

Liberty's Outlook

LCS 45th Anniversary!
1971-2016

September 2016, Volume 22 Issue 10 Liberty Coin Service's Monthly Review of Precious Metals and Numismatics October 5, 2016

Was The US Government Behind Yesterday's Decline In Gold And Silver Prices?

What a turnaround!

Normally if I were to tell you that, through yesterday the price of gold was up 19.4% and silver up 28.5% year-to-date, that would be exciting news.

Well, it sure doesn't feel like it at the moment.

From the COMEX closes on Monday to Tuesday, the spot price of gold fell \$42.75 (3.27%) and silver was down \$1.08 (5.75%).

That was the largest one-day percentage decline in the price of gold since it went down 3.28% on December 19, 2013. It was also the greatest drop, as measured in US dollars, since it fell \$87.50 on June 20, 2013.

As for silver, it was the largest percentage and numerical single-day sinking in the price since January 20, 2015. That day, the silver price fell \$1.80 (8.33%).

The decline could have been worse. The HUI Index is a modified equal dollar weighted index of gold mining companies, that reflects their unhedged future production. The HUI declined from a close on Monday at 226.3 to ending yesterday at 203.55, down a whopping 10.05%!

Four weeks ago, I was warning about the possibility that the Chinese government could report significantly higher gold reserves sometime in September compared to the prior month. This would happen in conjunction with the Chinese yuan being added as a 10.92% component to the International Monetary Fund's Special Drawing Rights (SDR).

Just the fact that the yuan was being added to the SDR will lead central banks to rebalance part of their reserves to more closely reflect the new ratio of currencies that make up the SDR. That would mean that central banks would be unloading some of their US dollars,

2016 Year To Date Results

Through October 4, 2016

Precious Metals

Silver	+28.5%
Palladium	+24.4%
Gold	+19.4%
Platinum	+10.9%

Numismatics

US MS-63 \$20 St Gaudens	+14.3%
US MS-63 \$20 Liberty	+11.8%
US MS-65 Morgan Dollar, Pre-1921	-6.3%

US Dollar vs Foreign Currencies

Argentina Peso	+17.1%
Great Britain Pound	+15.8%
Mexico Peso	+12.4%
Philippines Peso	+2.9%
China Yuan	+2.8%
Sweden Krona	+1.8%
India Rupee	+0.6%
Hong Kong Dollar	+0.1%
Peru New Sols	-0.3%
Switzerland Franc	-2.3%
Israel Shekel	-3.0%
Euro	-3.1%
Singapore Dollar	-3.3%
Denmark Krone	-3.4%
Thailand Baht	-3.4%
Malaysia Ringgit	-3.6%
Australia Dollar	-4.4%
Taiwan Dollar	-4.4%
Canada Dollar	-4.7%

South Korea Won	-5.1%
New Zealand Dollar	-5.2%
Indonesia Rupiah	-5.7%
Colombia Peso	-6.3%
Chile Peso	-6.3%
South Africa Rand	-10.7%
Russia Ruble	-12.7%
Japan Yen	-14.5%
Brazil Real	-17.8%

U.S. Dollar Index	96.11	-2.56%
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US And World Stock Market Indices

Sao Paulo Bovespa	+36.9%
London FT 100	+13.3%
Russell 2000	+9.2%
NASDAQ	+5.6%
Standard & Poors 500	+5.2%
Dow Jones Industrial Average	+4.3%
Dow Jones World (excluding US)	+4.1%
Australia S&P/ASX 200	+3.6%
Frankfurt DAX	-1.2%
Nikkei 225	-12.1%
Shanghai Composite	-15.1%

10 Year US Treasury Note interest rate	1.683%	-25.96%
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Metal Content Value Of U.S. Coins

Lincoln cent, 1959-1982	1.45¢
Lincoln cent, 1982-date	0.62¢
Jefferson nickel, non-silver	3.07¢
Roosevelt dime, 1965-date	1.39¢
Washington quarter, 1965-date	3.48¢
Kennedy half dollar, 1971-date	6.95¢

euros, British pounds, and Swiss francs in order to replace them with yuan. As this process takes place, that will tend to push up the value of the yuan and depress the other currencies.

In August, the Chinese government claimed to have almost 59 million ounces of gold reserves. Had they reported a significantly higher quantity of gold reserves in September, that could have accelerated the decline in the dollar and the other three currencies.

Going back to at least 2003, the Chinese

government has consistently understated the amount of its gold reserves. However, if it wanted to make a statement about its growing international economic clout, reporting a significant one month increase in gold reserves would accomplish that end.

I even speculated that an announcement of reserves of 100 million or more ounces of reserves could lead to a sharp fall in the US dollar.

Well, not only did that not happen, **the Chinese government in mid-September**

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actually claimed central bank gold reserves were lower—just over 53 million ounces.

As a consequence, the price of gold and the value of the US dollar muddled along, for the time being, with no significant price changes.

That isn't the entire story, though. Remember I warned last month that whatever figure the Chinese reported for gold reserves would almost certainly be lower than the real number. Also, I suspect that the Chinese government has physical gold holdings in other "pockets" that are not attributed to the central bank. Therefore, I fully expect that the Chinese government has more, and possibly far more, gold than the quantity it made public.

Whatever may be the accurate figure, the real world situation is that the Chinese did not rock the world's financial and precious metals markets during September.

Beyond what I consider the remote possibility that the Chinese might have been telling the truth, I can perceive two major reasons why the Chinese may not yet want to push the yuan as possibly supplanting the dollar as the global standard of money.

