



Lawrence D. Goldberg's

RARE COIN REPORT

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RARE COINS & THE ECONOMY

Steady As She Goes

The Economy may be headed toward recession, interest rates may rise, stocks may go bearish, Crypto's may tank, real estate may soften, politics may be chaotic; and yet, the picture for rare coins and precious metals remains calm, trending upward with balance gently favoring demand over supply.

These conditions are ideal for both sellers and buyers. The slow steady price climb enables sellers to get high value for their coins today and into the future. It also serves buyers well by bringing new inventory to market. The downside for buyers is that with rising prices, what is expensive today will likely be even more expensive tomorrow. Therefore, buyers, do not be

Trillion in new dollars have been printed. As these funds work themselves into the economy, they will drop the overall value of the dollar.

Here's the kicker: This will likely increase demand for rare coins and precious metals, causing rapid and higher price increases than would occur without monetary inflation. If the supply/demand ratio tilts strongly enough toward demand, price inflation for coins and metals could be extreme. The fact that metals are selling at well above spot price contributes to the potential for this scenario.

One wild card is Cryptos. Having advertised themselves as the "new gold" many hoped cryptos would be a gold-like hedge against inflation.

This turned out to be wrong, as Cryptos move more like stocks than hard assets. If money starts shifting back from Cryptos into gold and coins, the impact could be immense. Even a relatively small shift in that direction could send metals and rare coin prices soaring, because of the limited supply of coins, and the length of time it takes to increase the supply of gold and silver. In essence, we could see price inflation in metals and coins dovetail with monetary



inflation in a nasty convergence, creating what could be the biggest bull market in hard assets since the 1980's.

Even if the markets go slowly, monetary inflation alone indicates that prices for both metals and coins will be significantly higher 3-5 years from now – and this does not account for the impact of a Russian victory over Ukraine, a Chinese invasion of Taiwan, or other unforeseen geopolitical event. To reiterate: if you are accumulating, continue accumulation as fast as reasonable for your circumstances. If you are selling, take advantage of today's higher prices if that works with your circumstances. Whether you are buying or selling, market action remains brisk.

afraid to pay up now for desirable coins. In the long run, you'll likely be happy you did. I've actually heard several dealers complain they don't want to sell coins they can only replace at much higher prices. Thus, we already have some price inflation in the rare coin market. That said, price inflation impacting other consumer goods has little direct influence on rare coin prices. Even with precious metals, the main impact is increased energy costs for mining. Even if that adds \$50-100 dollars per ounce to the cost, with gold at \$1800+ per ounce, the increase is only a single digit percentage. The potential huge impact on the rare coin and precious metals markets is from monetary inflation. In the last 3 years, approximately \$6

NOTES FROM THE OWNER'S DESK

"Crazy." I'm hearing that word everywhere. To me, it indicates that many people feel things are out of kilter. When things get out of kilter, like a pendulum that has gone too far in one direction, the tendency is for things to get back into balance. Also, it is looking more and more that the worst of the Covid plague is behind us. So that's the good news.

How to hold onto sanity in crazy times? Focus on basics. To me, that means health, family, and making sure the roof doesn't leak. I've said many times that what's most im-



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

portant is what happens within about 20 feet of where you are. This last weekend, I strung up some party lights on the side patio, preparing for a gathering sometime in the future, whenever it materializes. They look great!

Our little house garden grows (among other things) zucchini, cherry tomatoes, Swiss chard, strawberries, and a small hive of honey bees. Nothing in the world like harvesting vegetables in the yard and eating them that day! Or watching my grandsons Braysen and Bryton ski, and granddaughters Ayla rounding third at full speed and headed home (T-Ball), or two year old Livy self-powering a swing.

And to top it off, I'm finally replacing my 50 year old Maxfli irons with a new set of Srixons. Don't know if it will improve my golf game, but well, it couldn't hurt in my efforts to shoot par one of these days. In my view, all we do on the financial side is in service to these qualities of life.

I'm wishing you and yours a wonderful summer filled with all the good things.

Inflation – What It Is and What It Isn't

Inflation is now the #1 Issue for the American public. It therefore makes sense to define it clearly. There are two basic types of inflation: monetary inflation and price inflation.

Price inflation occurs when the supply/demand ratio of an item changes. Lack of supply or an increase in demand sends prices up; over supply or lack of demand sends prices down. We see this clearly today in energy. Policies now in place artificially restrict supplies of fossil fuels, forcing energy prices up. Energy costs impact every industry. Price inflation in energy therefore impacts the entire economy, and therefore acts like a tax. Low and middle income workers are most heavily impacted.

Monetary inflation occurs when the Federal Government creates dollars out of thin air, and adds them to the Federal Debt. The last three years have seen an estimated \$6 Trillion in newly printed dollars. As they penetrate the

economy, the value of each individual dollar drops. This kind of inflation moves slower than price inflation but is all but impossible to stop, because if the Fed were to withdraw these dollars from the economy, it would greatly increase the possibility of a recession – or worse.

If we get even more price inflation in rare



coins and precious metals because of monetary inflation - and I believe we will - the almost certain result will be strong increases for all hard asset prices well into the future.



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COIN SHOW CIRCUIT



Come by my table at the following shows:

Buena Park Coin Show

Saturday & Sunday, June 18-19

The Retail Clerk's Hall

8550 Stanton Ave.

Buena Park, CA 90620

Hours: Sat 10 a.m.-6 p.m., Sun 10 a.m.-4 p.m.

Concord Coin Show

Friday & Saturday, June 24-25

The Clarion Hotel

1050 Burnett Ave.

Concord, CA 94520

Hours: Fri 10 a.m.-6:00 pm, Sat 10 a.m.-5 p.m.

