

CATMOCK DAILY

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TRUMP'S NEW WARNING TO IRAN

- Bloomberg



With the price of oil holding around \$100 a barrel and criticism mounting over the global impact of the US-Israeli strikes on Iran due to the halt of a crucial coastal trade route, President Donald Trump is doubling down on the war rhetoric.

The US was “totally destroying the terrorist regime of Iran, militarily, economically, and otherwise,” Trump said in a social media post late Thursday. “We have unparalleled firepower, unlimited ammunition, and plenty of time - Watch what happens to these deranged scumbags today.”

The language suggests no let up in the conflict, which is heading toward its third week, or sign of a detente.

Iran’s new supreme leader Mojtaba Khamenei said the Islamic Republic would seek to ensure the Strait of Hormuz remains effectively closed and would look to open other fronts if the US and Israel continue to attack.

The cost of the conflict is rising. American officials told lawmakers that the first six days of the war with Iran cost more than \$11.3 billion, a person familiar with the matter said, in the most detailed assessment yet of the campaign’s expense. The Trump administration has burned through “years” of critical munitions since the start of the war with Iran, the Financial Times reported.

Tehran is still hitting valuable military installations and energy infrastructure across the Middle East daily as Iran seeks to raise oil prices to economically punishing levels. The Strait of Hormuz — through which about a fifth of the world’s oil and natural gas flows — has been all but

impassable since the opening salvos of the war. Saudi Arabia, Iraq, Kuwait and the United Arab Emirates all have had to curb crude production.

Around 2,500 people have been killed across the Middle East since the war began, official tolls and those from non-government agencies show. Seven American service members have died so far, most of them in the opening days of the war, and about 47,000 American citizens have returned to the US since Feb. 28.

Information on how the war may come to a conclusion is hard to find.

“There’s no plan, there’s no endgame” for the US-Israeli campaign, Richard Dalton, former UK ambassador to Iran, told Bloomberg Radio. “It appears that as the ripples spread, the United States is losing control.” —Richard Frost

What You Need to Know Today

Southeast Asian governments are being forced to take extreme measures to shield their economies from the jump in energy prices.

Thailand is requiring most government agencies to work-from-home full-time as part of emergency efforts to reduce energy demand. The order covers all state employees whose roles aren’t directly tied to public services. Malaysia will decide next week on whether to impose work-from-home arrangements for civil servants. The Philippines has sought to cut fuel consumption by shifting government employees to a four-day work week as of March 9.

“My fellowmen, we don’t know when the chaos in the Middle East will end,” Philippine President Ferdinand Marcos Jr. said in a recent video message. “We are victims of a war that we didn’t choose nor want. We can’t control the war but we can control how we will protect the Filipino.”

Bets that the war will escalate over the weekend is buoying the dollar. Hedge funds have been buying short-dated dollar call options versus a range of currencies to hedge the possibility that news on the Iran war will cause the greenback to open higher on Monday, according to traders.

Meanwhile, currencies in Asia are hitting multi-year lows. The yen fell to its weakest level since 2024 in Japan, which is heavily dependent on Middle Eastern petroleum, and last traded at around 159.5 against the dollar. South Korea’s won is near its lowest since 2009, while India’s rupee and the Philippine peso have never been so weak. The Thai baht plunged as much as 1.8%.

Other major currencies also dropped, with the euro sliding to its lowest since August. A gauge of the dollar’s strength has risen 2.2% in March after falling for the past four months.

US Treasuries volatility jumped to a nine-month high as the Iran war fanned inflation concerns and upended traders’ expectations on the Federal Reserve’s policy path.

The ICE BofA Move Index, often referred to as the “fear gauge” of the bond market, climbed to levels last seen in June as elevated oil prices stoke inflation fears, hurting the real return on Treasuries and limiting their haven appeal. Yields on 30-year Treasuries — securities sensitive to inflation and government spending dynamics — have climbed to the highest in a month, while traders have dialed back bets on any Fed interest-rate cuts in 2026.

