

Why Are Gold And Silver Prices Recently Down So Much?

P.2: Four Major Reasons Why This Trend May Soon Reverse

Over the past four weeks, the price of gold is down 10.4%. Silver has fallen even further, down 12.1%.

With all the jolts to the world's economic, financial, and political arenas this year, there "should have been" enough volatility to keep precious metals prices rising since their July peaks.

But, what might make sense to you or to me does not necessarily come to pass in the real world, or at least not as soon as expected.

This headline is a paraphrase of the most common question I have been asked over the past few weeks.

Before I get into the details, just step back for a moment and review the tables at the right. Year to date, gold and silver prices have outperformed the Dow Jones Industrial Average, the Standard & Poors 500, and the NASDAQ! The media is going bonkers over record high levels for these indices despite their less than stellar performance this year. This disparity in media coverage over the even stronger performance by gold and silver should give you a clue as to what is really happening out there.

There are some hard data that can help identify what happened. The reasons why these events occurred are not so obvious and require some analysis and thought. Here goes.

What Technically Happened?

By now, just about everyone knows that candidate Donald Trump, the Republican nominee, won the election to assume the office of the US presidency next January 20. This development was a major surprise to almost all of the media, to pollsters, and therefore, the general public.

There were multiple sectors counting on Hillary Clinton being elected: Wall

2016 Year To Date Results

Through November 29, 2016

Precious Metals

Palladium	+35.8%
Silver	+20.9%
Gold	+12.1%
Platinum	+3.1%

Numismatics

US MS-63 \$20 St Gaudens	+8.1%
US MS-63 \$20 Liberty	+7.2%
US MS-65 Morgan Dollar, Pre-1921	-11.3%

US Dollar vs Foreign Currencies

Argentina Peso	+21.4%
Mexico Peso	+19.8%
Great Britain Pound	+18.0%
Sweden Krona	+8.6%
China Yuan	+6.2%
Philippines Peso	+6.0%
Malaysia Ringgit	+3.7%
India Rupee	+3.6%
Euro	+2.0%
Denmark Krone	+1.7%
Switzerland Franc	+1.0%
Singapore Dollar	+0.5%
Hong Kong Dollar	+0.1%
Peru New Sols	+0.1%
Colombia Peso	-0.4%
South Korea Won	-0.7%
Thailand Baht	-1.0%
Israel Shekel	-1.6%
Australia Dollar	-2.7%
Indonesia Rupiah	-2.7%
Canada Dollar	-2.9%
Taiwan Dollar	-3.3%
New Zealand Dollar	-4.1%
Chile Peso	-5.1%
Japan Yen	-6.6%
Russia Ruble	-9.4%

South Africa Rand	-10.5%
Brazil Real	-14.2%

U.S. Dollar Index	100.95	+2.34%
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US And World Stock Market Indices

Sao Paulo Bovespa	+40.7%
Russell 2000	+16.9%
Dow Jones Industrial Average	+9.7%
London FT 100	+8.5%
Standard & Poors 500	+7.9%
NASDAQ	+7.4%
Australia S&P/ASX 200	+3.1%
Dow Jones World (excluding US)	-0.5%
Frankfurt DAX	-1.1%
Nikkei 225	-3.8%
Shanghai Composite	-7.2%

10 Year US Treasury Note interest rate	2.305%	+1.41%
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Energy And Industrial Metals

Zinc	+79.1%
Steel billet	+76.5%
Tin	+46.0%
Lead	+39.6%
Natural gas, Henry Hub	+30.6%
Nickel	+30.4%
Molybdenum	+28.3%
Cobalt	+26.6%
Crude oil, Brent	+24.4%
Copper	+22.9%
Aluminum	+17.5%

Metal Content Value Of U.S. Coins

Lincoln cent, 1959-1982	1.75¢
Lincoln cent, 1982-date	0.73¢
Jefferson nickel, non-silver	3.58¢
Roosevelt dime, 1965-date	1.62¢
Washington quarter, 1965-date	4.06¢
Kennedy half dollar, 1971-date	8.12¢

Street financial businesses, most Silicon Valley companies, labor unions, the overwhelming percentage of the regular media, and also a high percentage of existing government employees. In theory, the financial markets around the world had already priced into their valuations the expectation

that Clinton would be elected.

In the very early morning hours of Wednesday, November 9, as it looked more likely that Trump would be elected, the prices of gold and silver rose about 3% from the previous day's New York COMEX closes. At the same time, the Dow Jones futures

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sagged about 4%. This was starting to look like a repeat of what happened in late June when British voters surprised the “experts” when they chose to exit the European Union.

However, the US government had obviously learned from what happened in the London markets in June. It seems obvious to me that it arranged through its primary trading partners to quickly manipulate markets to undo these trends.

