

Lawrence D. Goldberg's

# RARE COIN REPORT

June 2016  
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## RARE COINS & THE ECONOMY

### Jump-Starting The Economy

How far can the bubbles expand before they pop?

*"If you do not read the newspapers, you are uninformed. If you do read the newspapers, you are misinformed" – Mark Twain*

You've heard the talk: Stock prices are too high, real estate is peaking, negative interest rates are on the way, and high government debt levels threaten the stability of bonds and other dollar denominated vehicles. And all of this is caused by artificially low interest rates set by the Fed in an unsuccessful attempt to "jump-start" the economy.

How much further can these bubbles expand before they pop? That is indeed the "\$70 Trillion

ally increases the potential danger of unexpected upheavals.

Where borrowed money and arbitrary government policies have little impact, including many commodities, gold, silver and rare coins, such price bubbles do not exit. With Gold and silver skirting recent lows (See related article pg. 2), it becomes more likely that drastic events affecting dollar assets will result in potentially dramatic increases in gold, silver and coins. For the moment, the hard assets markets are stable, with the potential for upward prices strongly exceeding potential downward price pressure.

With such a low downside and potentially ex-



(aggregate debt of all governments worldwide) Question," made worse by the fact that much of this debt was taken on for non-capital expenditures. Nobody can predict how much longer world central banks can kick this can down the road. Sooner or later the can kickers will either run out of road or hit a giant pothole and the result - once again - will be massive quantitative easing i.e. money printing. Even that will only appear to soften the blow.

The gooey underpinning to this fragile state of affairs is the ease with which new money supply is created and the forms that it takes. The Federal Reserve, (supposed guardian of dollar stability) reported the total value of actual Federal Reserve Notes (dollar bills) is only \$1.4 Trillion, a fraction of dollars existing in other forms, such as bonds, stocks and "derivatives", which research indicates may be far larger than all of the other areas combined. This facilitates manipulation, and dramati-

plous upside, now is the perfect time to obtain sufficient hard assets for your overall financial security. If you have not already done this, I strongly urge you to do now and without delay. Having enough gold, silver, and rarities will enable you to better weather any financial storm.

In particular, excellent value can be found in high grade common date gold coins, such as \$20 St. Gaudens in MS-65 and MS-66, \$20 Liberties in MS-64 and MS-65 (when nice ones are available) and high end Morgan Dollars in MS-67. The same can be said of MS-64 and MS-65 gold in small denominations. Now is perhaps the best opportunity in ten years to assemble a high grade gold type set. Superb values also exist for rarities when they can be found (see related article).

Over the 35 years I have been in rare coins, I've noticed a strong tendency of human nature is

*continued on page 2*

## NOTES FROM THE OWNER'S DESK

### Thank You, and Good News!

We all fear bad news, but what happens when all the news is good? First and foremost, thank you for your business. Your patronage is something I never take for granted, and I greatly appreciate everyone that has bought or sold through my company, or recommended me to a friend. Now to the really good news:

The coin and precious metals markets are perfectly poised for outstanding buying opportunities. Prices are increasing just enough to incentivize dealers to bring out at least some of their "parked" inventories.

Our new proprietary software is finally operating effectively giving us a powerful tool in finding coins that you desire.

We've added Nick Anderson to assist with customer service, and Frank Ariagno to facilitate administration, giving me more time to focus on coin searching and purchasing.

Other good news I'm bursting to share: Within the last four months, Philleen and I have been blessed with the arrival of a grandson, Braysen Maylor, and a granddaughter, Ayla Rose. Both moms and babes are doing great, so I took a few extra days off to enjoy spending time with the new members of my family.

For the second time in consecutive years, I have been chosen to judge the Pacific Coast Numismatic Society essay contest. It amazes me how deep is the knowledge base of collectors; I learn something from every essay I read. The importance of spreading knowledge cannot be understated. On that score, I was delighted to find out that last December, a major dealer ordered 1000 copies of my book "What Color Are Your Assets" to distribute to his customers. That action was the most flattering compliment about my book I've ever received. I've begun work on a new book I hope to finish this year.

Hopefully the extraordinary political circumstances of the current election season will take much less of your energy than promoting your own good health and having a terrific summer! ●



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

## Have Gold and Silver Hit Their Lows?

In December, 2015, gold and silver hit their lows of the last few years: Gold bottomed at \$1060.50 per ounce, and silver bottomed at \$13.65 per ounce. These lows are well below the average world wide price of production. Even with recent gains, with silver edging above \$17/oz and gold pushing toward \$1300, prices remain below production cost on both metals. It is only a matter of time before demand will send these prices rising further.

In ordinary times, this would be the simple ebb and flow of a commodities market and no cause for concern. However, these are not ordinary times. Part of the problem is that so much money has been borrowed: over \$70 Trillion by governments alone. The other part of the problem is that the source of most of those dollars is not actual dollars or wealth, but rather, they are dollars created by quantitative easing, also known as money printing. In other words, they were conjured out of nothing by various central banks throughout the world. And who purchases this debt? Well, rich people for starters, but also many pension plans purchase this debt, expecting to get paid back with interest down the road.

