

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

May, 2013

Volume 14, Issue 1

**Rare Coins & the Economy****Spot and Physical Markets in Gold & Silver Show Disconnect; Portends Upheavals**

In mid April when Cypress banks sold gold to stabilize balance sheets, futures contracts fell, triggering computerized trading algorithms to dump metals futures. Gold's spot price fell to \$1321/oz. but demand for physical gold soared; spreads rose 25% on gold and 100% on silver as gold rebounded, effectively splitting the physical price away from the futures driven spot price. This disconnect is hugely significant, especially since it has been reported in

*Continued Page 2***INSIDE.....****Collector Activity Increases** page 2**What Color Are Your Assets?** page 3**Modern Coin Craze?** page 3**Generic Gold Outlook** page 3**Message from the Owner**

*Due to essential family obligations, there was no February Rare Coin Report*

Having missed February's edition, there is much to catch up on: CNP Inc.'s growth and development continues at rapid pace.

First, our redesigned website [www.CNPCoins.com](http://www.CNPCoins.com) is now active. You can sign up to get the Rare Coin Report free by email *in addition to* receiving the hard copy of this newsletter by U.S. Mail.

When you sign up for the email version you also get extra market updates, special reports, and "opportunistic" coin deals that may become available. We expect to use this new capability more and more as time goes on.

The new website calendar will inform you of upcoming coin shows and books signings when my new book comes back from the printers.

The Book is Entitled: **"What Color Are Your Assets: An Insider's Guide to Rare Coins and Precious Metals"** Pre-orders now being accepted by the publisher, **Zyrus Press at 888-622-7823**. All pre orders will be signed by me and ship-



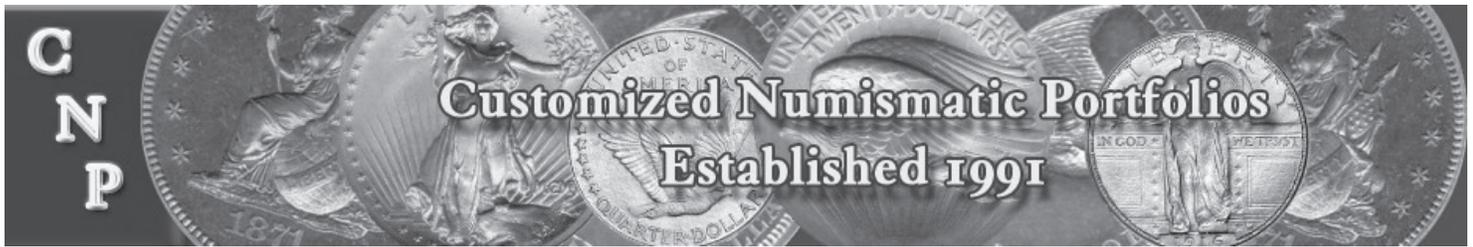
**Lawrence D. Goldberg**  
Owner, CNP, Inc.  
Editor in Chief

ping is free.

The text is finished and we are now in the layout phase. Writing this book was a challenge. It forced me to expand my thinking and hone my concepts and conclusions. I hope you will get as much out of reading it as I got from writing it.

Finally, I am pleased to announce I have been accepted as a member of the Professional Numismatists' Guild (PNG), the most prestigious professional numismatic organization in the country. It is quite an honor, and I am delighted to be joining ranks with some of the most respected numismatists in the world.

**In Memoriam****Tanette Estelle Goldberg****1926-2013***(Beloved Mother and Friend)*



*(continued from p. 1)* **“Euros and Dollars...”**

the “alternate” financial press that far more contracts have been written than can be physically delivered.

While difficult to confirm, and not a problem if buyers are speculating only, a huge problem will develop if buyers actually want delivery, especially because many contracts are covered by gold that is “leased,” a similar financial structure to a covered call option. Bank gold reserves could be emptied if contracts are exercised. One begins to wonder if the MF Global scandal where gold owned by customers was pledged as security for other transactions is a harbinger of what is to come.

Watch the Euro. France favors quantitative easing; Germany wants austerity. Spain and Greece struggle with 27% unemployment, with Italy and Portugal not far behind. Instability in Euro banks increases demand for gold. If banks shore up balance sheets with gold contracts that cannot be delivered, the Euro could implode. The impact world wide is potentially disastrous as all currencies are now fiat currencies in that they have no gold or silver backing, so insufficient asset reserves can spell disaster.

It is by no means certain this disaster will actually happen. Banks, ministers of finance and others are masters at “kicking the can down the road.” But none of those delaying tactics seem to tackle the underlying problems. It is like treating the patient’s symptoms without curing the disease, resulting in declining health as time goes on.

**One important thing to keep in mind, and Cyprus serves as a good example: if a crisis strikes, it will strike rapidly. People will panic.**

The problem is not confined to Europe. The US national debt approaches \$17 trillion. Fights over the debt ceiling and budget later this year will be brutal, as politicians jockey for position in preparation for mid-term elections in 2014. The Sequestration drama was just a warm up.

