

Liberty's Outlook

Volume 14 Issue 2 Liberty Coin Service's Monthly Review of Precious Metals and Numismatics February 6, 2008

Despite Massive Intervention, Gold, Silver, And Platinum Keep Reaching Record Highs As—

World Currencies And Stock Markets Continue To Fall!

P.2 Critical Electricity Shortage In South Africa Shuts Down Gold & Platinum Mines

P.3 Rare Coin Markets Experience A Buying Surge

After gold and platinum hit all-time highs and silver reached a 27-year high (ignoring inflation) in early January, prices kept right on rising.

To regular readers of this newsletter, that should not be surprising. The multitude of factors driving up precious metals prices are not being resolved, cured, fixed, or otherwise negated.

In fact, the more that researchers are digging into trading patterns of the gold and silver markets, the more obvious it appears that both metals are trading at levels well below what they "should be."

As they delve even further, these researchers are finding ever more indications that governments and central banks are either directing or at least acquiescing in efforts to hold down gold and silver prices as a means to achieve political ends.

For lack of space, I won't repeat much of the data that supports this thesis that I have discussed in past newsletters. Instead, I want to focus on providing additional details on how this manipulation is facilitated and on some fresh developments that could push up precious metals prices more quickly than I had expected.

Why is this important?

I think the magnitude of the distortion in gold and silver prices points to tremendous profitable opportunities in the coming months for those who act right away.

Historically, the price of gold has ranged from 65% to 90% of the platinum price. As no governments hold platinum reserves, its price has been allowed to rise without official intervention.

Today, the price of gold is about half of platinum's price. If the typical ratios still applied, that means that the price of gold should already be in the range of \$1,150 to \$1,625.

Similarly, the U.S. Commodity Futures Trading Corporation (CFTC) which is charged with regulating commodity exchanges, has permitted the eight largest short

traders of silver on the COMEX to amass a short position of 289 million ounces, an unprecedented distortion of the market for any commodity (no matter whether you analyze it in terms of percentage of annual global production or available above-ground inventories). In order for the silver market to trade similar to other commodities, I think the price of silver would have to rise at least to \$50.

How Do Governments Manipulate The Markets?

The simplest way for a government or central bank to manipulate prices in any part of the economy would be to simply purchase the asset (currencies, stocks, bonds, or commodities) where it wanted prices to rise or contract to sell if it wanted prices to fall.

But it isn't that simple. If a government or central bank is observed trading on its own account, that information is quickly disseminated through the financial markets. In many (most?) instances, such manipulations need to be done quietly in order for them to be effective.

So, the next best step would be to have such buying or selling done by a third party. To be even more discrete, such trading should be done by a number of third parties so that it becomes difficult to monitor all the activity.

To make the manipulation even harder to detect, you would spread the trading activity through a number of different means rather than simply buying or selling.

Here are some of the ways that the gold market prices have been held down in recent years:

- Outright official sales above and beyond what would be needed for managing

2008 Year To Date Results

Through February 5, 2008

Precious Metals

Platinum	+16.6%
Palladium	+12.4%
Silver	+10.2%
Gold	+6.1%

Numismatics

MS-63 \$20.00 St Gaudens	+10.6%
MS-63 \$20.00 Liberty	+5.0%
MS-65 Morgan Dollar	+6.9%

US Dollar vs Foreign Currencies

Canada Dollar	+2.7%
Great Britain Pound	+1.7%
Euro	+0.6%
India Rupee	-0.0%
Brazil Real	-1.3%
China Yuan	-1.5%
Switzerland Franc	-2.2%
Japan Yen	-4.8%

U.S. Dollar Index 76.116 -0.75%

US and World Stock Market Indices

Dow Jones Ind Average	-7.5%
Russell 2000	-8.4%
S&P 500	-9.0%
London FT 100	-9.2%
Tokyo Nikkei 225	-10.2%
NASDAQ	-12.9%
Frankfurt Xetra DAX	-16.1%

Intrinsic Metal Value Of U.S. Coins

Lincoln Cent 1959-1982	2.16¢
Lincoln Cent 1982-date	0.63¢
Jefferson Nickel-non-silver	6.02¢
Roosevelt Dime 1965-date	2.73¢

government reserves.

- Threats of official sales, with repeated calls for the International Monetary Fund to sell some of its gold being perhaps the most effective.