The problem here is that pension obligations, especially in the US far exceed available pension monies, and with those monies being conjured from nothing instead of coming from actual wealth, there is a danger that the whole system



could experience some very rocky times even if we do not see a total collapse. The most likely result of all of this is more printing of money, as the powers that control the money supply search for ways to stave off calamity. The Federal Reserve and governmental entities have few other options for keeping the debt clock ticking. That would be bad enough in and of itself, but the situation is made worse for individuals because there is so much other debt, including on real estate, credit cards, and for college tuition among others.

This build up of debt combined with a flimsy underpinning of the dollar and many other currencies increases instability, and makes more likely an increasing demand for real money: gold and silver. Combine this with the relatively low prices in precious metals, and the stage is set for a bull run in metals. If none of this comes to pass, the worst is that you will have some hard asset holdings which can be sold for fair market prices. If, however, this analysis is even partially correct, the likelihood for a massive increase in gold and silver prices is strong indeed.

I strongly urge you to review your hard asset holdings, and if you have not yet accumulated the proper amount for your personal circumstances, that you do not delay in doing so. It's one of those situations where being a month early is way better than being even a day late. ●

Jim Paulsen, chief investment strategist at Wells Fargo Asset Management, cautions investors about dumping their gold holdings. Paulsen explains,

“One reason of the reasons that [gold] is attractive is that nobody thinks it's worthwhile anymore. That says that probably people have become complacent, which is exactly when you need gold.”

— The Associated Press, Monday, July 20, 2015

## Evaluations and Appraisals

*If you are curious about current pricing on something you own or have recently inherited, give Lawrence a call—he handles each request personally. Whether it's an “Appraisal” for insurance purposes or an “Evaluation” for an imminent sale, he'll be able to assist you, and he will always be happy to make an offer.*

*If you are a collector that needs a quote on graded material, simply email Lawrence with the specs at [lawrence@cnpcoins.com](mailto:lawrence@cnpcoins.com). Please include: Date/Denomination/MM/Grade & Service.*

**You can always call Lawrence at 800.334.3325, press 2.**

**If you would prefer to receive the Rare Coin Report via email or for a friend, please send a request to [mike.clarke@cnpcoins.com](mailto:mike.clarke@cnpcoins.com)**

## Coin Show Circuit

**Pasadena Coin & Currency Show**  
Saturday & Sunday, May 28-29  
Scottish Rite Center  
150 N. Madison Ave. Pasadena, CA 91101  
Hours: 10 a.m.-5 p.m.

**Long Beach Coin Show**  
Thursday-Saturday, June 9-11  
Table #813-815  
Long Beach Convention Center  
300 E. Ocean Blvd. Long Beach, CA 90802  
[www.longbeachexpo.com](http://www.longbeachexpo.com)  
Hours: Thu-Fri 10 a.m.-7 p.m., Sat 10 a.m.-5 p.m.

**American Numismatic Association**  
**World's Fair of Money**  
Tuesday-Saturday, August 9-13  
Table #807  
Anaheim Convention Center  
800 W. Katella Ave., Anaheim, CA 92802  
[www.money.org/worldsfairofmoney](http://www.money.org/worldsfairofmoney)

**Santa Clara Coin, Stamp & Collectibles Show**  
Friday-Sunday, August 26-28  
Santa Clara Convention Center  
5001 Great America Pkwy  
Santa Clara, CA 95051  
Hours: Fri-Sat 10 a.m.-6 p.m., Sun 10 a.m.-4 p.m.

**Long Beach Coin Show**  
Thursday-Saturday, September 8-10  
Table #813-815  
Long Beach Convention Center  
300 E. Ocean Blvd. Long Beach, CA 90802  
[www.longbeachexpo.com](http://www.longbeachexpo.com)  
Hours: Thu-Fri 10 a.m.-7 p.m., Sat 10 a.m.-5 p.m.

**Las Vegas Numismatic Society**  
**Fall Coin Show**  
Friday-Sunday, September 23-25  
Westgate Resort & Casino  
3000 Paradise Road  
Las Vegas, NV 89109  
Hours: Fri 10 a.m.-6 p.m., Sat 10 a.m.-5 p.m., Sun 10 a.m.-3 p.m.

