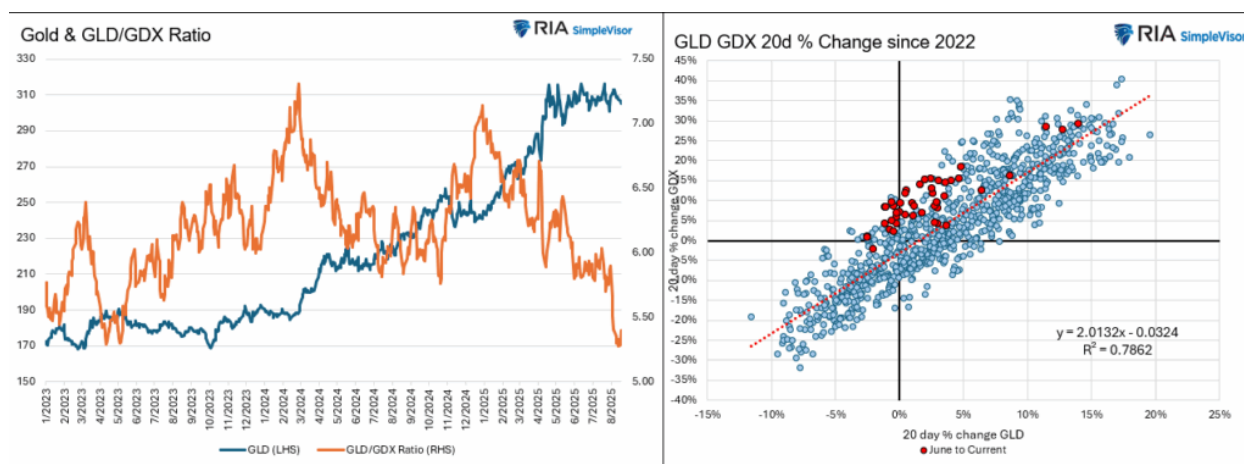


Gold Miners Are Benefitting From The Speculative Boom

As we noted in a recent article entitled [The High Beta Melt Up: Echoes of 1999](#), there has been a notable change in investor preferences since the April lows. To wit: *"What we do know is that, starting from the April lows, the market's attitude toward riskier, more speculative activities has become much more intense."* Gold miners are among the groups benefiting from the speculative activity. Since April 8, GDX, the gold miners ETF, is up 36%, three times the 11% increase for gold. The following graphs add context to the relationship between gold and gold miners.

The top graph on the left shows that the GLD to GDX price ratio has fallen from over 7.0% to nearly 5.25% since the start of the year. Since April, GLD has been relatively range-bound while gold miners continue progressing. The scatter plot shows the strong 3+ year correlation between 20-day changes in GLD and GDX ($R^2 = .7862$). Furthermore, the regression formula shows that GDX has a beta of about two versus gold prices. The red dots highlight the 20-day periods starting in June. Almost all of them are decently above the regression line. This signals that gold miners are outperforming gold more than normal.

Suppose you are an investor who rotates between gold and gold miners. In that case, this data can help appreciate that when this speculative environment ends, the likelihood of gold outperforming gold miners will increase significantly. For additional guidance, see the second graphic. The GDX/GLD ratio analysis from SimpleVisor shows that our proprietary momentum gauge, MACD, and stochastics are overbought and nearing a sell signal. In other words, GDX is due for a pullback compared to GLD.





