



“...no matter what the economy does, the coin market should continue its vibrant activity through the rest of the year; and likely well into 2008.”



Rare Coins and the Economy

Summer is traditionally slow for the coin market. But not this last summer—not by a long shot. In fact, it might be our most active summer since starting CNP in 1991, sixteen years ago.

The tremendous volume of collector buying and selling has been amplified by the volatile condition of the economy.

Fallout from sub-prime loan and credit issues has shocked gold and silver prices—and all commodity prices—upward in a path many believe will put gold above \$800 before year’s end.

The simultaneous fall in the US Dollar, weakness in real estate, modest interest rates and rising but unspectacular stock market has failed to produce sufficient investment demand to siphon away collector dollars all push coin prices upward.

The strong likelihood of more interest rate

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Gold, Silver and Coins Navigating Volatile Markets

Buying and selling in volatile markets can be intimidating, especially if you are new to it. With gold and silver coins and bullion, this task can be made easier and less stressful if you recognize a few essential ideas.

First is that no one knows what metals

prices will do in the short term, so trying to “time” the market in the short term is a “loser’s game.”

The long term is much easier. U.S. debt, inflation, import/export deficits and political factors create a climate almost cer-

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Message from the Owner

2007 continues as a great year for CNP. Once again, THANK YOU for your continued patronage. It’s so satisfying when you refer so many friends and relatives for their coin/currency buy and sell needs.

If you want to sell this year, market conditions for selling are excellent now, but please call right away, so we can arrange sale before trading slows for the holidays.

On a personal note, the January newsletter will be published in February, as the CNP office will be closed the first two weeks of 2008— I will be attending the wedding of a friend’s only daughter in India. It promises to be an extraordinary and many say life changing experience. I’ll let you know.

— Lawrence Goldberg
Owner of CNP

National Bank Notes: 50 State Sets

CNP now has a special offer for collecting State Set of National Bank Notes. A state set consists of one from each state plus the District of Columbia. More on the offer later, but we’re doing it because State Sets of Small Size National Bank Notes are fast becoming one of the most popular, potentially profitable and above all FUN ways to

enjoy these historically significant examples of US currency.

Relatively obscure five years ago, National Bank Notes are getting more popular all the time, and their prices are rising. It is easy to see why.

Small size NB Notes were issued for about 7,000 banks, many with exotic and

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Patterns
Coin
and Currency
Update
(see page 3]

Reasons to Sell Your Coins

- ◆ Upgrade your collection trading bulk/common coins for rarities
- ◆ You overpaid for coins in the past and need a tax loss
- ◆ You have lost interest in coins
- ◆ Your age or condition makes collecting/enjoying difficult
- ◆ You need cash
- ◆ You want to consolidate a "too bulky or heavy" accumulation.
- ◆ You have security issues and cannot keep your coins in a safe place.
- ◆ You inherited a collection you must sell or split among heirs.
- ◆ You want to upgrade to a high grade collection for your heirs.

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tain to drive the dollar lower over time. Thus, gold, silver and coins are likely headed up in the long term.

Knowing this, define your goals and temperament. Are you looking for a hedge against the dollar? Both coins and bullion can provide that. Do you want instant liquidity with less potential for price increase? Choose high bullion content over numismatic coins. Prefer collecting? Choose numismatic coins over bullion. For a balanced approach, get some of each.

The main point here is to accumulate with the mind of a collector or accumulator rather than the mind of an investor. In my twenty-six years in rare coins,

Why are they called "Peace" dollars?

On the reverse of the dollar at the bottom, is the word "Peace." It was to help commemorate the end of WWI.

What should I look for in collecting "Peace" Dollars?

First, obtain them in gem grades, as recommended on the chart on Page 3. These recommendations are for the best value for gem quality Peace Dollars.

Second, if you have a choice money

this has been the most effective approach to increasing the value of your holdings.

Unlike the investment mind set, which speculates about future price levels—which cannot be known now—the collector or accumulator mind set buys coins based on what is a good buy today, and what are the purchaser's goals.

This keeps the collector/accumulator firmly tied into today's market realities, focused on the long term. The happy result is not only insulation against current market volatility, but a much stronger likelihood of greater appreciation over the long term.

Small Size National Bank Note Sets

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interesting names, and many from relatively small towns, as well as large cities. Even many non-collectors like to get one from their home town or other city with some special significance just to frame and put on the wall!

They are also deceptively rare. The most common are from large metropolitan banks, such as Chase of NY and B of A from San Francisco, from where there are barely over 2000 notes in all grades and denominations (\$5, \$10, \$20, \$50, \$100) combined are in the census. Few banks show populations greater than several hundred, and easily the majority of banks have far fewer than 100 notes extant, with many of those under 30.

