



TEST FOR MMTA COURSE 6

1. The calculation for a daily Pivot Point is...
 - A. The three-day moving average
 - B. The midpoint of the low and high of the previous day
 - C. The sum of the open, high, low, and close of the previous day, divided by 4
 - D. The sum of the high, low, and close of the previous day, divided by 3
2. Assume the open of the day for Gold is 1300.30, the high is 1315.20, the low is 1299.50, and the close is 1308.50. What is the pivot point for the next day, rounded off to nearest .05?
 - A. 1305.90
 - B. 1307.70
 - C. 1307.30
 - D. 1308.50
3. In the example above of question #2, where was the close relative to the pivot point and what does it imply?
 - A. It is above the pivot point and implies the close was slightly bullish
 - B. It is below the pivot point and implies the close was slightly bearish
 - C. It was right on the pivot point, which implies the close was neutral
 - D. It was between the high and low of the day and implies the close was bearish
4. True or false. By itself, the pivot point is not a powerful level of support or resistance. In most cases, the next day's trading will be above and below the pivot point.
5. True or False. If a trader ends the day on the wrong side of the market and wants to get out at a price better than the close, there is about a 2/3 possibility he can do so at the pivot point of the next day.

6. Which of the following statements are true?
- A. If a market gaps up on a day, well above the pivot point, and then closes below the pivot point of that day, it is usually a bearish signal for the next day
 - B. If a market gaps down on a day, well below the pivot point, and then closes above the pivot point of that day, it is usually a bullish signal for the next day
 - C. The pivot point for the *week* can act as support or resistance in the *daily* trading for that week.
 - D. All of the above
7. The main things to remember about pivot points are:
- A. They are used in the calculation of support and resistance areas
 - B. They are used in the calculation of Trend Indicator Points (TIP)
 - C. They may act as support or resistance in lower time periods from which they are calculated
 - D. All of the above
8. What is the Trend Indicator Point (TIP)? (more than one answer may be correct)
- A. It is the average of the high, low, and close of the previous three bars
 - B. It is the average of the open, high, low, and close of the previous three bars
 - C. It is the average of the last three pivot points
 - D. It is the average of the last three closes
9. The formula for TIP is:
- A. $(H + L + C) \div 3$
 - B. $(PP_1 + PP_2 + PP_3) \div 3$
 - C. $(H - L) \div 2$, added to close
 - D. $(H - L) \div 2$, subtracted from close
10. What is the name Charles Drummond used for TIP?
- A. TOP
 - B. Dot
 - C. 3-day moving average
 - D. 1 x 1 point

11. What is the TIP (Trend Indicator Point) for Day 4 below?

Day	H	L	C	PP	TIP
1	70.50	69.20	69.75		
2	71.28	69.36	71.07		
3	71.10	69.95	70.74		
4					

- A. 69.82
- B. 70.57
- C. 70.60
- D. 70.33

12. The main function of the TIP is....

- A. Determine the trend status of a market
- B. Determine support
- C. Determine resistance
- D. Determine the price objective of the current move

13. What is the first step in determining the trend status of a market with the use of the Trend Indicator Point (TIP)?

- A. Take the average of the high, low and close for the week
- B. Take the average of the high, low and close for the day
- C. Take the relationship of at least the last three closing prices to the TIP
- D. Take two moving averages and compare the relationship of the faster moving average to the slower moving average

14. What are the three basic trend statuses of a market (choose three)?

- A. Trend Run Up
- B. Trend Run Down
- C. Neutral
- D. Bubble

15. When is a market in a trend run up via the daily chart?

- A. When it closes three consecutive days above the daily TIP
- B. When it closes above the weekly TIP
- C. When it closes above the 15-day moving average
- D. When it closes three consecutive days above the daily TIP, and the third day is also an up day from the previous close

16. When is a market in an “on edge, trend run up” on a daily chart?

- A. When it closes above the 15-day moving average
- B. When it closes above the 45-day moving average
- C. When it closes above the most recent major cycle crest
- D. When it closes above the most recent major cycle crest, but it has not yet closed above the TIP for three consecutive days

17. Use the following table to answer the next questions:

Day	H	L	C	PP	TIP
1	75.50	71.20	73.75		
2	77.00	73.25	76.80	73.48	
3	79.20	75.50	76.20	75.68	
4	78.15	76.25	78.00	76.97	75.38
5	79.50	77.95	79.45	77.47	76.70
6	80.50	79.55	80.25	78.97	77.80
7	80.00	78.50	78.75	80.10	78.85
8	79.95	79.00	79.50	79.08	79.40

What is the status of the trend on Day 6?