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- Leasing gold to increase the amount of physical gold on the market.
- Reducing the lease rate in gold by standing ready to lease large quantities, giving the impression that the market is flooded with gold.
- Changing requirements on commodity contracts such as easing or tightening margin requirements.
- Changing regulatory oversight on hedge funds and other lightly regulated entities to encourage or discourage highly leveraged activity.
- Manipulate investor perceptions of the market by altering reported statistics such as the Consumer Price Index or changes in the money supply.
- Simply making false or misleading public statements.

There are other means, but that should give you a good idea of how to try to manipulate a market without the private sector catching on.

One way that the U.S. government enlists the aid of private sector partners is through the trading of repurchase agreements.

A repurchase agreement, as defined by the Federal Reserve, is a government security offered by the U.S. government to a small list of specified dealers. These are short-term securities, usually for 28 days or less, with the most common being for just one day.

These securities are, in effect, “rented” by the dealers to add to the liquidity of their portfolio so that they can engage in trading activity to further the policies of the U.S. government.

While these dealers are technically free to do anything they want with this cash infusion, they are only allowed to continue to make money trading in repurchase agreements if they do the government’s bidding. So they buy or sell commodities, futures, stocks, bond, currencies, or whatever will bring about the desired result.

There are 20 banks approved as primary government securities dealers for repurchase agreements. Among U.S. banks are Bank of American Securities, Bear Stearns, Cantor Fitzgerald, Countrywide Securities, Daiwa Securities America, Goldman Sachs, Greenwich Capital Markets, HSBC Securities (USA), J.P. Morgan Securities, Lehman Brothers, Merrill Lynch Government Securities, and Morgan Stanley.

Foreign dealers include Barclay’s Capital (Great Britain), BNP Paribas Securities (France), Credit Suisse Securities (Switzerland), Dresden Kleinwort Wasserstein Securities (Germany), and Mizuho Securities (Japan).

One example of how this surreptitious activity works was detailed early this week by economic analyst Mike Bolser. He explains that the U.S. government has distorted the economy so much with past interventions that the only two realistic futures for the

U.S. are a deep recession or runaway hyperinflation.

In his judgment, the Federal Reserve has opted to create a deep recession to rein in inflation. This would be accomplished by a managed decline in the Down Jones Industrial Average (DJIA) and other financial indicators. He thinks the Fed’s target is a DJIA of 8,000 or less in order to slow public consumption.

At the same time that the Fed is lowering interest rates to supposedly stimulate economic growth (which would support the stock market), the Fed is using its sales of repurchase agreements to effectively push down stock prices. By appearing to the public to be supporting stocks, the government can lull investors, while executing its main strategy in secret.

Bolser has developed a proprietary method for using the activity in repurchase agreements to predict whether the 30-day moving average of the DJIA will rise or fall.

I think Bolser may be on to something. The DJIA yesterday closed 13.5% down from its all-time high reached last year.

All U.S. and most major world stock indices are down significantly in the past five weeks. Normally in such a market, there would be a significant increase in demand for gold as a “flight to safety” reaction, pushing up prices much more than they have.

Why hasn’t it risen more?

Among the activities I have detected that have helped hold down gold prices are the tripling of the rate of central bank gold sales by members of the European Union and the sharp drop in gold lease rates on February 1.

Yesterday, when the price of gold was rising in U.S. markets, I heard (from a source that has an excellent track record of reliability) that a single trader on the floor of the Comex gold market, who was recognized as acting on behalf of the U.S. government, was actively selling gold contracts as the market reached its close. This had the effect of knocking down the reported price of gold several dollars from where it had been.

New Developments Affecting Precious Metals

There isn’t room to list many, but here are some of the most significant developments that are pushing up precious metals prices.

Critical Electricity Shortage In South Africa. There is a major crisis in South Africa of a shortage of electricity. The state utility, Eskom, announced in late January that it would sharply reduce or even shut off power to mines in its service area for a projected 2-4 weeks.

As a result, substantial gold and platinum mining operations have ceased, cutting worldwide production of each metal by more than 5%!

This problem has been long in coming, and cannot be cured quickly. As South Africa has developed economically, the demand for electricity has grown. A decade ago, Eskom offi-

cially pushed for a more aggressive campaign to build new power plants to meet rising demand. That didn’t happen. Since then, a lot of the experienced staff of Eskom have left and often been replaced by personnel with no experience in electricity generation.

