

CATMOCK DAILY

March 3, 2026

Headless

- Bloomberg

Decapitation is not the end. A rattlesnake thrashes around for minutes after losing its head. The guillotine showed signs of sensation and responded to stimuli in macabre 19th century experiments. Anne Boleyn’s lips moved as her head was displayed to the crowd after her execution.

All of this gruesome detail is to demonstrate that killing the top leaders doesn’t mean that the Iranian regime is over. It may well yet be able to acquire a new head (not an option for flailing chickens). Even if not, its death throes could be violent and unpredictable.

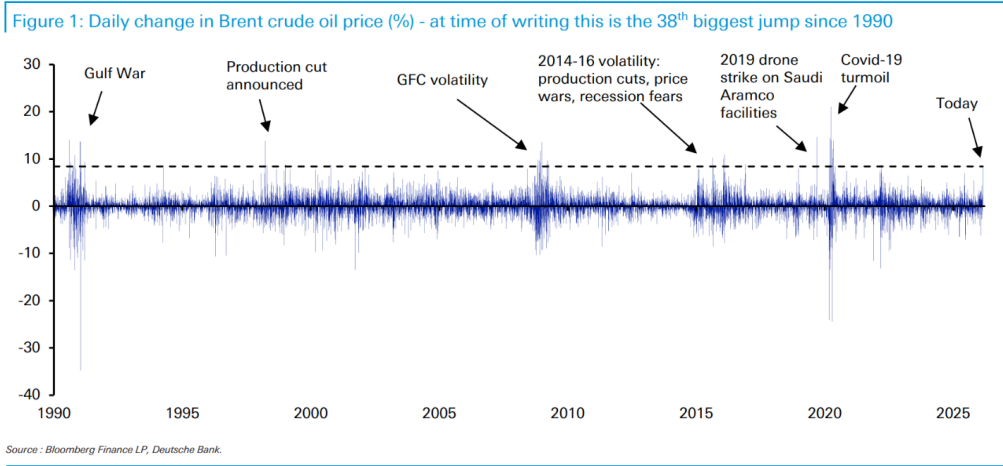
And if these images are distasteful, there is also something rather distasteful — as always — about the many market notes of the last 24 hours explaining that carnage and loss of life will probably not cost investors much money. Oil supply is highly unlikely to be disrupted in the way that it was in the 1970s, and other factors, such as strong earnings growth and likely lenient fiscal and monetary policy, are more important. This analysis is historically correct, but it’s still unpleasant.

And the facts remain that Iran is determined to inflict pain on its attackers (even if it cannot win a conventional war). This is not how it reacted last summer when the US bombed its nuclear facilities, and there have been no significant military reprisals in any of the other Trump 2.0 geopolitical events to date. Even though beheaded, the Islamic Republic is unpredictable and dangerous.

Bearing all this in mind, the market reaction to a war that has suddenly expanded to include peaceable enclaves like Dubai has been remarkable for its calmness.

Oil

This chart from Jim Reid of Deutsche Bank shows that the rise in Brent crude qualified as only the 38th biggest jump since 1980. As Bloomberg News colleague Cameron Crise put it, this was a “once-a-year response to a once-a-decade shock.” And Brent fell back a little after this graph was published:



Even with the Strait of Hormuz now de facto closed, the oil market is not yet that alarmed. Investors are accustomed to taking their cue from the oil price during events like this, and the relative calm in energy markets affected all other asset classes.

Havens

The two most important safe haven assets, gold and Treasury bonds, were the most truly dissonant with the geopolitical alarm, as both actually lost their investors money on Monday. If this seems baffling, there was other news — which admittedly most people would consider less important than the dispatches from the Middle East. Most importantly, the regular Institute of Supply Managers survey for the US, long regarded as one of the better leading indicators of the economy, offered alarming signs of inflationary overheating. In particular, the number complaining of higher prices leapt to its highest since 2022, in the biggest surprise on record

All else equal, this would tend to hurt bonds and cause yields to rise. And tariffs offer a natural explanation. The ISM publishes quotes from respondents, and they were unstinting in their anger over tariff policy. One said:

Today, American-produced commodities like steel and aluminum are the highest-priced in the world, by far. Hence, the Section 232 tariff policy is having the exact opposite effect of their intention on an American manufacturer like us: It is raising prices while lowering demand and profitability.