The framework for Trump’s summit with China’s Xi Jinping is set to be hashed out this weekend as negotiators meet to discuss thorny issues such as tariffs, fentanyl and Taiwan.

Treasury Secretary Scott Bessent, US Trade Representative Jamieson Greer and China’s Vice Premier He Lifeng will convene in Paris on Sunday and Monday to map out deliverables for the

leaders' summit slated for March 31 to April 2 in Beijing. Other issues include the potential for Chinese investment in the US and exports of advanced semiconductors, such as those manufactured by Nvidia.

While China has condemned Trump's war on Iran, it has shown few signs it'll back out of the summit as it seeks to stabilize relations with the US.

Hong Kong plans to expand its "name-and-shame" regime for sloppy listing applications to include law firms and auditors, stepping up a campaign to improve the quality of IPOs in the city. Under a proposal by Hong Kong Exchanges, all professional parties involved in a deal will be publicly identified if a listing application is rejected for being "not substantially complete." The proposal, unveiled in a market consultation paper, marks an escalation in regulatory pressure as IPOs have boomed in the city, making it the world's biggest listing venue last year.

Germany's chemical industry warned shockwaves from the Iran war are beginning to ricochet through Europe's largest economy with a number of companies dialing down output as supply chains seize up and energy costs surge. While costs rise, disruption to global shipping routes carrying vital raw materials and intermediate goods is now compounding the strain, Germany's VCI chemical association said at its annual press conference in Frankfurt. The issues raise the specter of a fresh industrial slowdown in the continent's industrial heartland.

"There's a spiral spinning in the wrong direction and we can only hope it is over quickly," VCI Director General Wolfgang Große Entrup told reporters.

The UK economy unexpectedly failed to grow in January, suggesting activity was stalling even before the conflict in the Middle East threatened to deliver a fresh blow to consumers and businesses. Gross domestic product was unchanged after 0.1% growth in the previous month, the Office for National Statistics said. It was worse than the 0.2% growth economists had expected and below all the forecasts in the survey.

IF UPI DOMINATES, WHY IS CASH STILL GROWING?

- Finshots



Whenever I pass by an ATM, two thoughts come to mind — first, that I should keep some physical cash for emergencies, and second, who still goes to an ATM anymore?

And the second question isn't entirely unwarranted. Back in 2016, when demonetisation made the ₹1,000 and ₹500 notes invalid, people rushed to banks and ATMs to deposit their old notes. The overnight shock meant that many businesses wouldn't accept either note as legal tender for payment.

And because of that, UPI payments took off quickly, with almost every business and store, large and small, setting up Paytm machines and QR codes for the digital payments revolution.

India has become one of the world's largest digital payments markets, driven by the rapid growth of the Unified Payments Interface (UPI). Billions of transactions take place every month across apps like PhonePe, Google Pay and Paytm, making UPI the dominant retail digital payment system in the country. In fact, UPI accounts for the majority of digital payment volumes in India.

In a world where online payments became the go-to way to pay, physical cash essentially took a back seat for a while. It also doesn't hurt that most payment platforms today do everything for you — from flight tickets and credit card payments to gas bills and mobile recharges.

But even as digital payments exploded, the amount of physical cash circulating in the economy has continued to grow. For context, currency in circulation has risen sharply from about ₹17.77 lakh crore on demonetisation day in November 2016 to over ₹40 lakh crore by February 2026, according to RBI data.

And an SBI Research report shows just how striking this trend has become. India's currency in circulation (CIC) has grown by about 11% year-on-year. Nearly 97.6% of this currency is held by the public rather than within the banking system.

In other words, this isn't money sitting idle in bank vaults. It's physical currency actively moving through the economy.