By the time American markets opened for business on November 9, the prices of gold and silver were back to about unchanged, as was the Dow Jones futures. As you can see on the table on the back page, precious metals prices closed on the COMEX that day virtually unchanged from the day before.

Since then, precious metals prices have dropped further. The bulk of the decline occurred on days of normal patterns for such price suppression—the Veterans Day holiday on November 11, the Thanksgiving Eve Day on November 23, the Friday after Thanksgiving, and today, which is the last trading day of this month. These four trading days account for almost 70% of the drop in gold over the past 19 trading days!

The reason why prices fell so much on those specific days are that manipulation tactics carry more weight on days 1) of thin trading such as holidays and the days before the holidays, or 2) that are the last trading days of a calendar month when “window dressing” of asset values is rampant.

The same manipulation efforts were also expended in propping up US stock prices to further discourage people from wanting to exit paper assets for the safe haven of precious metals.

There is one development that kind of threw a monkey wrench into the manipulation scheme. The value of US Treasury debt dropped, which

means that the interest rate effectively rose. From November 1 to 29, the interest rate on 10-year Treasury debt rose 26.5%, from 1.822% to 2.305%. That means that the trading value of outstanding 10-year Treasury debt fell significantly during that time.

Over the past few weeks, there have been multiple shocks to the value of other currencies. The heightened fears of holding other currencies and the greater yields on US Treasury debt resulted in significant new demand away from other currencies and into US dollars.

For the four weeks ending yesterday, the US Dollar Index jumped 3.34%, from 97.69 to 100.95! This Index is now at its highest level since the summer of 2004!

Another indicator to watch is the quantity of open contracts in the COMEX gold and silver markets. On July 5, there were almost 653,000 open gold contracts, representing 65.3 million ounces. As of today’s preliminary COMEX report, there were barely 404,000 open contracts, covering 40.4 million ounces. Over the past 21 weeks, the open interest has declined almost 38%.

As for silver, there were 224,540 open contracts on August 2, representing more than 1.2 billion ounces. At today’s preliminary report, the total was down to 160,161 contracts, representing just over 800 million ounces of the metal, a decline of about one-third.

Much of the decline in the COMEX gold and silver open interest occurred over the past four weeks.

This decline in open interest in contracts usually occurs for one of two reasons. First, short sellers may be bailing out of the market to cover at low prices or to avoid the risk of further price increases. Second, speculators holding long positions may sell off their positions because they consider the potential gains versus risk of future losses are not in their favor. It is also possible for some decline to occur when the COMEX raises margin requirements, forcing some investors to close out their positions.

The massive decline in the open interest in both gold and silver over the past few months, reflecting \$35-40 billion in closed contracts is probably brought about by some action by all parties. Some short sellers, some speculators who had long positions, and a handful of investors who could not afford or chose not to meet the margin calls have exited these markets.

In essence, the speculators with long positions who sold out of the market were the “weak hands” investors. The implication of that is that those who still carry long positions are much less inclined to sell at current or lower price levels than those who have already exited the market. Therefore, the pro-

Patrick A. Heller’s Upcoming Speeches and Appearances

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.

spects of any significant declines from current levels are minor.

Incidentally, the volatile precious metals prices over the past few weeks had led to a significant slowdown in investor buying and selling of physical metals. I suspect part of this was caused by the shock of the unexpected price declines while others are looking to stay in the stock markets just a bit longer before switching to tangible assets.

Four Major Reasons Why Gold And Silver Prices Might Soon Rise

It has long been my contention that it is relatively unimportant who is the US president when it comes to influencing long-term precious metals price trends. That is because the US government has millions of employees in entrenched bureaucracies. Even the most radical reformer would inevitably get bogged down in implementing vast operational changes of any kind.

During his campaign, president-elect Trump made no mention of curtailing massive government over-spending. On an accrual basis, both *USA Today* and former US Comptroller General David Walker calculate the current annual budget deficits are running somewhere between \$3 trillion and \$7 trillion dollars.

Since Trump has not announced any plans, either before or after the election, to try to sharply cut spending (and is now actually promising to hike future expenditures on infrastructure!), that just about guarantees that the value of the US dollar will decline in the future. In order to cover these massive deficits, the federal government will have to take the assets from current taxpayers and consumers through higher taxes or inflation of the money supply (higher consumer prices) or can try to pass the higher burden onto future generations through issuing more debt.

In my judgment, the federal government deficits have passed the point of no return. I just don’t see any politicians advocating to cut federal expenditures by 90% or more from current levels. There-

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Find more than 2,000 numismatic items offered for sale today in our two eBay stores and on our company’s website.

Gold, silver, and copper coins, exonumia, paper money, and other collectibles. On eBay, search for sellers **Treasurechestofliberty** or **Collectablesliberty**. Other items are for sale on our website at www.libertycoinservice.com.

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fore, the US dollar is doomed to decline in value over time, with the only question being how fast.

