Technical Speculator

Timely Analysis for the Informed Investor

MARKETS – COMMODITIES – CURRENCIES – SECTORS

February 2026

Commodities

Breakout!

Key Points:

- **Outlook for commodities still points higher in 2026.**
- **US 10YY are rising. Increased inflation pressure, credit issues, White House chaos.**
- **The Precious Metals sector holds on to the top in 90-day performance, once again**
- **WTI prices head to 1st support at $57.50**
- **NatGas outlook for Q1 weakens**
  New upside target for gold is $4610
- **Silver advance continues. $97 new target**
- **Industrial Metals ETF (GYX) breakout! Higher levels in Q1.**
- **More price strength for metals companies.**
- **Copper prices stall, short-term, at $6.00**
- **No love for the US dollar. Lower levels in Q1.**

	Since Last Month	*Year to Date*	*Since Inception mid-2003*
TS Model Portfolio	3.10%	3.10%	**1,279.36%**
S&P 500	1.37%	1.37%	593.90%

The 19-year average for the TS Model Portfolio – 12.30%
The 19-year average for the S&P 500 8.94%

Five-Year Performance

2021-**16.25%** 2022-(**-15.88%**)
2023-**23.29%** 2024-**19.14%** 2025-**15.51%**

TS Model Income Portfolio – 9.88% average div. yield

GTX: Breakout in Q1!

Outlook Positive: Bond traders are still expecting the Fed to deliver two or three rate cuts this year. With bets of disinflation (prices are still rising, but at a slower rate), making room for policymakers to potentially ease interest rates. The challenge rests with the market demand of a higher yield on US bonds due to the accumulated debt, credit downgrade, and self-inflicted White House chaos. Rates on the 10-year T-bond are going up, not down.

Another clue to the direction of the bond yields is the lock-step with commodities.

The S&P GSCI Commodity Index (GTX) continues to rise in a multi-year ascending triangle, currently retesting the resistance level of 4100. Buying momentum trend is positive and rising. There is an expanding positive 'Green Cloud' in Q1 and Q2. This combination of movements suggests a breakout of the GTX in Q1 and upward pressure for the 10-year bond yields (**Chart 1**).

Chart 1

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The long-term monthly data view supports higher levels for the GTX going forward into 2026. The S&P Commodity Index remains in a bullish pattern of higher highs and higher lows. From a longer-range view, there was a clean breakout by year-end of the GTX. Positive momentum confirms. A broad expanding 'Green Cloud' plus an accommodating uptick in bond yields, adds to the expectation of higher commodity levels this year (**Chart 1a**). Commodity trends either lead or move with US bond yields. This suggests that yields will remain supported as commodities rise.

Chart 1a

Chart 1b is the idealized Business Cycle illustrating the normal turning points for bonds, stocks, and commodities. At the present location, commodities are expected to strengthen and rise while bond prices start declining.

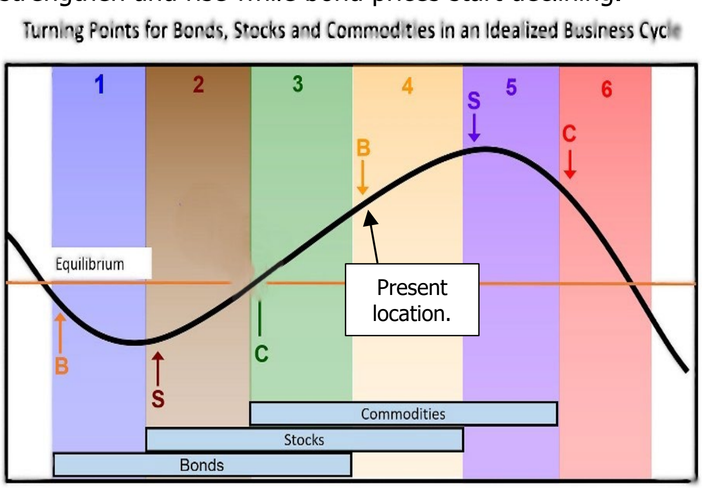

Chart 1b

__**What does it mean?**__ Inflation expectations, increasing US debt, and White House policy mismanagement are the drivers for the GTX and US 10-year T-bond yields. Add to the commodity position on the breakout over 4000.

__The target for the GTX is 4500.__

We suggest using the Invesco DB Commodity Index (DBC) as a good vehicle for trading a commodity index.

Inflation vs Deflation: A Solid Win

__**Outlook: Positive:**__ The lower levels in the US dollar (down 10.00% in 2025), CPI remaining elevated, and the ongoing geopolitical uncertainty, have continued to drive relative performance for inflationary assets over deflationary assets since Q3. Buying momentum trends are overbought (still confirming additional upward strength). There is a positive 'Green Cloud' in Q1 and Q2 (**Chart 2**).

