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TURNING POINT REPORT



The Metals Complex Is Losing Its Luster

By Dean Christians

October 22, 2026



Key points:

- Stocks rebounded sharply after the first Fed rate hike
- The Dollar Index has defied historical trends, remaining firm
- Commodities, especially metals, continue to struggle

Copper stands alone as metals trends deteriorate

A month has passed since the Federal Reserve delivered its first rate hike since 2023. Shortly after the decision, I published a report comparing asset performance over the first eight sessions with a historical composite of initial rate hikes. At the time, bond yields and the dollar were stronger than historical patterns, creating headwinds for interest rate- and dollar-sensitive groups.

Let's revisit the analysis to see how conditions have evolved, with a particular focus on the weakest area: metals.

At the one-month mark, several groups have improved considerably and now post their best relative performance across the 10 historical cases. Notably, consumer discretionary climbed from seventh to first, while hotels, resorts, and cruise lines went from the second-worst performer to the best.

The retreat in the 10-Year Treasury yield has clearly played a significant role in this shift. In contrast, commodity-related groups, particularly the metals complex, have remained weak amid a firm dollar.

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Where 2026 sits at the extremes of history

2026 and composite returns at day 21; rank among all cycles with data (1 = highest)

Asset	2026	Composite	Rank, day 8	Rank, day 21
Best one-month reading of any cycle				
S&P 500	+2.54%	-1.89%	3 of 10	1 of 10
S&P 500 Equal Weight	+1.57%	-2.31%	7 of 10	1 of 10
Consumer Discretionary	+3.06%	-3.12%	7 of 10	1 of 10
Health Care	+5.89%	-2.95%	2 of 10	1 of 10
Homefurnishing Retail	+13.92%	-7.49%	1 of 10	1 of 10
Hotels, Resorts & Cruise Lines	+6.44%	-2.94%	9 of 10	1 of 10
Building Products	+3.71%	-6.07%	1 of 10	1 of 10
Human Resource & Employment Svcs	+2.00%	-6.36%	4 of 5	1 of 5
Lowest readings (second- or third-lowest)				
Aluminum sub-industry	-11.46%	-2.17%	10 of 10	9 of 10
Silver	-11.96%	+1.82%	10 of 10	9 of 10
Constr. Machinery & Heavy Trucks	-4.40%	+0.34%	3 of 10	8 of 10
Gold Miners (HUI)	-6.34%	-2.02%	8 of 10	8 of 10
Bloomberg Spot Commodity	-1.11%	+2.27%	10 of 10	8 of 10
Russell 2000	-3.20%	-2.86%	7 of 8	6 of 8

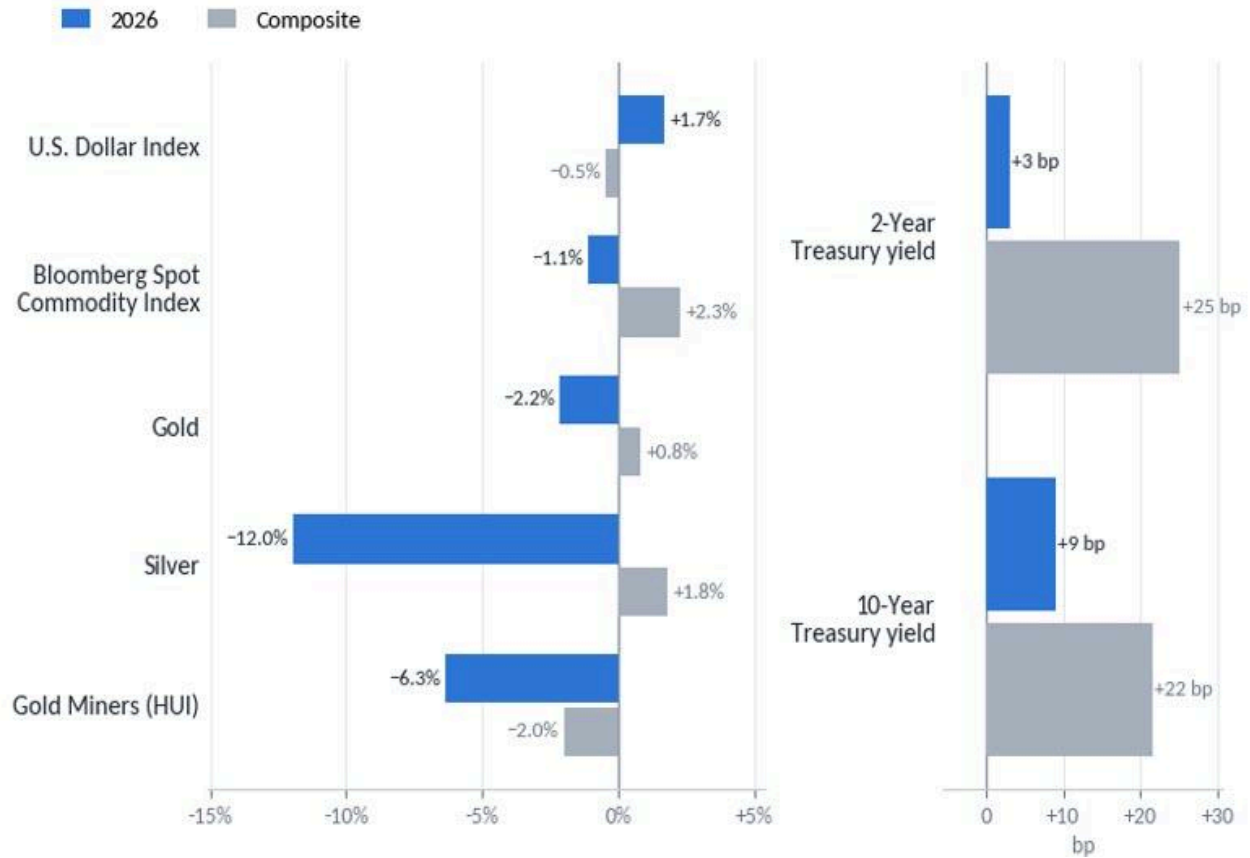
In contrast to historical trends, the dollar has rallied 1.7% in the first month after the rate hike, versus an average decline of 0.5% in prior instances. The firmer dollar has created a headwind for commodities, particularly metals, with all groups underperforming their respective historical composites.