First, even though China's holdings of US Treasury debt has been gradually declining over the past three years, the central bank there still holds more than \$1 trillion worth. It the dollar fell in value, that would reduce the value of these assets.

Second, should the Chinese take any action that results in a quickly rising gold price, it would cost them more to continue adding to their holdings.

Between these two factors alone, China has a huge financial incentive to delay the day that the yuan currency pushes the US dollar off the top of the mountain as the world's reserve currency. The most recent report from the IMF shows that about 62%

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of global central bank reserves are held in US dollar assets while barely 1% are denominated in the yuan.

Why The Big Price Drop Yesterday?

Even before trading started in London yesterday, the gold market was being flooded with paper contract sell orders. Sellers of such contracts almost never have to deliver physical metal, which means that such actions can be done almost with impunity.

Note that the sell-off did not begin on the Shanghai Gold Exchange. Virtually all contracts sold there require immediate delivery of the underlying physical metal—which must be received in the SGE vaults before the contract can be offered for sale.

In the first 30 minutes of trading on the COMEX, about 3.2 million ounces of paper gold contracts were sold short.

Such sales are almost invariably done by the large banks and brokerages who almost all are primary trading partners of the US government. Being a primary trading partner means cushy profits executing financial transactions for the US government.

These same banks and brokerages also happen to handle the bulk of the trading done by hedge funds and other major investors. Because they handle such trades, they know ahead of time where such parties have placed stop-loss orders.

Primary trading partners have to follow "orders" from the US government if they want to retain that status. In this manner, the US government can effectively manipulate markets without having to be directly involved.

A typical scenario to start a cascade of falling gold and silver prices may go something like this:

1. The US government is fearful that some financial or economic development may hurt the value of paper assets. To dissuade investors from selling out their stocks, bonds, and currencies (which would lead to their values falling), it is necessary that the value of alternative assets such as physical metals also go down. So, the US government orders its primary trading partners to suppress gold and silver prices.
2. These banks and brokerages enter sell orders for paper contracts of precious metals early during the exchange's trading day in sufficient quantity to start a price decline. Some of these sell orders may be "spoofs" which means they really are not a genuine sell order but are entered to give the appearance that larger quantities of metal are being sold.

Patrick A. Heller's Upcoming Speeches and Appearances

October 13, 2016, Philadelphia, Pennsylvania. The US Mint Numismatic Forum at the Federal Reserve Bank of Philadelphia. This is a closed event, with admittance by invitation only.

October 15, 2016, Troy, Michigan. "Consumer Protection Tips When Buying And Selling Physical Precious Metals." The Polish American Numismatic Society meeting, American Polish Cultural Center, 2975 E. Maple Road, 11:45 AM. No admission charge to guests.

October 27, 2016, Grand Rapids, Michigan. "Create Fun-Filled Numismatic Presentations For The General Public." The Grand Rapids Coin Club meeting, Grand Rapids Boat and Canoe Club, 401 N. Park St., NE 49525, 7:00 PM. No admission charge for guests.

November 2016, Lansing, Michigan. The Rise And Fall Of Rome's Money And What It Means For America Today." Presentations to World History Classes at Lansing Catholic High School, a non-public event.

March 17, 2017, Ionia, Michigan. Presentations for Career Day at Rather Elementary School, a non-public event.

To arrange for a presentation by Patrick A. Heller, call 800-933-4720 or email path@libertycoinservice.com.

3. As prices decline below the stop-loss price points of hedge funds, investments funds, and investors, these contracts are put up for sale, adding to the downward price pressure.
4. As selling intensifies, the primary trading partners withdraw all their buy prices, which leads other parties also into deleting or reducing their bids. This further exerts downward price pressure.
5. Before the end of the day, either before the market actually closes or in the aftermarkets, the primary trading partners buy back the sold paper contracts at a lower price, booking a profit.

One analyst estimates that perhaps as much as 32 million ounces of gold (almost \$40 billion worth) was "rinsed" in this manner yesterday. While that is a huge amount of money, note that it barely pushed down the price of gold 3% on the day.

Such a move is best done when poten-

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tial buyers are out of the market. China, the largest gold consuming nation, is on holiday all this week to celebrate "Golden Week." That almost certainly explains why this massive manipulation effort occurred this week (and also why there could be a partial rebound as early as next week).

But I think there was more to this manipulation tactic than simply making 3% profits on \$40 billion of gold transactions (\$120 million for a day's work). Before the British vote in late June to leave the European Union, there were massive short sales of gold paper contracts. When the price of gold shot up after the election results were announced, these short sellers were in a huge loss position.

I don't think it was an accident that gold's price move yesterday just happened to get just below where the gold price was just before the June British vote. This enabled some short sellers to close out their positions without a loss.

Further, yesterday's closing price also hit just below the 100-day moving average gold price. To technical chart follower, this sent a strong negative signal against investing in gold.

For a financial maneuver this massive, it would take some time to coordinate all the moves. I would not be surprised if this attack on gold and silver prices were planned within a week of the British vote.

Now there could also be other reasons why the US government would want to pummel precious metals prices. There could be all sorts of brewing financial and political crises that could be nearing the boiling point. To try to forestall panic among the public, the suppression of gold and silver prices could be a pre-emptive move. What are some of the current troubles that could be a factor behind yesterday's actions?

