

Lawrence D. Goldberg's

# RARE COIN REPORT

October 2016  
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## RARE COINS & THE ECONOMY

### Trump or Clinton in November?

Stubborn Facts Beneath the Uncertainty

Either way, the rare coin market is now in a price trough providing a plethora of value buying opportunities, and the likelihood that we are heading for a strong upward price surge.

Here's why: Uncertainty about election results has many people holding off on purchasing. This is true in the consumer and investment markets, and it is true in the rare coin market as well. Compounding that issue for rare coins is that many dealers are currently overstocked, especially in more com-

a few dollars up from its lowest point in the last twelve months, silver prices are still low compared to production costs. (See related article on page 2, *Silver Spot vs. Physical Silver*).

The bright spot in the rare coin market is that dedicated long-term collectors are recognizing the soft prices and showing some purchasing strength. Many collectors, however, are unable to find what they really want as dealers are holding back much of their best material anticipating future higher



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mon date coins, and particularly in low to moderate mint state grade generic gold and Morgan dollars, where prices are compressed toward new lows. This is especially acute with common date lower grade mint state generic \$10 and \$20 gold liberties and \$20 St. Gaudens whose prices at the time of this writing are barely more than the cost of the gold they contain.

Gold is also near its lows, and while silver is

prices and focusing on turning over their pedestrian material to alleviate bloated inventories.

As a result, over the next few months, dealers will likely sell off a significant portion of their more common inventory – often at discounted prices. This presents some great buying opportunities. It also means that dealers will have more cash to buy rarities for their collector base, which will tend to

*continued on page 2*

## NOTES FROM THE OWNER'S DESK

### A Perfect Time

Thank you for your consistent patronage, something I greatly value, and will do everything I can to continue to deliver personalized service, advantageous pricing and an overall satisfying experience.

In anticipation of a very busy coin show schedule for August and September, I set aside extra time this summer to spend with my new grandchildren (now 8 and 5 months) both of whom are growing up so fast – its an amazing miracle to behold. Now that the drama of pregnancy, birth and those precious early few months are behind us, I finally feel I have finally adapted to our new normal.

Whew!

It's hard for me to believe, but next year will mark the 26th anniversary of CNP. I started this business with very little capital in 1991, and it is gratifying that many of my customers from then are still my customers today! I'm also happy to report that my capabilities and efficiency have been greatly assisted by Mike Clarke – whom many of you have spoken with at some point – and my operations support staffer Frank Ariagno.

What this means is that coming into the end of 2016 and beyond, I have increased time and energy to devote to customer service, and that is where I am focusing. Because of current rare coin market conditions, this renewed focus could not come at a better time. This holds true whether you are buying, selling, investment oriented or a collector looking for specific rarities. Please feel free to pick up the phone or drop me an email: There are opportunities lurking that I can only tell you about if we are in real-time communication. Call me direct at 800 334-3325 or 818 557-0901 and press option 2, or email me at Lawrence@cnpcoins.com. I will absolutely return all calls and emails in timely fashion. ●



Lawrence D. Goldberg, PNG, owner CNP, Inc.

## New Grading System?

To address what some believe to be inadequacies in the current grading system, changes are being proposed in how coins are graded. The inadequacies are all too familiar, mainly involving coins of the same grade that vary greatly in beauty and/or eye appeal. This idea first surfaced at the recent Anaheim coin show, so it is too soon to tell if it will be accepted by the industry. I will update developments as they occur in future issues. ●

## Coin Grading Scale

Washington Quarters



## Silver Spot vs. Physical Silver

Curious phenomena occurred in the silver market in the last few months. When silver spot prices hit their lows in the \$13 dollar range last December, premiums on 90% silver rose to nearly \$4 per ounce on the wholesale level. Premiums on other forms of silver rose to about \$3 on the wholesale level. Silver is now in the \$19 dollar range, and premiums on 90% has fallen to less than a dollar, and in some cases, to minus fifty



cents. In effect, the price range of physical silver never got much below \$17 per ounce, or much above \$19, despite the wild fluctuations of the silver spot market. What this points out is that, while obviously related, the spot price of silver, which is dependent on the buying and selling of futures contract on the commodity exchanges, is a very different market than the actual "now" market in physical metal. ●