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A firmer dollar, a smaller yield rise and weak commodities

Return at day 21 (left, %) and change in yield (right, basis points)



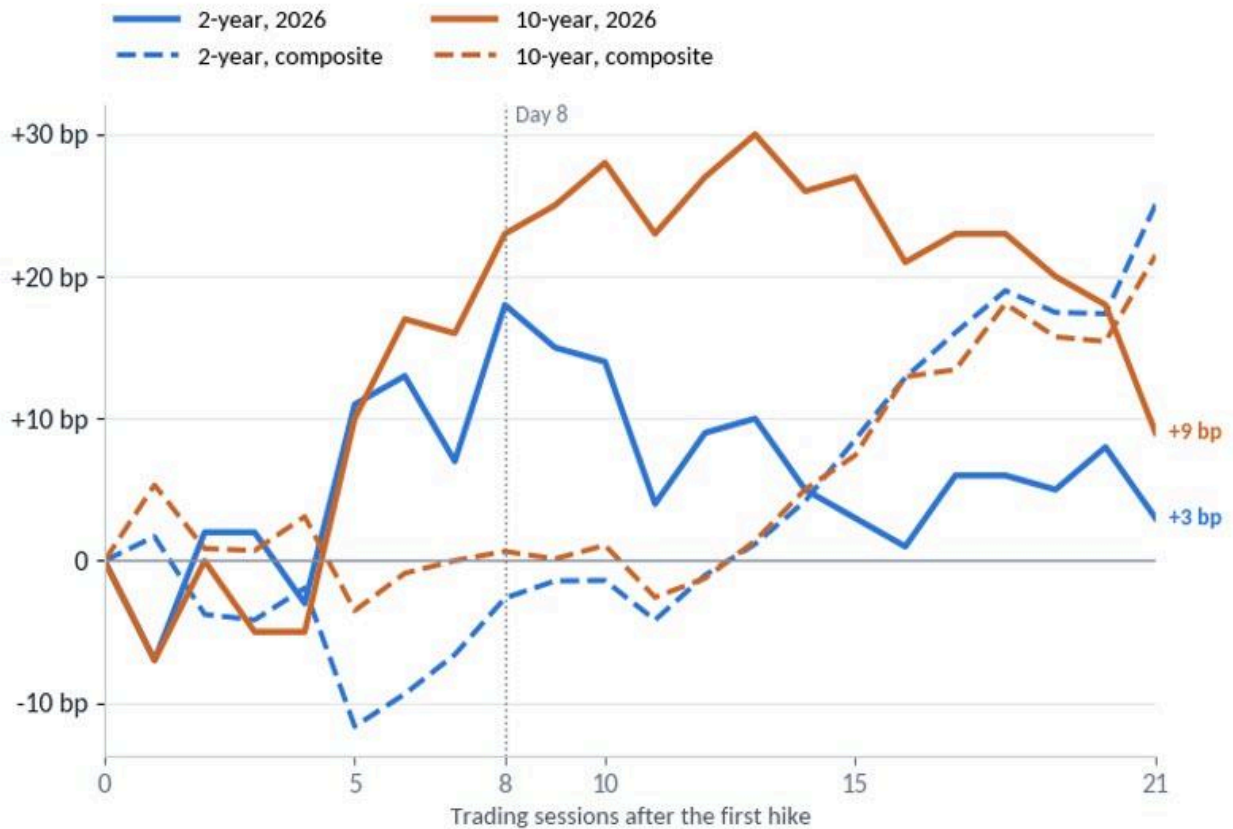
In the first few weeks, 2- and 10-year Treasury yields traded well above their respective composites, putting significant pressure on interest rate-sensitive sectors. Since then, yields have reversed lower, allowing these beaten-down stocks to recover.