1. Financial troubles at Germany's Deutsche Bank, the 11th largest in the world, and holder of the largest portfolio of derivatives contracts (some \$70 trillion worth) got even worse last week when the German government insisted it would not bail out the bank. Hedge funds and other significant account holders started withdrawing their assets from the bank last Thursday. The risk is that even a 1% loss on widespread de-

faults on its derivatives contracts would cost more than the bank had available cash to pay off. The media tried to mask this development by claiming that the problem was attributed to the US government's proposed \$14 billion fine against Deutsche Bank for irregularities in last decade's US mortgage securities default crisis.

2. Two days ago, the US government broke off cooperation with Russia over actions in Syria. The US government ended talks with the Russian government and has stopped sharing military intelligence and operations-related information. The two nations are theoretically sort of on the same side in that nation. However, they have supported military actions against local allies of the other country instead of focused solely against ISIS. This has heightened the risk of an expansion of military conflict.
3. The horrible US economic data continues to mount. If the US economy were truly "recovering" as President Obama and Fed Chair Yellen are pretending, there would be no need for Yellen to make a speech suggesting that the Fed and US government receive authorization to directly purchase shares of US companies. Suggesting such an idea is actually a sign of a major deterioration in the US economy. I cannot see how this would be good for America. Since the US government would not be able to purchase an equal proportion of shares of every company, I think it would be easy for government money to be used to prop up prices of companies owned or run by "friends" and supporters of those holding political power. Second, members of Congress are exempt for being penalized for "insider trading." It would not surprise me if such information were provided to the right politicians in return for directing US stock purchases to particular companies.
4. Even the recent government reports are showing that consumer demand is weak, that housing construction costs are declining (first monthly decline from the prior year in more than five years!), vehicle sales are down (despite aggressive discounts), large truck sales are down, the Restaurant Performance Index is falling, and on and on. In other words, the alleged "economic recovery" is nothing of the sort. Will the next monthly jobs

Summary Of Current LCS Recommendations For Precious Metals and Rare Coins

How much of your total net worth should be in precious metals and rare coins?

	<u>Conservative</u>	<u>Moderate</u>	<u>Aggressive</u>
	10-15%	20%	25-33%

*How much to allocate for each category of precious metals and rare coins?**

	<u>Conservative</u>	<u>Moderate</u>	<u>Aggressive</u>
Gold	40%	35%	25%
Silver	60%	55%	50%
Rare Coins	0%	10%	25%
TOTAL	100%	100%	100%

*Platinum and palladium both have volatile markets with long-term supply/demand fundamentals that are not as attractive as those for gold, silver or rare coins. While either or both might outperform gold, silver, or rare coins in the short- to long-term, to be conservative we have omitted them from our allocation.

- and unemployment report in two days offer more bad news?
5. Global debt has now reached about \$192 trillion, far beyond the value of all the existing wealth on the planet.
6. The International Monetary Fund and the Federal Reserve Bank of Atlanta recently lowered forecasts for the US economy. Actually, if you think about it, if the US economy were really recovering, then the federal budget deficit should be holding steady or shrinking, not soaring.
7. The US presidential election is throwing uncertainty into US and world financial markets. The value of the Mexico peso has fallen about 10% in recent weeks as Republican nominee Donald Trump's prospect of victory have increased. As for the first presidential debate, it was dismaying that neither Clinton nor Trump advocated re-establishing a stable monetary system or restoring individual liberties, the two bedrocks on which America's past prosperity was built.
8. Early this week, the financial index that forecasts the prospects of a Federal Open Market Committee rate increase at the December meeting rose from 23% to 61%. As we saw last December, such a move would cripple stock values.

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It is entirely possible that part of the motivation for yesterday's suppression of gold and silver prices may have a lot to do with one or more of these forthcoming news developments.

If so, right now would be a bonus bargain buying opportunity to load up on bullion-priced physical gold and silver. Although it is possible that the politicians may try to hold down precious metals until after the elections, not every possible development is in their control.

Demand to purchase bullion-priced precious metals dried right up yesterday and today. However, we also saw an almost complete cessation of customers liquidating their holdings. The sudden price decline has taken people by surprise and has them wondering which direction to go.

Precious metals prices have been hit with sudden drops before. Every time, the best course was to maintain a core insurance position of physical gold and silver. I am confident that option will prove worthwhile this time around.

For another perspective, were any of the world's brewing political, financial, or economic magically cured in the past two days as a result of lower gold and silver prices? I cannot think of a single one. Therefore, the long-term reasons to hold physical precious metals are still as valid today as they were before.

Silver and Silver Coins

Silver closed on the COMEX today at \$17.71, down a sizeable \$2.04 (10.3%) from last month. Though this is up close to 30% since the end of last year, it is definitely lower than it was during the summer.

Retail demand in September was steady, with a significant uptick late last week as Deutsche Bank's financial woes started to be covered by the general media. Then, when prices fell yesterday, demand came to a virtual standstill. This is the exact psychological reaction that the US government seeks in arranging to knock down the price.

The combination of rising demand late last week and the sudden fall in prices this week has pushed up premiums somewhat.

While US **90% Silver Coin** (5.7%) are still about the most practical way to purchase smaller-size bullion-priced silver, its cost is up about 15 cents per ounce compared to four weeks ago. The premium could rise further if buyers resume taking advantage of today's lower spot prices.

