PALETTE WEALTH INSIGHTS

06 OCTOBER 2026

GLASS HALF FULL

For business in general and investing in particular, good quality of data is required to make good decisions. That is why a lot of time and effort is spent on standardizing it by removing anomalies and inconsistencies.

In that context, there was a lot of debate in the previous month on the GDP numbers and their accuracy. To clear our heads, we chose to look at some of the other leading indicators and came out positive:

Summary of few leading indicators:

Aug GST collection: Total GST collected in Aug was Rs 2.0 trn vs 1.74 trn a year ago, growth of 14.8% YoY.

E-way bill generation: E-way bill generation in August was robust at 139.1mn vs 129.1mn a year ago, YoY growth of 7.7%.

Power Consumption: Growth has been steady with power use rising 33% between FY21 and FY25 at a five-year CAGR of 7.4%. India met a record peak demand of 269 GW in September2026, highlighting the scale of demand growth.

India Services PMI increased to a three-month high of 55.2 in September from 54.1 in August, mainly driven by an increase in new orders in the finance, insurance and consumer services sectors.

India's manufacturing PMI rose to a seven-month high of 55.1 in September, from 52.8 in August, led by stronger output and new orders (also at a seven-month high) amid firmer demand for electronics, pharmaceuticals and textiles.

Auto Sales Growth: Mobility demand stayed broad-based: PV (+33% YoY), 2W (+13.5% YoY), CV (+39.9% YoY) and retail EV (+53.5% YoY) reflected genuinely broad-based mobility demand.

Advance tax collections grew 16.18% YoY to INR 5.22 Lakh Crore with corporate advance tax recording a stronger increase of 18.09%, while non-corporate advance tax rose 9.24%.

Source: Bloomberg, Income Tax Department, 360 One Research, CMIE

As we wrote about in the previous months letter, we seem to be in a very good shape with government, corporate and household balance sheets. The ongoing geopolitical situation will get resolved at some point of time and clearing one overhang. High global interest rates will add another factor to track.

For investors, the time of easy pickings seems to be over. We will have to work harder to make money and remain vigilant to make the most of the opportunities that get presented to us, but also be vigilant against emerging threats and the biggest of them – complacency.

For die hard optimists like us, the glass will always be half full.

WHAT WE LIKE

STOCK

It started with a simple idea - why throw it out when you can fix it? **GNG Electronics** has taken that simple idea across 49 countries and grown into the world’s largest refurbisher of laptops and desktops, while also serving as the IT asset disposal partner for many large companies.

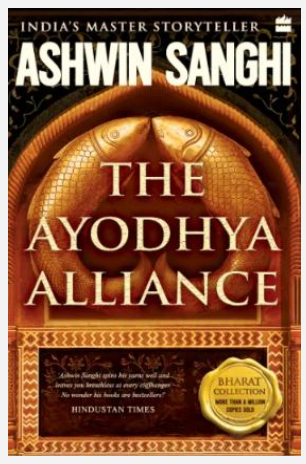
Refurbished electronics is a trust business. In a market nearly 85% unorganized, GNG is the only listed organized player, with 773 suppliers feeding 5,130 customer touchpoints. GNG's pedigree shows in its partners. Redington, Ingram and Supertron, India's three largest distributors, all back its range.

Over the last three years, revenue has doubled, profit has compounded at 59% and ROE has stayed above 25%. Growth is also shifting to developed markets, with the US and Europe now nearly half of sales. Over five years, operating leverage and disciplined execution have taken EBITDA margin up 2.5 times to 12.8%.

The increase in cost of equipment due to increase in chip and memory costs is also a big structural shift. Tighter budgets are pushing enterprises to rethink capex, while sustainability targets, digitization and demand for affordable technology are adding to the opportunity. With its established infrastructure and sourcing network, the business is well placed to capture this shift.

The world will need more computing and not all of it will come in a new box. It is the kind of business we like to own for the long haul, growing steadily and compounding capital.

BOOK



What if the past knew something we have all forgotten? The master storyteller Ashwin Sanghi's The Ayodhya Alliance takes you from Ayodhya to Kailasa, Rome, Damascus and Korea, mixing myth, metallurgy and modern geopolitics. By the final page, you are left holding more questions than answers. How much of what we call myth was once simply everyday knowledge? And how much of today's progress is really rediscovery of the old?

Sanghi doesn't hand you conclusions. He hands you curiosity instead. Few thrillers make you look back at the stories you grew up with and see them differently. After this, even the oldest stories will sound like discoveries waiting to be made.

MOVIE

Good stories don’t need dialogues and emotions are felt as much as they are seen.

Wall E is a story set in a dystopian future where Earth is full of waste and unlivable while humanity has gone off to space, to return only when the planet becomes habitable again. This is a beautiful story of a lonely robot and a companion that he finds and how they get humans back on Earth.

It’s also a celebrated film having won the Oscar, Golden Globe and BAFTA for Best Animated Feature. Watch it on JioHotstar.

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