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The early jump in yields has mostly reversed

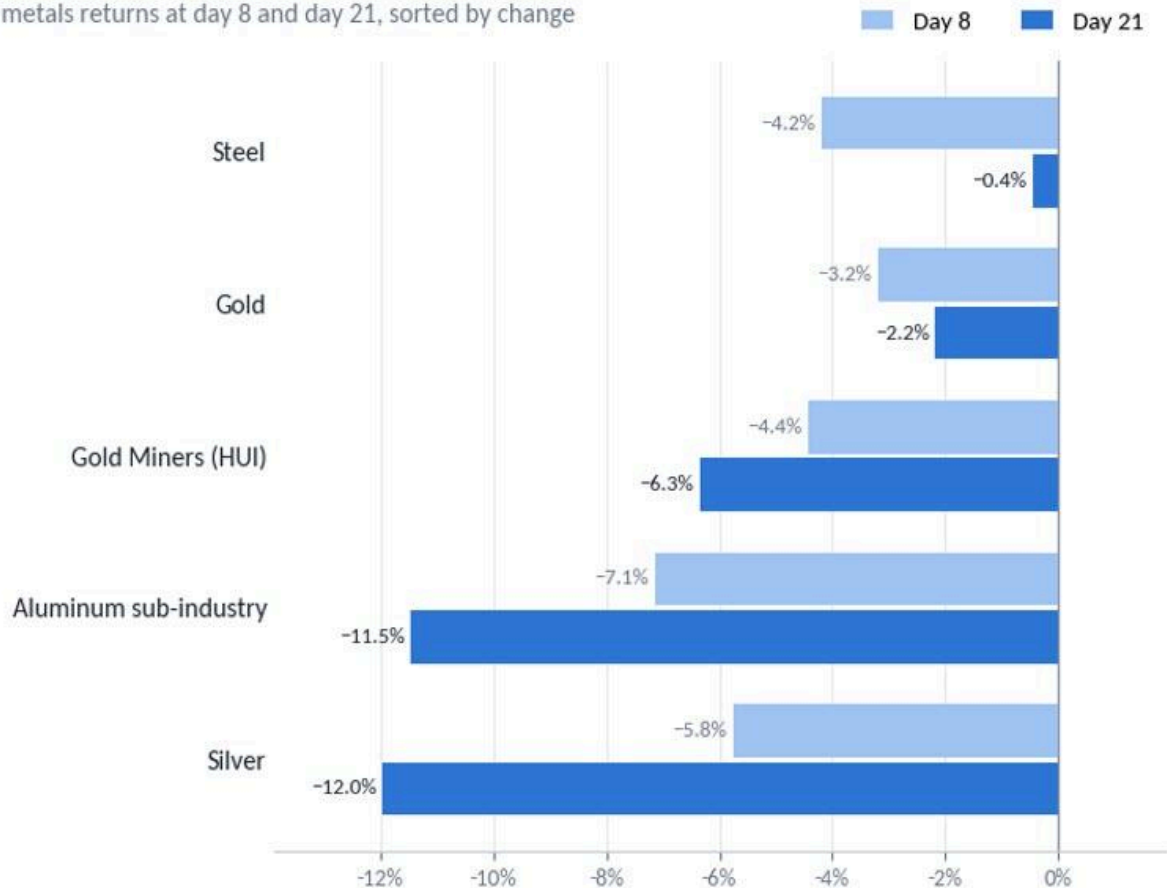
Change in yield by trading session; solid = 2026, dashed = composite



Easing yields have lifted interest rate-sensitive stocks, but that relief hasn't extended to the metals complex. Since day eight, gold miners, silver futures, and the aluminum sub-industry have suffered additional losses through the one-month mark. Gold and steel have bucked that trend, recovering modestly but remaining negative.

