

*Lawrence D. Goldberg's***Rare Coin Report**

May, 2011

Volume 12, Issue 2

Rare Coins & the Economy**Gold \$1500, Silver \$40
WHAT?????????
(I told you so, remember?)**

Some are surprised at the rapid climb of gold and silver bullion. We are not. Furthermore, we believe there is at least a 50-50 chance gold and silver will double or more within a few years.

This bodes well for numismatic coins, which tend to rise more slowly, but at a far greater percentage than gold or silver bullion. Rarity prices have been lower because the recession reduced collector purchasing. That trend has reversed.

Collectors and investors now realize the huge advantage of buying generics and true rarities at today's attractive prices as we march headlong into likely the most inflationary economic environment in our nation's history, caused mainly by a falling dollar.

The three primary drivers of a falling dollar - monetary inflation, governmental debt, and loose monetary policy - continue in full force. They show

*Continued Page 2***Message from
the Owner**

We can all take satisfaction that Bin Laden is no longer with us, and I'm sure you share my heartfelt thanks and congratulations to our political leaders and our outstanding military for bringing him to Justice.

I also want to thank you for your continued patronage and for referring so many new customers to CNP. As you know, we don't advertise, so referrals are everything. The result is that CNP's trading volume in 2011 has already surpassed our entire 2008 trading volume! WOW! Much of this is due to the exceptionally active market, but we feel at least some of it is because we are committed to providing outstanding values on excellent material, and the best service in the industry.

We remain powerfully committed to that standard.

As we grow, we add more people. **Mike Clarke** has helped tremendously these last two years, and now **Autumn Eyles** has joined our team (see story p. 2)



Lawrence D. Goldberg
Owner, CNP, Inc.
Editor in Chief

Our want list system continues to improve. Call me about the coins you want. Odds are we can find a great example at a great price for you. We do not charge extra for this service. Let me put my 30+ years of experience to work for you! .

With all these market changes, you may want to change your strategy or goals. Times of change require vigilance. Call me if you would like to discuss your alternatives and potential actions.

800-334-3325**INSIDE THIS ISSUE**

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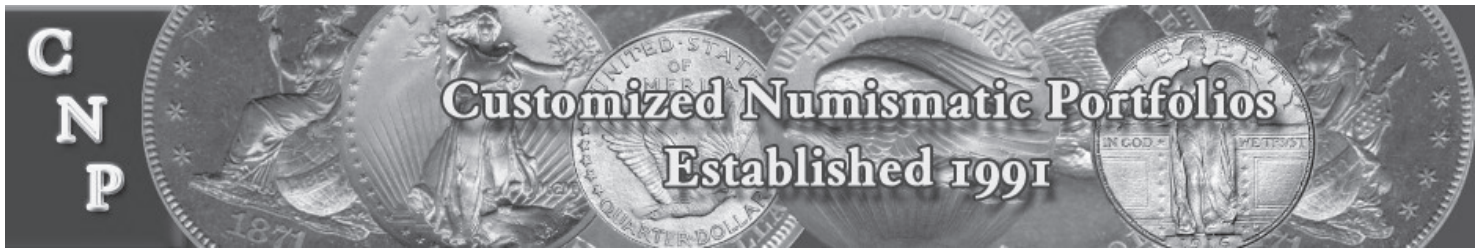
BUYING NOW!**WE NEED COINS!**

If you are thinking about selling your coins, please call me direct at:

800 334-3325

**I will pay more and pay fast.
Call me now!**

WWW.CNPCOINS.com



(continued from p. 1) **“Gold \$1500?”**

no signs of abatement. Thus, buying of hard assets (gold, silver rare coins) continues strong, as people strive to protect their wealth. Despite temporary and expected short term corrections in metals prices, expect metals and coins to continue rising long term. Expect interest rates to remain low, money printing to continue, and Federal Debt to continue growing. The Federal Debt is the main force behind these trends. As long as Federal debt continues to grow, these trends will continue

There will be no relief. Expect Federal Debt to hit close to \$16 Trillion this year, and \$20 Trillion by the next presidential election.

It gets worse. Like a snake eating its own tail, the Federal Reserve has been buying Treasury Bonds, setting up a potential dollar collapse. The dollar may not collapse completely, but could erode to previously unimaginable low levels. Adding fuel to the fire, some states are floating bonds to pay for government worker pension obligations, which could lead to more pressure for Federal bailouts and even more Federal borrowing and money printing.

Fed Chair Bernake's statement that inflation is small and temporary lacks credibility. Food and energy costs should continue to rise, eventually dragging the costs of other goods with them. In fact, if inflation were calculated as it was in the 1970's it would now be in double digits.

Do not expect the Republican House of Representatives to stop this trend. Even if they had the political will to do so, the mechanics of cutting federal expenditures sufficiently to slow down and stop this inflation leviathan would take years.

This realization is becoming increasingly widespread among the general public, which is buying more hard assets, pushing up prices. Just as importantly, most of these buyers are not speculating. They are seeking to preserve wealth. Thus, do not expect rapid sell-off's like what we had in 1980 when silver crested \$50/oz. Instead, expect intensifying inflation to continue driving up bullion

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Summer Coin Show Schedule

Los Angeles Coin Show

May 14-15

Automotive Driving Museum

610 Lairport St

El Segundo, CA 90245

Long Beach Coin Show

June 2-4, 2011

Long Beach Convention Center

Long Beach, CA

(Set up with Miracle Mile, across from PCGS)

Ontario Coin Show

July 14-16

Ontario Convention Center

Ontario, CA

For updates and changes, **please sign up for our Blog at www.CNPCoins.com**

Autumn Eyles Joins CNP

It is with great pleasure that CNP announces that **Autumn Eyles** has joined our team. I worked with Autumn in the rare coin business over 25 years ago, and was always impressed by her integrity, work ethic, ability, and super friendly personality.