The Month

Gold Range	78.00	5.8%
Net Change	-76.00	
Silver Range	2.31	11.7%
Net Change	-2.04	
Gold/Silver Ratio	71.6	
Net change	+3.5	
Platinum Range	116.00	10.6%
Net Change	-116.00	

Platinum/Gold Ratio 0.77

Date	Gold	Silver	Platinum
Sep 07	1,344.25	19.75	1,092.00
Sep 08	1,336.75	19.59	1,084.00
Sep 09	1,330.00	19.28	1,067.00
Sep 12	1,321.00	18.91	1,042.00
Sep 13	1,320.00	18.89	1,032.00
Sep 14	1,321.50	18.98	1,040.00
Sep 15	1,313.50	18.95	1,033.00
Sep 16	1,305.75	18.78	1,017.00
Sep 19	1,313.50	19.20	1,023.00
Sep 20	1,313.75	19.20	1,030.00
Sep 21	1,327.00	19.69	1,048.00
Sep 22	1,340.50	20.02	1,063.00
Sep 23	1,337.25	19.73	1,063.00
Sep 26	1,339.75	19.52	1,043.00
Sep 27	1,326.25	19.09	1,021.00
Sep 28	1,319.50	19.05	1,018.00
Sep 29	1,321.75	19.11	1,031.00
Sep 30	1,313.25	19.14	1,029.00
Oct 03	1,309.00	18.79	1,009.00
Oct 04	1,266.25	17.71	990.00
Oct 05	1,268.25	17.71	976.00

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

The prices of some of the **High-Grade Common Date Morgan and Peace Dollars** are mostly steady over the past month. Mint State-60+ Rolls have mostly risen in price.

In our store, we recently purchased two interesting bargain lots. First, a collector sold us some **5-Coin Sets of the Mint State 2014 America The Beautiful 5 Ounce Silver Quarters**. The mintages are tiny compared to many earlier US coins that trade at far higher prices.

Also, two days ago, we purchased the largest group in a long time of the **Mint State 60+ US 1882 to 1884 Carson City Morgan Silver Dollars in the GSA packaging**. These low mintage flashy coins are constant favorites with collectors. Because of our opportune purchase, we can save you

money right now. Check out our flyer.

Gold And Gold Coins

Gold settled on the COMEX today at \$1,268.25, a drop of \$76.00 (5.7%) from five weeks ago.

Some analysts just a month or two ago who were predicting that gold would reach \$1,450 or \$1,500 by year-end have now changed course to suggest an even further drop from today's levels. Don't fall for their superficial observations.

My recommended low premium favorites remain the **US 1 and 1/2 Oz American Arts Medallions** (2.8-2.9%), the **Austria 100 Corona** (1.8%), and the **Mexico 50 Pesos** (2.5%).

Better Date Pre-1934 US Gold Coins are down slightly from a few weeks ago, almost all as a result of the lower spot price. LCS Chief Numismatist Allan Beegle was able to snap up a bargain price group of **Superb Gem Mint State-66 \$20.00 Saint Gaudens** that we now offer at a huge discount of their past peak price. Best of all, you can purchase them today for surprisingly close to the prices of lower grade coins and even to the value of their metal content! Please review our enclosed offer.

An Improved Quotes Page

We have made several improvements to our Computer Quotes page that accompanies these newsletters. We have deleted several products that are no longer regularly available such as the fractional size US Platinum Eagles, and other items where the trading volumes were low.

In their place we have added several products that are more popular than those that were replaced. We now list the eight most popular Pre-1934 U.S. Gold Coins in Extremely Fine condition. We have added the **China 30 Gram Gold Panda**, the content of the coins dated 2016 and into the future. This is now listed just above the **China 1 Oz Gold Panda**, which is the content for coins dated up through 2015.

The U.S. 1/2 Gold American Arts Medallions are now listed on a line separate from the 1 Oz issues. We have also added the **Canadian 25-piece sheet of the 1 Gram Gold Half Dollars**, called Maplegrams. Each coin in these sheets is individually packaged and can be easily separated from the rest. These have been surprisingly popular in our store, especially for people looking to purchase one or a few of the single 1-gram size coins.

