

Take Home Quiz
15 points possible

Due 4/15/2010

1. (5 points) Given the data below, compute a 14-day Relative Strength Index for Dec. 2010 corn.
Please show your work.

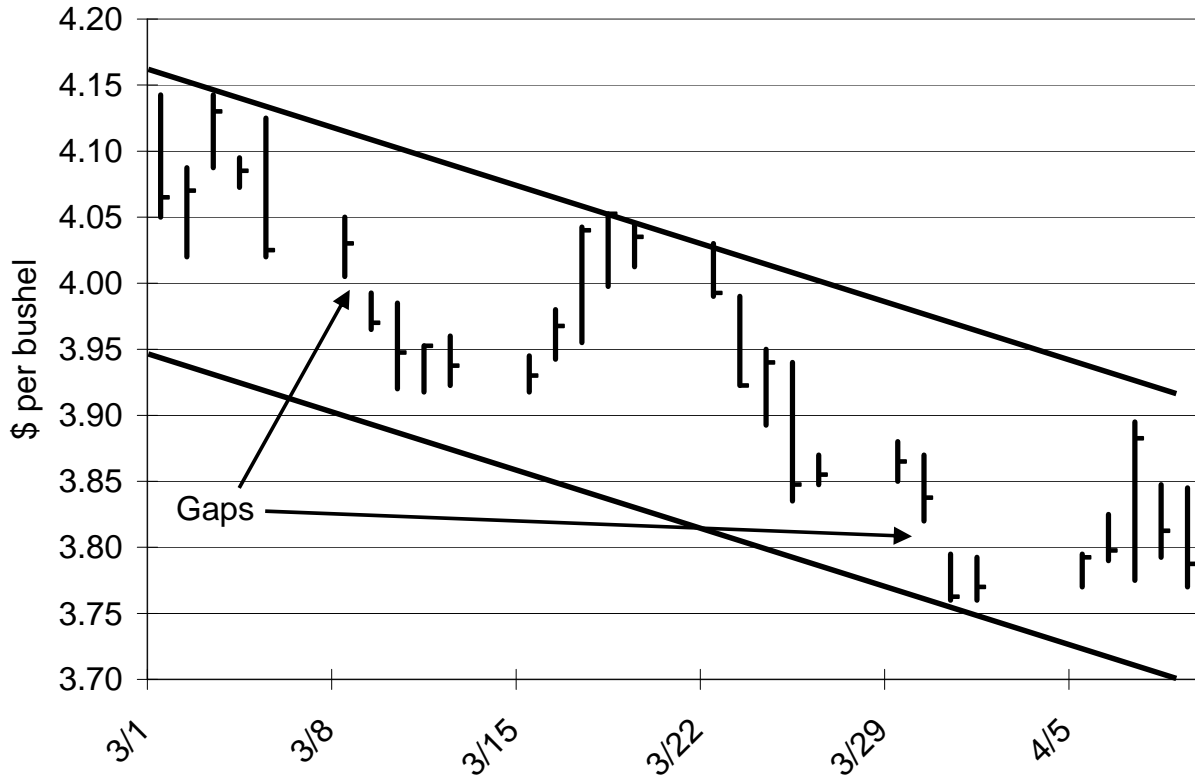
Date	Futures Price	Change	Up Change	Down Change
3/19/2010	4.035			
3/22/2010	3.9925	-0.0425	0	0.0425
3/23/2010	3.9225	-0.07	0	0.07
3/24/2010	3.94	0.0175	0.0175	0
3/25/2010	3.8475	-0.0925	0	0.0925
3/26/2010	3.855	0.0075	0.0075	0
3/29/2010	3.865	0.01	0.01	0
3/30/2010	3.8375	-0.0275	0	0.0275
3/31/2010	3.7625	-0.075	0	0.075
4/1/2010	3.77	0.0075	0.0075	0
4/5/2010	3.7925	0.0225	0.0225	0
4/6/2010	3.7975	0.005	0.005	0
4/7/2010	3.8825	0.085	0.085	0
4/8/2010	3.8125	-0.07	0	0.07
4/9/2010	3.7875	-0.025	0	0.025

Up average = $0.155/14 = 0.01107$

Down average = $0.4025/14 = 0.02875$

RSI = $100 * (0.01107 / (0.01107 + 0.02875)) = 27.80$

2. (2 points) Below is a graph of Dec. 2010 corn prices. Draw the channel lines since March 1st. Are there any gaps and have they been filled?