They are also extremely accessible price wise. Decent circulated examples for most states can be purchased for between \$100 to \$400, which means that collecting a complete or nearly complete set can be relatively inexpensive. Naturally, some of the rarer and higher condition notes can cost into the thousands, which gives the collector great price

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Rare Coins and the Economy (cont'd)

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cuts by the Fed promise to send the dollar yet lower, pushing upward on gold and rare coin prices.

As if this weren't enough positive news, a falling dollar encourages exports, supporting US economic growth. The likely result is strong employment, and plentiful funds for coin collectors.

On the other hand, some "pundits" see a looming recession. We never know for sure what the future will bring, but even a recession would mainly impact lower economic classes, which comprise a small percentage of coin trades.

Bleaker investment opportunities in traditional financial markets could push investment money toward coins as it already has toward gold and silver. So, in a very real way, no matter

wise, get rare dates as they become available. They tend to rise fast in price and are harder to get than common dates.

Third, always go for white coins. A slight color tint is ok, but Peace dollars do not tone beautifully as do Morgan Dollars. Bright white coins will always be more sellable (and likely for more) than heavily toned, or color marked coins.

what the economy does, the coin market should continue its vibrant activity through the rest of the year; and likely well into 2008.

Price rises may not be dramatic but should be steady as demand in the growing collector dominated market continues to outstrip supply.

Even what is shaping up as one of the most divisive and nasty presidential election years in history is unlikely to disrupt the steady strong march of hard asset collectibles.

Pattern Coin and Currency update

Patterns Continue AWOL. Currency Still Strong.

The shortage of pattern coins for sale continues. Few pattern coins of note seemed available at September's Long Beach show. Activity has slowed to a crawl. It seems the only patterns on the market are from the usual attrition one would expect in a collector dominated market—and those sell at average prices.

Translated to market terms, prices are not yet high enough to entice sellers, which means it likely that higher pattern prices are on the way—eventually. Pattern accumulators should keep funds at hand to take advantage of any high quality coins that do become available. Pattern dealers meanwhile are focusing on more active market segments.

Meanwhile, currency continues its torrid march into the price stratosphere, as the market seems to have a never ending appetite for high grade rarities. Other areas showing strength are large denomination type (\$500-\$10,000) and of course national bank notes.

There is no telling how long this demand will keep continue, but the relative small size of the currency collectors market compared to coin collectors—and the huge price disparities—indicate that despite ups and downs typical of any market, the currency market is likely to continue growing quickly with no end in sight.

PEACE DOLLAR RECOMMENDATIONS (updated)

Get this chart in Excel by email from NoFreeLunch@earthlink.net Recommended Grade/Price level are under "Price." "Next" indicates price level of next highest grade. * indicates price increase since last issue. ** indicates change of grade recommendation.

Date	Grade	Price	Next	Date	Grade	Price	Next
1921	MS-64	1100	2700	1926-D	MS-64**	350*	1500
1922	MS-65	220	750	1926-S	MS-65	1800*	6500
1922-D	MS-65	500	2300	1927	MS-64	500	*4500
1922-S	MS-64	425	2500	1927-D	MS-64	1000*	5500
1923	MS-65	220	750	1927-S	MS-64	2000*	14000
1923-D	MS-65	1400*	6000	1928	MS-64	1600*	5000
1923-S	MS-64	450	6500	1928-S	MS-64	1850	23000
1924	MS-65	240	750	1934	MS-65	1400*	4000
1924-S	MS-64	2000*	10000	1934-D	MS-64	750	2000
1925	MS-65	220	750	1934-S	MS-60	2000	4000
1925-S	MS-64	1450*	22000	1935	MS-65	1000*	2200
1926	MS-65	450	2,100	1935-S	MS-64	700	*1800

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- ◇ **Rare Coins and the Economy**
- ◇ **Trading in Volatile Markets**
- ◇ **Pattern, Currency UPDATE**
- ◇ **Updated Peace Dollar Recommendations**

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Small Size National Bank Notes

flexibility when assembling a set.

A state set might consist of examples of all denominations, or be of one specific denomination, for example, a \$5 set, a \$10 set, and so on. Some people like to collect a full set of each denomination!

Other sets could be every county in a state, or every town with a certain word in it. For example, "gold", gives Golden, CO, Goldsboro, NC, "beach" gives Long Beach, West Palm Beach—you get the idea.

To encourage you to collect the State Series of National Bank notes, CNP will give you (with your first National Bank Note purchase) a FREE Currency binder with 17 currency holder pages (3 per page) - enough for all fifty states plus Washington, D.C. When you're done, you'll have a great book for storing, viewing your collection—and showing them to your children, grandchildren and hopefully your great grandchildren.

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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