The decline in the dollar can be slowed as governments of other nations with growing budget deficits try to push down the value of their currencies faster than the US government. But it won't stop it from happening.

What will have more impact on near term gold and silver prices are:

1. On November 8, India's Prime Minister, Narendra Modi, announced that the 500 and 1,000 rupee notes would be immediately demonetized and called in. The stated purpose was to fight corruption, but an unstated reason is that these were being widely counterfeited, with many fakes coming from Pakistan.

Unfortunately, 86% of the outstanding currency in that nation were notes of those denominations. Neither the government nor the Reserve Bank of India had planned to manage conversion of the outstanding notes into other denominations. Compounding the problem was the fact that 90% of transactions in India are paid in cash, not by checks, debit or credit cards, or other electronic payments (in contrast, cash is used for only about 10% of transactions in the US).

People could redeem their recalled notes by depositing them in bank accounts, which relatively few have. Most citizens were averse to doing so as that might disclose untaxed wealth or at least invade their financial privacy.

Almost immediately, a surge of demand to buy gold at jewelry stores resulted, with people paying prices up to 65% higher than they were before the currency recall. This surge came to a standstill a few days later when the government's excise tax authorities sent notices to jewelers to report large gold transactions from November 7 onward.

Out of fear that the government may try to extract more taxes or possibly even seize people's gold, the citizens of India have now started purchasing physical silver in massive quantities.

The government of India has thoroughly mismanaged this currency recall. It has caused major economic disruption in the country, severely inconvenienced the majority of people who have no bank accounts, or credit or debit cards, or other ways of mak-

ing electronic payments, caused a noticeable drop in the value of the rupee as this recall has hurt the image of the nation's financial stability, and has increased the people's distrust of their government. All of these factors point to a higher demand for physical gold and silver over time.

India was already the world's second largest gold consuming nation after China and also one of the top silver consuming countries. This new crisis will simply add to that demand.

2. In the last issue of *Liberty's Outlook* I explained that the World Gold Council was working with the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) to develop a sharia-law compliant standard that would allow the world's Muslims to invest in gold and silver. I told you to expect a successful result to be announced before the end of 2016.

This announcement was made November 28.

It will not happen in an instant, but look for a significant increase in the demand for physical gold and silver in the coming months, as possibly more than one hundred million Muslims take advantage of this new standard.

3. On Sunday, December 4, the people of Italy will vote on the most comprehensive proposal to overhaul the government as has occurred in the past century! If this referendum passes, it may well result in Italy ceasing to use the euro for its currency, which could then lead to the collapse of the entire Eurozone common currency. If this happens, you would want to already have made your purchases of physical precious metals.

Elections in Austria that same day could also have dire consequences for the long-term viability of the euro.

4. If you look at the table on page one, I have added the category of Energy and Industrial Metals this month. While this table doesn't list every item that has an impact on this category, the important thing to realize is the trend of the prices since the beginning of the year. The eleven things listed are all up anywhere from 17% to over 79%!

People and organizations consume these forms of energy and buy products made with these metals. While the Federal Reserve is lamenting that consumer prices are rising less than 2% annually, I think you can see where these much higher price increases will take us in the near future.

Consumer prices rising faster than people were used to during the second half of the 1970s resulted in soaring gold and silver prices. On an inflation-adjusted basis, gold and sil-

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.

ver have not yet reached the price peaks they did in January 1980. As soon as the extent of soaring energy and industrial metals prices are widely understood by the public, we could easily see another major surge of buying demand for physical gold and silver.

There are other factors as well. However, the point to understand is that any one of these events would be sufficient to push up precious metals prices. On that basis, I am going to stick my neck out and make a short-term prediction for higher gold and silver prices by the end of January.

Silver and Silver Coins

Silver closed on the COMEX today at \$16.40, down a significant \$2.26 (12.1%) from early this month.

As is typical when prices drop by a lot, the premiums for most silver products are up during the course of November. For example, the premium for **100 Oz Silver Ingots** (5.8%) was only 5.1% four weeks ago, even though they are still selling for the same cents per ounce above the spot price.

As we get toward the end of a calendar year, the US Mint switches production over from current year bullion products to start making those dated for the next year. The Mint has already stopped making 2016-dated **US Silver Eagle Dollars** (18.2%) though it still have some coins in inventory. Because production has stopped, the relative premium above spot at which

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these coins are selling has increased 40 cents over the past four weeks. It will likely rise further in December.

This is not an indication of rarity, it is just the annual model changeover, so to speak. If you are considering giving some of these coins as gifts this year, don't wait. Buy them now.

The prices of **High-Grade Common Date Morgan and Peace Silver Dollars** are little changed from last month, but there were slight declines for **Mint State-60+ Rolls**.