What To Watch Today

Earnings

- No notable earnings releases

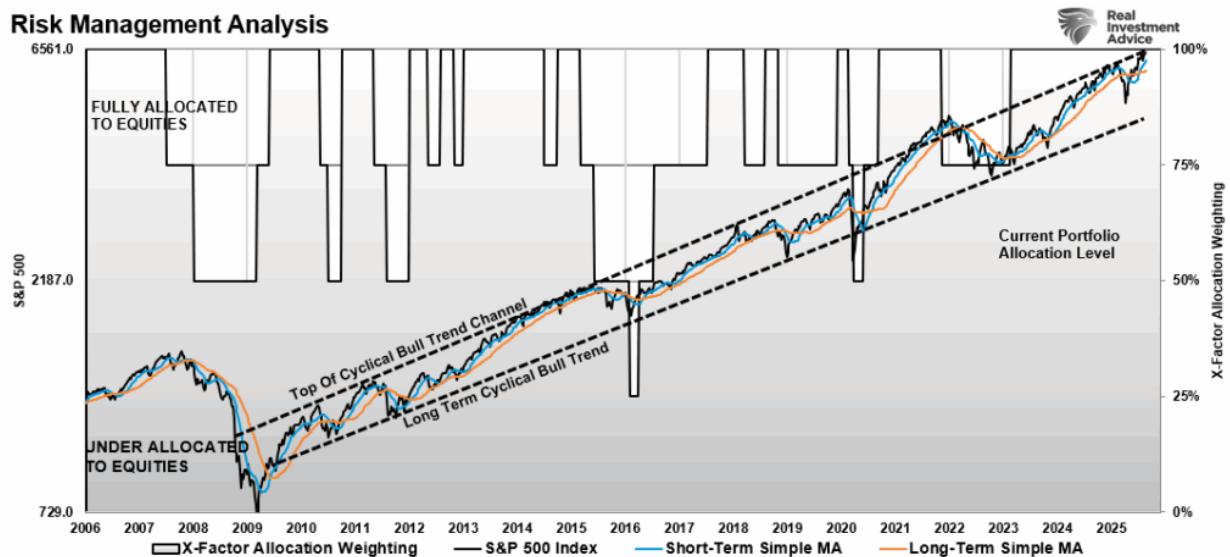
Economy

Tuesday August 26 2025			Actual	Previous	Consensus	Forecast	
07:30 AM	US	Durable Goods Orders MoM JUL		-9.3%	-4%	-2.5%	
07:30 AM	US	Durable Goods Orders Ex Transp MoM JUL		0.2%	0.2%	-0.4%	
07:30 AM	US	Fed Barkin Speech					
07:30 AM	US	Durable Goods Orders ex Defense MoM JUL		-9.4%		-2.1%	
07:30 AM	US	Non Defense Goods Orders Ex Air JUL		-0.7%	0.3%	-0.5%	
07:55 AM	US	Redbook YoY AUG/23		5.9%			
08:00 AM	US	S&P/Case-Shiller Home Price YoY JUN		2.8%	2.2%	2.7%	
08:00 AM	US	House Price Index JUN		434.4		434	
08:00 AM	US	House Price Index MoM JUN		-0.2%	0%	-0.1%	
08:00 AM	US	House Price Index YoY JUN		2.8%			
08:00 AM	US	S&P/Case-Shiller Home Price MoM JUN		0.4%		0.2%	
09:00 AM	US	CB Consumer Confidence AUG		97.2	96.4	96	
09:00 AM	US	Richmond Fed Manufacturing Index AUG		-20	-17	-19	
09:00 AM	US	Richmond Fed Manufacturing Shipments Index AUG		-18		-20	
09:00 AM	US	Richmond Fed Services Revenues Index AUG		2		1	
09:30 AM	US	Dallas Fed Services Index AUG		2.0		1	
09:30 AM	US	Dallas Fed Services Revenues Index AUG		6.3		6	

Market Trading Update

[Yesterday](#), we discussed the market's technical backdrop using daily market data. However, sometimes, we get a better understanding of the current risk-reward environment by looking at weekly data over a longer time frame. While there is much exuberance regarding the current market backdrop, whether it is AI, earnings growth, economic revival, or the Fed cutting rates, the market is currently trading at the top of its trend-channel going back 15 years. At every previous test of that upward trend channel, sentiment was excessively bullish, and optimism about the future

was high. Yet, each time, something happened that caused a reversal.



As is always the case, there are no guarantees regarding the market. However, we have had a significant move higher since the October 2022 lows, and a sharp rise since the "Liberation Day" sell-off. Could the market continue its move higher, take out the top of the trend channel, and continue on? Absolutely, we saw that during the stimulus-driven frenzy in 2021. And then Russia invaded Ukraine and Fed interest rate hikes took the "wind out of the market's sails." Will that happen again? Yes. What will cause it? No one knows.