With complaints like this, the chances of rate cuts would seem to diminish, and with them the case for buying bonds. After a strong run in the last few days, the result was a big decline for a haven asset, even on a day when people needed shelter.

The Dollar

The most traditional safe haven of all is the dollar, and it had its best day in eight months, with the DXY dollar index gaining almost 1%. That brought it above its 200-day moving average, the most widely followed measure of the long-term trend, for only the third time since Liberation Day nearly a year ago. Its first two tests of the trend in recent months proved fleeting. Whether this dollar gain is longer-lived will depend on whether the war expands.

How to explain the dollar's strength, even though Treasuries were selling off? Freya Beamish of TS Lombard suggests that investors are slowly realizing that there is more risk of a pickup in inflation (a natural result of an oil price spike) than they'd thought. That explains the rise in the premium they demand to hold bonds for the long term:

We are in a world where those shocks are more likely but it takes investors a while to realize that, just as it took them a while to realize that these shocks were less likely in the 80s than the 70s.

The prospect of higher yields ahead, meanwhile, bolsters the dollar.

Developed Equities

Most counterintuitively, US stocks had an unremarkable day, with the main indexes almost exactly flat. This wasn't true of Europe, where the Stoxx 50 dropped 2.5%. It was also notable that some recently reliable trades are working less well. Defense stocks outperformed the index, as might be expected, but the effect has grown more muted with each of the Trump 2.0 shocks:

Europe's Arms Buildup May Be Fully Priced

Conflict in Iran has had less impact than previous incidents

STOXX Aerospace & Defense Relative to STOXX-500



Source: Bloomberg

Note: Data is normalized with factor 100 as of November 4, 2024.

Bloomberg Opinion

This is arguably a sign that investors are getting used to the new reality where US military support cannot be relied on, and believe that it is now adequately reflected in prices. In the US, Eric Liu of Vanda Securities shows that the relative strength was helped by strong interest from retail investors who bought aggressively at the opening of trade for the third day in a row, and also by institutions, many of whom will have been buoyed by research showing that it usually pays to buy geopolitically-driven dips.

The flip side to all of this was an awful day for emerging markets.

Emerging Troubles

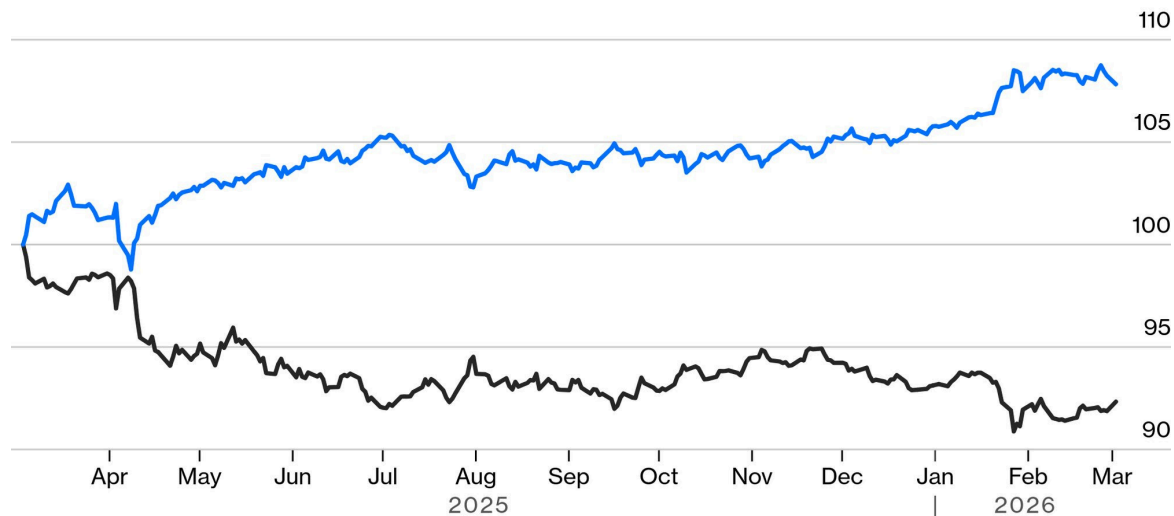
The Iran situation risks upending emerging markets' recent poster-child status. While US stocks largely shrugged off the news, the FTSE emerging markets index dropped 2% for the day, its worst showing since last April in the aftermath of the Liberation Day tariffs.

