Technical Speculator

Timely Analysis for the Informed Investor

MARKETS – COMMODITIES – CURRENCIES – SECTORS

September 2025

Commodities

Inflation, weak DXY, and gold

Key Points:

- **The GTX and US 10-year T-bond yields are pointing higher by year-end**
- **Long–term outlook still points up for commodities in the 2nd half of 2025**
- **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**
  Gold pauses before another upward run
- **Silver prices breakout! $42 target**
- **Industrial Metals ETF (GYX) remains boxed**
- **More price weakness for metals companies**
- **Copper prices find a floor**
- **Another bleak quarter for the US dollar**

	Since Last Month	*Year to Date*	*Since Inception mid-2003*
TS Model Portfolio	1.37%	4.85%	**1,099.06%**
S&P 500	1.91%	10.08%	546.03%

The 19-yr average for the TS Model Portfolio – 11.84%
The 19-yr average for the S&P 500 – 8.76%

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

TS Model Income Portfolio – 9.63% average div. yield

GTX: Yields Following Commodities

Outlook Neutral/Positive: The GTX remains in a slow upward march as commodity prices react to increasing global inflationary pressures and geopolitical uncertainty. The steady increase in precious metals, livestock, and industrial metals prices has driven the commodity index over the last 18 months.

US 10-year yields are holding around 4.30% as new economic data countered the urgency for rate cuts by the Fed. Retail sales rose sharply in July, while import prices jumped the most in 15 months despite tariffs introduced by Trump.

The S&P Commodity Index (GTX), which moves in tandem with US 10-year yields, increased in mid-year (**Chart 1**). The GTX is in a pattern of rising highs and rising lows.

Chart 1

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Buying momentum (RSI) is neutral (not confirming additional upward pressure). There is a positive 'Green Cloud' in Q3, followed by a shallow negative 'Red Cloud'. This suggests a greater probability of price weakness for the GTX over the next few months.

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 remain in lockstep with the GTX and are expected to stay well-supported in Q3/Q4. A breakout over 4.60% would cement the bullish outlook for yields and the GTX (**Chart 1a**).

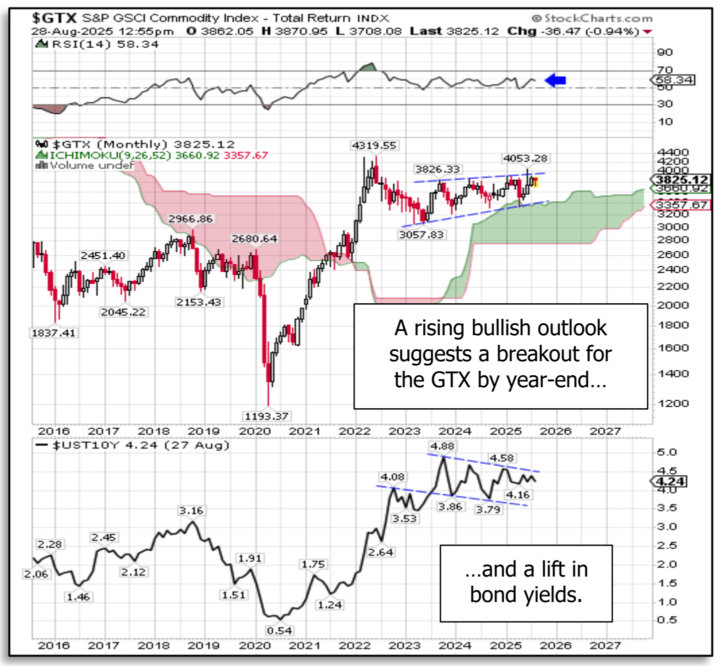

Chart 1a

A closer review of the US 10-year yields provides additional guidance to the expected movement of the GTX (**Chart 1b**).

Buying momentum trends are neutral (not confirming additional upward pressure). There is a positive 'Green Cloud' in Q3/Q4, suggesting yields are expected to be supported but not rise above 4.60%.

<u>What does it mean?</u> 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 rise. Core inflation rose to 3.1% in July. Couple that with a slumping US dollar (down 11%), and you have a near-perfect storm for higher levels on the GTX. A breakout in the commodity

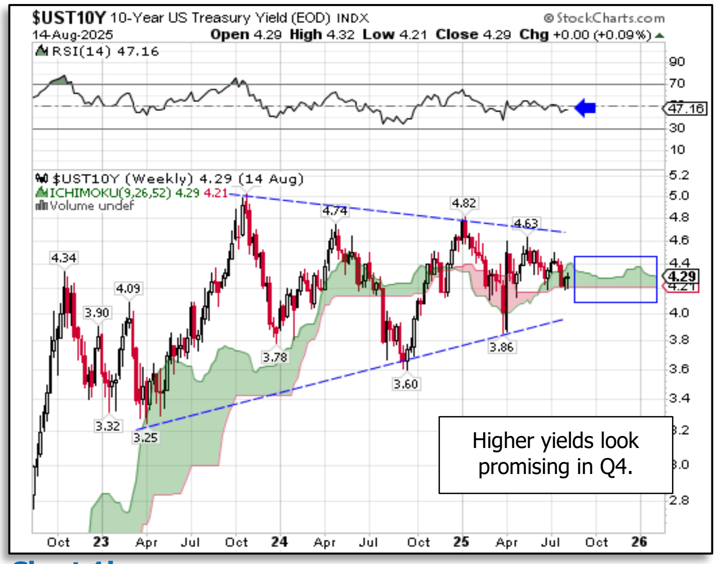

Chart 1b

index is expected in the second half of 2025. Once the breakout occurs, add to the GTX position. <u>The target has increased to 4200.</u>