Silver and the aluminum sub-industry kept falling after day 8

2026 metals returns at day 8 and day 21, sorted by change



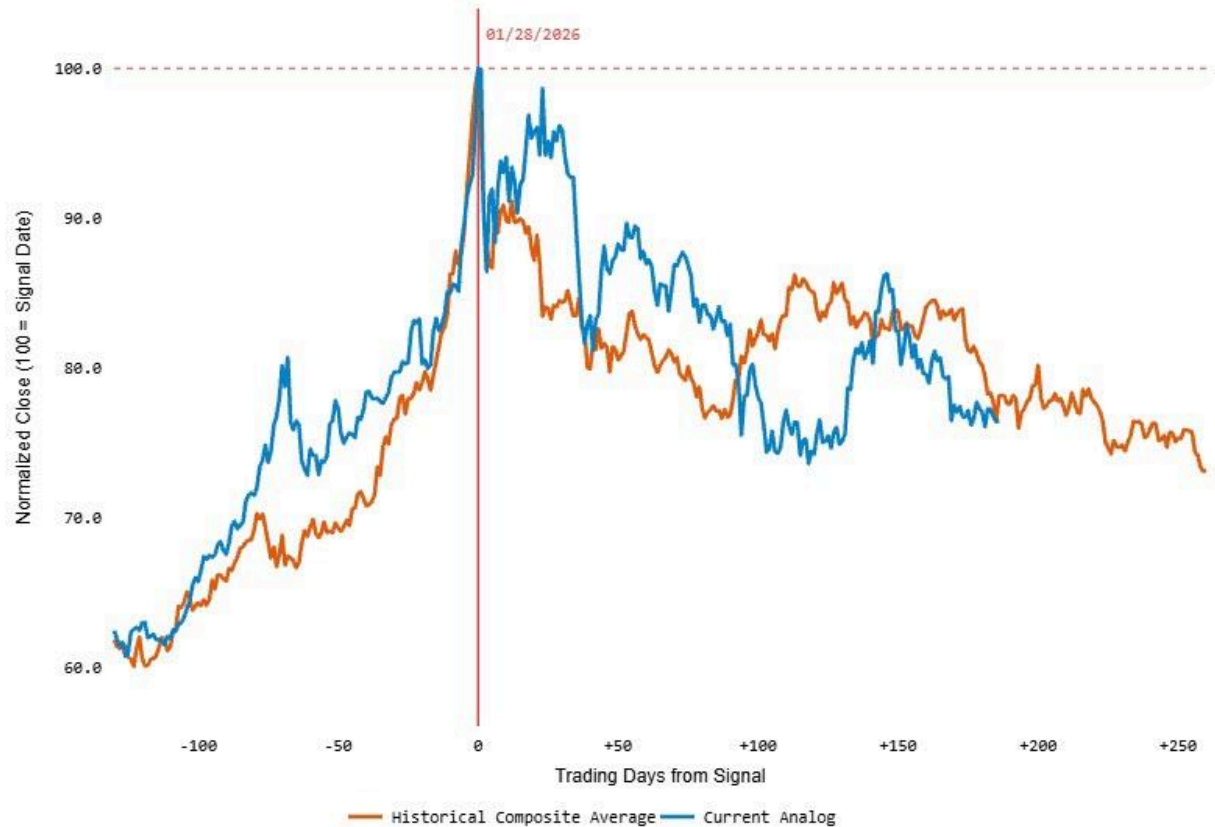
Blowoff tops continue to track history

Gold has fallen 2.2% in the first month following the rate hike as the dollar has strengthened. Meanwhile, the metal continues to track the blowoff-top analog, comparing the January 2026 peak with a historical composite, suggesting further downside may lie ahead before a durable bottom forms.

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Gold Market Behavior Around Major Gold Top