Other measures of emerging-market health show signs of stress, with currencies sliding as traders sought haven in the dollar. The JPMorgan basket of emerging market currencies is on a three-day losing streak, falling by the most in a month:

Emerging Weakness

Dollar's surge on Middle East conflict derails EM currencies

— J.P. Morgan EM Currencies Index — Bloomberg Dollar Index



Source: Bloomberg

Note: Data is normalized with factor 100 as of March 3, 2025.

Bloomberg Opinion

Whether this downturn lingers has a lot to do with the dollar's performance. A weaker dollar is part of President Donald Trump's flagship policy of reviving American industry. It's plausible to expect a dollar rally to be relatively short-lived. However, the scale of the ongoing conflict and its potential to expand further may increasingly shape the dollar's course.

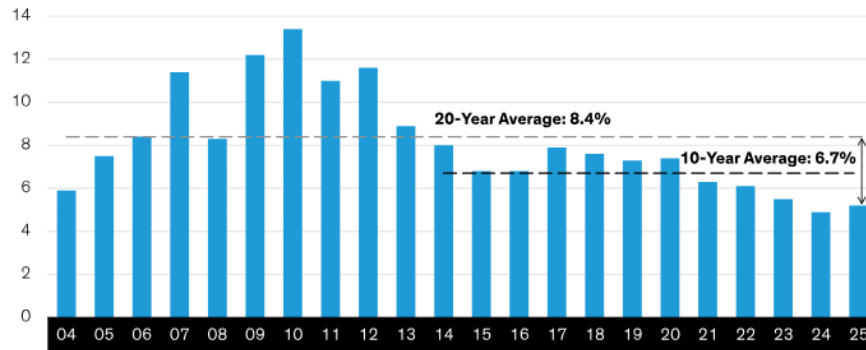
EM strength has historically coincided with a weaker dollar, which explains why the sudden course reversal caused by the conflict had such a drastic impact.

Still, how much shock emerging markets can withstand depends on idiosyncratic factors. Higher oil prices are beneficial for exporters and very much detrimental for net importers. In Latin America, the price surge might shore up growth in Brazil and Colombia while weighing on Mexico and Chile. Societe Generale's Dev Ashish points out that this can still be a double-edged sword. Strong oil prices strengthen growth, fiscal accounts, and currencies in exporters but also push domestic inflation higher.

EM optimism has been driven to a large extent by strong earnings growth, and by the fact that many countries have been under-owned during years of American Exceptionalism. That gave them room to rise, and last year, the cohort gained nearly 33%. Sam Suzuki of AllianceBernstein points out that EM equities still trade at a sizable discount — which explains 2026 forecasts predicting that they would outpace developed markets again:

EM Equities Have Traditionally Been Underowned

EM Equities as a Share of Global Assets Under Management (Percent)



Monetary policy, with rates expected to come down from lofty levels, is a further support. These factors won't change overnight, but would be unlikely to survive a devastating, prolonged war. The pass-through from an extended episode of higher oil prices could derail the projected easing and raise inflation risks. But Suzuki suggests that's a reason for more cautious optimism, not outright pessimism:

EM are not without risk and haven't always lived up to their promise. Nonetheless, improving corporate fundamentals and corporate earnings growth could be signs that this isn't just another short-cycle rebound —especially given the structural trends creating new opportunities.

Importantly, many countries have their fiscal house in order, which could help mitigate whatever shock the Iran fallout might bring. Oxford Economics' Joshua Fisher notes that the emerging world has a better medium-term fiscal sustainability outlook than the developed markets.

It's a diverse picture, but the EM world is not in seriously bad health. The great risk would be resumed strength for the dollar. As long as the assumption of more rate cuts from the Fed still holds, emerging markets have a buffer to withstand shocks from the Middle East. The sooner this is all over, the better for everyone.

