Technical Speculator

Timely Analysis for the Informed Investor

MARKETS – COMMODITIES – CURRENCIES – SECTORS

September 2026

Commodities

Weak US dollar aids price levels

Key Points:

- **Seasonal strength eases for the GTX.**
- **Commodities outperform all asset classes since late 2025.**
- **Commodity index and US bond yields trend higher together.**
- **Inflationary asset performance accelerates.**
- **WTI prices are expected to rise in Q4.**
- **NatGas prices continue to trend lower in Q4.**
- **Gasoline prices bounce upward to retest Q1 high.**
- **Gold prices soften as oil prices strengthen.**
- **Industrial Metals ETF (GYX) posts a new high in Q3 as demand increases.**
- **Copper prices set a new high at $7.10.**
- **The weakness of the US dollar continues into year-end with a 98.50 target.**

	Since Last Month	*Year to Date*	*Since Inception mid-2003*
TS Model Portfolio	2.88%	20.60%	**1,513.46%**
S&P 500	2.62%	12.28%	668.61%

The 19-year average for the TS Model Portfolio is 12.73%
The 19-year average for the S&P 500 is 9.18%

Five-Year Performance

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

TS Model Income Portfolio – 10.06% average div. yield

GTX: Softer Season

Outlook Neutral/Positive: The S&P Commodity Index (GTX) is in a seasonally weaker time. Dating back to 2002, the months from August to November have been slightly softer in performance. It is important to note that "softer" means relatively good performance. For example, in September, 54% of the period between 2002 and 2026, the GTX was positive. In September, the average gain or loss was -0.34%. The worst performing month, on average, is November (**Chart 1**). Only 42% of the past 24 years were positive. The average November performance was -1.92%.

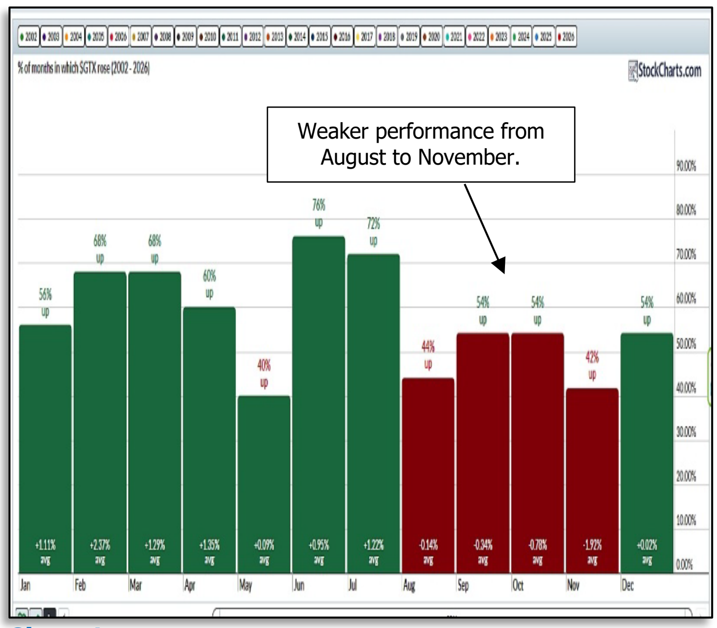

Chart 1

Despite seasonal weakness, commodities remain the leaders in performance. Since late October, the GTX has outperformed all the major North American equity indices, and by a sizable margin. The S&P Commodity index surged 44.06%. The benchmark S&P 500 was 15.79%. That is a 28% spread (**see Chart 1a on page 2**). The oil sector has been the main driver for the GTX, jumping up almost 42%.

T e c h n i c a l   S p e c u l a t o r
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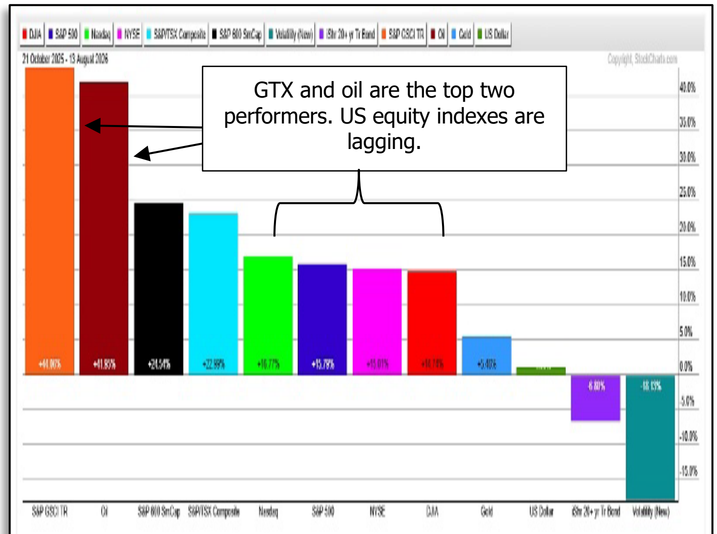

Chart 1a

What does it mean? **Chart 1** points to an increased probability of softer performance over the next few months. For most of these next three months, the odds of positive performance are 50/50.