Economic stats are slightly encouraging but whether that will continue is questionable. Optimism could quickly evaporate. Meanwhile, the economy

*Continued page 4*

## **Summer/Fall Coin Show Schedule**

**Long Beach Coin Show**  
**Thursday-Saturday**  
**June 6-8, 2013**  
**Long Beach Convention Center**  
**Long Beach, CA**

**Ontario Coin Show**  
**Thursday-Saturday**  
**July 18-20**  
**Ontario Convention Center**  
**Ontario, CA**

**Santa Clara Coin Show**  
**Friday-Sunday**  
**September 6-8**  
**Santa Clara Convention Center**  
**Santa Clara, CA**

**Long Beach Coin Show**  
**Thursday-Saturday**  
**September 26-28**  
**Long Beach Convention Center**  
**Long Beach, CA**

## **Collector Activity, Show Attendance Up**

Collector attendance at coin shows appears abruptly stronger in recent months after several years of weakness. From talking with dealers and consumers alike, the reason for this is that collectors, like many others, have been focusing on gold and silver bullion over the last few years, but now have purchased enough for their needs, and are again pursuing collectible coins. Many collectors share the perception that prices on rarities are as low as they are likely to get. High grade key dates sell quickly. Auctions are active and prices are high. The on-line market place gains sophistication daily and is making rarities more available to a wider swath of collectors than ever before. Expect this trend to continue and intensify in coming months.



**Buy, Sell or Trade? Have Questions?  
Call Lawrence toll-free: 800-334-3325**

---

*Order the \$15 Soft Cover Edition of:*

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

By  
*Lawrence D. Goldberg*

*Pre-Order Now!  
Call Zyrus Press direct at:  
888-622-7823*

***All pre-ordered books will be signed personally by the Author: Shipping is FREE***

---

### **How to Use Generic Gold**

---

If you have been reading the Rare Coin Report for any length of time, you know I have long advocated the purchase of \$20 St. Gaudens in MS-65 and MS-66, and \$20 Liberties in MS-64 and MS-65 for those people who either want gold with a numismatic angle, or desire rarities with a strong gold bullion component.

From a monetary point of view, they serve a hybrid purpose: If gold rises, these coins containing .9650 ounces of gold will also rise. Yet, they are "numismatic enough" to rise if the numismatic market heats up but gold does not.

These coins are therefore perfect for the non-collector who wants to participate in the numismatic market, or for the collector who likes bullion but prefers something old and historical rather than some thing new and ordinary.

What makes these coins a good value now is that they are so close to the price of gold, and therefore can displace bullion as a monetary instrument. The idea of owning them now is the hope that in the future, their numismatic premium will climb much further above their gold value than they are today. However, just in case gold rises and the coin market remains flat, they will still reap financial benefits. Of course, if both rise significantly, it's a real home run.

These are liquid, with low spreads. Their best use is to create a valuable asset 10-20 years from now, hopefully after inflation finishes adjusting the currency. **I have a handful left at super low prices, until they're gone.**

**[www.CNPCoins.com](http://www.CNPCoins.com)**

### **Modern Coin Craze**

---

A few weeks ago, someone paid over \$85,000 for a 1995-W Silver Eagle, PCGS graded PR-70 DCAM. Forget there are several other 1995-W Silver Eagles with the same grade. Forget that around 1600 1995-w's are graded PR-69, and that they, along with "unspotted" uncertified examples sell for under \$5,000. The 1995-W is rare by modern standards (only 62,667 minted) but considering tens of thousands of these coins have not yet been graded and therefore many more "70's" will likely appear in the future, the price seems excessive.

This example is extreme, yet many people today pay huge premiums for modern coins simply because they "make" the "70" grade. It seems most of these buyers are not experienced collectors, but people new to the field. Many appear more motivated by financial gain than collector discretion, because to most collectors, the quality difference between a "69" grade or a "70" grade is minimal, and not worthy of a high premium.

When graded populations increase to the point where supply exceeds demand at high prices, prices will almost certainly fall. If too many of the buyers are "investors" who sell when their financial expectations are not reached, the price drop can be severe.

Everyone should collect coins they love. Even if buying for financial gain however, doesn't it make more sense to buy proven collector-desired rarities rather than expensive common coins with increasing populations whose main buyers are potentially fickle investment oriented customers? Food for thought...

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



**BUYING  
COINS, GOLD, SILVER  
BUYING**  
We need it all and we  
are *Motivated*  
**CALL NOW!**  
**(ask for Lawrence)**  
**(800-334-3325)**  
Every transaction is  
Secure and Confidential  
**HIGHEST PRICES PAID**

Rare Coin Report © 2013  
is published by  
Customized Numismatic Portfolios, Inc.  
2219 West Olive Ave. # 218,  
Burbank, CA 91506  
[www.CNPCoins.com](http://www.CNPCoins.com)  
e-mail: [Lawrence@CNPCoins.com](mailto:Lawrence@CNPCoins.com)  
All Rights Reserved

**Customized Numismatic Portfolios, Inc.**

**Physical and Spot Price Disconnect** (*continued from Page 2*)

faces continued headwinds from the Dodd-Frank regulations, no tax reform, slow energy development, and implementation of “Obamacare.” It may be a “train wreck” but it is too soon to say if that will lead to its repeal. In any event, GDP growth over 2% is unlikely. If however, despite these problems and in the face of all logic we actually experience sustained economic growth, the increased economic activity will fuel inflation.

Thus, whether or not the currency horrors happen, there is little or no downside in being prepared. That is why the spreads for physical metals rose: “market intelligence” is telling us that owning solid assets is important. We can hope for the best, but prepare for the worst.

The obvious preparation is to physically own sufficient hard assets properly diversified to weather any financial storm. This protects you against inflation as well as draconian economic policies that likely would follow “unforeseen” dramatic events. Better two years early than one day too late.

---

Get a **FREE, NO OBLIGATION**  
Market Price Review of your Coins and Precious Metals  
For Details, call MIKE CLARKE direct at  
**424-238-5159**