

Section 11

Cycles

Section Review Questions

Question 1

A cycle is an event which repeats itself on a regular basis. Cycles exist in which of the following?

- a) The economy
- b) Financial Markets
- c) Nature
- d) All of the above

Question 2

The length of a cycle is measured from:

- a) The distance between cycle highs OR cycle lows
- b) The distance between cycle highs AND cycle lows
- c) The distance between inflection points
- d) The distance between the inflection point and cycle high

Question 3

When several cycles signal a trough at the same time a cycle low is reinforced. This phenomenon is called:

- a) Inversions
- b) Harmonics
- c) Nesting
- d) Translation

Question 4

One of the most popular cycles on Wall Street is the "Six-Month Cycle" founded by Yale Hirsch, founder of the *Stock Trader's Almanac*. According to Hirsch, which six month period is considered the MOST bullish for stocks?

- a) January to June
- b) July to December
- c) May to October
- d) November to April

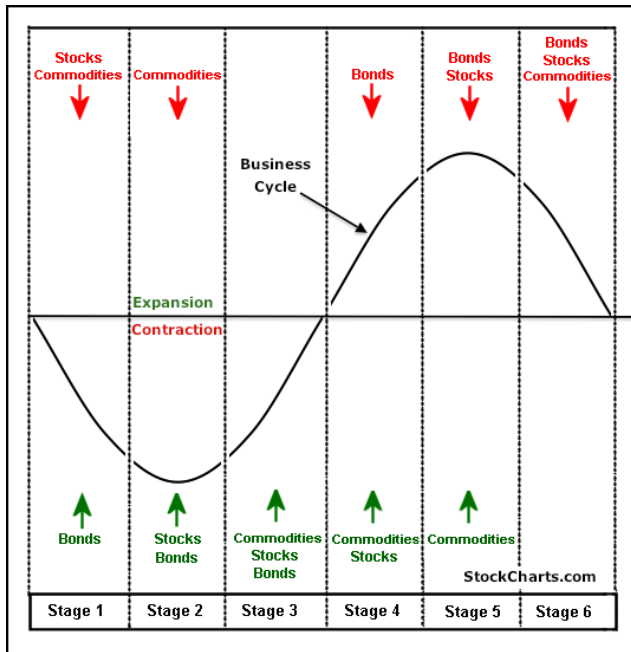
Question 5

Trend establishes direction, oscillators define momentum, and cycles anticipate _____.

- a) Price targets
- b) Turning points
- c) New highs
- d) Market crashes

Question 6

The following graph shows an idealized business cycle and the six stages of a complete cycle. Which stage would be the MOST appropriate stage to be invested in stocks, bonds, and commodities?



- a) Stage 1
- b) Stage 2
- c) Stage 3
- d) Stage 5

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Section Review Answers

1) d

2) a

3) c

4) d

5) b

6) c