These new managers have implemented a policy of Black Economic Empowerment to make purchases of coal and other supplies from companies without regard to whether the new suppliers were able to fulfill their contracts. In 2000, coal stockpiles at power plants averaged 60 days usage. Now, supplies on hand would only operate plants for a few days.

The coal that has been used has also been of lower quality than in the past, resulting in more downtime for maintenance problems. Compounding this problem is the reduction of spare parts kept on hand.

While some power plants were shut down for scheduled maintenance in January, other plants broke down. Then, South Africa suffered unusually heavy rains which left much of the coal at functioning plants unusable. The mines are barely able to beg for enough electricity to keep the pumps working to drain off water, much less try to conduct mining operations.

When the immediate problems are fixed, the mines have been warned that they will not get as much electricity as they had in the past. At best, the affected mines will only be able to produce at 80% of previous levels until more power becomes available. One report says that the earliest another power plant may be up and running is five years from now.

The electricity shortage is a crisis in all directions. South Africa was the world’s top producer of gold until passed by China last year. The majority of the world’s platinum comes from there. Miners are out of work (and paychecks). Companies are losing sales and profits. The South African government is losing huge amounts of tax collections. Although the U.S. dollar has been losing ground to most world currencies over the past five weeks, it has gained more than 13% against the South Africa rand!

The price of platinum, not manipulated by governments, has jumped 16% in the past two weeks to settle at a record \$1,800 today. Several analysts project platinum to reach \$1,900 or even \$2,000 in the near future.

So what did gold do? It’s up 2% in the past two weeks, to close today at \$900.75. On February 1, the gold spot climbed above \$936 on the Comex before the effect of the sudden drop in gold lease rates and central bank sales (and who knows what else?) cause gold to drop \$32 in just a couple of hours. If ever there was a more blatant example of gold price manipulation, I haven’t heard of it.

Even though the immediate crisis is supposed to be fixed by mid-February, I wouldn’t count on it. I expect this sudden drop in gold production to run far longer, giving one more reason for gold prices to climb.

P.S. Other South African mining operations have also been crippled including mines pro-

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ducing significant percentages of the world's supply of ferrochrome (an essential ingredient in making stainless steel) and vanadium. At almost the exact same time, Zambia experienced its own electricity shortages which shut down major copper mining operations.

Federal Reserve Cuts Interest Rates

Twice In Eight Days. In a move that was supposed to prop up the U.S. stock markets (and has already failed), the Federal Reserve dropped its key interest rates twice in late January by a combined 1.25%, much larger than the typical 0.25% moves. As I have explained in the past, such moves make U.S. government debt less attractive to foreigners, with the result that the dollar drops in value to other currencies and to gold. It's had that effect again.

GATA's Full Page Ad In The Wall Street Journal. The Gold Anti-Trust Action Committee (GATA) has been trying to ascertain how much of the U.S. government's supposed gold reserves are actually still in the vaults and how much of it is still owned.

In December, GATA filed a Freedom of Information Act request with the U.S. Treasury Department and the Federal Reserve seeking records disclosing this information. To add further pressure, GATA took out a full-page ad in *The Wall Street Journal* on January 31 with the headline "Anybody Seen Our Gold?"

The ad urged people to attend a conference in Washington in April to review evidence that U.S. gold reserves are much lower than reported (I am registered to attend). I don't think it is any coincidence that the price of gold started to rise sharply the next day and then experienced its quick decline.

This ad will draw far more attention to this issue than would otherwise happen. Newsletter writers and analysts are primed to wait for any information that GATA may wrest from the government, whereas many of them simply ignored GATA in the past. With the information that has been uncovered thus far, I fully expect the price of gold to rise no matter how much or how little information the government eventually releases.

Surging Commodity Prices. While not every commodity has risen in price this year, and not all have risen by much, there seems to be more commodities that have experienced significant price jumps already in 2008. I have not done a thorough analysis, but here are some:

Cottonseed meal	+53.8%
Hominy feed	+31.7%
Wheat	+31.5%
<i>Wheat is now at an all-time high</i>	
Corn oil	+18.5%
Hogs	+17.1%
Corn	+13.4%

Cocoa	+9.7%
Soybeans	+9.4%
Oats	+8.3%
Sorghum	+7.9%
Copper	+7.9%
Aluminum	+7.5%
Sugar	+7.1%
Coffee	+6.4%
Zinc	+5.1%

Rising commodity prices, in general, reflect the effects of inflation or rising world prosperity that is increasing demand (or both). Either factor would also support higher gold and silver prices.