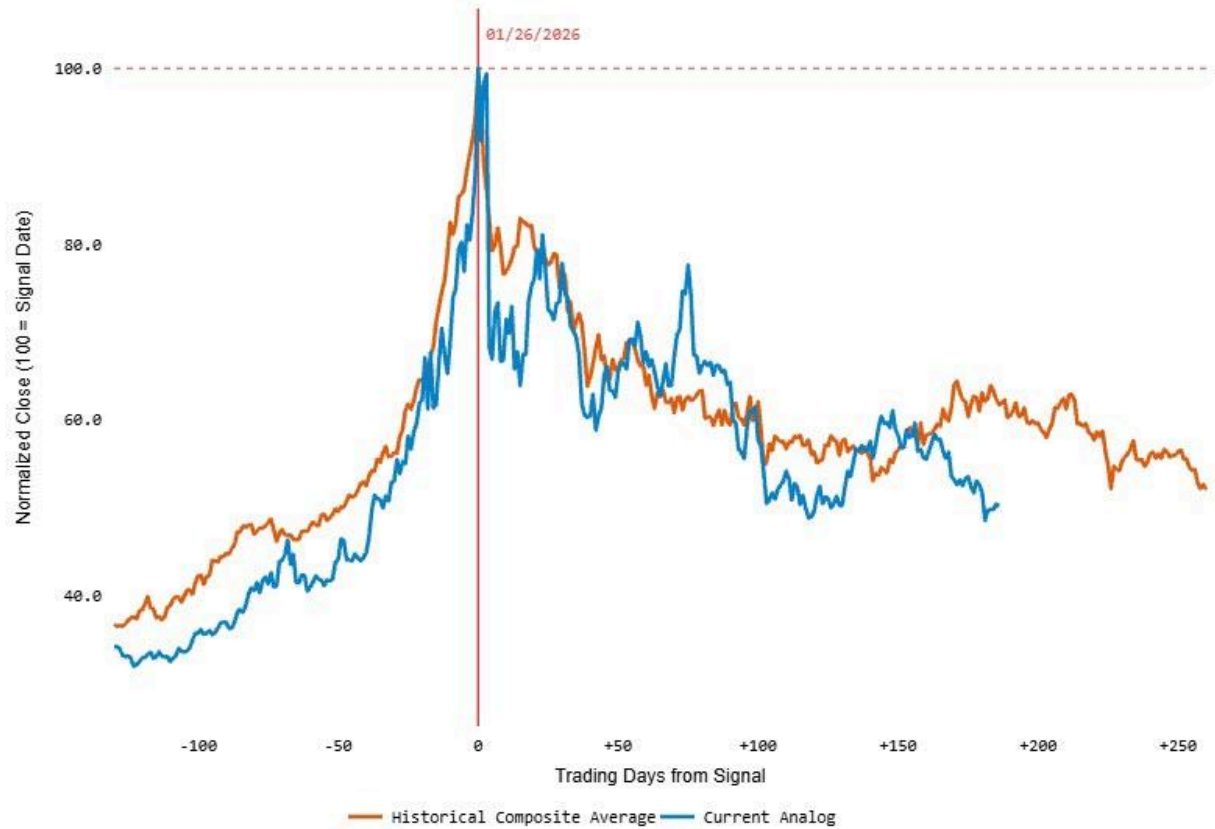
Silver has fallen 12% since the first rate hike, significantly underperforming the historical composite's average 1.8% gain over the first month.

For both gold and silver, the departure from Fed rate hike norms likely reflects the unwinding of blowoff tops, exacerbated by a firmer dollar.

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Silver Market Behavior Around Major Silver Top



Silver is testing a critical support level near its July low. Should this level fail, the precious metal could decline toward the 2011 breakout point near \$47.50, marked by the green line on the chart.