- A. Trend run up
- B. Trend run down
- C. Neutral
- D. Neutral, unconfirmed trend run up

18. What is the status of the trend on Day 7?

- A. Trend run up
- B. Trend run down
- C. Neutral
- D. Neutral, unconfirmed trend run up

19. What is the status of the trend on Day 8?

- A. Trend run up
- B. Trend run down
- C. Neutral
- D. Neutral, unconfirmed trend run up

20. When is a market officially in a trend run down on the daily chart?
- A. When the close is below the daily TIP for three consecutive days
 - B. When the close is below the most recent major cycle trough
 - C. When the close is below the 15-day moving average
 - D. When the close is below the daily TIP for three consecutive days and it down from the prior day's close
21. Under what circumstances can a market still be considered neutral even though it has closed three consecutive days below the daily TIP?
- A. When the close is down three consecutive days, but still above the weekly TIP
 - B. When the close is below the daily TIP for three consecutive days, but the third day is an up day from the prior close
 - C. When the close is below the daily TIP for three consecutive days, but still above the weekly TIP
 - D. When the close is down three consecutive days, but still above the 15-day moving average
22. If a market closes three consecutive days below the daily TIP, and the closes back above TIP on the 4th day), what is its status?
- A. Trend run up
 - B. Trend run down
 - C. Neutral
 - D. Neutral, unconfirmed trend run up
23. In the question above, what would be the status if it then closed back below the daily TIP on the next day (5th day) and it was a down day?
- A. Trend run up
 - B. Trend run down
 - C. Neutral
 - D. Neutral, unconfirmed trend run down
24. A non-confirmed trend run up on a daily chart happens when....
- A. A market closes above the TIP for only 1 or 2 days, but the close is above the most recent major cycle crest
 - B. A market closes above the daily TIP for three consecutive days but the third day closed down from the second day
 - C. A market closes above the daily TIP for three consecutive days, and the third day was an up day, but was remained below the 15-day moving average
 - D. A market closes above the daily TIP for three consecutive days, and the third day was an up day, but was remained below the previous major cycle crest

25. When is a daily trend run up “interrupted”?
- A. When a market has been in a trend run up, then it closes below the daily TIP for one day, and then it closes back above the daily TIP the next day
 - B. When a market has been in a trend run up, and then it closes down from the previous day’s close, then it closes up the next day
 - C. When a market has been in a trend run up, and then it closes down and below the daily pivot point, then it closes up the next day
 - D. When a market has been in a trend run up, and then it closes below the daily TIP for at least the next two days, eventually becoming a trend run down
26. An “on edge, trend run up” occurs on the daily chart when...
- A. When a market closes above the daily TIP three consecutive days, but the close of the third day was down from the close of the second day
 - B. When a market closes above the daily TIP three consecutive days, but the close of the third day was down from the close of the second day, but then the fourth day was also above the daily TIP and the close was up from the prior day’s close
 - C. When the market closes above the daily TIP for 1 or 2 days, and it also closes above the weekly TIP
 - D. When the market closes above the daily TIP for 1 or 2 days, and it also closes above the recent major or primary cycle crest
27. If a market is upgraded to an “on edge, trend run up,” and the next day’s close is above the daily TIP but down from the prior’s day’s close, what is its status?
- A. Trend Run Up
 - B. It remains “On Edge, Trend Run Up”
 - C. Neutral
 - D. Bullish Bias
28. Continuing the sequence from the prior two questions, what is the market’s status if the following day (4th day) it is still above the daily TIP and it closed up from the prior day’s close?
- A. Trend Run Up
 - B. It remains “On Edge, Trend Run Up”
 - C. Neutral
 - D. Bullish Bias