What Does This Mean To You?

I will simply repeat what I have said before. Even though gold and silver prices have soared over the past several years, we are still at the early stages of the developing bull market. On the other side, I am extremely concerned about the long-term value of holding paper assets such as U.S. dollars, stocks, and bonds.

I would predict that the price of gold will reach \$1,000 by the end of February, but my experience is that my predictions tend to be accurate but too short on the time frame. So, **I forecast that gold will top \$1,000 by March 10. I also think there is a strong likelihood that silver will pass \$20.00 by then.**

We have seen a massive amount of buying of gold and silver in the past month. I expect these buyers will be quite happy with their purchases quite soon. If you have not yet built your gold, silver, and rare coin positions to at least 20% of your net worth, I urge you to do so without delay.

Rare Coin Markets Experience A Buying Surge

The rare coin markets have been generally solid for the past few years.

With the recent surge in gold and silver prices, several sectors of the market have become much more active.

I picked the brains of dozens of coin dealers and wholesalers at the Florida United Numismatists (FUN) how in Orlando in early January. This is the largest coin show in the U.S. and perhaps the whole world.

Dealers are more aggressive at chasing nice coins for their own inventories. They also reported that the companies that market numismatic items to the general public (by newspaper and magazine ads, cable television programs, direct mail, and telemarketing) are desperate to acquire coins and paper money for their promotions before prices rise further.

The common-date U.S. Morgan and Peace dollars have been relatively quiet over the past year. No more. Wholesalers told me that they had backlogs of dollar orders to fill all the way from cull quality to Gem MS-65 specimens. Across the quality range, prices are starting to rise and supplies are vanishing.

For all sorts of other U.S. and world silver coins, wholesalers just cannot keep up with demand from these marketers.

With a couple of exceptions, demand for lower-priced U.S. paper money far exceeds the supply on the market.

One area that hasn't kept pace is common-date U.S. gold coins. These marketing companies were chasing such coins in mid- to late 2007, which resulted in the premiums rising on several of the larger coins (\$5.00s through \$20.00s) even as the spot price of gold rose.

Starting a few weeks ago, once gold topped its 1980 record high price, the floodgates opened. Collectors and investors liquidated massive quantities of circulated and lower end mint State U.S. common-date Gold Coins. One wholesaler told me he had purchased a single lot of 1,200 Double Eagles, for instance. At the FUN show, I saw more showcases filled with circulated U.S. gold coins than I have seen in many years. Premiums dropped as the show progressed.

Another area that suffered is Proof Gold American Eagles and Buffaloes. So many coins are being liquidated that, at times, you might be able to acquire Proof Gold Eagles that have been certified by independent grading services (and thus, not eligible for ownership in precious metal Individual Retirement Accounts) close to the same price as regular bullion issues.

Classic U.S. Silver Commemoratives, issued from 1892 to 1954, are scarce enough that it just isn't possible to assemble sufficient quantities of such coins for some of the largest marketers. Although there has been an uptick in demand for them, silver commemoratives are lagging demand for Morgan and Peace Dollars, Standing Liberty Quarters, Walking Liberty Half Dollars, and 19th Century Type Coins.

As these marketing companies start to roll out their sales campaigns in the coming months, I expect another surge of demand that will push up prices for many Blue Chip or "Generic" coins above and beyond what would occur just from rising spot prices. As the Blue Chip coins are taken off the market, that will add even more pressure for higher prices for the better-date and key-date coins.

If you are contemplating additions to your numismatic holdings, I would recommend doing so sooner rather than later.

U.S. Spot Market "Closes" Aren't What They Used To Be

Before September 11, 2001, the New York Comex commodity exchanges for precious metals closed at 2:30 PM Eastern time. Only about 5% of the time did prices fluctuate much before dealers such as LCS closed a few hours later.

Since the commodities exchanges reopened after September 11, they have closed at 1:30.

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With more time remaining before other financial trading ceased in the U.S., you began to see aftermarket prices changes more often for precious metals.