Item	Qty	Fine Wt	Price	Cost/Oz	Premium
*U.S. 1 Oz Gold Eagle	10	1.0000	1,330.50	1330.50	4.9%
*U.S. 1/2 Oz Gold Eagle	10	0.5000	688.00	1376.00	8.5%
*U.S. 1/4 Oz Gold Eagle	10	0.2500	353.50	1414.00	11.5%
*U.S. 1/10 Oz Gold Eagle	10	0.1000	145.20	1452.00	14.5%
*U.S. 1 Oz Gold Buffalo	10	1.0000	1,330.50	1330.50	4.9%
*U.S. 1 Oz Medallion	10	1.0000	1,303.75	1303.75	2.8%
*U.S. 1/2 Oz Medallion	10	0.5000	652.50	1305.00	2.9%
*Australia 1 Oz Kangaroo	10	1.0000	1,329.25	1329.25	4.8%
*Austria 100 Corona	10	0.9802	1,265.50	1291.06	1.8%
*Austria 1 Oz Philharmonic	10	1.0000	1,324.00	1324.00	4.4%
*Canada 1 Oz Maple Leaf	10	1.0000	1,315.25	1315.25	3.7%
*Canada 1x25 Maplegram	10	0.8039	1,140.75	1419.02	11.9%
*China 30 Gram Panda	10	0.9646	1,307.75	1355.74	6.9%
*China 1 Oz Panda	10	1.0000	1,355.75	1355.75	6.9%
*Mexico 50 Peso	10	1.2057	1,567.25	1299.87	2.5%
*S. Africa Krugerrand	10	1.0000	1,306.25	1306.25	3.0%
*1 Oz Ingot	10	1.0000	1,307.50	1307.50	3.1%
*Austria 1 Ducat	10	0.1107	153.20	1383.92	9.1%
*British Sovereign	10	0.2354	318.50	1353.02	6.7%
*France 20 Franc	10	0.1867	251.50	1347.08	6.2%
*Swiss 20 Franc	10	0.1867	252.25	1351.10	6.5%
\$20 Liberty BU	10	0.9675	1,425.00	1472.87	16.1%
\$20 St Gaudens BU	10	0.9675	1,435.00	1483.20	16.9%
\$20 Liberty Extremely Fine	10	0.9675	1,400.00	1447.03	14.1%
\$10 Liberty Extremely Fine	10	0.4838	695.00	1436.54	13.3%
\$10 Indian Extremely Fine	10	0.4838	725.00	1498.55	18.2%
\$5 Liberty Extremely Fine	10	0.2419	385.00	1591.57	25.5%
\$5 Indian Extremely Fine	10	0.2419	420.00	1736.25	36.9%
\$2.50 Liberty Extreme Fine	10	0.1209	320.00	2646.82	108.7%
\$2.50 Indian Extreme Fine	10	0.1209	305.00	2522.75	98.9%
*U.S. 90% Silver Coin	1,000	715	13,380.00	18.71	5.7%
*U.S. 40% Silver Coin	1,000	295	5,415.00	18.36	3.6%
*U.S. Circulated Dollars	1,000	760	20,500.00	26.97	52.3%
*U.S. Silver Eagle-2016	1,000	1,000	20,500.00	20.50	15.8%
*Canada Silver Maple Leaf	1,000	1,000	19,900.00	19.90	12.4%
*100 Oz Silver Ingot	10	100	1,866.00	18.66	5.4%
*10 Oz Silver Ingot	100	10	188.60	18.86	6.5%
*1 Oz Silver Ingot	1,000	1	18.86	18.86	6.5%
*1 Oz Platinum Ingot	10	1.0000	1,050.00	1050.00	7.0%
*U.S. 1 Oz Platinum Eagle	10	1.0000	1,066.00	1066.00	8.7%
*Canada Palladium ML	10	1.0000	725.00	725.00	6.9%

Gold: \$1,268.25
Silver: \$17.71
Platinum: \$981.00
Palladium: \$678.00

Notes from Liberty

By Allan Beegle
 LCS Chief Numismatist

Although our total sales volume last month did not match the levels of the prior two months, our daily average sales, counting the number of days we were open, was the highest thus far in 2016!

We enjoyed a near complete sellout of all items offered in the last newsletter. To almost everyone's surprise other than LCS Communications Officer Pat Heller, our offering of the Medieval Silver Hand Heller coins could have sold perhaps double the number of coins we had available. Unfortunately, these are extremely difficult to locate.

Although we did not attend any major shows in September, we were plenty busy in our store and on the telephones.

Over the phone a wholesale dealer friend told me he had a moderate quantity of nice-looking **US Superb Gem Mint State-66 \$20.00 Saint Gaudens Double Eagles**. He offered them at a price I could not resist. When I examined the coins, they were pretty much as beautiful as I dared hope. Still, I thought we would need additional coins to meet anticipated demand. While I did find a handful in the inventory of other wholesalers, I was only able to purchase one coin for the same price as I paid for the original group.

From a collector in our showroom, LCS General Manager Tom Coulson picked up several **5-Coin Sets of the Mint State 2014 America The Beautiful 5 Ounce Silver Coins**. Demand has remained strong for different issues of this series since we offered the Shawnee National Forest version this past spring.

LCS Postage Charges	
Value of Contents	Postage Charge
Under \$50	\$5
\$50-249	\$10
\$250-499	\$18
\$500-999	\$25
\$1,000-4,999	\$30
\$5,000 and higher	None

Liberty Coin Service Call Toll-Free: **(800) 527-2375 National**
400 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 9:30AM-6PM, Sat 10AM-2PM

Coins, Rolls and Sets

U.S. 10 pc Gold Medallion Set, 1980-1984, BU	\$10,960
U.S. Morgan Dollar, 1921, Brilliant Uncirculated Roll/20	\$690
U.S. Morgan Dollar, Pre-1921, Brilliant Uncirculated Roll/20	\$925
U.S. Peace Dollar, Brilliant Uncirculated Roll/20	\$585

Gold:	\$1,268.25
Silver:	\$17.71
Platinum:	\$981.00
Palladium:	\$678.00

Numismatic Coins (PCGS/NGC/ICG Graded)

	MS-63	MS-64	MS-65
U.S. \$20.00 St Gaudens	1,480	1,535	1,750
U.S. \$20.00 Liberty	1,560	1,850	3,110
U.S. \$10.00 Liberty	960	1,365	2,970
U.S. \$5.00 Liberty	550	740	2,200
U.S. 4 pc Indian Gold Type Set	3,845	5,315	13,550
U.S. 4 pc Liberty Gold Type Set	3,495	4,440	8,930
U.S. 8 pc Gold Type Set	7,280	9,605	22,030
U.S. Morgan Dollar (Pre-1921)	60	75	150
U.S. Peace Dollar	40	51	138

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.