THE COST OF UNPAID LABOUR

- *YourStory*

Picture two scenarios.

In the first, a woman in a corporate organisation works nine hours, sometimes more, at the office. She meets targets, manages teams, and answers emails late into the evening. When she returns home, the primary responsibility of running the household, even with a support system in place, rests with her. Childcare, meal planning, coordinating schedules, tending to ageing parents—and the invisible emotional management that binds it all together—fall within her orbit.

In the second scenario, a homemaker does not have a formal workplace to report to. But her workday is no shorter. She wakes up before the rest of the household, structures the day

around her family's needs, manages domestic logistics, caregiving, finances, and social obligations. Her labour is constant, repetitive, and rarely paused. There is no weekend. In her case, there is no salary, no appraisal, and in most cases, no acknowledgement.

These two women occupy different economic categories. But they share one condition: their time is assumed to be expandable. And, this comes at a measurable cost.

The Time Use Survey, conducted by the Ministry of Statistics and Programme Implementation and cited in this year's Economic Survey, highlighted that 41% of women aged 15–59 participate in caregiving activities, compared to just 21.4% of men in the same age group. The time differential is equally telling: women spend nearly 140 minutes a day on caregiving, almost double the 74 minutes men spend.

The imbalance becomes starker when unpaid work is examined more broadly. Among individuals aged six years and older, the average time spent on unpaid activities is 278 minutes per day. For women, however, that figure rises to 363 minutes daily—nearly three times the 123 minutes recorded for men.

Men, by contrast, dominate paid work hours. On average, men spend 414 minutes a day in paid employment, compared to 302 minutes for women.

When paid and unpaid work are combined, women's total working time exceeds that of men. Even when women enter formal employment, they do not shed domestic responsibilities; they add to them.

This dual load helps explain why the female labour force participation rate (FLFP) hovers at around 41%, well below the global average.

A 2024 International Labour Organisation (ILO) study found that more than 50% of women in India remain outside the labour force due to care responsibilities.

The exclusion is real, and it matters! When women's work remains unpaid, it affects their lives in many ways. It takes years off their careers, does not build savings, and curtails their financial independence.

Dual incomes give women better agency in their households. Women with independent incomes invest more in their children's education and health. A rising female labour participation rate signals economic growth and empowerment.

Recording the time spent by women in paid and unpaid work is the first step towards change. The expansion of paid maternity leave from 12 to 26 weeks under the 2017 amendment to the Maternity Benefit Act, along with mandated creche facilities and the emergence of more flexible, women-responsive workplace policies, has offered important institutional support. But maternity leave alone is not enough. Paternity leave should be mandated across the public and private sectors; otherwise, caregiving will, by default, fall on women.

How do you reprice a woman's time? Structural investment becomes central. Affordable and accessible childcare facilities, hybrid and flexible work options, and better urban planning for mobility and safety must be prioritised. Equally important is the distribution of care within households, where men's participation must be encouraged and normalised.

The cost of a woman's time is real. It is not invisible. It is simply undervalued. It is time for nations to recognise it as economic capital and invest accordingly.

THE AI LITERACY GAP NO ONE IN A&M TALKS ABOUT

-Social Samosa

Imagine a campaign brief landing on a strategist's desk. Before the first stakeholder meeting, an AI tool has already scanned consumer sentiment data, suggested audience segments, generated three creative directions, and flagged which CTA variations performed best in the last quarter. In a media agency, programmatic systems are optimising bids in real time, with machine learning models predicting click-through rates before a single ad goes live. In a martech stack, AI is personalising email journeys for millions of users simultaneously, with no human touching a single send.

This perceived future is already the operating rhythm of many advertising and marketing organisations today. And at the top of the organisational chart, the language has changed accordingly: AI-first, AI-native, AI-powered. WPP has committed over £300 million this year to AI investment, building its open marketing platform and partnering with Google in a \$400 million deal. Publicis Groupe has pledged 300 million euros over three years to CoreAI, its internal AI system built on 2.3 billion consumer profiles. Across the holding company landscape, AI is the strategy.

But here is the question that rarely appears in the press releases: who inside these organisations actually understands what that means?

Investments are rising. The skills to match them are not keeping pace.