29. An “on edge, trend run down” occurs on the daily chart when...
- A. When a market closes below the daily TIP three consecutive days, but the close of the third day was up from the close of the second day
 - B. When a market closes below the daily TIP three consecutive days, but the close of the third day was up from the close of the second day, but then the fourth day was also below the daily TIP and the close was down day from the prior day’s close
 - C. When the market closes below the daily TIP for 1 or 2 days, and it also closes below the weekly TIP
 - D. When the market closes below the daily TIP for 1 or 2 days, and it also closes below the recent major or primary cycle trough
30. If a market is downgraded to an “on edge, trend run up,” and the next day’s close is below the daily TIP but up from the prior’s day’s close, what is its status?
- A. Trend Run Down
 - B. It remains “On Edge, Trend Run Down”
 - C. Neutral
 - D. Bearish Bias
31. Continuing the sequence from the prior two questions, what is the market’s status if the following day (4th day) it is still below the daily TIP and it again closed up from the prior day’s close?
- A. Trend Run Down
 - B. It remains “On Edge, Trend Run Down”
 - C. Neutral
 - D. Bearish Bias
32. Continuing the sequence from the prior three questions, what is the market’s status if the following day (5th day) it again closed below the daily TIP and now it closed down from the prior day’s close?
- A. Trend Run Down
 - B. It remains “On Edge, Trend Run Down”
 - C. Neutral
 - D. Bearish Bias
33. When a market is in a trend run up or down, and then it closes right on the daily TIP, how should the trend status be treated?
- A. It should be changed to “neutral”
 - B. It should be changed to “on edge, trend run down or up”
 - C. It should be changed to “mixed”
 - D. The trend does not change, however it serves as warning that a change to neutral may be coming

34. Let's say a market has been in a trend run up and then it closes right on the daily TIP. How many days after that, and what would have to happen, for its status to change to neutral?
- A. It changes to neutral that very day
 - B. It changes to neutral if it closes below the daily TIP the next day
 - C. It changes to neutral if it closes down from the prior day's close the next day
 - D. It changes to neutral if it closes below the daily TIP the next 2 days
35. Let's continue with the sequence of the prior two questions. After being in a trend run up, the market closes on the daily TIP. How many days after that, and what would have to happen, for its status to change to trend run down?
- A. It changes to a trend run down if it closes below the daily TIP the next day and if it closes below the prior day's close
 - B. It changes to a trend run down if it closes below the daily TIP the next 2 days
 - C. It changes to a trend run down if it closes below the daily TIP the next 2 days and also if it closes below the prior day's close that second day
 - D. It changes to a trend run down if it closes below the daily TIP the next 3 days and also if it closes below the prior day's close that third day
36. When does an "on edge, trend run up" become a full trend run up?
- A. The very next day it closes up
 - B. When the close has been above the daily TIP for at least three days and the close is up from the prior day's close after at least three trading days
 - C. When the close is finally above the prior cycle crest
 - D. All of the above

Use the following table for the next questions

Week	H	L	C	PP	TIP	STATUS
1	25.50	21.20	23.75			
2	27.00	23.25	26.80			
3	29.20	25.50	26.20			
4	28.15	26.25	26.25			
5	26.00	23.50	23.50			
6	23.20	20.70	21.00			
7	21.70	20.50	21.20			
8	21.00	19.00	19.40			
9	22.50	19.50	22.36			

37. What is the trend indicator status on day #6?

- A. Neutral
- B. On Edge Trend Run Up
- C. On Edge Trend Run Down
- D. Trend Run Down

38. What is the trend indicator status on day #7?

- A. Neutral
- B. On Edge Trend Run Up
- C. On Edge Trend Run Down
- D. Trend Run Down

39. What is the trend indicator status on day #8?

- A. Neutral
- B. On Edge Trend Run Up
- C. On Edge Trend Run Down
- D. Trend Run Down

40. What is the trend indicator status on day #9?

- A. Neutral
- B. On Edge Trend Run Up
- C. On Edge Trend Run Down
- D. Trend Run Down