Finally, just two days ago a Michigan dealer friend brought us the largest group in years of **Mint State US Carson City Mint 1882 to 1884 Morgan Silver Dollars in the original GSA packaging.** Every coin struck at this short-lived western Mint has a low mintage. They are all treasured by collectors. Yet, because so many Silver Dollars were stored in the Mint's vault unissued, these coins are available today at prices much less than you would pay for Mint State examples of other Morgan Dollars with a comparable mintage.

With limited quantities, please peruse our offers and order sooner rather than later.

Call our **Trading Desk toll-free at 800-527-2375** to check availability and to confirm your order.

As I do every month, here are other bargains that we recently found to tempt you:

US Proof 90% Silver Washington

Quarter Rolls: The US Mint struck its dimes, quarters, and half dollars for circulation out of 90% Silver up through the 1964 date. For collectors, the US Mint struck Proof Condition Washington Quarters during 22 of those years and sold them as part of the Proof Sets that included the cent through half dollar coins. In half of the years Proof Silver Washington Quarter mintages were less than 130,000. The five years from 1960 to 1964 were the only years where Proof

mintages exceeded 1.25 million up to almost 4 million pieces.

We now have about twenty 40-coin rolls of these Proof 90% Silver Washington Quarters dated 1960—1964. Average quality is Very Choice Proof-64. While they last, your cost is \$220 per roll, which works out to only \$5.50 per coin.

Very Choice Mint State-64 1883

\$5.00 Liberty Rarity: The 1883 \$5.00 Liberty has a moderate mintage of 233,400. However, almost all of them entered circulation. In 30 years, PCGS and NGC together have certified just 566 specimens in all Mint State grades.

In Very Choice Mint State-64 and higher quality, it is much scarcer—only 39 coins of that condition and a paltry 13 in all higher grades! That makes it more than 60 times rarer than the 1900 \$5.00 Liberty in MS-64+ quality.

This PCGS-certified specimen is almost certainly the nicest specimen of this date we have ever handled. Pleasing flashy luster.

Coin Values lists this coin at \$2,940 but you can own this beauty for just \$1,995.

Medieval France Silver Coins:

Once in a while, we are fortunate enough to have some attractive Medieval French Silver Coins. The designs were crudely struck into the planchets using a hammer and tongs. As a result, no two coins look alike, and none are

perfectly round. We are pleased to announce that we now have two examples in stock:

France Silver Denier, City of Lyon, circa 1200, Very Fine—\$89. The silver deniers derived their name from the Roman denarius coins that circulated over a thousand years earlier in this part of the world. Like the predecessor denarius coins, these pieces have a diameter about the same as a US dime. The obverse text reads *Prima Sedes* and *+Galliarv* appears on the reverse. This coin has a planchet split, which was not unusual with this method of production.

France Philippe IV Silver Gros Turnois, 1285-1314, Very Fine—\$175. This coin was struck about as round and well-centered as you ever see with coins from this era. About the diameter of a US quarter, the gros turnois was created to match the silver content of the popular Venetian Silver Grosso introduced around the year 1200.

Enjoy Our Improved Computer

Quotes Page: This month, we have overhauled the items listed in our Computer Quotes. We have deleted coins that are no longer readily available or that did not experience significant customer demand.

In their place we have added other products for which there has been greater demand. We also now list both the China 1 Oz Gold Panda that was struck up through 2015 and the China 30 Gram Gold Panda which debuted this year. If you have other suggestions for future improvements, please let us know.

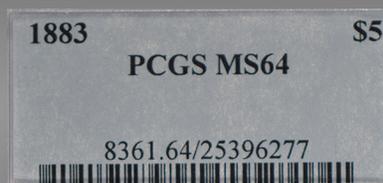
Genuine US \$500 and \$1,000 federal Reserve Notes:

The US government stopped issuing \$500 and \$1,000 notes in 1946 and has been withdrawing them from circulation ever since. The \$500s depict President William McKinley while the \$1,000s feature President Grover Cleveland.

As we get such notes, then tend to sell quickly. However, we recently picked up a larger than usual hoard. We now have 10 different \$500s and five \$1,000s for sale on our eBay site under our **treasurechestofliberty** store name. The \$500s start around \$800 and go up from there; the \$1,000s run from about \$1,500 to \$2,500. For best selection, check it out soon (and maybe check our other 1,000+ lots listed there).



U.S. Proof 90% Silver Washington
Quarter Rolls - \$220 per roll



1883 \$5 Liberty
PCGS MS64 - \$1,995



France Silver Denier, City of Lyon,
circa 1200, Very Fine - \$89



France Philippe IV Silver Gros Turnois,
1285-1314, Very Fine - \$175

An Unexpected Bargain

Superb Gem Mint State-66 \$20.00 Saint Gaudens Double Eagles!



To: All Clients

From: Allan Beegle, LCS Chief Numismatist

Date: October 3, 2016

At the beginning of June 1989, Common-Date Mint State-60+ \$20.00 Saint Gaudens Double Eagles were selling for around \$550.

At the same time, the super high quality Superb Gem Mint State-66 specimens would have cost \$15,000 to purchase. We did not recommend the higher grade coin at that price, which cost more than you would pay to acquire over 27 of the lower grade coins.

