

Message from the owner

Happy New Year! Despite disturbing economic news of the last few months, and election doldrums (if your guy didn't win) we have so much for which to be thankful. I am personally thankful to each of you for helping make 2008 the best year *by far* for CNP since our founding in 1991.

To meet these new challenges, I ramped up services, expanded product lines, and re-vamped our website, www.CNPCoins.com.

In coming months I expect to launch a blog to deliver timely informative updates to supplement Rare Coin Report.

The overall econ-



Lawrence D. Goldberg

omy might be suffering, but the economic climate has made rare coins *hot*. *Especially certain coins.* (see columns right).

This is good for buyers, sellers and investors. Call me now at:

800-334-3325

I will help you take advantage of the tremendous opportunities and security now available in today's upward surging rare coin market.

Rare Coins & the Economy

Explosion in Rare Coin Values: Inevitable

Current economic conditions should cause a rare coin price explosion in 2009 and beyond. While short term prices fluctuate, long term rare coin appreciation often surpasses stocks and real estate. Weakness in stocks, real estate, dollar denominated investments and bailouts requiring the Federal Reserve to increase money supply will propel capital toward coins and gold.

This will almost certainly force down the value of the dollar, probably to between 30-50% of current value over the next 5-10 years. That drop should increase demand for hard assets. While it is impossible to say how high coin and gold prices will climb, I now believe that in this time frame, gold will likely hit or exceed \$2000/oz, and coins may well surpass their 1989 peaks.

The facts are simple. Federal Government debt now exceeds ten trillion dollars. The 2009

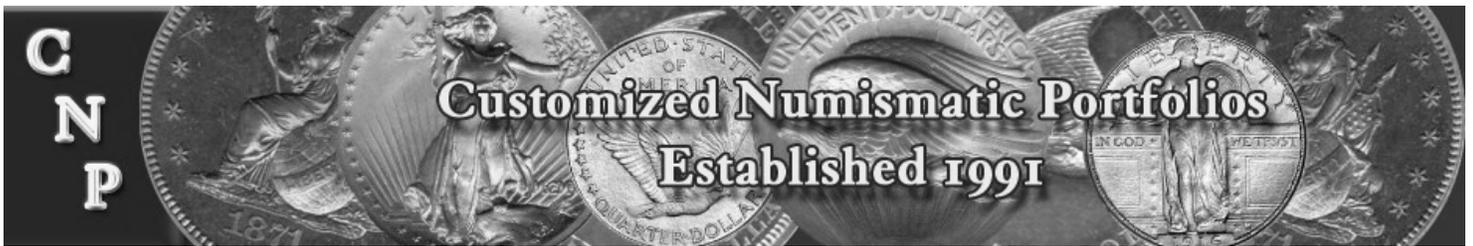
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\$20 St. Gaudens Gold, Rare Dates: Hot Choices for 2009

Key Date Rarities and St. Gaudens \$20 gold in MS-65 are the top choices for the developing powerful bull market in coins. "Saints in 5" are already up about 25% since I first started recommending them just a couple of years ago. They

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Rare Coins Price Increases Inevitable

deficit adds \$1-2 trillion. Additional bailout funds are estimated between \$5-9 trillion, causing the Federal Debt to balloon significantly, as Obama and the Democrat controlled Congress will likely continue Bush's BOE (bail out everyone) economic policy.

Inflation appears controlled because low demand for goods, services, and energy pushed prices down. But these low prices are temporary. They mask massive inflation in the money supply. That mask will come off as bailout cash and Federal spending works into the economy, spurring economic activity, and increasing demand for goods, services and energy.

The Obama friendly media will spin glowingly positive, raising optimism about the economy, which itself will help spur economic growth. Prices will rise as inflation "chickens" hatched by huge increases in the money supply "come home to roost," driving down the dollar's value.

That drop may not show against foreign currencies because other countries are inflating their currencies even more than we. But it will show compared to gold, coins and commodities, whose prices will soar as people scramble to protect their wealth.

Normally, the Fed would increase interest rates to compensate, but this would cut off economic recovery, and send interest costs on the Federal Debt soaring. This is politically untenable. Instead, by allowing the dollar to fall even further, actual debt cost is

reduced, and creditors like China are penalized. Unfortunately, it also hurts savers, the poor and everyone, whose dollars will buy less and less.