The Long Beach Coin, Currency, Stamp & Sports Collectible Show

Thursday-Saturday, June 30-July 2

Table 507

Long Beach Convention Center

Hall C

100 South Pine Ave.

Long Beach, CA 90802

www.longbeachexpo.com

Hours: Thu-Fri 10 a.m.-5:30 p.m.

Sat 10 a.m.-4:30p.m.

NOTE: Be sure to check Covid protocols at

<https://www.longbeachexpo.com/>.

IMPORTANT NOTE

Due to possible sudden changes in covid policy, either from the government or from coins show venues, it is possible that shows can be cancelled, or require new covid protocols. As soon as I get wind of that kind of information, I will send an email blast. If you believe I may not have your correct email please email me lawrence@cnppcoins.com and I will make sure you are included.

What About \$20 Gold Coins?

With monetary inflation looming, and demand for collectible coins outweighing supply, one of the most enjoyable methods of accumulating hard assets is with pre-1933 \$20 gold coins. To begin with, each \$20 gold coin contains .96750 of an ounce of pure gold.

Thus, if gold goes up, these coins reflect it along with any numismatic value they may have. We call that a “two-for.” This generally holds true even with jewelry grade (poor condition) gold coins which usually command at least a small premium over their gold value.

Naturally, premiums increase along with higher rarity and better condition. For example, a recent jump in price has pushed MS-66 \$20 Liberties (when you can find them) close to five figure territory. MS-65 Liberties are in the \$5-6000 range, and MS-64's are under \$3000. Jewelry grade \$20 liberties are around \$1900-2000, very close to gold value. St. Gaudens show a similar pattern, but being more common than \$20 Liberties, an MS-66 is under \$4000, an MS-65 in the \$27-2800 dollar range, and MS-64's are under \$2600 – at least for now.

These are all popular with investment oriented accumulators as they are easy to understand, affordable for many investors and collectors, and quantity is sufficient to enable daily buying and selling, making these coins quickly liquid *at market prices*. Prices get much higher when gem condition or rare dates are involved, and when rare dates are combined with high gem quality, prices can reach well into six figures,

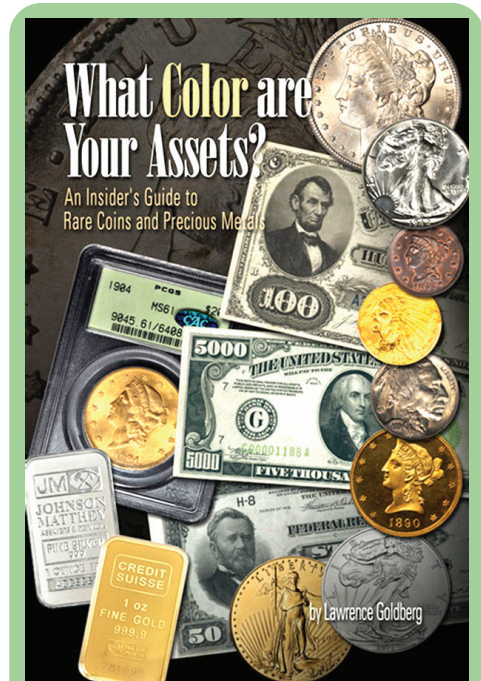
and for some coins, into seven figures.

One area often ignored but with great potential are better date Type 3 \$20 Liberties dated from the 1870's through the 1890's in AU or low mint state condition, such as MS-60-62. These derive most of their value from

gold content, as they sell generally in the range of \$2200 to \$2800. They are also fun to collect as many dates fit into this category. Because they are generally priced close to gold, this is one of the best ways for dedicated collectors to satisfy their enjoyment of coins while simultaneously building up a hard asset that will rise significantly in value if monetary inflation sends gold prices up as high as many are predicting. These are not high population coins, so if the collector market broadens much, supply might be quickly eaten up, which could add additional upward push on prices.

Two things to remember. First, there is no guarantee that any particular category will go up in value more than any other category per dollar purchased. That is why many investment oriented coin buyers diversify within the category of \$20 gold coins,

obtaining some of each category that interests or attracts them. Second, because prices fluctuate and are volatile, buying these gold coins is usually most successful with a long term view. Considering the outlook for gold prices in the future, there is a high likelihood that accumulating gold coins now will end up happily no matter what category or categories you choose.



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 and from fellow dealers.

What Color Are Your Assets? was written for the beginning and intermediate coin collector/accumulator. It presents the essential information everyone who buys or wants to sell coins and precious metals needs to know to avoid rip-offs and be successful in this area.

It is available for purchase on Amazon.com, where you can also post your reviews; and I'm happy to say almost all of those overwhelmingly positive reviews give this book 5 stars!



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Our Coin Return Policy

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Are You Ready to Sell?

Having sold a lot of inventory lately, I have cash to spend and I need coins to satisfy collector demand. Especially needed are PCGS/NGC certified rare date Morgan dollars, better and key date type, and a few better date St. Gaudens in PCGS MS-65. Market demand is so diverse I will buy: 90% silver, gem early mint and proof sets, even raw coins in books. In fact, I will buy almost anything including gold and silver scrap, sterling set, diamonds, jewelry, watches and stamps and other collectibles and can pay very attractive prices. If you want cash for coins now, pick up the phone and call me (800-334-3325), or send an email (Lawrence@CNPcoins.com.) As always, I will respond promptly.



If you would like to receive the Rare Coin Report via email or for a friend, please send a request to frank.ariagno@cnpcoins.com

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