

## Section 13

# Relative Strength

## Section Review Questions

### Question 1

Which type of chart can be used to create a *ratio chart* of one symbol divided by another symbol to compare relative strength?

- a) Bar Chart
- b) Point & Figure Chart
- c) Candlestick Chart
- d) All of the above

### Question 2

In the below ratio chart of the price of gold divided by the S&P 500 which of the following statements can be determined by the chart?



- a) Both the price of gold and the S&P 500 have increased in price over the last 12 months
- b) The S&P 500 has increased in price relative to the price of gold over the last 12 months
- c) Both the S&P 500 and the price of gold have decreased in price over the last 12 months
- d) The price of gold has increased in price relative to the S&P 500 over the last 12 months

### Question 3

Which of the following is considered to be the primary reason why the U.S. Dollar and commodity prices have a strong inverse relationship?

- a) The U.S. is a large consumer of commodities
- b) The U.S. is a large importer of commodities

- c) Many commodities are priced in U.S. dollars
- d) The U.S. Dollar and commodity prices do not have an inverse relationship

**Question 4**

According to the principals of sector rotation which one of the following S&P 500 sectors would most likely be outperforming at a market top?

- a) Technology
- b) Consumer Discretionary
- c) Energy
- d) Financials

**Question 5**

The Market Cycle usually \_\_\_\_\_ the Economic Cycle.

- a) Precedes
- b) Follows
- c) Repeats
- d) Lags

**Question 6**

The ratio of industrial metal prices to bond prices will rise when economic strength and \_\_\_\_\_ are prevalent.

- a) Despair
- b) Instability
- c) Deflation
- d) Inflation

**Question 7**

Intermarket analysis is a branch of technical analysis that examines the correlations between four major asset classes which includes which of the following?

- a) Currencies
- b) Bonds
- c) Commodities
- d) All of the above

**Section 13**

**Relative Strength**

**Section Review Answers**

**1) d**

**2) b**

**3) c**

**4) c**

**5) a**

**6) d**

**7) d**