People who know this are already buying gold and coins, which is why supply of gold and coins is thin. It will get thinner yet as more people realize these dynamics. Premiums on gold have run as high as \$50 to \$100 above the spot price, and the most common complaint among coin dealers is lack of supply of the "better" coins. As dollar value plummets, already strong demand for gold and coins will intensify. Several times in recent months, MS-65 Saints became temporar-

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ily unavailable as demand consumed supply.

Rare coins are now more than an appreciating collectible. They have become an important investment vehicle likely to out-perform all "traditional" investments these next few years.

In short, a falling dollar combined with a chancy stock market, floundering real estate market, increases in government debt financed spending, and a massive increase in the money supply creates an environment where strong increase in precious metals and rare coin prices are, I believe, absolutely, positively inevitable.

While not 100% certain, this scenario is so likely that virtually everyone should immediately diversify at least 5-10% of investment capital, excluding home, into \$20 St. Gaudens and rarities.



Hot Choices for 2009

(cont'd from Page 1)

should continue up strongly as the dollar weakens and gold strengthens.

One area likely to out-perform even "Saints in 5" are Key Date Rarities. These collector coins are especially desirable because historically, they have out-performed all other numismatic market sectors.

Now available from CNP



1907 High Relief \$20

1795 Flowing Hair \$1

Coins like the (above) 1907 High Relief St. Gaudens and 1795 Flowing Hair dollar fall into this category. The High Relief is such a perennial favorite the US Mint is producing a replica later this year.

Rare date Morgan dollars, the most highly collected series of coins in the US are also an excellent choice. Historically, surge in overall demand tends to send prices for these coins into the stratosphere.

Collectors also diversify coin holdings, buying both rarities and "Saints in 5." They know that "Saints in 5" number only about 150,000, and have superior liquidity because they trade daily on dealer exchanges. Since they contain just under an ounce of gold, they are sensitive to gold prices, and have price explosion potential. In 1989, during the last coin market peak, "Saints in 5" reached an astonishing nine times gold price. Now, they are trading at just over double the gold price.

Collectors know they can trade

"Saints" for rarities if a special deal comes along. Solid downside protection, massive upside potential and ease of understanding make them perfect for new and investment oriented buyers. While these appeal to the very wealthy who buy them in quantity, they are also affordable to the average investor, giving them exceptional broad market appeal.

Both rare dates and \$20 St. Gaudens are perfect for people seeking long term protection and diversification in market conditions which weaken the dollar.

Consumer Demand for Coins: Increasing

The number of people buying and the quantity of dollars spent on rare coins are increasing. Virtually all dealers have reported record sales for 2008, and expect even higher sales in 2009. This is fueled in part by the overall condition of the economy which is extremely favorable for coin buyers. (see article Page 1)

It is also fueled by the increased ease of buying and selling coins. Some of this has occurred because of the Internet, and businesses like Ebay. Certified grading, which enables coins to be traded sight unseen with security has also oiled the gears of this market.

The ease of buying coin books and on line coin price sheets like PCGS.com and Coin Values (fee based from Coin World) has made price information readily available. This makes coin buying easier, safer, and more comfortable for the first time buyer, and opens numismatic buying to a much wider range of people.

Supplementing these basic market conditions, is the increasingly active role the US Mint is playing in promoting coin collecting.

With an annual promotion budget around 100 million dollars, and the active production of such popular "beginner" series like the State Quarters, and Presidential dollars, the US Mint has increased dramatically the number of people collecting coins. The Mint is also a source of gold coins like the US Eagle, Buffalo Gold



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Demand for Rare Coins Increasing

and "Spouse Gold" Coins, and in 2009, will release a gold replica of the 1907 Ultra High Relief \$20 St. Gaudens. Replicas almost always increase the demand (and value) of the original coins.

Along with the US Mint, Coin Dealers and organizations like PCGS, NGC, Ebay and Coin World have beefed up their internet presence and marketing budgets. The inevitable result is more collectors and investors buying more coins. Since most people buy coins for the long term, and supplies are limited, the inevitable result is increased demand, which will contribute to the predicted massive and long term rise in rare coin values.

For a **FREE** portfolio analysis, specific questions on the direction of the coin market, or to buy or sell coins, please call me, Lawrence Goldberg, toll free at
(800) 334-3325

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