Chart 1a highlights that commodities (GTX) have greatly outperformed equities over the last 10 months.

Commodity Rebound Continues

Outlook: Positive: The commodity index (GTX) is breaching the consolidation. Momentum is confirming higher levels. RSI is in the bullish 50-75 zone. There is a positive 'Green Cloud' in Q4, adding evidence for higher levels in the months ahead (**Chart 2**).

Chart 2

The long-term view of the GTX is for higher levels for the rest of 2026 and into 2027 (**Chart 2a**). Buying momentum (RSI) is neutral and at the edge of the bullish zone (50-75). There continues to be a positive 'Green Cloud' throughout 2026 and 2027, indicating further price increases.

US 10-year yields track commodity price trends and are also moving higher—a breakout in yields developed in early 2026.

Chart 2a

What does it mean? A breakout for GTX appears to be building. A similar move was made in the US 10-year yields, confirming further upside. The target has been updated to 6500. Continue to hold the position.

10-year bond yields have met the 1st target of 4.66%. The new target is 4.88%.

Inflation vs Deflation: Rising Again

Outlook: Neutral/Positive. Inflationary assets are rebounding post a short-term pullback in July. Momentum is rising, with a positive 'Green Cloud' in Q4. Both indicators suggest that the favourable relative strength of inflationary assets will continue to year-end (**Chart 3 on page 3**).

What does it mean? Inflationary assets have been outperforming deflationary assets since early 2025. There was a short-term deviation from that major trend mid-year. Market action suggests that trend is commencing again.

Chart 3

Commodity Performance: Mixed

Outlook: Neutral: The 90-day performance of the commodity industry groups remains mixed. Three groups advanced, and three receded. The Agriculture sector has outpaced other commodity sectors due to extreme weather, advancing 12.87%.

The US dollar squeaked out a positive return with only a 0.51% increase. The precious metal is down 7.75%. The energy sector lost 5.42% (**Chart 4**).

What does it mean? Climate change has brought drought and extreme heat, causing agricultural prices to rise. Soybeans, wheat and corn prices have all increased over the last year. Lower yields plus increasing demand have kept prices aloft.

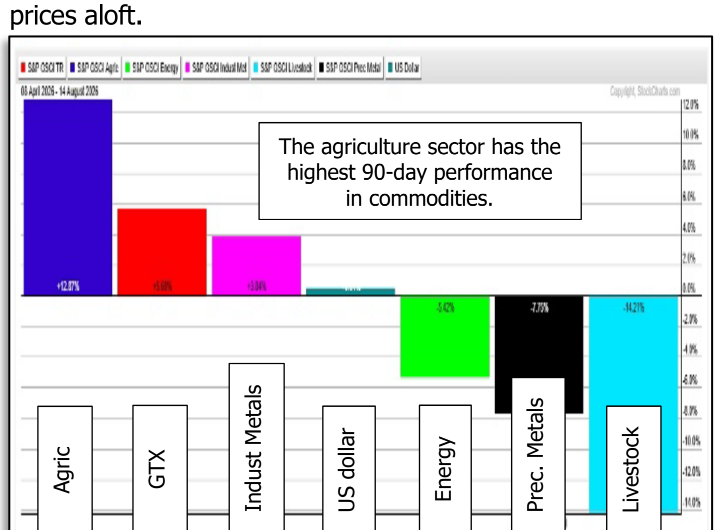

Chart 4

WTIC: Expected Mild Rebound

Outlook: Neutral: Escalating tensions in the Middle East continue to fuel supply concerns. Geopolitical strains are keeping traders hedging their bets as the US-Iran conflict shows no signs of easing. Trump recently threatened military action against Oman, a sovereign state, if it interferes with the US blockade of Iranian vessels. At the same time, Iran and Oman appeared to be making progress to manage traffic through Hormuz.

The 1-year trend is up. Buying momentum (RSI) trend is neutral (not confirming additional upward strength). Momentum is in the neutral zone of 45-55. A narrowing positive 'Green Cloud' is in Q4, indicating a likely recovery in oil prices, with a rebound off the support level in June. Resistance zone is at $87-$93.

What does it mean? Oil prices are expected to stabilize in the $80-$93 range. Models point to a possible increase bounce in Q4 (**Chart 5**). $93 is the target.

Chart 5

Natural Gas: Breakdown Continues

Outlook: Negative: US natural gas prices fell to their lowest level since early 2025. Milder weather forecasts and expectations for larger storage injections weighed on the markets. Strong domestic production is adding further downward pressure on natural gas prices. Production increased to 150.1 billion cubic feet per day. Solar and wind generation rose to a record high in July, taking market share from gas-powered plants.

Additional downward pressure continues as US gas inventories have risen to around 7% above five-year seasonal averages.