## Buyers Market for Commons

Coin prices have been soft for a few months, and seem to be settling near lows. This is due, in part, to the same pattern exhibited by gold and silver over the same period and has powerfully impacted coins; especially generic gold, whose value is

largely determined by bullion content. This trend is also apparent in common date generic coins, a prime example of which are MS-65 Morgan Dollars. This has created some "built-in value" opportunities for investment-oriented accumulators. ●

## Evaluations and Appraisals

*If you are curious about current pricing on something you own or have recently inherited, give Lawrence a call-he handles each request personally. Whether it's an "Appraisal" for insurance purposes or an "Evaluation" for an imminent sale, he'll be able to assist you, and he will always be happy to make an offer.*

*If you are a collector that needs a quote on graded material, simply email Lawrence with the specs at lawrence@cnpcoins.com. Please include: Date/Denomination/MM/Grade & Service.*

**You can always call Lawrence at 800.334.3325, press 2.**

**If you would prefer to receive the Rare Coin Report via email or for a friend, please send a request to mike.clarke@cnpcoins.com**

## Coin Show Circuit

### Las Vegas Numismatic Society The Vegas Show

Friday-Sunday, December 9-11

Westgate Resort & Casino

3000 Paradise Road

Las Vegas, NV 89109

Hours: Fri 10 a.m.-6 p.m., Sat 10 a.m.-6 p.m.,

Sun 10 a.m.-3 p.m.

### Pasadena Coin & Currency Show

Saturday & Sunday, January 7-8, 2017

Scottish Rite Center

150 N. Madison Ave. Pasadena, CA 91101

Hours: 10 a.m.-5 p.m.

### Long Beach Coin Show

Thursday-Saturday, February 16-18, 2017

Table #813-815

Long Beach Convention Center

300 E. Ocean Blvd. Long Beach, CA 90802

www.longbeachexpo.com

Hours: Thu-Fri 10 a.m.-7 p.m., Sat 10 a.m.-5 p.m.

## Trump or Clinton in November?

*continued from page 1*

push prices upward.

These internal dynamics will dovetail with the election aftermath. No matter who wins, current conditions underpinning the economy – which have been shoved from the headlines by election news – will remain – and these are serious.

High annual deficits, the looming sinkholes of a \$20 Trillion federal debt and unfunded pension liabilities exceeding \$100 Trillion will weigh heavily against growth. In addition, the teetering stock market held captive by near 0% interest rates, anemic GDP growth, will increase the likelihood of more quantitative easing. If we add in the impending collapse of Obamacare, as well as the intense regulatory pressure on financial institutions from Dodd-Frank, banks will move to nickel and dime their customers for every little service.

There also exists – however slight – the possibility of severe economic crisis should the stock market crash, if credit balances reach an implosion tipping point, or international disasters occur. At least psychologically, these will haunt many investors well into the future.

Today's low prices present a great opportunity for people to buy low, and I believe we are likely to see price increases after the election no matter who is elected, particularly in gold, silver and generic gold and silver coins. It also presents a terrific opportunity to upgrade as the soft market in coins has compressed premiums between grades, pushing higher graded coins closer and closer to the prices of lower grades. Morgan dollars on the high end of the MS-67 grade present intriguing potential. ●

# COLLECTOR'S CORNER

## Dealer as Bird Dog

While many collectors love to spend hours online and at coin shows looking through coins in show cases, this kind of dedication is not practical for everyone. It can be tremendously time consuming and expensive, as well as very taxing physically and mentally. For these reasons, and also because it is often useful to have a second set of experienced eyes, many collectors rely on dealers to find the coins they desire. This is exactly how General Jimmy Doolittle turned \$250,000 into a coin collection that auctioned for over \$17 million. One caveat: use only one dealer for any particular coin. It has happened that two dealers searching for a particular coin for the same customer ended up bidding against each



other. Using more than one dealer can also create too much demand in the marketplace and thereby raise the price of that rarity you wish to obtain. ●

## When to Buy the Slab, When to Buy the Coin

In a perfect world grading would be consistent, and the eye appeal of a coin – a quality which cannot be reflected by the technical grade and which often impacts the coin's value – would also be shown. However, we do not live in a perfect world, and while grading by PCGS or NGC is fairly consistent, it is far from perfect. Thus, as a general rule, and specifically for collectors who value eye appeal, it is wise to buy the coin for its merits, and to consider the PCGS or NGC grade as an insurance policy on that coin.