We recently purchased a moderate quantity of **20-Coin Rolls of Mexico 1982 1 Ounce Silver Libertads**. Other dealers who are selling them are pricing them too higher. Take advantage of our offer in *Notes From Liberty* while our supply lasts. Also see our enclosed offer for the **China 2017 3 Gram Gold Pandas and 30 Gram Silver Pandas**.

Gold And Gold Coins

The price of gold got clobbered over the past four weeks, falling \$136.00 (10.4%) .

There was little change in the premiums for bullion-priced coins and ingots. My recommended low premium favorites are still the **US 1 and 1/2 Oz American Arts Medallions** (2.8-3.0%), the **Austria 100 Corona** (1.8%), and the **Mexico 50 Pesos** (2.5%).

Most **Pre-1934 US Gold Coins** are down in price but up in premium as a result of the lower spot price. Most of them are still selling closer at a closer premium to their metal value than they have in decades. I would heartily recommend them except that **US Better-Date US Gold Coins** that sell for little more than the price of common issues represent an even more attractive alternative—if you can find them.

At last week's Michigan State Numismatic Society Fall Convention we filled a showcase with Better-Date Gold Coins. They were our top retail sellers there.

LCS's Stroebel Earns Certificate Of Numismatic Scholar

Liberty Coin Service is pleased to announce that Numismatist Nicole Stroebel has completed all six segments and passed the rigorous final examination to earn a "Certificate of Numismatic Scholar" from the American Numismatic Association.

The program took more than a year and covered such in-depth subjects as numis-

The Month

Gold Range	136.00	10.4%
Net Change	-136.00	
Silver Range	2.26	12.1%
Net Change	-2.26	
Gold/Silver Ratio	71.4	
Net change	+1.4	
Platinum Range	100.00	10.0%
Net Change	-91.00	
Platinum/Gold Ratio	0.78	

Date	Gold	Silver	Platinum
Nov 02	1,306.75	18.66	1,001.00
Nov 03	1,302.00	18.38	994.00
Nov 04	1,303.25	18.34	1,004.00
Nov 07	1,278.25	18.12	1,001.00
Nov 08	1,273.50	18.33	1,008.00
Nov 09	1,272.50	18.35	1,003.00
Nov 10	1,263.50	18.71	982.00
Nov 11	1,223.50	17.36	943.00
Nov 14	1,221.25	16.87	933.00
Nov 15	1,224.00	17.02	934.00
Nov 16	1,223.50	16.91	946.00
Nov 17	1,223.50	16.76	945.00
Nov 18	1,208.50	16.61	922.00
Nov 21	1,209.50	16.51	936.00
Nov 22	1,211.00	16.62	943.00
Nov 23	1,189.00	16.38	931.00
Nov 24	closed		
Nov 25	1,178.25	16.46	908.00
Nov 28	1,190.50	16.57	923.00
Nov 29	1,188.00	16.66	921.00
Nov 30	1,170.75	16.40	910.00

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

matic history, the process of striking modern coins, grading coins, detecting counterfeit and altered coins, and identifying and authenticating mint errors and varieties. Nicole noted that if she had not had fifteen years experience as a coin dealer, she might not have been able to master the final exam. Please congratulate Nicole if you see her in the store.

LCS supports continuing education of its staff. In prior years both LCS General Manager Tom Coulson and Inventory Manager and Senior Numismatist Paul Mander-scheid passed the ANA seminar on Advanced Detection of Counterfeit and Altered Coins—with both of them finding mistakes in the teaching materials in this course.

LCS Senior Numismatist David Hartung has taken multiple ANA seminars and completed the Gemological Institute of America Diamond Grading program as part of his goal to eventually be certified as a Graduate Gemologist. LCS Numismatist Mark Patterson passed the ANA seminar on Coin Grading and is now working to earn his certificate as a Numismatic Scholar. Congratulations to all of them.

A Holiday Wish

The year 2016 alternated between exhilarating and frustrating for those who follow the changes in supply, demand, inventories, and prices of physical precious metals.

With all the economic and financial turbulence in the US and world today, it would be easy to expect skyrocketing gold and silver prices now.

But, as we have seen so many times over the past several decades, what "ought" to happen and what is actually going on in precious metals markets are not necessarily the same.

If you think about it, however, most of us would really prefer to live in a world where gold and silver prices are stable. If you own physical precious metals as wealth insurance, you would much prefer that your paper assets be generating a satisfying return rather than plummeting in value. Owning gold and silver is merely protection against the times when paper assets are going downhill.

With all this volatility, 2016 has been a solid good year at LCS. We were blessed to add a wonderful new employee this year whose father previously worked at Liberty for 13 years!

As we do each year, we thank you for your patronage. It is our honor and privilege to serve each of you, the best customers in the world.