## Jump-Starting The Economy

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to wait for a rising market before buying. While this might work with stocks, the supply of coins is limited and impossible to increase beyond whatever new issues are created each year. Rare coin price increases tend to be rapid and strong when they happen, as supply is so rapidly eaten up as to create shortages. Therefore, it is best to buy in a soft market – like what we have now – and plan for the long term appreciation. ●

## Generic Gold Opportunity

High-grade common date Gold is now available at great prices. Imagine a MS-66 St. Gaudens for well under \$3000. Or superb \$20 Liberties in MS-65 for less than \$5000 with MS-64's at around \$2000. The opportunities do not stop with \$20 gold coins. Common date \$10 Indians, and \$5 and \$10 Liberties in MS-64 are less than \$2000, and even the very difficult \$5

Indians in MS-64 are under \$3000. Bargain prices for better date gold are also superb with many circulated \$20 Liberties from the 1800's at near bullion prices. Collecting generic and better date gold are among the



1926-S \$20 (Regular Strike) St. Gaudens. Photo courtesy of PCGS

most enjoyable ways to build up your supply of gold while enjoying the numismatic qualities. With prices this low, the potential for value increase is more than just a silver lining. ●

## Why the Shortage of Key Date Material?

Over the last few months, as we have been developing our proprietary coin finding software, I have noticed that many key date, difficult to find coins have become unusually elusive. The reason: prices have gone so low many dealers put their better material in the vault for a while, unwilling to sell at such low prices. Complicating matters is the continuing dissatisfaction with the new ownership of the Coin Dealer Newsletter. When dealers see some coins listed on those price sheets at wildly divergent prices from actual price levels for trades, it produces uncertainty. Rather than take definite losses, dealers simply hold off selling, hoping for better prices in the future; many dealers do expect prices to rise in the near term.

The rare coin market has experienced this pattern before, albeit for different reasons, but the main result is that while this condition persists,

many coins collectors desire simply will not be available. Fortunately, these circumstances are slowly changing, creating some buying opportunities. First, low prices make now a great time to buy desirable coins that do become available. Second, as prices rise, which has slowly begun in some areas – like high grade generic gold – these key and difficult date coins will gradually become more available, portending superb buying opportunities in the near term. Third, the softness in the rare coin market combined with lower precious metals prices has made high grade generic gold particularly attractive. This creates a terrific opportunity to stock up on high grade generic gold at lows that will likely translate to higher prices for the foreseeable future.

If you have not already done so, please contact me and let me know what you are looking for – we might even have it in stock! ●

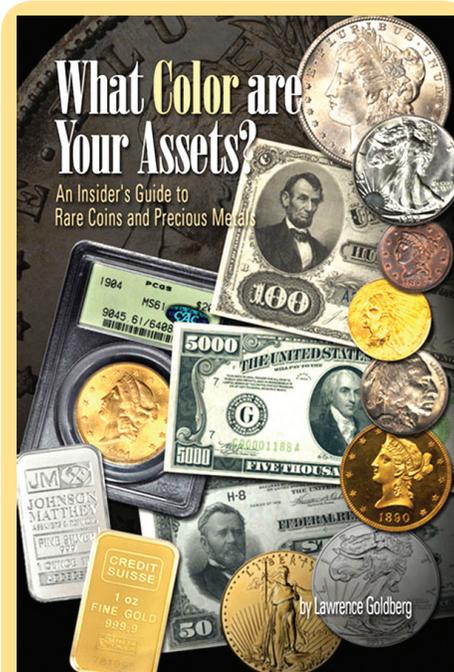
## CNP to Sell High Registry Set of Buffalo Nickels

CNP has been selected to sell one of the highest rated (#12) PCGS Registry Sets of Buffalo Nickels for Business Strikes with major varieties included. Consisting of 67 coins with a minimum grade of MS-64, but with most coins in MS-65 or better, the set was assembled over a period of years by a collector (who wishes to remain anonymous) with an excellent eye: fully two-thirds of the coins sport CAC labels, including one rare gold CAC label, meaning that in the opinion of CAC, the coin is under graded. It is one of the most eye-appealing collections of Buffalo Nickels I've ever seen: every coin is nice for the grade and gorgeous!

The entire collection will be on display at the upcoming Long Beach Coin Show (table 813-815).

From the collector standpoint, just owning such a prestigious collection is wonderful, but it also provides the opportunity to upgrade from gem to super gem in some years, possibly creating, eventually, the #1 set for US Buffalo Nickels. From the standpoint of financial gain, because of the quality of the set, the value over time will likely rise dramatically even if no upgrades are added.

This supurb collection is offered only as a set. **\$122,500.** ●



**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 even from fellow dealers.

I've been very pleased with the many positive reviews posted there, and if possible—post your own review!

As readers of my newsletter, I'd love to read your reactions.

If you go to Amazon.com—search for **What Color Are Your Assets?**

Available at  
**amazon**

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**TIPS FOR READERS**

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Readers ask me all the time about what to do with their “loose change”?  
 Coincidentally one of the personal advice columnists recently related a few stories from her readers about this very subject. As it turns out she passed on some valuable advice: Sort through the coins for any pre-1965 silver ones as they will be worth more than face value due to the actual content, especially if you see any buffalo nickels.  
 Happy Hunting!



**Gold and Silver in your IRA? Inherit a Collection You Want to Sell?  
 Need a portfolio evaluation, appraisal or consultation?**

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