With the evolution of technology, we have since seen the appearance of electronic trading networks for commodities. For gold and silver, these electronic exchanges open at 2 PM Eastern time and remain active until the regular exchanges reopen the next day. These electronic exchanges do a far smaller volume than the COMEX, but do provide a venue for precious metals markets to respond to news that breaks after 1:30.

In the past six months, there has been so much volatility in the gold and silver markets that there has almost always been price changes in the after market from the "closes" of the COMEX.

In years past, someone who called us at 4 PM, for instance, would likely trade on the basis of COMEX closing prices. Today, prices will likely be different.

Incidentally, LCS has always used "working spots" as of the COMEX close when we prepare our price quotes page for posting on our website (www.libertycoinservice.com) and in our store. What this means is that we contact several bullion wholesalers shortly after the COMEX closes to see what spots they are using to buy and sell. Normally, these prices are very close to, if not identical, to the COMEX closes.

In the past six months, there have been several instances of blatant attempts to manipulate the price of gold by traders selling the last reported COMEX gold contract to a buyer who is bidding several dollars below what others are offering. When the last trade is reported to the financial press, it gives the impression that gold is weaker than it really is. In actual trading circles, such ploys don't mean anything. Invariably the bullion wholesalers buy and sell at real prices, which we then use in preparing our daily quotes page.

Call our **Trading Desk** Toll Free

800-527-2375

for current prices and to confirm trades.

Call our **Toll-Free Quotes Line:**

800-825-8930

for a message with the spot prices at the U.S. market close and price indications for U.S. 1 Oz Gold Eagles and U.S. 90% Silver Coin Bags.

For a more detailed list, check our Daily Quotes on our website:

www.libertycoinservice.com

The Month

Gold Range	70.00	8.2%
Net Change	+43.75	
Silver Range	1.76	11.6%
Net Change	+\$1.34	
Gold/Silver Ratio	54.6	
Net change	-1.9	
Platinum Range	288.00	18.8%
Net Change	+270.00	
Platinum/Gold Ratio	2.00	

Date	Gold	Silver	Platinum
Jan 02	857.00	15.17	1,530.00
Jan 03	866.00	15.37	1,534.00
Jan 04	862.75	15.34	1,529.00
Jan 07	859.50	15.17	1,512.00
Jan 08	878.00	15.70	1,542.00
Jan 09	879.00	15.72	1,540.00
Jan 10	891.50	16.17	1,542.00
Jan 11	896.00	16.25	1,552.00
Jan 14	901.50	16.33	1,564.00
Jan 15	901.00	16.20	1,565.00
Jan 16	880.50	15.80	1,545.00
Jan 17	879.50	15.93	1,540.00
Jan 18	880.75	16.14	1,540.00
Jan 21	866.00	15.65	1,530.00
Jan 22	889.50	16.03	1,548.00
Jan 23	882.50	15.90	1,548.00
Jan 24	909.00	16.27	1,601.00
Jan 25	910.50	16.43	1,667.00
Jan 28	927.00	16.69	1,704.00
Jan 29	923.00	16.72	1,692.00
Jan 30	920.50	16.71	1,674.00
Jan 31	922.75	16.93	1,707.00
Feb 01	907.00	16.80	1,741.00
Feb 04	904.00	16.74	1,790.00
Feb 05	886.00	16.31	1,760.00
Feb 06	900.75	16.51	1,800.00

London Silver Market Premium To New York Silver Market = 3¢

Gold, silver and platinum quotes are working spots at 1:45 EST/EDT each day, quoted in U.S. dollars per troy ounce.

If you happen to see a significant difference between the spot prices on our quotes page and the spot month prices reported for COMEX contract closes, that will likely indicate that the last COMEX trade was a manipulated price that does not reflect actual trading activity. As the headline says, U.S. spot market "closes" aren't what they used to be.

Gold and Gold Coins

Gold closed today at \$900.75, up \$43.75 (5.1%) from last month.

Major buying from India, the world's largest gold consuming nation, has appeared recently when gold dipped below \$890. For the time be-

ing, it looks like \$890 may be about the last gold could fall.

With record gold prices in the past month, many people have been selling gold. But, we have enjoyed a major surge in buying from established and new customers. In all, our January volume smashed last November's post-1980 monthly sales record by more than 43%!

Especially popular with buyers were the low premium gold issues such as the Austria **100 Corona** (2.9%), South Africa **Krugerrand** (3.3%), U.S. **American Arts Medallion** (3.0%), and Mexico **50 Peso** (3.0%).

