Technical Speculator

Timely Analysis for the Informed Investor

MARKETS – COMMODITIES – CURRENCIES – SECTORS

October 2025

Commodities

It is all about gold

Key Points:

- **The GTX slow advance continues into Q4**
- **Long–term outlook for commodities still points up into 2026**
- **The Precious Metals sector holds on to the top in 90-day performance, once again**
- **WTI prices head to 1st support at $61.75**
- **Nat gas has more consolidation in Q4**
  New upside target for gold is $3988
- **Silver advance continues. $42 target met**
- **Industrial Metals ETF (GYX) remains boxed**
- **More price weakness for metals companies**
- **Copper prices start to rise**
- **The US dollar loses more support with the 25-point rate cut. Heads to 94**

	Since Last Month	*Year to Date*	*Since Inception mid-2003*
TS Model Portfolio	3.13%	8.14%	**1,152.52%**
S&P 500	3.53%	13.97%	568.85%

The 19-yr average for the TS Model Portfolio – 12.01%
The 19-yr average for the S&P 500 – 8.90%

Five Year Performance

2020-**30.39%** 2021-**16.25%**
2022-(**15.88%**) 2023-**23.29%** 2024-**19.14%**

TS Model Income Portfolio – 9.06% average div. yield

GTX: Yields Pause, Metals Rise

Outlook Neutral/Positive: The S&P Commodity Index continues to rise, driven by inflation in food prices and gold. The softer US dollar and falling treasury yields helped boost demand for gold. Geopolitical uncertainty is also adding to the demand for the precious metal as a safe haven.

US 10-year yields are falling to around 4.05% as new economic data shows a cooling in the labour market, giving strength for rate cuts by the Fed.

The S&P Commodity Index (GTX), which follows a similar trading pattern to US 10-year yields, increased in Q3 (**Chart 1**). The GTX is in a pattern of rising highs and rising lows. Buying momentum (RSI) is positive and rising. There is a shallow negative 'Red Cloud' in Q4, then turning to a positive 'Green Cloud' in Q1. This suggests, along with rising momentum, a short-term pause followed by higher levels.

Chart 1

The long-term monthly data view supports higher levels for the GTX going forward. The S&P Commodity Index remains in a consolidating bullish pattern. Buying momentum (RSI) trends are positive (confirming additional long-term buying pressure). An expanding positive 'Green Cloud' for all of 2025 and into 2026 suggests higher price levels for the GTX in the months ahead. The 10-year US T-bond yields are showing a short-term disconnect with the GTX; however, data over the past decade illustrate that the connection remains. Commodity trends led yields. This suggests that yields will remain supported (**Chart 1a**).

Chart 1a

What does it mean? A hidden driver for the GTX and US 10-year T-bond yields is inflation and economic uncertainty. As businesses begin to pass on higher import costs to consumers, CPI is expected to continue rising. Core inflation rose to 3.1% in August. Couple that with a slumping US dollar (now down almost 12% in 2025), and you have a near-perfect storm for higher levels on the GTX. The target for the GTX is 3960, followed by 4200.

Deflation vs. Inflation: Inflation wins

Outlook: Positive: Aided by a drop in the US dollar (12% down YTD), relative performance for inflationary assets is outperforming deflationary assets since Q3. Buying momentum trends are overbought (still confirming additional upward strength). There is a negative 'Red Cloud' in Q4 followed by a positive 'Green Cloud' in Q1 (**Chart 2**).

Chart 2

What does it mean? A developing trend shift where inflationary assets (commodities-inflation) are now outperforming deflationary assets (Dow-deflation). We anticipate continued performance from inflationary assets in the months ahead.

Commodity Performance: Pr. Metals

Outlook: Positive: Precious metals roared up 9.19%, and the Industrial metals rose 7.18% (**Chart 3**). The US dollar had a negative reading of -1.70% over the last 90 days. The energy sector is making a comeback.

