

Technical Speculator

Timely Analysis for the Informed Investor

MARKETS - COMMODITIES - CURRENCIES

August 2019



Commodities

Rush for safe havens good for gold, \$US

KEY POINTS:

- **Commodity Research Bureau (CRB) Index continues to base build; third retest of 168**
- **Deflationary assets continue to outperform inflationary assets**
- **Oil prices slowly starting to recover**
- **Weakness continues for gasoline prices**
- **Natural-gas prices stabilize after reaching target**
- **'Safe haven' rush has pushed gold to overbought**
- **More time needed to find a base for copper prices**
- **Safe haven U.S. dollar slowly rising; likely top at \$0.985**

| | <i>Since Last Month</i> | <i>Year to Date</i> | <i>Since Inception Mid-2003</i> |
|---------------------------|-------------------------|---------------------|---------------------------------|
| TS Model Portfolio | -0.82% | 18.81% | 467.30% |
| S&P 500 | -0.88% | 16.99% | 192.60% |

16-year average for the TS Model Portfolio: 12.09%
16-year average for the S&P 500: 6.85%

<https://www.technicalspeculator.com/services/ts-model-growth-portfolios>

New dividend income portfolio launched: 6.66% yield

CRB outlook: Long-term base

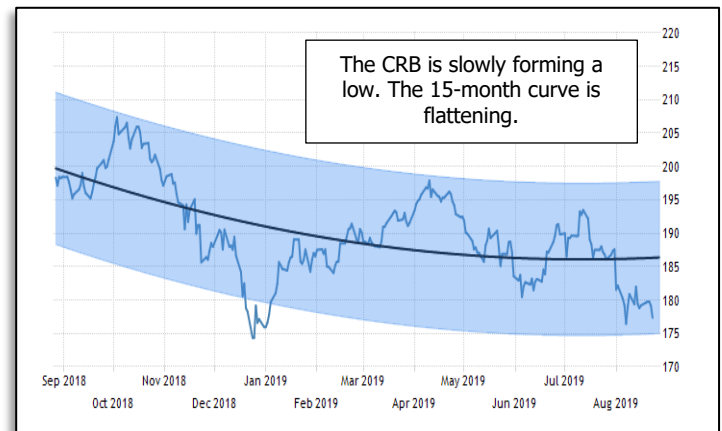
Outlook neutral/negative: The CRB is retesting, again, the long-term base of 166 to 168. This is now the third test.



Chart 1

A short-term bounce is likely from these levels. Any recoil is expected to stall at the 50-week moving average (m/a). Buying momentum (Relative Strength Index [RSI]) is negative (not confirming). More base-building is anticipated early in the 4th quarter (Q4). **(Chart 1)**.

Fifteen-month curve-fitting models are starting to show the CRB in a bottoming trend. Resistance is expected to build as the index nears the medium line (187). Some additional price weakness is expected into October **(Chart 1a)**.



Chart