The unwind continues



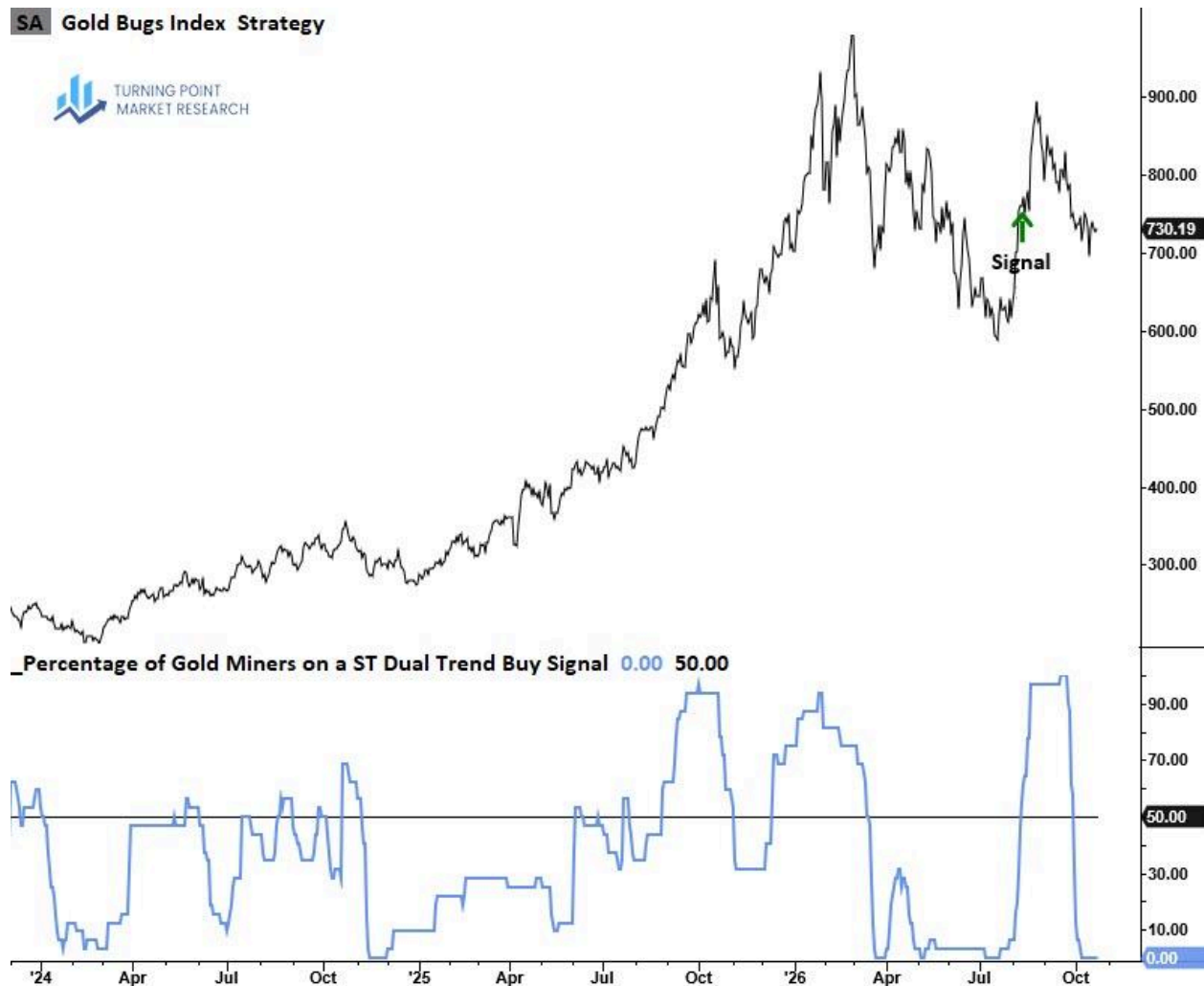
What I'm watching

The percentage of gold mining stocks on a short-term dual trend buy signal remains at 0%. Although the last signal ultimately whipsawed, it still produced an initial maximum gain of 17%. The indicator has a strong historical track record, suggesting that when gold miners establish a bottom and reverse higher, another signal could offer a compelling opportunity to act. For now, patience is warranted.

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SA Gold Bugs Index Strategy



Weakness across the complex

Trend and relative strength remain broadly unfavorable across the metals complex, with copper standing apart. The question is how long that divergence can persist while other commodities and mining stocks send a much weaker message. Copper's structural demand tailwinds from data center expansion and electrification remain firmly in place. Still, the recent deterioration in AI-related stocks raises the possibility that copper could eventually catch down.

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Dual Trend System Signals for Metals and Mining

Relative to the S&P 500

Sector	LT Signal	Signal Days	Trend Score	Rel Score	ST Signal	Signal Days	Trend Score	Rel Score	Trend System	Signal Days
SPDR S&P Metals & Mining	Bearish	84	10	0	Bearish	24	0	0	Bearish	28
VanEck Vctrs Gold Miners ETF	Bearish	118	40	20	Bearish	15	20	20	Bullish	53
VanEck Vctrs Jr Gold Miners	Bearish	118	30	20	Bearish	15	20	20	Bearish	16
Global X Silver Miners ETF	Bearish	108	30	20	Bearish	18	20	20	Bearish	16
Amplify Junior Silver Miners E	Bearish	108	20	20	Bearish	18	20	10	Bearish	17
SPDR Gold Trust	Bearish	111	20	10	Bearish	21	10	0	Bearish	18
iShs Silver Trust	Bearish	103	10	0	Bearish	18	10	0	Bearish	94
Global X Copper Miners ETF	Bearish	6	50	10	Bearish	16	20	0	Bullish	333
Sprott Critical Materials ETF	Bearish	96	0	0	Bearish	20	0	0	Bearish	28
VanEck Rare Earth and Strategi	Bearish	81	0	0	Bearish	109	0	0	Bearish	69
Sprott Nickel Miners ETF	Bearish	109	10	10	Bearish	18	0	0	Bearish	18
S&P GSCI Aluminum Spot	Bearish	84	0	0	Bearish	16	0	10	Bearish	46
S&P GSCI Copper Spot	Bullish	66	100	70	Bullish	43	40	50	Bullish	369
S&P GSCI Industrial Metal Spot	Bearish	85	60	0	Bearish	14	30	20	Bullish	337
S&P GSCI Lead Spot	Bearish	567	30	20	Bearish	184	80	60	Bearish	94
S&P GSCI Nickel Spot	Bearish	89	0	0	Bearish	110	40	40	Bearish	84
S&P GSCI Platinum Index	Bearish	124	20	10	Bearish	17	10	0	Bearish	108
S&P GSCI Zinc Spot	Bullish	216	90	80	Bearish	14	30	30	Bullish	334