Now that might make one think that because people are using more cash, digital payments would slow down. But that's hardly true. The report estimates that the monthly UPI transaction value is now around ₹28 lakh crore. That means in just one month, UPI processes transactions worth roughly 70% of the total physical currency in the entire economy. So if digital payments are replacing cash, why is the total stock of currency still increasing?

The answer becomes clearer when we look at something economists call the cash-to-GDP ratio. It measures the amount of currency circulating in the economy relative to the size of the economy itself. Between FY21 and FY26, this ratio has actually declined from about 14% to 11%. So while the total amount of cash has increased over the years, cash as a share of India's GDP (gross domestic product or the total value of goods and services a country produces over a given period) has actually fallen.

Digital payments like UPI are gradually capturing a larger share of everyday transactions, even as the total demand for physical money in the economy continues to expand.

But that still leaves another question. What exactly then, is pushing the absolute demand for cash higher?

The SBI report points to a few reasons.

Let's start with the first one: GST notices. In July 2025, the Karnataka Commercial Taxes Department issued 18,000 GST notices to vendors and small traders for one reason — their UPI transactions between 2022 and 2025 had crossed the ₹40 lakh registration threshold.

This is because if you run a business and its transaction value exceeds ₹40 lakh (₹20 lakh for services in some states), you must register for GST.

What ended up happening was that regular fruit vendors and stall operators received tax notices worth tens of lakhs. So after these GST notices were issued, ATM withdrawals in the affected districts rose by about ₹37 crore per month, suggesting that some merchants may have shifted back towards cash transactions.

The second reason cash demand hasn't fallen as much as we might expect has to do with how people behave when interest rates fall.

When banks offer high interest rates, keeping money in a savings account makes sense because your money earns something while it sits there. But when interest rates fall, the difference between holding money in the bank and holding it as cash becomes much smaller.

And when that happens, people simply don't mind keeping some extra cash on hand. This may have increased what economists call precautionary cash balances or money that households keep aside just in case. It could be for emergencies, unexpected expenses, or simply the comfort of having some physical cash available. So even as digital payments take over everyday transactions, people may still prefer holding a bit more cash than before.

The third reason is the surge in gold prices. When gold prices rise sharply, households often unlock some of that wealth — either by selling old jewellery or borrowing against it. In India, this channel is significant because households hold enormous quantities of gold as a store of wealth. When prices surge, that wealth becomes easier to monetise. In fact, loans backed by gold have surged sharply in the past year. Outstanding gold-backed loans rose from about ₹1.16 lakh crore in May 2024 to ₹2.51 lakh crore in May 2025, more than doubling in a year.

So households can sell jewellery or pledge it as collateral to access cash. That's money that eventually finds its way back into consumption and circulation.

The final piece of the puzzle lies in the type of transactions UPI has replaced. Most digital payments today are for small everyday purchases like groceries, tea, auto rides or quick retail payments. In fact, SBI's analysis shows that in terms of value, nearly 86% of person-to-merchant UPI transactions are below ₹500.

That means UPI is essentially competing with the small-denomination notes that once dominated these everyday payments — the ₹5, ₹10, ₹20, ₹50, ₹100 and ₹200 notes. But the ₹500 note still dominates the cash economy. So even when the RBI withdrew the ₹2,000 note in 2023, most of that value simply returned to circulation in the form of ₹500 notes rather than disappearing altogether. After becoming the highest denomination in circulation, the ₹500 note increased by 8.9% in value to account for about 86% of the total and by 3.0% in volume to over 40%. And that may explain India's cash paradox. Digital payments are rapidly taking over everyday transactions, but cash continues to play other roles — as a store of value, a precautionary buffer, and a convenient way to transact in parts of the economy that remain outside the digital ecosystem.

So the future of payments in India may not be about eliminating cash altogether. It may simply be about learning to live with two systems growing side by side. Which brings us back to that

question we have every time we walk past an ATM. If everyone is paying digitally, who still withdraws cash?