However, this is why we continue to repeat the same risk management processes, as noted in ["Buy The Dip."](#)

"So, what should investors do now? Stay involved, but hedge. Maintain exposure, but reduce risk. Here are a few strategies that work:"

1. **Keep cash reserves.** Cash isn't trash when volatility rises. It gives you options.
2. **Focus on high-quality names.** Companies with strong balance sheets, positive cash flow, and stable dividends are better.
3. **Use tactical hedges.** Inverse ETFs or puts can offset downside risk.
4. **Avoid high leverage.** If you're using margin to chase performance, stop.
5. **Diversify your approach.** Mix passive exposure with active management, value strategies, or alternatives.
6. **Be willing to sell.** If valuations are stretched, take profits. Cash is a position.

"Markets work in cycles. What works during one phase often fails in the next. Buying every dip? has worked for 15 years, but that was in a world of zero rates, Fed support, and steady passive flows."

Trade accordingly.

SimpleVisor™

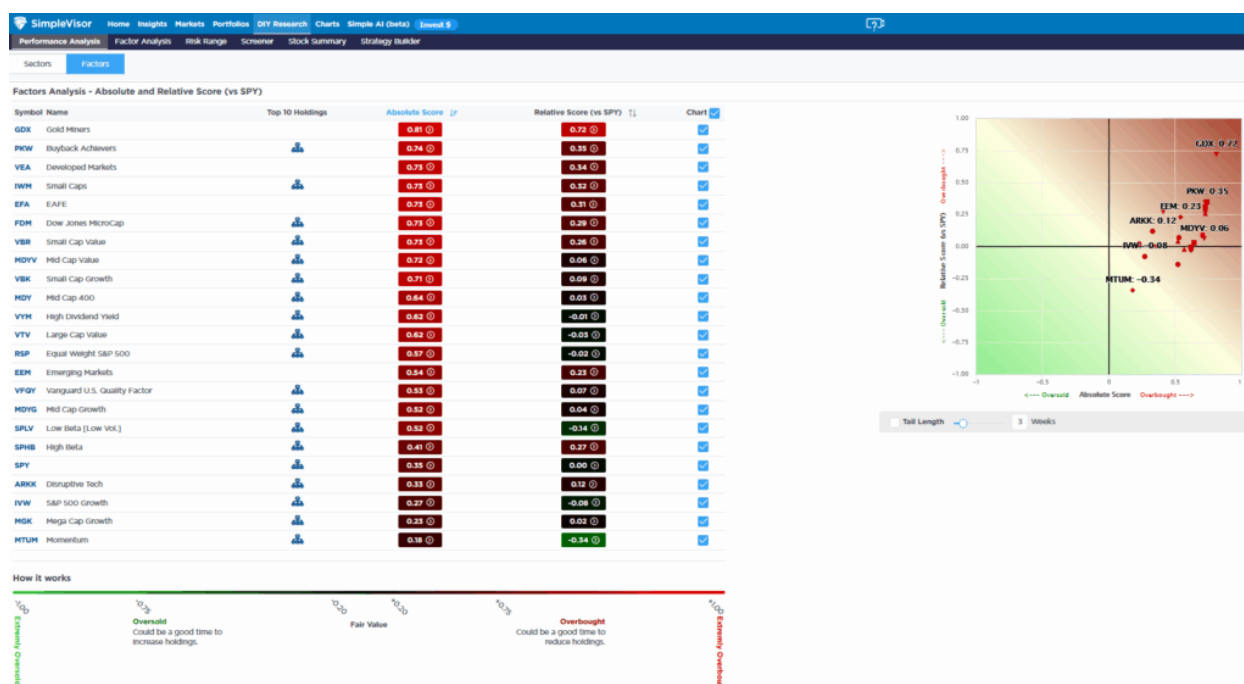
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Breadth Improves, But Conditions Remain Overbought

