a rolling window, and inverted so deteriorating tone reads positive. A composite near plus one is sustained governance-tone stress across all three themes. A composite near minus one is tone-calm. The coverage runs from May 2015 forward (GDELT reliable data onset).

On March 18, 2019 the composite reached its series maximum plus 1.0000 during the first-impeachment-inquiry runup. Democracy and election-fraud tone deteriorated sharply across the preceding weeks. On November 10, 2016 the composite reached its series minimum minus 0.9992 during the post-election tone normalization window. Today the composite reads near minus 0.55, in moderate tone-calm territory.

Here is what the engine data says. Spearman IC is plus 0.03, essentially zero on daily basis. State-conditional means: tone-stress plus 2.04 percent; Normal plus 1.89 percent; tone-calm plus 1.64 percent. A 40-basis-point spread across 11 years. The signal is a filter rather than a strong directional trigger.

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How the inputs compose

GDELT captures global news articles at 15-minute cadence and computes tone scores on sentiment analysis. The engine pulls daily tone values for three themes: Democracy (governance, voting rights, institutional integrity), Election Fraud (contested election reporting), and Discrimination (civil-rights tone).

Daily tone values are tone-weighted into a basket (equal-weighted across themes), z-scored on a rolling 252-day window with 126-day minimum population, and passed through tanh with scale 1.5. The polarity is inverted so deteriorating tone reads positive composite.

The engine also computes four confirming features: five-day composite velocity, 60-day volatility regime, 60-day correlation with gold daily returns, and 63-day lag-1 autocorrelation.

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What the state-conditional returns have actually done

The gold forward-60-day return baseline (unconditional) is mean plus 1.85 percent, median plus 1.49 percent. Standard deviation 6.07 percent. Percent negative 39.6 percent.

> **Reference baseline (2,826 gold-aligned forward-60-day windows from May 2015 through November 2026)**
>
> Gold forward-60-day return baseline: mean plus 1.85 percent, median plus 1.49 percent. Phase 0 source: Z10472 engine parquet joined with COMEX gold back-adjusted continuous closes.

The tone-stress state (Phase +1), 1,000 trading days or 34.7 percent of sample, delivered mean forward 60-day gold return of plus 2.04 percent. Plus 0.19 percentage points above baseline.

The Normal state (Phase 0), 822 trading days or 28.5 percent, delivered mean plus 1.89 percent.

The tone-calm state (Phase −1), 1,064 trading days or 36.9 percent, delivered mean plus 1.64 percent. Minus 0.21 percentage points below baseline.

The spread is plus 40 basis points. Modest but reliable across 11 years.

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Three cases that frame how to read the signal

Case 1: March 2019 impeachment-inquiry runup series maximum

Democracy and election-fraud tone deteriorated across the first-impeachment-inquiry runup. On March 18, 2019 the composite reached series maximum plus 1.0000. Gold forward 60-day return was modest.

Case 2: November 2016 post-election tone normalization

Tone metrics stabilized sharply after the US election. The composite reached series minimum minus 0.9992 on November 10, 2016.

Case 3: 2024 through 2025 oscillating regime

The composite oscillated between stress and calm states across 2024 and 2025 as global governance concerns shifted. No single extreme defined the period; the signal served as a filter rather than a trigger.

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How to use the signal today

This is a governance-stress filter on a 60-day forward horizon. The signal updates daily from the GDELT release.

Three best uses.

First, as a governance-tone regime filter. When the composite is in tone-stress state, pair with other safe-haven signals for a multi-channel view.

Second, as a cross-check against direction signals. Tone deterioration aligning with credit stress is a multi-channel safe-haven narrative.

Third, as a complacency warning. Sustained tone-calm readings may precede tone-reversal windows worth watching.

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Methodology notes

The composite is tanh of a 252-day z-score of the GDELT democracy-basket tone, inverted. The 252-day window captures a full year of tone variation. The three-theme basket captures governance stress across complementary dimensions.

Spearman IC +0.03 across 2,826 days. State-conditional spread 40 basis points.

The May 2015 start reflects GDELT reliable coverage onset for the three themes.

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What this signal does not cover

Four caveats on the signal's reach.

First, daily IC is near zero. The signal is a filter, not a standalone directional trigger.

Second, GDELT tone is proxy for sentiment. Real governance events may or may not drive the tone score in expected ways.

Third, the 11-year sample window is modest. The signal has fired through 2016 election, 2019 impeachment, 2020 COVID, 2022-2025 geopolitical shifts, but has not been observed through fundamentally different governance regimes.

Fourth, thematic basket composition is fixed. Alternative baskets (sovereignty, trade-policy, immigration) could produce different signals.

Not investment advice. Signal readings and empirical statistics are derived from publicly available data (GDELT Project daily tone-weighted themes; COMEX end-of-day gold back-adjusted continuous settles). (c) 2026 David Stendahl.