Among smaller coins, the British **Sovereign** (6.2%) has the lowest premium.

As I noted earlier, there has been massive liquidation of circulated grades of **Common-Date U.S. Gold Coins**. Some Mint State issues have actually fallen in price over the past month, no doubt due to larger than normal liquidation.

Better-Date U.S. Gold Coins continue to be elusive, but an opportunity has arisen with some of the Double Eagles. As the price of gold rose, some of these coins have not climbed in price as fast as Common-Date issues. This month, we have two small groups of this temporary anomaly: **Mint State-61 Type 2 \$20.00 Liberties** and **Mint State-62 1915 \$20.00 Saint Gaudens**. Check out our enclosure for details.

Silver and Silver Coins

Silver settled today at \$16.51, a huge rise of \$1.34 (8.8%) from five weeks ago.

Although I like both gold and silver, I think silver will outperform gold from here onward.

It is hard to know for sure, but some trading activity in the past two weeks may indicate that at least one major short seller of silver is trying to cover. If confirmed, the price of silver could rocket upward real soon.

Since you can purchase U.S. **90% Silver Coin** (-0.2%) not only a bit below its silver value, but also 55 cents per ounce less than the price of **100 Oz Ingots** (3.1%) I recommend that form for almost every buyer of physical silver.

At the FUN show, I was able to purchase a surprisingly large group of **Very Choice Mint State-64 1890-O Morgan Dollars** that I judge to have significantly above average appreciation prospects compared to most other Morgans.

Also at the FUN show, LCS Retail Store Manager Bob Sweet was able to acquire the largest number of his high-end, eye-appealing **Sweet Deals** coins that he has ever brought home from a single coin show. Many coins have already sold to customers who supplied us their want lists, but there are a number of treasures still available. See our flyers for both of these offerings.

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Item	Qty	Fine Wt	Price	Cost/Oz	Premium
*U.S. 1 Oz Gold Eagle	100	1.0000	9,485.00	9485.00	953.0%
*U.S. 1/2 Oz Gold Eagle	100	0.5000	482.00	964.00	7.0%
*U.S. 1/4 Oz Gold Eagle	100	0.2500	246.25	985.00	9.4%
*U.S. 1/10 Oz Gold Eagle	100	0.1000	101.20	1012.00	12.4%
*U.S. 1 Oz Gold Buffalo	100	1.0000	951.25	951.25	5.6%
*Australia 1 Oz Kangaroo	100	1.0000	949.50	949.50	5.4%
*Austria 100 Corona	100	0.9802	908.50	926.85	2.9%
*Austria 1 Oz Philharmonic	100	1.0000	949.50	949.50	5.4%
*Canada 1 Oz Maple Leaf	100	1.0000	941.25	941.25	4.5%
*China 1 Oz Panda	100	1.0000	953.00	953.00	5.8%
*Mexico 50 Peso	100	1.2057	1,118.50	927.68	3.0%
*S. Africa Krugerrand	100	1.0000	930.50	930.50	3.3%
*U.S. Medallion	100	1.0000	927.75	927.75	3.0%
*1 Oz Ingot	100	1.0000	940.50	940.50	4.4%
*Austria 1 Ducat	100	0.1107	109.80	991.87	10.1%
*Austria 4 Ducat	100	0.4428	435.25	982.95	9.1%
*British Sovereign	100	0.2354	225.25	956.88	6.2%
*British Sovereign, BU	100	0.2354	232.25	986.62	9.5%
*France 20 Franc	100	0.1867	181.25	970.81	7.8%
*Germany 20 Mark	100	0.2304	248.00	1076.39	19.5%
*Swiss 20 Franc	100	0.1867	181.25	970.81	7.8%
\$20 Liberty BU	10	0.9675	1,040.00	1074.94	19.3%
\$20 St Gaudens BU	10	0.9675	1,040.00	1074.94	19.3%
\$20 Liberty Extremely Fine	10	0.9675	965.00	997.42	10.7%
\$10 Liberty Extremely Fine	10	0.4838	485.00	1002.48	11.3%
\$5 Liberty Extremely Fine	10	0.2419	253.00	1045.89	16.1%
*U.S. 90% Silver Coin	1,000	715	11,780.00	16.48	-0.2%
*U.S. 40% Silver Coin	1,000	295	4,860.00	16.47	-0.2%
*U.S. Circulated Dollars	1,000	760	14,650.00	19.28	16.8%
U.S. Silver Eagle-2008	1,000	1,000	18,410.00	18.41	11.5%
Canada Silver Maple Leaf	1,000	1,000	18,310.00	18.31	10.9%
*100 Oz Silver Ingot	10	100	1,703.00	17.03	3.1%
*10 Oz Silver Ingot	100	10	170.90	17.09	3.5%
*1 Oz Silver Ingot	1,000	1	17.09	17.09	3.5%
*1 Oz Platinum Ingot	100	1.0000	1,854.00	1854.00	3.0%
*U.S. 1 Oz Platinum Eagle	100	1.0000	1,893.50	1893.50	5.2%
*U.S. 1/2 Oz Plat Eagle	100	0.5000	962.25	1924.50	6.9%
*U.S. 1/4 Oz Plat Eagle	100	0.2500	487.00	1948.00	8.2%
*U.S. 1/10 Oz Plat Eagle	100	0.1000	203.80	2038.00	13.2%
*Other 1 Oz Plat Coins	100	1.0000	1,899.00	1899.00	5.5%
*Canada Palladium ML	100	1.0000	451.25	451.25	8.2%