CNP has been growing rapidly in the last several years. We added Mike Clarke to assist with customer communication, and he remains as an invaluable asset. However, with the continual growth in both volume and size of sales and purchases, we needed more help to handle the demand, and were very lucky indeed to contract with Autumn to fill the void.

Autumn's main duties will be in numismatic sales, with specialization in generic gold and silver dollars, investment oriented numismatic coins, and bulk sales. Autumn can be reached either through the main office at 800 334-3325 or at her direct line in Cape Cod, MA at 508-398-2575.



Diversifying Your Hard Assets Portfolio

Just like your overall investment portfolio should be diversified to grow and protect your wealth, your hard asset portfolio should also be diversified. This improves your chances of big gains in value, protects you against a downside in one area, and ensures maximum flexibility when it is time to sell. This is because, like equities, hard assets do not all move at the same time, and one area can be much hotter than others—or visa versa.

HARD ASSETS PORTFOLIO BASICS

There four basic kinds of hard assets:

Gold Bullion

Value depends entirely on gold melt value. These include modern gold bullion and commemoratives, Circulated common US gold coins 1932 and earlier, most modern foreign gold, “junk” gold, bars, and jewelry.

Silver Bullion

Value depends entirely on silver melt value. These include silver eagles, mapleleaves, 90% silver (pre-1965 US silver coins) silver rounds, and 1-100 oz silver bars, “junk” silver, private mintage, and anything sterling.

Generic Numismatics

30-70 % of value depends on bullion content, and the remainder on numismatic value. Included are PCGS/NGC certified common date \$10 and \$20 US gold, silver dollars and other coins, plus BU (brilliant uncirculated) rolls of pre-1965 silver coins in any denomination.

True Rarities

Primary value depends on collector value, including the rarity of the date, the condition or grade of the coin, and its desirability by the collector community. Usually high grade, high eye appeal, rare, and PCGS/NGC certified.

How to Determine what percentage of your hard asset portfolio should be in each category.

The percentage of each hard asset area you should have in your portfolio depends on two major factors:

1. Your personal goals, disposition, and tastes
2. Market conditions

A “typical” \$100,000 portfolio has 25%, (\$25,000) in each area. Percentages should be adjusted based on personal preferences, goals, and market conditions.

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Non-collectors put most or all of their portfolios in gold or silver bullion, perhaps with some generics to give added upside potential (and excellent liquidity) but avoid or only dabble in true rarities.

Knowledgeable collectors might put their entire hard asset monies into collectibles, as that part of the market tends to rise more dramatically than others, plus it maximizes their enjoyment of the numismatic hobby.

Other collectors and investors who understand the concept of numismatics—but do not have the expertise, experience or free time - frequently enlist the help of an experienced and trusted numismatist—such as myself (shameless plug!) - to assemble a superb collector’s portfolio for a portion of their holdings.

The key is getting the right mix for you, and the feedback of an experienced numismatic professional is usually essential to this process.

Please Call me at (800) 334-3325 if you would like to discuss any aspect of your hard asset portfolio and what action (or non-action) is best for you.

Market conditions are crucially important when acquiring hard assets. Gold and silver have risen so rapidly their upside is less rosy than generics or rarities. Bullion remains essential for hard asset portfolios but some investors might want more diversity toward generics like MS-64 \$20 Liberties, or BU rolls.

This is doubly true for rarities—today’s “wild card.” I agree with the assessment of the most highly experienced and respected echelon of coin dealers that the **supply** of truly rare coins—high grade seated type, key dates in all series, better date Morgan/Peace dollars, pattern coins, bank notes—will fall far short of **demand** in the next years. These rarities will likely break all previous records for value increase.

Lack of supply coupled with increasing demand for rarities in inflationary times should drive prices for true rarities up three to ten fold from current price levels within just a few short years.

Lawrence D. Goldberg
Customized Numismatic Portfolios, Inc
2219 W. Olive Ave. # 218
Burbank, CA 91506



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If you are want to
sell, call us.
We pay HIGHEST
PRICES and we are
motivated buyers.
CALL TODAY!
(ask for Lawrence)
(800-334-3325)
Every transaction is
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and Insured

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Burbank, CA 91506
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“Gold \$1500!” *(continued from Page 2)*

demand for the foreseeable future. As metals rise, however, the upside potential for further price increases is reduced. Thus, even before metals prices stabilize, investors and collectors are increasing their buys on rarities and generics, and the likelihood is rapidly increasing that these will exceed their balloon peak prices of 1989 by the time this run ends.

Finally, the possibility that the dollar will cease being the world reserve currency is growing. Should that happen, literally trillions of dollars now sitting as reserves in bank vaults world wide could be released, degrading dollar value even further. The recent Standard and Poor's warning which rated US Treasuries as “negative” is a sign that we are moving further down that ominous road, and that continuing weakness in the dollar is unavoidable.

The most solid (and liquid!) protection against this is physical ownership of gold, silver and rare coins—a strong, balanced hard asset portfolio.

Get a **FREE** market analysis of your
Hard Asset Portfolio (coins, gold, silver)
For Details, call MIKE CLARKE at
424-238-5159