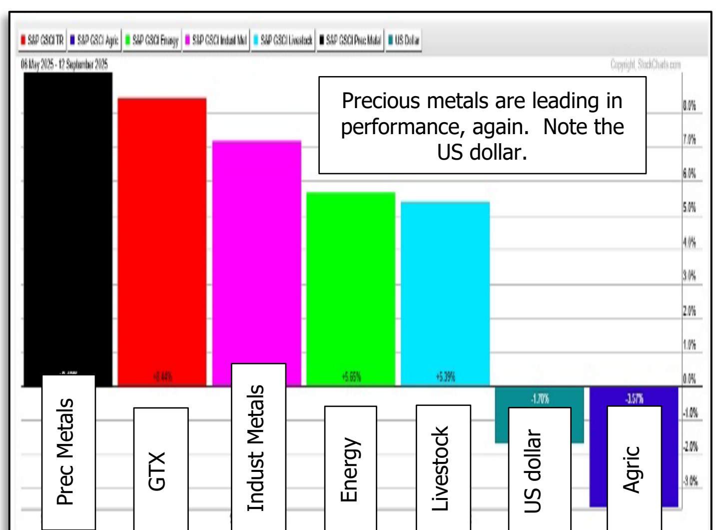

Chart 3

T e c h n i c a l   S p e c u l a t o r
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WTIC: Continued Weakness

Outlook: Negative: Oil prices continue to decline, pressured by concerns over slowing US demand as well as global supply surplus amid increased production from OPEC+.

The 1-year trend is down. Major trend is lower. Buying momentum (RSI) trend is negative (not confirming additional upward strength). A broadening negative 'Red Cloud' extends into year-end, suggesting prices will remain depressed over the next few months. First price support is at $61.75 (**Chart 4**).

What does it mean? Oil prices are expected to remain depressed, ranging from $60 to $67 in Q4. There is ample global supply and weak global demand. Continue to avoid.

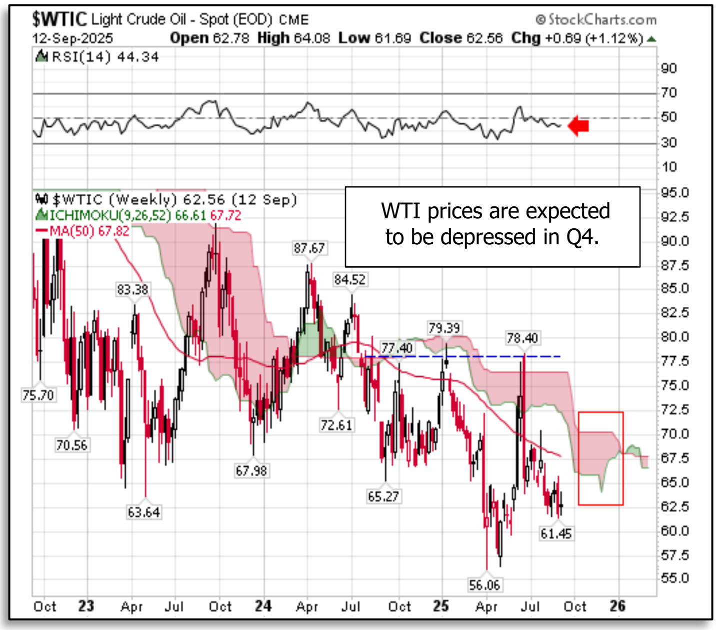

Chart 4

Natural Gas: Consolidation

Outlook: Neutral: US natural gas futures fell to their lowest level since November 2024, pressured by near-record production, abundant inventory levels, and low export demand. Despite a hotter-than-normal summer, high storage levels continued to press on natural gas prices (**Chart 5**).

The 1-year trend is up. Recent price action shows a weakness building. Resistance is at $3.10. A positive 'Green Cloud' in Q4 suggests price support and a measured rise. Buying momentum (RSI) is negative (not confirming additional upward strength).

What does it mean? NatGas prices are expected to recover/stabilize in Q4. Measured rise only. Continue to hold. <u>The target is $3.75</u>.

Chart 5

Gasoline: Weakness Continues

Outlook: Negative: US gasoline futures fell to $1.95 per gallon as tight refining capacity, and geopolitical tensions outweighed temporary stock builds. Crude prices rebounded after a modest OPEC+ output increase. US gas inventories rose by 1.46 million barrels in early September. This was offset by seasonal demand.

Chart 6

The 1-year trend is flat. Buying momentum (RSI) trend is negative (not confirming additional strength). An expanding negative 'Red Cloud' is building in Q4, suggesting more price weakness in the months ahead (**Chart 6**).

What does it mean? Expect only minor movements in the months ahead. <u>The target is only $2.25.</u>