Gold: \$900.75
Silver: \$16.51
Platinum: \$1,800.00
Palladium: \$417.00

Notes from Liberty

by Allan Beegle
 Chief Numismatist

Wow. Wow! **Wow!** Higher gold, silver, and platinum prices spurred customers to action in January. Buying and selling was so active that we not only broke last November's monthly sales volume record, we topped it by more than 43%! And—the pace is accelerating.

It seems like every day we are quoting or executing six- and seven-figure transactions

Every single coin we featured in offerings last month sold out—quickly. When we tried contacting other sources to locate any more of the Mint State Dutch Gold 10 Guilders, we came up empty-handed. Through extensive efforts by LCS General Manager Pat Heller and Retail Store Manager Bob Sweet at the huge Florida United Numismatists (FUN) show in Orlando, we were able to locate another handful of the Peace Dollars we offered, but not enough for all of our waiting customers.

Activity at the FUN show was brisk, but not frenzied. Coins sold easily for strong prices. Unfortunately, it was about impossible to locate nice coins, let alone pick them up at bargain prices.

Still, with five days at the show, Pat and Bob managed to bring home a treasure trove of great buys.

For instance, the nicest coins of a recently discovered bag of better date 1890 -O Morgan Dollars, certified MS-62, MS -63, and MS-64 by PCGS, were being offered as a group. By making a strong reasonable offer to select only the nicest MS-64 specimens, Pat was able to persuade the seller the split up the lot. As a result, we now have as many **Very Choice Mint State-64 1890-O Morgan Dollars** than we have handled in the past quarter century combined!

For **Sweet Deals #5**, Bob was able to locate the largest quantity of special coins that he has ever been able to find at one show. Bob is so selective looking

Liberty Coin Service Call Toll-Free: **(800) 527-2375 National**
300 Frandor Avenue **(517) 351-4720 Local**
Lansing, MI 48912 **(517) 351-3466 Fax**

web: www.libertycoinservice.com email: path@libertycoinservice.com
 Trading Desk Hours (Eastern): Mon-Fri 10AM-6PM, Sat 10AM-2PM

Coins, Rolls and Sets

U.S. 10 pc Gold Medallion Set, 1980-1984, BU	\$7,650
U.S. Morgan Dollar, 1921, Brilliant Uncirculated Roll/20	\$495
U.S. Morgan Dollar, Pre-1921, Brilliant Uncirculated Roll/20	\$730
U.S. Peace Dollar, Brilliant Uncirculated Roll/20	\$480

Gold:	\$900.75
Silver:	\$16.51
Platinum:	\$1,800.00
Palladium:	\$417.00

Numismatic Coins (PCGS/NGC/ICG Graded)

	MS-63	MS-64	MS-65
U.S. \$20.00 St Gaudens	1,300	1,400	1,700
U.S. \$20.00 Liberty	1,575	2,000	5,300
U.S. \$10.00 Liberty	1,300	2,550	6,800
U.S. \$5.00 Liberty	1,025	1,850	5,200
U.S. 4 pc Indian Gold Type Set	6,725	10,900	32,950
U.S. 4 pc Liberty Gold Type Set	5,050	7,900	19,700
U.S. 8 pc Gold Type Set	11,675	18,650	52,200
U.S. Morgan Dollar (Pre-1921)	46	58	155
U.S. Peace Dollar	34	52	158