If we could give each of you the gifts we ourselves would like to receive, there would be two. First, we would bring you a world of peace with liberty for everyone. Second, we would wish for you a holiday season filled with the health and wealth of family and friends. May you be rich in the wonderful gifts on which you cannot put price tags.

Merry Christmas
Happy New Year

Ryan, Beau, Nicole, Mark, Mary, Matt,
Cheryl, Greg, David, Janet, Allan, Paul,
Pat, and Tom

Liberty Coin Service Computer Quotes 2PM EST 11.30.16

<i>Item</i>	<i>Qty</i>	<i>Fine Wt</i>	<i>Price</i>	<i>Cost/Oz</i>	<i>Premium</i>
*U.S. 1 Oz Gold Eagle	10	1.0000	1,231.25	1231.25	4.9%
*U.S. 1/2 Oz Gold Eagle	10	0.5000	636.75	1273.50	8.5%
*U.S. 1/4 Oz Gold Eagle	10	0.2500	327.25	1309.00	11.5%
*U.S. 1/10 Oz Gold Eagle	10	0.1000	134.50	1345.00	14.6%
*U.S. 1 Oz Gold Buffalo	10	1.0000	1,231.25	1231.25	4.9%
*U.S. 1 Oz Medallion	10	1.0000	1,206.50	1206.50	2.8%
*U.S. 1/2 Oz Medallion	10	0.5000	604.50	1209.00	3.0%
*Australia 1 Oz Kangaroo	10	1.0000	1,230.00	1230.00	4.8%
*Austria 100 Corona	10	0.9802	1,171.25	1194.91	1.8%
*Austria 1 Oz Philharmonic	10	1.0000	1,225.50	1225.50	4.4%
*Canada 1 Oz Maple Leaf	10	1.0000	1,217.25	1217.25	3.7%
*Canada 1x25 Maplegram	10	0.8039	1,055.75	1313.29	11.9%
*China 30 Gram Panda	10	0.9646	1,210.25	1254.67	6.9%
*China 1 Oz Panda	10	1.0000	1,254.75	1254.75	6.9%
*Mexico 50 Peso	10	1.2057	1,450.50	1203.04	2.5%
*S. Africa Krugerrand	10	1.0000	1,209.00	1209.00	3.0%
*1 Oz Ingot	10	1.0000	1,210.25	1210.25	3.1%
*Austria 1 Ducat	10	0.1107	142.00	1282.75	9.3%
*British Sovereign	10	0.2354	294.75	1252.12	6.7%
*France 20 Franc	10	0.1867	233.75	1252.01	6.7%
*Swiss 20 Franc	10	0.1867	234.75	1257.36	7.1%
\$20 Liberty BU	10	0.9675	1,350.00	1395.35	18.9%
\$20 St Gaudens BU	10	0.9675	1,355.00	1400.52	19.3%
\$20 Liberty Extremely Fine	10	0.9675	1,315.00	1359.17	15.8%
\$10 Liberty Extremely Fine	10	0.4838	655.00	1353.87	15.3%
\$10 Indian Extremely Fine	10	0.4838	700.00	1446.88	23.3%
\$5 Liberty Extremely Fine	10	0.2419	360.00	1488.22	26.8%
\$5 Indian Extremely Fine	10	0.2419	395.00	1632.91	39.1%
\$2.50 Liberty Extreme Fine	10	0.1209	310.00	2564.10	118.5%
\$2.50 Indian Extreme Fine	10	0.1209	285.00	2357.32	100.8%
*U.S. 90% Silver Coin	1,000	715	13,315.00	18.62	13.1%
*U.S. 40% Silver Coin	1,000	295	5,155.00	17.47	6.1%
*U.S. Circulated Dollars	1,000	760	20,000.00	26.32	59.8%
*U.S. Silver Eagle-2016	1,000	1,000	19,450.00	19.45	18.1%
*Canada Silver Maple Leaf	1,000	1,000	18,660.00	18.66	13.3%
*100 Oz Silver Ingot	10	100	1,742.00	17.42	5.8%
*10 Oz Silver Ingot	100	10	176.20	17.62	7.0%
*1 Oz Silver Ingot	1,000	1	17.62	17.62	7.0%
*1 Oz Platinum Ingot	10	1.0000	981.00	981.00	7.0%
*U.S. 1 Oz Platinum Eagle	10	1.0000	1,044.00	1044.00	13.8%
*Canada Palladium ML	10	1.0000	830.00	830.00	7.0%

Liberty Coin Service
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Lansing, MI 48912

Call Toll-Free: **(800) 527-2375 National**
(517) 351-4720 Local
(517) 351-3466 Fax

web: www.libertycoinservice.com email: path@libertycoinservice.com
 Trading Desk Hours (Eastern): Mon-Fri 9:30AM-6PM, Sat 10AM-2PM

Spot Prices

Gold: \$1,173.75
Silver: \$16.47
Platinum: \$917.00
Palladium: \$776.00

Notes from Liberty

By Allan Beegle
 LCS Chief Numismatist

Recent lower gold and silver prices resulted in a fall off in our sales volume in November. Still, year to date, our sales volume is well ahead of last year's pace.