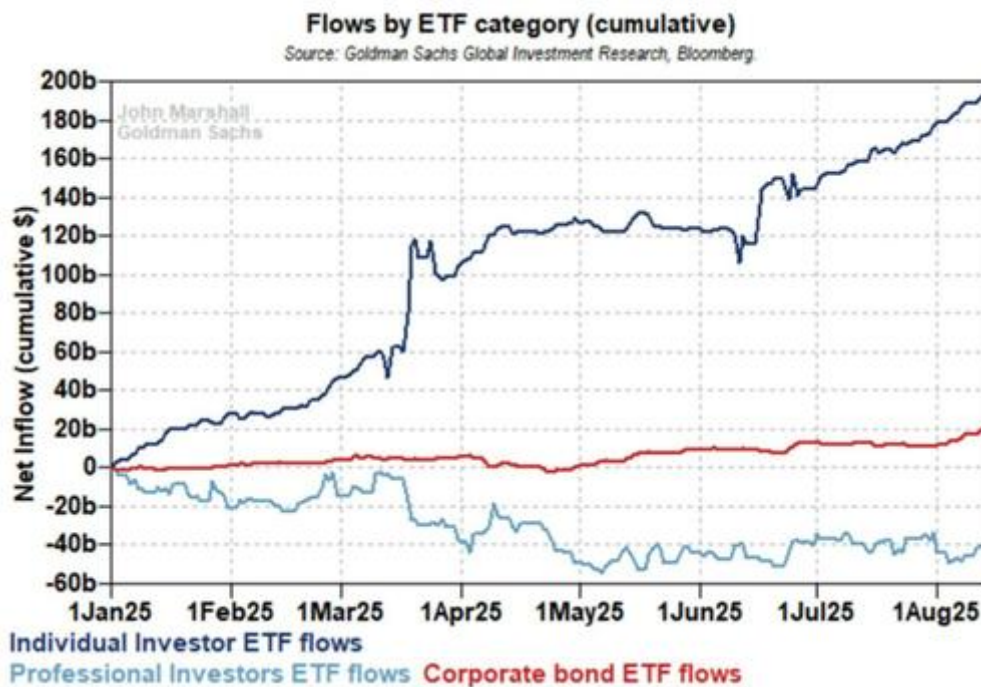
The [SimpleVisor](#) Absolute and Relative scores provide valuable insights about current market conditions. For starters, the graph on the right shows that the majority of factors are bunched up near each other. Compare that to a few weeks ago, when they were scattered from the top right to the bottom left. This is a clear signal that breadth has improved. However, while breadth may be better, the absolute scores, many of which are above 50, and over a third are above 70, tell us that a vast majority of factors are overbought.

So while we can relax in the market's breadth, which has become more stable and a better foundation for a bull market, we need to be concerned that large pockets of the market are decently overbought. It's worth adding that Bitcoin and cryptocurrencies have been leading the speculative charge since April. However, since peaking at 125k on August 14th, Bitcoin has fallen over 10% to 111k. Might Bitcoin be an omen of things to come for other speculative assets?



"Buy Every Dip" Remains The Winning Strategy For Now

Buy Every Dip has lately been the *Siren's Song* for this market. Such is seen in the flows into ETFs over the course of this year. Retail investors treat pullbacks as temporary noise, and their behavior borders on mechanical. Every sell-off is seen as an opportunity, not a warning. Meanwhile, institutional managers sit it out. They raise cash, hedge risk, and wait for confirmation.



The difference between these two groups has never been more obvious. Retail enthusiasm is driven by momentum and reinforced by platforms like Reddit and TikTok. But it's more than emotion. There's structure behind it. Passive indexing distorts the market. The rise of ETFs, driven by automatic inflows, has created a built-in safety net. Prices fall, flows continue. That cushions the blow and speeds up recovery. Retail investors see this and assume every dip will bounce.

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***Walter Bloomberg** @DeItaone · 8m



BARCLAYS: U.S. ECONOMY STALLING, 50% RECESSION RISK IN TWO YEARS

Barclays says the U.S. economy is likely in a stall, with a 50% chance of recession in the next two years. Slower growth and payroll data indicate heightened vulnerability. Key indicators suggest stall probabilities of 47%–90%. The bank expects this could lead the Federal Reserve to cut rates 25 basis points in September and December.

?Want to achieve better long-term success in managing your portfolio? Here are our [15-trading rules for managing market risks.](#)

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