Prices quoted are for quantities indicated, and are actual selling prices at today's closes. Smaller lots are available at slightly higher prices. No Michigan Sales Tax on rare coins or precious metals bullion. Numismatic purchases have a 15 day return period. Orders for bullion-priced items (marked with *) are not returnable and, after confirmation, cannot be cancelled.

for pieces of high-end quality and extra eye appeal that he literally had to scrutinize thousands of coins to find the handful we offer.

Last, Pat was able to acquire two small groups of **Better-Date Gold Double Eagles** from a West Coast Dealer friend at prices surprisingly close to those of common-date issues. Unfortunately, there are so few of each that we must limit orders to one coin of each per customer.

With such limited supplies, I think there is a strong chance that we could have another complete sellout. For best selection, I urge you to call quickly. Reach our **Trading Desk toll-free at 800-527-2375** to check on availability and confirm your order.

Naturally, we have a few other interesting items to tempt you this month:

Austrian Gold Coins Commemorating Christianity: From 2000 to 2002, Austria issued a 3-coin series of gold

commemoratives of the 2000th anniversary of Christianity. Each uncirculated coin contains .317 oz of gold. The 2000 and 2001 issues are in the denomination of 500 Schillings, while the 2000 coin has a face value of 50 Euros. The 2000 coin honors the 2000th birthday of Jesus Christ—the obverse shows the three Wise Men presenting gifts while the reverse has a portrait of Jesus. The 2001 issue honors 2000 years of Christianity—the obverse shows a Bible and the symbols of Matthew, Mark, Luke, and John, the authors of the Four Gospels. The 2002 coin honors St Benedict and his sister St Scholastica with a monk copying a manuscript on the reverse. We have a limited selection of each date, still in their original Mint capsules, that you can purchase for just 19% above gold value. At \$900 spot price, for instance, your cost would be \$339. First-come, first-served.

Spectacular MS-64 1900 Lafayette Dollar: In 1900, the U.S. government issued its first Commemorative Silver Dollar to honor the services of French general Lafayette during the American Revolutionary War. It was also the first U.S. coin to bear a portrait of a U.S. president—George Washington.

A total of 36,026 coins were struck, a lower mintage than for any non-Proof Morgan or Peace Dollar. Many coins entered

circulation. A number of Mint State specimens have been damaged by cleaning over the years. As a result, nice Mint State specimens with pristine original surfaces are difficult to find.

This PCGS-certified MS-64 specimen is among the very finest specimens we have ever handled in our 37 years in business! PCGS has certified only 323 pieces in higher grade. The coin is solid for quality and exhibits a light golden-gray toning to attest to its fresh surfaces. Best of all is the huge discount we can offer from its \$4,500 *Coin Values* catalog listing. You can own this beauty for just \$3,450.

Alexander The Great Ancient Greek Silver Drachmas: The first individual to conquer a wide swath of the civilized world was Macedonian king Alexander III, who ruled from 336-323 B.C.

As a boy, Alexander was tutored by the renowned philosopher Aristotle

At the time of his death at age 33, his empire spread from the Greek Peninsula to Egypt and all the way to India. He had planned to capture Rome, Spain, the Arabian Peninsula, and North Africa. He was never defeated in battle.

Because of his importance in history, Alexander's coinage is extremely popular with collectors of ancient coins. His Silver Drachma, about the size of a dime, frequently sells for \$100-200.

We have acquired a handful of Alexander the Great Silver Drachma that actually circulated more than most coins of the era. The obverse depicts the head of Heracles (also known as Hercules) facing right, an implication that Alexander possessed god-like power. The reverse shows a seated Zeus, chief among the Greek gods.

While these well circulated About Good-Good specimens last, you can pick up a piece of ancient Greece for just \$59. That's less than three cents per year. A lot of history for not that much money.

Call our Trading Desk Toll-Free:

800-527-2375

for current prices and to confirm trades.

Call our Toll-Free Quotes Line:

800-825-8930

for a recorded message with the spot prices at the last U.S. market close and price indications for U.S. 1 Oz Gold Eagles and U.S. 90% Silver Coin Bags.