Once again there was a near complete sellout of items offered in the last newsletter. We still have a few pieces of the Carson City Mint GSA Government Pack Morgan Silver Dollars, but about everything else is long gone.

We completely sold out of the Mint State Pre-1967 Canadian Silver Dollars offered in the last issue, and sold all but two pieces of our US Gold Bargain Lots. Among our gift ideas, our inventory of the 2016-dated 1 Oz Silver Christmas Ornaments that usually last until Christmas, sold so well that we were forced to place a second order before Thanksgiving!

This past weekend, LCS General Manager Tom Coulson, Communications Officer Pat Heller, and Senior Numismatist David Hartung staffed the company's booths at the Michigan State Numismatic Society Fall Convention in Warren. As typical, this was the largest Michigan coin show of the year. As an experiment, we put on display most of our inventory of Better-Date US Gold Coins, which resulted in surprisingly strong sales to savvy collectors.

What was especially exciting at the MSNS show was the tremendous variety of **Bargain Rarities** that we found and brought home. Some pieces are in exceptionally nice condition, while others are so rare we have never before had one in our inventory over our 45 years in

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

Coins, Rolls and Sets

U.S. 10 pc Gold Medallion Set, 1980-1984, BU	\$10,175
U.S. Morgan Dollar, 1921, Brilliant Uncirculated Roll/20	\$680
U.S. Morgan Dollar, Pre-1921, Brilliant Uncirculated Roll/20	\$915
U.S. Peace Dollar, Brilliant Uncirculated Roll/20	\$575

Gold:	\$1,173.75
Silver:	\$16.47
Platinum:	\$917.00
Palladium:	\$776.00

Numismatic Coins (PCGS/NGC/ICG Graded)

	MS-63	MS-64	MS-65
U.S. \$20.00 St Gaudens	1,395	1,435	1,715
U.S. \$20.00 Liberty	1,490	1,790	3,150
U.S. \$10.00 Liberty	890	1,280	2,880
U.S. \$5.00 Liberty	535	680	2,075
U.S. 4 pc Indian Gold Type Set	3,660	5,135	13,495
U.S. 4 pc Liberty Gold Type Set	3,310	4,205	8,715
U.S. 8 pc Gold Type Set	6,910	9,190	21,760
U.S. Morgan Dollar (Pre-1921)	55	71	142
U.S. Peace Dollar	42	51	127

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.

business.

Last year, the China Mint converted the weights of its Panda bullion coins to metric weights. The 3 Gram Gold Panda that replaced the 1/10 Oz issue quickly sold out and is almost impossible to find anywhere in the US. This year, we made sure to lock in some quantities of the **China 2017 3 Gram Gold Pandas and 30 Gram Silver Pandas**, for which we are now taking orders for shipment expected starting next week.

This month's offer includes a number of one-of-a-kind bargains. To minimize the risk that items you seek have sold out, I urge you to contact us early. Reach our **Trading Desk toll-free at 800-527-2375** to check availability, prices, and confirm your order.

Here are recent purchases to tempt your billfold or wallet. View pictures of them at our website—www.libertycoinservice.com:

Mysterious Medieval Hungarian 13th Century Silver Denars: From the MSNS show we brought back a 10-piece lot of Hungary Silver Denars struck in the late 12th century to early 13th century. The catalogs simply note that there isn't enough research to identify the issuing ruler or where they were struck. In online searches we were unable to find any matching pieces for sale.

The front depicts a cross which is crossed near each of the four ends, similar to a cross

bottomy or cross crosslet, such as appears on the Maryland state flag. The back has a small cross inside two concentric circles.

These small, 15 millimeters in diameter, coins have amazingly crisp details, with the coins easily grading Extremely Fine. While they last, you can own them for just \$45 each.

Russian Silver Kopek Wire Money From Ivan The Terrible And Boris Godunov:

Last month we offered some Russian Wire Money issued by Czar Michael I, who ruled from 1613-1645. As we explained Russian Czars then had Kopeks struck on planchets cut from lengths of silver wire, hence the nickname of "wire money."

At the MSNS show, we picked up one silver Kopek wire money issued by Czar Ivan IV "The Terrible" (1547-1584) and two from the reign of Boris Godunov, who served in Ivan's secret police, was the regent for Ivan IV's son Czar Feodor from 1585-1598, then served as Czar in his own right from 1598-1605. Ivan became the first Prince of Moscow to become Czar of all Russia.

Like the coins we offered last month, these small coins show a mounted horseman on one side and Cyrillic text on the other. Your choice for any of these coins in Fine condition is \$39 each!