41. True or False: A market's trend status is neutral until there are three consecutive closes above or below the trend indicator point (TIP), assuming the third day is a close up from the prior day's close.
42. True or False: Once a market closes three consecutive times above the TIP, it is upgraded to a trend run up. However, if the third close is not also higher than the close of the previous period's close, the trend run up is not confirmed. It remains neutral. It will be a confirmed trend run up when the following period's close is higher than the prior bar's close, assuming the price still closes above the TIP.
43. True or False: Most weekly trend runs up and trend runs down end after the 5th consecutive week of closes above or below the weekly TIP.
44. True or False: A market may be downgraded to an "on edge trend run down" even before it exhibits three consecutive closes below the TIP. That happens when the close is so sharply lower that it is below the prior low of the cycle, even though it may only be the first or second time frame in a neutral status. It is fully downgraded to a trend run down if the close is below the TIP for three consecutive days and the third day is an up day.
45. A head and shoulders pattern is a:
- A. Momentum pattern
 - B. Reversal pattern
 - C. Continuation pattern
 - D. Geocosmic pattern
46. Which of the following are triangle patterns?
- A. Diametrical triangle
 - B. Symmetrical triangle
 - C. Ascending triangle
 - D. Descending triangle
47. How do you calculate a price objective with a head and shoulders pattern?
- A. Take the difference between the price at the head (H) and the price at the neckline that was in effect on the day the head formed (y_1). Then add that same amount from the neckline that was in effect on the day the head formed.
 - B. Do a .618 calculation from the neckline
 - C. Add from the high of the head to the low of the neckline and add it below the neckline
 - D. Eyeball it
48. True or false: The Dow Jones Industrial Average displayed a head and shoulders pattern at the 2009 low.'

49. True or false: A rounding top is a continuation pattern.
50. Price channels are:
- A. Continuation patterns
 - B. Reversal patterns
 - C. Galactic patterns
 - D. Momentum patterns
51. Saucer patterns are characterized by what shape?
- A. Circle
 - B. Octagon
 - C. Triangle
 - D. Parabola
52. True or false: Wedges are powerful reversal patterns
53. True or false: When a rising or falling wedge breaks, we look for a retest of a former support or resistance zone versus a large price move
54. Calculate the price objective for an ascending triangle in an uptrend using Gianni's methodology. The highest closing price is 74.00 and the lowest closing price is 65.00. What is the price target?
- A. 68.00
 - B. 56.00
 - C. 83.00
 - D. 110.00
55. Calculate the price objective for a descending triangle in an uptrend using Ray's methodology. The highest price is 82.00 and the lowest price is 60.00. What is the price target?
- A. 42.00
 - B. 104.00
 - C. 101.00
 - D. 107.00
56. Calculate the price objective for a rectangle pattern in a downtrend using Gianni's methodology. The highest closing price is 52.00 and the lowest closing price is 40.00. What is the price target?
- A. 64.00
 - B. 32.00
 - C. 92.00
 - D. 28.00
57. True or false: Broadening wedges are usually found in uptrends

58. Which is known to be one of the most powerful momentum patterns in all of technical analysis?
- A. Rectangle
 - B. Saucer
 - C. Bull flag
 - D. Head and shoulders
59. To confirm a breakout, prices need to:
- A. Close above resistance or support
 - B. Trade above resistance or support
 - C. Reverse midday and then close in the opposite direction
 - D. Downgrade the TIP
60. What planet may be present during a breakout?
- A. Jupiter
 - B. Mars
 - C. Mercury
 - D. Uranus
61. What type of oscillator reading is a sign a reversal may be readying?
- A. New highs in the CCI
 - B. Intermarket bullish divergence
 - C. Bullish oscillator divergence
 - D. Bearish oscillator divergence
62. Higher-highs and higher-lows are a:
- A. Downtrend
 - B. Neutral market
 - C. Uptrend
 - D. Bull market
63. Lower-lows and lower-highs are a:
- A. Uptrend
 - B. Bull market
 - C. Downtrend
 - D. Bear market
64. True or false: The trend is your friend
65. The bigger the base, the higher the _____ :
- A. Sky
 - B. Break
 - C. Drop
 - D. Space

66. The bigger the top, the bigger the _____ :

- A. Drop
- B. Fall
- C. Breakout
- D. Churn