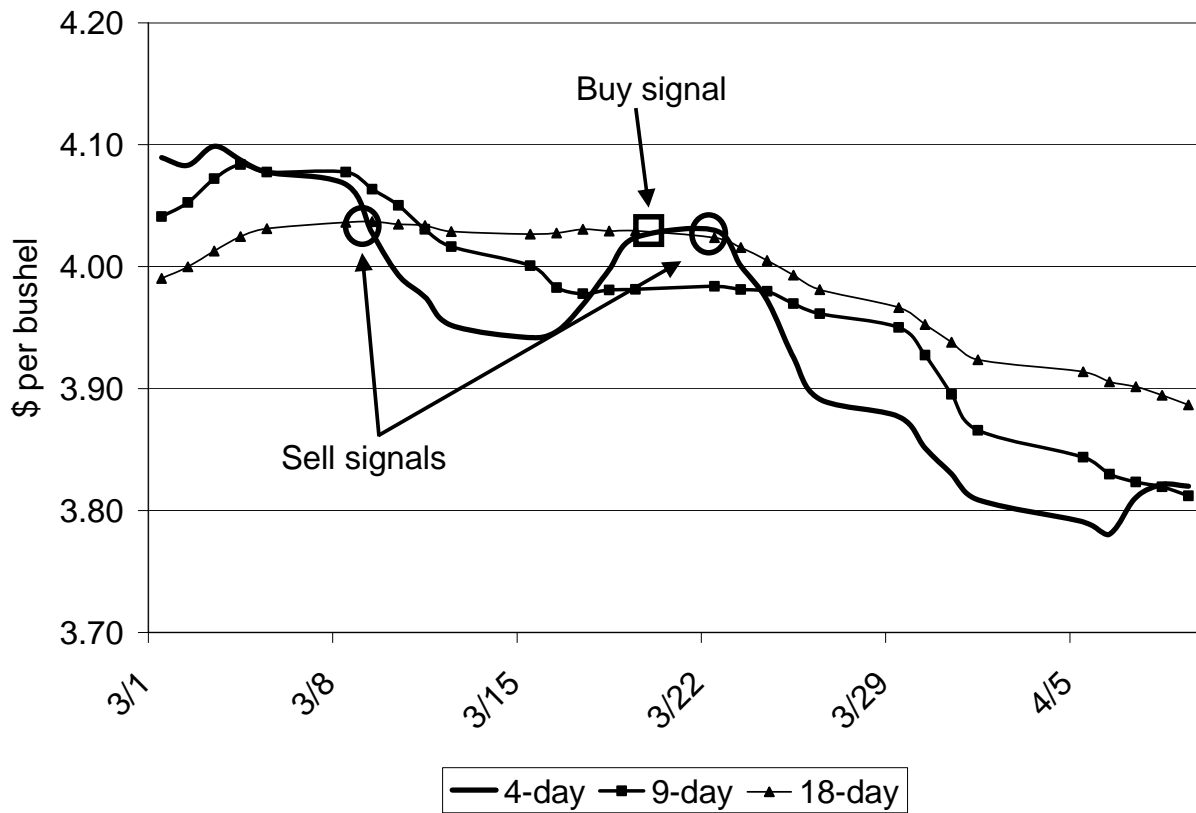


For downward trending prices, the top channel line touches the prices at two spots. The bottom channel line is parallel to the top channel line and touches the prices at one spot.

For upward trending prices, the bottom channel line touches the prices at two spots. The top channel line is parallel to the bottom channel line and touches the prices at one spot.

There are two gaps in the price series since March 1st. Both have been filled.

3. (2 points) Below are the 4-day, 9-day, and 18-day moving averages for Dec. 2010 corn. In looking at the 4-day versus the 18-day average, how many buy and sell signals have we had since March 1st?



There have been two sell signals and one buy signal.

4. (6 points) Following your analysis of the Relative Strength Index, the channel line chart, and moving average prices, give me two technical signs of strength in the Dec. 2010 corn market.

The RSI is below 30, which is considered a signal that the market may be due for a rally.

In looking at the 4-day and 9-day moving averages, the 4-day average has recently moved above the 9-day average and this could be seen as a buy signal.