Mexico 1982 1 Ounce Silver Libertads:

In 1982, Mexico's Mint struck a

new series of 1 ounce pure silver coins called Libertads. However, instead of marketing them through bullion wholesalers and retailers, it instead offered the lot through a tele-marketing company that tried to sell them at somewhat higher price levels.

Since then the Libertad has become an annual coin distributed through the same channels as other bullion-priced 1 ounce silver coins from other mints.

The design of the coin is beautiful, with a proud striding Liberty posed similar to that on the US \$20.00 St Gaudens Double Eagle.

We just purchased a handful of 20-coin rolls still packaged in the tubes used by the original marketing company. When we did some price checking we found national competitors offering to sell these coins at prices anywhere from \$8.95 to \$16.00 per coin above their silver value. In checking online auctions, we found these coins selling recently at prices as high as \$29 apiece.

In our judgment, those prices are too high!

While our supply lasts, you can purchase these original 20-coin Mint State Rolls for just \$430 each, which works out to \$21.50 per coin. That price may be less than we would have to pay if we had to search for additional pieces from wholesalers.

Choice Very Fine-35 US 1891

\$2.00 Treasury Note Rarity: It has been years since we last handled any \$2.00 Treasury Note. We purchased this beauty from a dealer friend at the show. Although the note is accurately graded, at a fast glance it appears to be of nicer condition.

Treasury Notes were issued to allow the holder to redeem them for either gold or silver. Silver miners accepted them for their metal, then turned around to demand gold for them. Thus, there are fewer survivors compared to other US paper money of the era.

This note has been certified by the Paper Money Guaranty Corporation (PMG), a sister company to NGC. If it was the slightest bit nicer it would sell for more than \$2,000. Instead you can own this piece that looks nicer than its technical quality for \$1,595.

Please Note: Liberty Coin Service will be closed on Saturday, December 24 and 31 for the Christmas and New Year's Holiday.



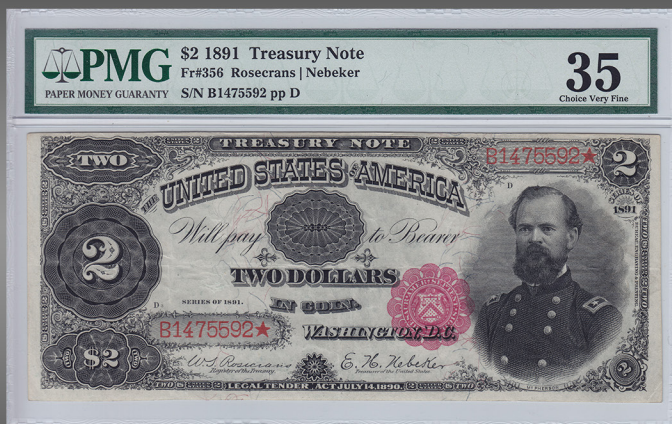
Medieval Hungarian 13th Century
Silver Denars - \$45 each



Russian Silver Kopek Wire Money
Ivan The Terrible And Boris Godunov - \$39



1982 One Ounce Silver Libertads
- \$430 per roll



1891 \$2.00 Treasury Note
Choice VF35 PMG Certified - \$1,595



Bargain Rarities!



by Tom Coulson, LCS General Manager, Allan Beegle, LCS Chief Numismatist, and Patrick A. Heller, LCS Communications Officer

Liberty Coin Service hosted two booths at the Michigan State Numismatic Society Fall Convention in Warren last weekend. Along with decent sales we had managed to make multiple extraordinary purchases. We bought some of almost everything—US, foreign, ancient, and medieval coins of gold, silver, and other metals, and even paper money.

Some coins offered below we have never before had in stock in our 45 years in business. Other pieces are in much nicer than typical condition and may be among the top quality specimens we have ever handled. Prices start at less than \$100 and go all the way up to almost \$3,000.

With so few coins in stock, we have eliminated the order blank. Please call to confirm availability and lock in your purchase.

Review these bargains then pick up your telephone to **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.

US Coins

1879-S Morgan Dollar, Superb Gem Mint State-67, NGC—\$725 (1 coin available). Another dealer at the show offered us a small group of Superb Gem Mint State-67 Morgan Silver Dollars that had been certified by either the Professional Coin Grading Service (PCGS) or Numismatic Guaranty Corporation (NGC). This single coin was the only one to meet our strict fussy quality standard.

This coin has the bare minimum of bagmarks. It is satiny white and, like most San Francisco Mint Morgans, sharply struck. If you ever wanted an absolutely beautiful Morgan Dollar, this is the coin.

It seems hard to believe now, but this piece at one time would have cost you more than \$4,500 to own. It is far more reasonable today.