There are cases however, where buying the slab is more important. For example, when assembling a registry set of PCGS or NGC coins, one might

opt for a higher graded coin even if its eye appeal is not ideal. Also, when buying common middle grade coins in bulk, such as common date MS-62 and MS-63 \$20 Gold coins, or MS-63 and MS-64 common date Morgans, the slabbed grade is generally good enough because so many of these are graded that grading is usually more consistent. In today's market – there is so little difference in price between adjoining grades that re-selling is more dependent on the grade than the look of the coin. One caveat however: avoid gold coins with copper spotting, or any blatant defects in other coins as these negatively impact value despite the grade. ●

## Consignments and Auctions

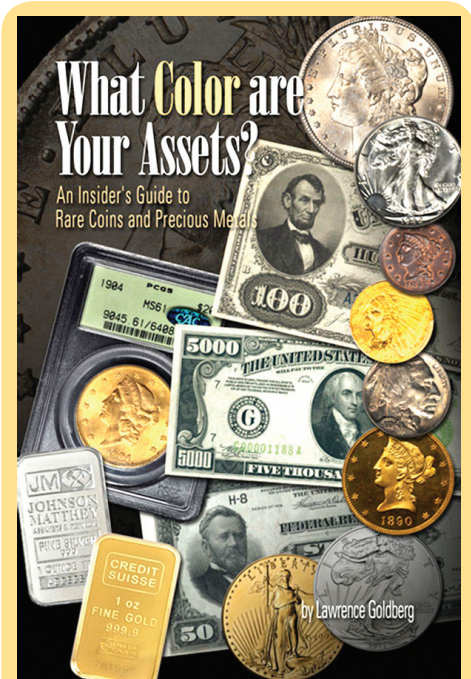
One way to sell coins is by consignment. This is particularly true for super expensive coins due to the relatively small pool of potential buyers willing to pay a "premium". Through my contacts and networking with other dealers for 36 years in the rare coin business I am in an ideal position to find the right buyer for your high-end rarities. Working on consignment enables me to

cut risk and work with a lower spread to maximize the potential return on your investment.

For the same reasons I am also positioned to arrange favorable deals with major auctioneers. If you are thinking of selling something of this nature and believe you have coins that might do well from one of these liquidation methods, please call me and let's discuss it. ●

## Our Coin Return Policy

*I guarantee your satisfaction with any transaction that we make. If you are unhappy with anything you receive from us, you may return it for a 100% refund (except bullion coins) or a replacement of equal value. Fortunately, I am such a picky buyer that returns rarely occur, and as time goes on, I seem to strive for even more demanding standards.*



**What Color are Your Assets?**  
*An Insider's Guide to  
Rare Coins and Precious Metals*

by **Lawrence D. Goldberg**

My book, **What Color are Your Assets?**, received a great review in *Coinage Magazine*, and is getting great reactions at coin shows even from fellow dealers.

I've been very pleased with the many positive reviews posted there, and if possible – post your own review!

As readers of my newsletter, I'd love to read your reactions.

If you go to Amazon.com – search for **What Color Are Your Assets?**

Available at  
**amazon**

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## October 2016 • In This Issue

*Trump or Clinton in November?..... page 1*  
*A Perfect Time ..... page 1*  
*New Grading System? ..... page 2*  
*Silver Spot vs. Physical Silver ..... page 2*  
*Buyers Market for Commons ..... page 2*  
*Coin Show Circuit ..... page 2*  
*Dealer as Bird Dog ..... page 3*  
*When to Buy the Slab, When to Buy the Coin ... page 3*  
*Consignments and Auctions ..... page 3*

## TIPS FOR READERS

### Beware of Home Storage IRA's

In recent months, there has been intense Radio and TV advertising for "Home Storage IRA's." Beware: These deals are complicated to set up. IRS rules about their legitimacy are murky, and could easily and quickly be modified or eliminated. For these reasons, we do not offer Home Storage IRA's, but only the well established traditional precious metal IRA's whose legitimacy is definite. On all tax related matters, be sure to consult your Tax Professional.



**Gold and Silver in your IRA? Inherit a Collection You Want to Sell?  
 Need a portfolio evaluation, appraisal or consultation?**

*We can do that for you.*

As an Independent Dealer with lower overhead costs, we can often pay the highest prices for your coins, gold, silver, diamonds, jewelry, watches and more. We buy it all!

**Call Lawrence D. Goldberg at 800.334.3325, press 2 or email: [lawrence@CNPcoins.com](mailto:lawrence@CNPcoins.com)**

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