Deflation vs. Inflation: Inflation wins

<u>Outlook: Positive:</u> Aided by a drop in the US dollar, relative performance for inflationary assets is now outperforming deflationary assets. Buying momentum trends are positive (confirming additional upward strength). There is a negative 'Red Cloud' in Q4, indicating a potential degree of retracement in the ratio (**Chart 2**).

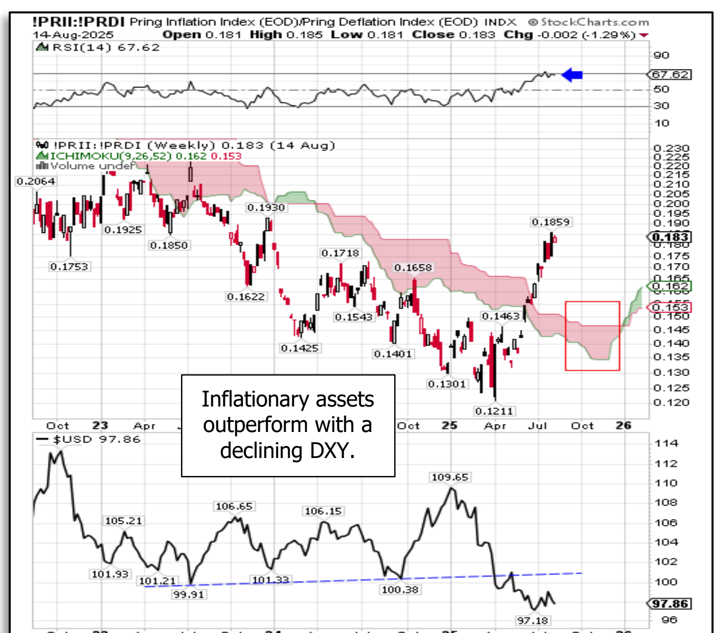

Chart 2

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

Commodity Performance: Pr. Metals

Outlook: Positive: Three commodity groups posted a higher positive return over the last 90 days than the S&P Commodity Index (GTX). Precious metals roared up 14.90%, the Livestock Index jumped 14.02% and the Industrial metals rose 10.65% (**Chart 3**). The US dollar had a negative reading of -5.09% over the last 90 days. The dollar is down 11.00% since the start of the year.

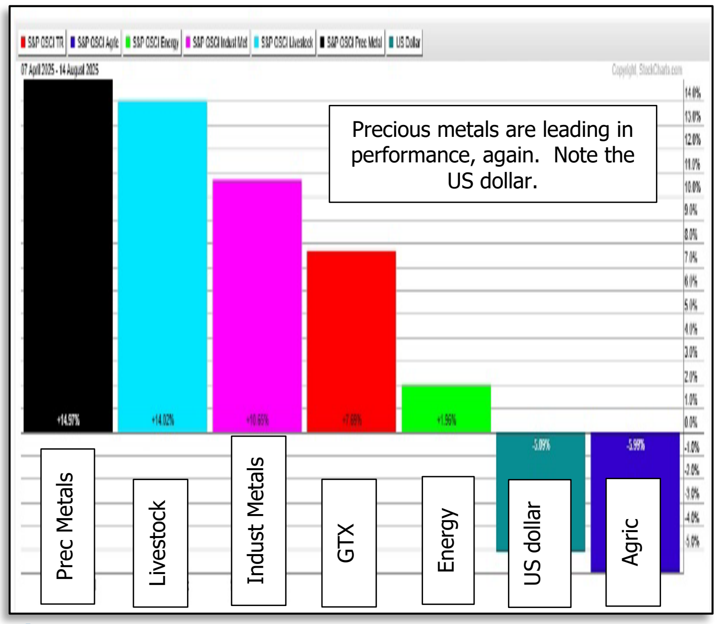

Chart 3

WTIC: Continued Weakness

Outlook: Neutral/Negative: Oil prices continue to decline, pressured by concerns over the economic fallout from Trump's tariffs and rising OPEC+ supply. Trump has signaled little urgency in imposing penalties on Russia and countries purchasing its oil.

The 1-year trend is down. WTIC prices reached the key resistance level of $79.00 again, only to pull back sharply in mid-year. 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. 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 and strong storage levels. Despite a hotter-than-normal summer, a robust supply keeps inventory levels about 7% above seasonal norms. Looking ahead, the weather is expected to be hotter than usual in September (**Chart 5**).

Chart 5

The 1-year trend is up. Recent price action shows a pullback to the main support of $ 2.90-$ 3.00. The current