Today, the tables have turned. Mint-State-60+ specimens were priced on our Quotes Page today at \$1,460 each in 10-coin lots. The Superb Gem Mint State-66 Saints would now normally sell for \$2,375. In other words, the cost of the higher grade coin is no longer more than 27 times the lower grade coin—it is barely 1.6 times that of the MS-60+ pieces! For this reason alone, Superb Gem Mint State-66 \$20.00 Saint Gaudens are an incredible value today, especially with the spot price of gold now above \$1,250 compared to just over \$360 in mid-1989.

But, there is an even better reason to love the top quality specimen—over the past 30 years the Professional Coin Grading Service (PCGS) and Numismatic Guaranty Corporation (NGC) together have certified more than 34 times as many Double Eagle Saints in MS-60 and higher grades than they have of MS-66 or nicer quality! That's a lot of rarity and beauty for not that much more money!

Noted sculptor August Saint Gaudens created the depiction of Liberty on this coin from the front from his famous Sherman monument in New York City's Central Park. He transformed the goddess Nike that represented Victory on the monument into a triumphant Liberty as a bold symbol of America's growing stature in the global economy. The \$20.00 Saint Gaudens is one of the most famous and popular coins worldwide. It has been declared the winner multiple times in contests to select the most beautiful coin of the Twentieth Century. Its popularity was confirmed when the obverse design was adapted to appear on the US Gold American Eagle series of bullion-priced coins that debuted in 1986.

A Bargain Opportunity!

Since 1989, we have been quietly watching the premium of top quality Saints gradually subside. A few months ago, the price of Superb Gem Mint State-66 examples fell below \$2,500, making them available at a semi-bullion level! Remember, when these were struck, they contained a full \$20.00 of gold content—0.9675 Oz of gold when the US government maintained a gold price at \$20.67 per ounce.

Late last week, a wholesaler friend let me know he had a modest quantity of these coins, certified by PCGS and NGC, in especially attractive condition. If I were interested in a quantity, he quoted me a money-saving price I never ever expected to see again. After double checking with LCS General Manager Tom Coulson, I told him to ship the lot.

When the coins arrived, they were almost all just as lovely as he described. In a typical year, we may handle two to five MS-66 Saints, almost always one at a time. With this lot, we have perhaps the largest quantity ever of these ultra-high grade coin in our 45 years in business!

-over-

Upon purchasing virtually the entire group, I realized that they probably were still not enough to satisfy our entire clientele. When I checked with a few other wholesalers, I was able to scrounge up one (that is not a misprint!) more specimen at the same money-saving price. Even at a higher cost, some wholesalers did not have a single specimen available, while others just had a handful.

When I see tight supplies like this, that indicates a good prospect for higher future prices, no matter what the spot price of gold may do.

Even better, should the price of gold rise, it is almost certain to push up prices of Saints in all grades. What that means is that there is a possibility of a double-edged price rise—either as a rarity or for having a sizeable gold content—or both!

They Won't Last Long!

Because of these opportune purchases, we cut our price.

While out stock lasts, you can own one or more of these beautiful treasures for just \$2,225 apiece.

That is a \$150 savings per coin from our current regular selling price!

Bonus discount: Save another \$26 per coin if you purchase five specimens!

They Won't Last Long!

As a complete sellout is likely, we must limit orders to five coins.

Act Today: Orders will be filled on a first come, first served basis. I urge you to telephone today to ensure availability and to confirm your purchase! To reserve your purchase, call us Toll-Free at **800-527-2375**. Or return the coupon below. Remember, you can use your Visa, Mastercard, and Discover charge cards to purchase these coins. For our mutual protection, all mail-order purchases paid by credit cards will be shipped only to the credit card billing address.

Sincerely,



Allan Beegle
LCS Chief Numismatist

Yes! Please ship me the Superb Gem Mint State-66 \$20 St Gaudens that I have indicated below. I understand that every coin has been independently certified by the Professional Coin Grading Service (PCGS) or Numismatic Guaranty Corporation (NGC) as well as being backed by LCS's exclusive guarantees. I may return them for a full refund for any reason within 14 days of my receipt. Limit 5 coins per order. Note: There is no postage charge for total combined purchases of \$5,000 or more.

_____ U. S. \$20.00 St Gaudens, Superb Gem Mint State-66, PCGS/NGC (1-4 coins) \$ 2,225 each = _____
_____ U. S. \$20.00 St Gaudens, Superb Gem Mint State-66, PCGS/NGC (5 coins) \$ 2,199 each = _____
Postage (see Computer Quotes Page) _____
Total Enclosed _____

name _____

address _____

city,state,zip _____

telephone number _____

Confirmed by phone? _____ Confirmation # _____

Surprisingly Low Mintages!

5-Coin Mint State 2014 America The Beautiful 5-Ounce Silver Quarter Sets!



Tom Coulson, LCS General Manager

Five months ago, our offering of the 2016 Shawnee National Forest (IL) America The Beautiful 5-Ounce Silver Quarters at a bullion price was an outstanding success.

An unexpected result of this offer was that a number of customers have begun collecting the entire series of these large coins, from the debut in 2010 up to date. It seems like whenever we get any earlier issues in stock they sell quickly.

So, you can imagine how thrilled I was when a customer recently brought to our store a handful of 5-coin sets of the lower mintage 2014-dated 5-Ounce Silver coins, all in pristine condition in their original US Mint packaging.