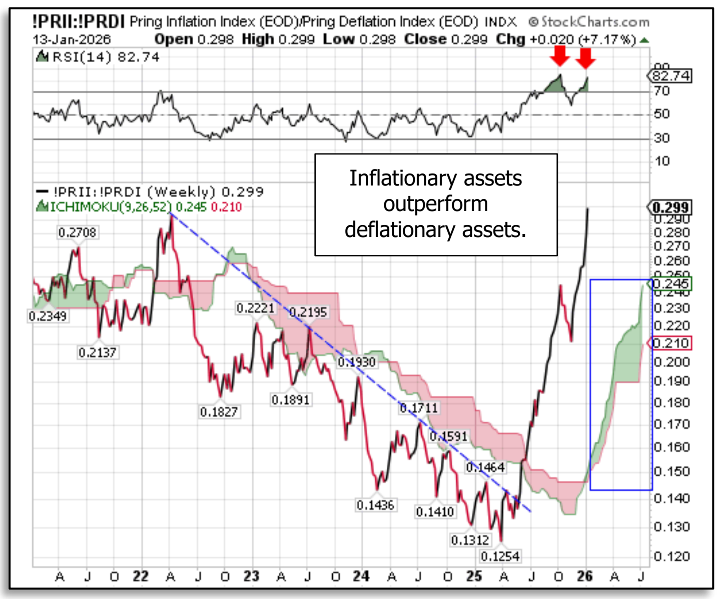

Chart 2

__**What does it mean?**__ A dominant trend shift where inflationary assets (commodities-inflation) are outperforming deflationary assets (Dow-deflation) began in mid-year. We anticipate a short-term shallow retracement in inflationary assets in Q1 and then a continued dominant performance from inflationary assets in 2026.

Commodity Performance: Metals Win

__**Outlook: Positive:**__ Precious metals soared up 34.60%, and the Industrial metals rose 25.54% (**Chart 3 on page 3**). The US dollar came in with a weak rebound reading of 1.72% over the last 90 days. The energy sector is still in a slump with -2.11%. This weakness is not expected to last much further.

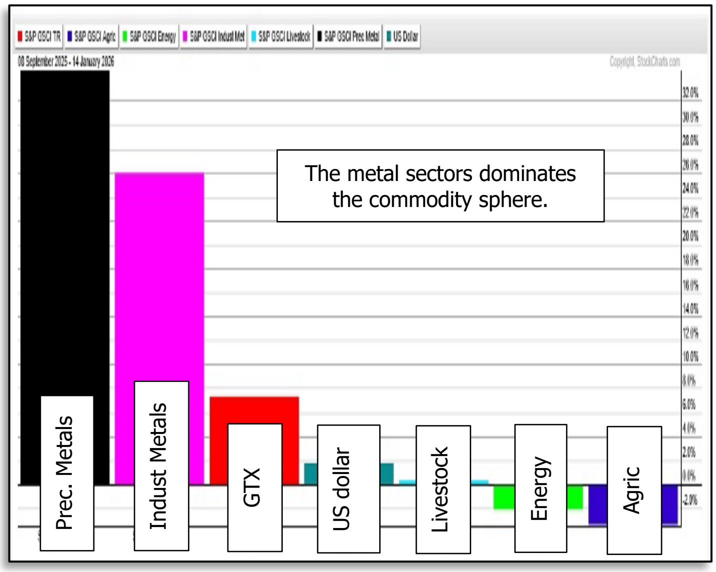

Chart 4

WTIC: Continued Weakness

Outlook: Negative: Oil prices climbed off the base of $56.00 as tensions cooled in Iran, OPEC's fourth-largest producer, combined with easing turmoil in Venezuela, the geopolitical risk premium softened (**Chart 5**).

US crude stocks increased, again, by 3.4 million barrels to 422.4 million barrels.

Crude prices continue to be under selling pressure, pressured by concerns over slowing US demand as well as global supply surplus.

Chart 5

The 1-year trend is down. The major trend is lower. Buying momentum (RSI) trend is positive (confirming additional upward strength). A broadening negative 'Red Cloud' extends into Q1 and Q2, suggesting prices will remain depressed over the next few months. The first price support is $56.00. 1st resistance is at $64.00 (**Chart 5**).

What does it mean? Oil prices are expected to remain depressed, ranging from $58.00 to $60.00 in Q1. There is an oversupply of global supply and weak world demand.

Natural Gas: On Lower Support Level

Outlook: Neutral: US natural gas inventories declined by 71 billion cubic feet, and are now well below the five-year average volume. Weather forecasts still point to colder-than-normal weather through late January. Demand expectations for early February were revised lower, according to the EIA (**Chart 6**).

The 1-year trend is flat. Recent price action shows a retest of the major support line. Resistance is at $5.25. A narrow negative 'Red Cloud' in Q1 suggests short-term price weakness. Buying momentum (RSI) is negative (not confirming additional upward strength).

What does it mean? NatGas prices are expected to remain under selling pressure in Q1. A negative 'Red Cloud' is forming in Q1. A meaningful price rally is not expected. The Q1 target is $4.00. Wait for a bounce before reducing position size.

Chart 6

Gasoline: New 5-Year Low

Outlook: Negative: US gasoline futures fell sharply at year-end, pressured by abundant US supply, before making a measured rebound doubtful. Broader oil market sentiment remains largely negative as supply outstrips demand.