Global AI spending is projected to exceed \$2.52 trillion in 2026. In hiring, the shift is already visible. LinkedIn's Skills on the Rise 2026 report places prompt engineering, workflow automation, LLMOps, and data storytelling among the fastest-growing competencies in India, with prompt engineering now appearing across HR, marketing, sales and consulting, well beyond its technical origins. LinkedIn data also shows that 46% of recruiters globally now rely on skills data to fill roles, while 74% of recruiters in India say finding qualified talent is harder than ever.

The demand within advertising and marketing is specific. Anand V, Chief Information Officer – APAC at Randstad, points out, "Demand is strongest for competencies that sit at the intersection of AI and marketing, such as data analytics, AI-augmented content optimisation, customer journey personalisation, model governance, machine learning literacy and the ability to embed AI into campaign strategy. However, there remains a gap when it comes to advanced technical foundations like NLP or cloud AI proficiency, as well as those who can translate AI outputs into strategic business value."

The gap Anand describes is not simply about whether employees have access to tools. It is about whether they know what to do with the output. And that distinction is increasingly where organisations are falling short.

Many agencies, platforms and brands today position themselves as AI-first. Internally, that is expected to translate into a workforce that can use AI to improve strategy, content, media planning and measurement. But whether formal training exists to support that expectation is a different matter.

According to a 2025 report from The Adecco Group, 60% of business leaders expect employees to upskill themselves for AI, and yet 34% of organisations admit they have no formal AI policy at work without guidance, safeguards or a plan.

Roopa Badrinath, Founder and Principal Consultant at Turmeric Consulting, shares, "I sometimes wonder if organisations have democratised AI access without democratising AI literacy. Many companies describe themselves as AI-first, but the more important question is: AI-first for whom? For all employees across the organisation, for clients, and for the customers they serve? If the answer is truly 'all of the above,' then AI adoption must move beyond tool rollouts to a more inclusive and deliberate capability-building effort."

Anand echoes this with data-backed concern.

"While the use of AI tools is becoming commonplace, with a majority of sales and marketing professionals already using them in some capacity, formal and role-specific training remains limited, leaving talent without the deep, practical skills needed to harness AI effectively on the job. This suggests that many companies may be overestimating how AI-ready their talent truly is."

That overestimation has a face at the leadership level too. A Gartner survey found that 65% of CMOs expect AI to dramatically change their role within two years, yet only 32% believe significant changes to their own skills are needed. The report predicts that by 2027, a lack of AI literacy will rank among the top three reasons CMOs are replaced at large enterprises. As Gartner Distinguished VP Analyst Lizzy Foo Kune put it in the report, CMOs cannot treat AI as something the team uses while leadership stays on the sidelines.

The depth of training still lags behind the breadth of adoption

When it comes to who is getting trained and how, the picture is uneven across functions and levels. Most professionals can use AI for drafting, image generation, or pulling research from large documents. Fewer can do the harder things.

Himani Mangtani, Business Head at SW Network, describes the split, "AI exposure today is happening across levels, from junior executives to senior leadership, although the depth of application varies. Within performance marketing and strategy, AI is now being used to build structured frameworks that map target stages, define user actions, generate CTA variations and identify optimisation paths. These functions are currently seeing sharper integration given the measurability of impact."

But that integration is not yet consistent. Mangtani is direct about what is missing at an industry level. She notes, "What is still missing across the industry is structured advanced training around automation workflows, predictive thinking, data interpretation, and responsible AI governance, with most programmes still focused on tool usage rather than system-building."

Bhavya Misra, CHRO at Godrej Capital, sees the same pattern from an HR perspective, noting that teams handling data, performance or customer engagement tend to pick it up faster, but that the real challenge is spreading adoption across the organisation.

She points to the risk of siloed adoption: if marketing becomes AI-fluent but finance, HR, or operations do not, friction builds. "Adoption must be horizontal, not hierarchical," she says. For marketing specifically, she argues it sits at the intersection of insight, creativity and measurable impact, making it both a natural candidate for AI integration and a critical test case for whether organisations can achieve consistent depth.

The research backs up the importance of that depth. A study led by PhD student Snehal Prabhudesai and Professor Nikola Banovic at the University of Michigan examined how students engage with large language models and whether they can evaluate AI outputs critically.