The Good News! While some later issues have far higher mintages, here is how many Mint State specimens of the 2014 issues were struck:

<u>Coin</u>	<u>Mintage</u>
Great Smoky Mountains National Park (TN)	24,710
Shenandoah National Park (VA)	28,451
Arches National Park (UT)	28,434
Great Sand Dunes National Park (CO)	24,103
Everglades National Park (FL)	22,732

That's right. Among all five issues combined, the total mintage is just 128,430 pieces. The combined mintages of these coins is not that much higher than that of the 1893-S Morgan Dollar, a coin that is worth at least \$100,000 in Mint State condition. This, of course, is not a fair comparison as most of this scarce Morgan Dollar mintage entered circulation and many

were melted. Still, it is true that older US coins with mintages this small would be worth far more than these coins would cost you.

The Not So Good News. We can only offer the limited number of sets that we acquired. When we checked with wholesalers, we were not able to locate any more complete 5-coin sets in the original government packages, no matter the price.

So, while they last, you can purchase one or two of these sets, that contain a total of 25 ounces of silver content, at just \$825 per set. Because of the small quantity available, **we must limit orders to two sets per customer.**

We have eliminated the order blank. Please call to check on availability and confirm your purchase.

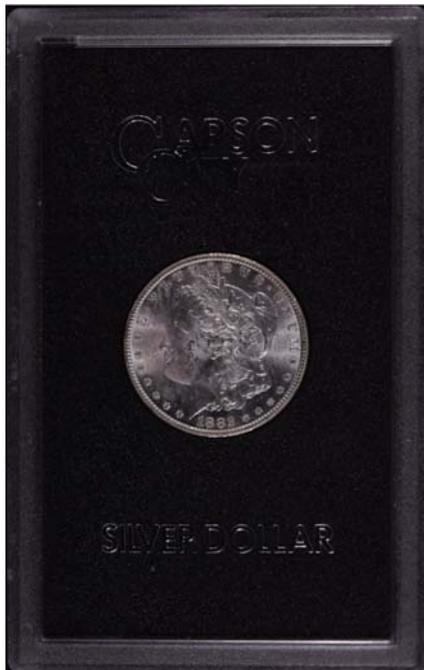
Reach our Trading Desk today, toll-free, at 800-527-2375. For fastest shipment, you can use your Visa, Mastercard, or Discover charge cards to have your purchase shipped to the credit card billing address.

As with all of our numismatic items, your satisfaction is guaranteed. You have 14 days upon your receipt to return these coins for a full, prompt, no-questions refund.



The actual coins shown are larger than pictured—they are a massive 3 inches in diameter!

Lovely Mint State-60+ Carson City Mint Morgan Silver Dollars In The Original US Government GSA Packaging!



Wow! On Monday this week, a Michigan dealer friend called to say he had just purchased a larger than usual group of low mintage Uncirculated Carson City Mint Morgan Dollars, all still packaged in the US Government Services Agency (GSA) packaging into which they had been placed when they were auctioned off in the 1970s. With other items he had purchased from the old-time collector, my

friend needed to replenish his checking account and called on us to help.

When he arrived in our store, it was easy to see that these were coins that had been carefully stored away more than 40 years ago. The collector had left his original US government invoices inside many of the packages, showing that he had purchased them at prices from \$15 to \$30 per coin.

Low Mintage Coins! The coins were all dated 1882, 1883, or 1884, the three highest mintage years for Carson City Morgan Dollars. Still, their mintages of 1,133,000, 1,204,000, and 1,136,000 coins, respectively, make them the 18th, 21st, and 19th lowest mintages of the entire Morgan series of almost 100 dates, varieties, and mintmarks!

At the time these coins were struck, the US Mint was required to strike two million silver dollars per month, without regard to how many were needed for circulation purposes. This was effectively a subsidy to the silver mining industry and their political allies. It resulted in a production of coins far beyond what was needed for everyday commerce.

As a consequence, a significant percentage of Carson City Mint Morgan Dollars remained in the Mint's vault rather than being placed into circulation. Eventually, government officials "forgot" about them.

While it might be hard to believe today, circulated common-date Morgan and Peace Silver Dollars still sometimes circulated at face value up into the 1960s. It wasn't until

the late 1960s that the metal value of silver dollars exceeded their face value.

In the mid-1960s the US government re-discovered its hoard of around three million dollars in its vaults, almost all of which were struck at the Carson City Mint. In typical government blazing speed, it took until 1971 to devise a process to sell these coins by auction.

The plastic packaging surrounding some of the coins reads "Carson City Silver Dollar" such as the 1882 specimen at the left. Other coins read "Carson City Uncirculated Silver Dollar" on the plastic holders, such as the 1884 example below. No matter what the text states, all of the coins grade at least Mint State-60+.

Collectors love these Carson City Mint Morgan Dollars not only for their relative low mintages, but also for their flashy luster. Yet, because so many Mint State specimens survived, they are much more affordable than other comparable-mintage Morgan Dollars in the same quality.

The Money-Saving Price. Since we were able to acquire these coins at the wholesale bid side, we have discounted them from our regular price. While they last, the 1882-CC Morgan would cost you \$235 and either of the 1883-CC or 1884-CC Morgans would cost you \$229 per coin. Better yet, order one of each of the three different dates for just \$685!

Limit three coins of each date per customer.

Don't Delay! To place, your order, **call us Toll-Free at 800-527-2375.** You may use your Visa, Mastercard, or Discover charge cards for prompt shipment of orders to the card's billing address.

Like all of our numismatic offerings, your satisfaction is guaranteed. You have 14 days upon receipt of these coins to return them for a full, prompt, no-questions refund.

—Allan Beegle
LCS Chief Numismatist



The Carson City mintmark