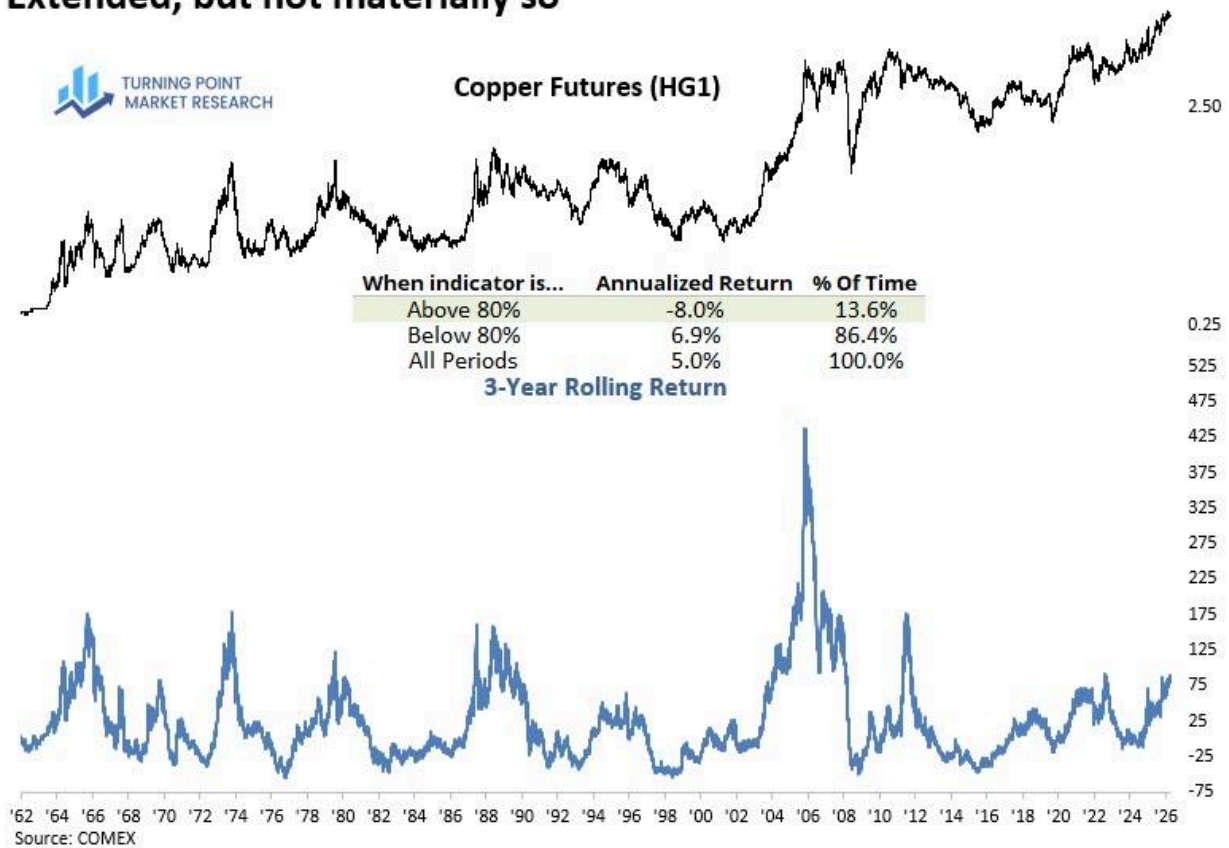
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Copper futures have rallied 80% over the past three years. While substantial, that advance falls short of the gains seen in other instances that marked major tops. However, this rally began from a historically high base near \$3.50, unlike most prior cases, which started below \$1. Even so, three-year gains exceeding 80% have historically been followed by negative annualized returns.