Using a framework called PromptAuditor, researchers found that students without structured guidance struggled to identify biases in AI outputs and often defaulted to surface-level interaction. Workshop participants without prior structured AI instruction scored a mean of 66.86 on a 100-point AI literacy scale, compared to 84.78 among classroom participants who had received formal guidance. The study found that targeted instructional support significantly improves the ability to critically evaluate AI outputs. Without it, people use AI without understanding what it is telling them or why.

The implication for marketing teams is not subtle. When AI is shaping audience insights, creative decisions and campaign strategies, the quality of human judgement applied to that output determines the quality of what reaches consumers.

Roopa Badrinath states, "The quality of any AI output is entirely dependent on the quality of human input — the assumptions, context, and blind spots brought to the keyboard. If employees are not trained to recognise and examine their own biases before constructing prompts, those biases are not mitigated; they are simply automated at scale."

The unspoken expectation: Figure it out yourself

The harder structural question is who is responsible for closing this gap. Formal programmes exist, but they are not yet the norm.

IBM has committed to training 2 million learners in AI by 2026 through its SkillsBuild platform. OpenAI, through its Learning Accelerator, has partnered with India's Ministry of Education, AICTE and six major universities, including IIT Delhi and IIM Ahmedabad, to reach over 100,000 students and faculty with ChatGPT Edu access and structured AI training. Microsoft has expanded its Elevate programme to upskill teachers across schools and higher education in India, working with government agencies. These are broad, sector-agnostic initiatives, and they matter. But they are not filling the gap within advertising and marketing organisations specifically.

Inside agencies, the approach varies.

Mangtani notes that some of the more substantive capability building is happening not internally but through client relationships. "For certain briefs, especially with large organisations such as Procter & Gamble, we are invited to participate in dedicated training sessions and workshops aligned to their AI frameworks and expectations. This ensures that our teams are not only building internal capability but are also aligned with global best practices and client-specific standards."

BCG research adds a useful benchmark here: only 22% of companies have moved beyond the proof-of-concept phase in AI, and just 4% are creating substantial business value at scale. The gap between pilot and production is almost always a people problem, not a technology one.

Bhavya Misra comments, "Formal programmes help set a shared baseline, bring teams together around governance, and reduce fragmentation. At the same time, AI is moving so fast that curiosity and peer-led experimentation often accelerate adoption. The tricky part comes when exploration starts to feel like an unspoken expectation rather than an encouraged opportunity."

Not everyone has the same time, confidence, or exposure, and without clear organisational support, gaps can quietly appear."

That quiet gap is the concern. The unspoken message of 'self-upskill or fall behind' is already being absorbed by employees who sense the stakes but receive no roadmap.

Roopa Badrinath identifies the skills that are hardest to find and hardest to build. "The hardest skills to build and to find are not technical. They are human: critical judgement of AI outputs, data literacy to recognise bias and risk, and the ability to convert AI use into strategic value rather than cosmetic efficiency."

That distinction between cosmetic and substantive AI use is where AI fluency is already beginning to appear in compensation data. Roles that explicitly require AI skills are commanding wage premiums compared to traditional equivalents. Anand V points out, "Organisations are increasingly embedding AI expectations into job descriptions with generative AI and data-driven marketing competencies surging in demand and commanding significant wage premiums compared to traditional skills. On the other hand, structured upskilling programmes are not yet widespread or mature enough to close the gap at scale."

Bhavya Misra puts it most plainly. "Being AI-first is really about changing how work gets done. It cannot just remain a positioning statement; it has to translate into operating discipline. In practice, that means starting with structured literacy at the foundation and then steadily moving into functional integration at the workflow level. It is less about exposing teams to tools and more about embedding AI into planning, optimisation, and decision-making, so it becomes part of the way teams think, not just something they try."

The advertising and marketing industry has always moved at the speed of culture. AI is moving faster. Declaring AI-first intent is now the baseline, not the differentiator. What separates organisations that will genuinely benefit from AI from those that only appear to be is whether their people understand it well enough to push back on it, direct it, and build with it. Right now, for most organisations, that workforce does not yet exist at the scale they need.