The answer, it turns out, is still quite a lot of us.

LAYOFF ANNOUNCEMENTS ARE READING MORE LIKE AI-ERA MANIFESTOS

- Business Insider



Big Tech leaders once pointed to the economy when cutting jobs. Now they point to AI.

Recent layoff memos — including those from Block and Atlassian — read less like apologetic explanations of economic headwinds or cost-cutting initiatives, and more like strategic manifestos for the AI era.

Block's Jack Dorsey and Atlassian's Mike Cannon-Brookes both frankly highlight profound shifts in how they see technology reshaping work and, therefore, how many workers they'll need in the years to come.

New technology, combined with smaller and flatter teams, Dorsey wrote in his late-February memo, is "enabling a new way of working which fundamentally changes what it means to build and run a company." He said on February 26th that the company would cut more than 40% of its workforce.

Atlassian, the software company that makes productivity tools like Jira and Trello, announced a cut of about 10% on Wednesday. In his memo, Cannon-Brookes didn't just detail severance packages or highlight factors like macroeconomic pressures — the usual fodder of such missives.

He instead laid out the company's AI philosophy and how it was restructuring in response, using boldface for emphasis: "We fundamentally believe people and AI create the best outcomes."

The stepped-up focus on where companies need to go — rather than the economic constraints that might have led them to make the cuts — is new, Rick Wargo, managing partner and global technology practice leader at the executive search firm Boyden, told Business Insider.

"As things have progressed, they've come to realize that different skills are needed than perhaps what they hired for," he said of business leaders.

A new AI era

Recently, other leaders have also cited AI's impact when making cuts, including Meta, Angi, and WiseTech. In June, Amazon's Andy Jassy wrote that the company's AI push would mean the company's corporate workforce would shrink, though in subsequent reductions, Amazon identified the need for a cultural reset.

Both Dorsey and Cannon-Brookes said the cuts aren't a symptom of an ailing business and used their layoff memos to make the case for their visions for their respective companies in the new AI age. Dorsey said that the company's profitability is improving.

The company's CFO also said during the company's fourth-quarter earnings call that, because of AI, the code each of its engineers ships has increased by more than 40% since September.

"We've seen engineering work that would have taken weeks to complete be done by a small team in a fraction of the time with agentic coding tools," said Amrita Ahuja, who is also the company's COO.

At Atlassian, Cannon-Brookes wrote, "We have momentum." He went on to highlight gains in cloud revenue and other metrics.

Layoff memos often highlight a company's strength and stability. These latest notes go further than some by outlining leadership's priorities for those who remain.

Cannon-Brookes framed Atlassian's cutbacks as being about adaptation: "We are reshaping our skill mix and changing how we work to build for the future," he wrote.

The limits of AI

Amid the waves of tech layoffs, there has been much discussion about whether AI is at the root of these reductions — even when it's explicitly framed that way.

AI likely doesn't account for all the layoffs tech companies are making, Will Wilson, CEO and cofounder of Antithesis, an autonomous software-testing platform, told Business Insider.

"It's not like growing companies have stopped hiring people," he said.

Yet Wilson said that as AI improves, the chance it could replace workers increases.

Previously, the technology provided little, if any, productivity benefit to most people, Wilson said. Now, he said, it's clearly offering some efficiency windfall in areas like coding.

Even so, there are limits to how much companies that go big on AI will be able to cut, said Josh Bersin, CEO of The Josh Bersin Company, a consulting firm. AI can automate something like code generation, but it doesn't eliminate the need for workers, he said.

"You have to check the code," Bersin told Business Insider. "You still have to test it. You still have to update it. You still have to maintain it. You still need to do the production management."

www.catmock.com

connect with us at:   

+91 9259673675

No matter the debate over how much AI is driving the cuts versus just age-old business imperatives, some leaders are using layoff announcements to lay out their vision for how their companies will navigate this new moment.