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Extended, but not materially so

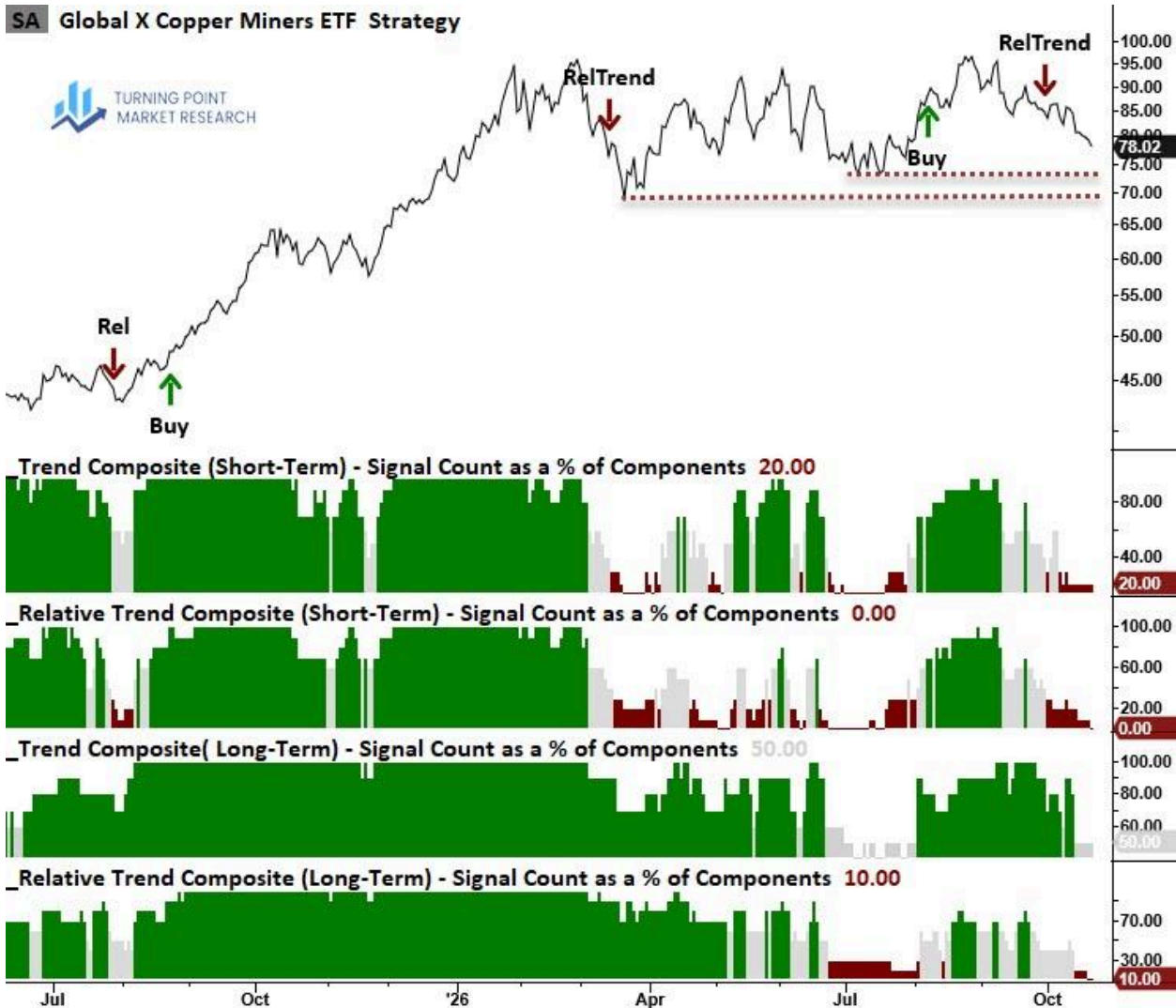


Both the short- and long-term dual trend systems remain on sell signals for the copper miners ETF (COPX). A potential double top is taking shape, but a break below the March low near \$69 would confirm the pattern.

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SA Global X Copper Miners ETF Strategy



What the research tells us...

The metals complex is deteriorating, with copper as a notable exception. Precious metals remain under pressure following their blowoff tops, while a firmer dollar following the Fed rate hike has compounded the decline. Industrial metals and miners present a more puzzling picture. Data center expansion, reshoring, and a healthy economy should theoretically support demand, yet they remain under pressure. Regardless of the underlying reasons, price action is sending a clear message. Until trends improve, industrial



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and precious metals and their associated stocks remain areas to avoid, and even copper and copper miners may not escape a broader correction.