In 30 years, PCGS and NGC together have certified 4,084 1879-S Morgans in MS-67 or higher quality, which are fewer than for the 1880-S (6,594) or 1881-S (7,269) Morgans. Yet you can own it for the same price as the more common issues.

1900 \$2.50 Liberty, Gem Mint State-65, NGC, \$1,100

(2 coins available). There's a lot to like about these coins. Mintage is tiny—just 67,000 coins. PCGS and NGC combined have graded just 671 examples in MS-65 and higher grades, making them more than five times scarcer than the 1907 \$2.50 Liberty in top quality. Yet for all this rarity, you today only pay about 1/3 more than it would cost you for the 1907 date in the same grade.

At the market peak in mid-1989, these coins were selling for a lot more than \$10,000 apiece!

Ancient, Medieval And Foreign Coins

Macedonia, Alexander The Great (336-323 BC) Silver Drachm, Average Circulated—\$99 (1 coin available).

Our offering of some really worn specimens of this historic coin last month led to some requests for somewhat higher grade coins that could be purchased for under \$100. We found this one that is sure to please. Wish we could have found more!



Ancient Rome, Marc Antony (died 31 BC) Silver Denarius, Fine—\$195 (1 coin available).

Antony was a general under Julius Caesar and a Roman politician. After Caesar's assassination, he formed the Second Triumvirate with Marcus Lepidus and Octavian. They defeated Caesar's killers in 42 BC and divided the Roman government among themselves. Antony held sway in the eastern provinces, including Egypt, where he had a long term affair with Queen Cleopatra. In 31 BC, a civil war broke out, with Antony and Cleopatra against Octavian. After defeat at the Battle of Actium that year, Antony and Cleopatra committed suicide. This legionary denarius was issued not long before his death. It depicts a war galley on the obverse and a legionary eagle between two standards on the reverse.



These coins were issued with a lesser silver purity than the other denarii at the time. As a consequence, these coins remained in circulation for more than a century! While this piece is more worn than many ancients we offer, but it is actually a solid to better than average survivor of this rarity.

Ancient Rome, Augustus (27 BC-14 AD) Silver Denarius, Very Fine—\$425 (1 coin available). This coin was

issued to commemorate Octavian's (later Caesar Augustus) victory in 31 BC at the Battle of Actium over the forces of Marc Antony and Cleopatra. Octavian assumed full control of Rome in 27 BC and turned the Roman Republic into the Roman Empire.

This specimen was struck at the French mint in Lugdunum approximately 15-13 BC. Well centered. The obverse shows a bare headed Augustus and legends. The reverse portrays a standing god Apollo (a Greek, not Roman, god) holding a lyre. Whenever we are fortunate to get a coin issued by Augustus, it always sells almost immediately.



Great Britain, King Cnut (1016-1035) Silver Penny, Very Fine or Better—\$695 (1 coin available). Cnut (also called Canute) and his father, Sweyn Forkbeard led a Viking invasion of England that succeeded, with his father assuming a partial crown in 1013. Cnut became king of all of England in 1016, king of Denmark in 1018, and of Norway in 1028, thus forming the North Sea Empire. Historians have called him the most effective of all Anglo-Saxon kings.

Cnut is perhaps most famous for the apocryphal story where we was placed in the sea and unsuccessfully ordered the incoming tide to stop. This was a demonstration of his humility and that he did not have the same power as God.



This nicely detailed coin is perhaps in the top condition of the few we have ever had in our inventory.

Great Britain, King Edward the Confessor (1042-1066) Silver Penny, Very Choice About Uncirculated-58, PCGS, \$750 (1 coin available). This beautiful specimen is finest coin of this monarch that we have ever handled.

Edward's piety was considered by some as a weakness (he was canonized as a saint 95 years after his death), but he survived on the throne almost a quarter century against powerful nobles. The Norman duke William (The Conqueror) defeated Edward's successor at the Battle of Hasting just a few months Edward's death, establishing a Norman lineage of monarchs in England.



Scotland, King Robert the Bruce (1306-1329) Silver Penny, Extremely Fine-40, NGC—\$2,895 (1 coin available). This is the only example we have ever

owned. Issued by this ally, then traitor, of Scottish freedom fighter Wil-

liam Wallace as told in the Mel Gibson movie *Braveheart* (the actor Angus Macfadyen played Robert the Bruce in the movie). He proclaimed himself king of Scotland in 1306, but did not finally defeat the English forces until 1314 (and England did not recognize Scotland's independence until 1327).

The coin is well-centered and sharply struck. Incredibly rare and possibly as nice a quality as you could ever hope to find of this historic treasure. We will probably never see another example, no matter the grade.



Kingdom of Hawaii, 1883 Quarter, Superb Gem Mint State-66, PCGS—\$995 (1 coin available). In 1883, Hawaii was an independent kingdom with significant commercial ties to the United States. A series of coins were struck for Hawaii in 1883 at the San Francisco Mint. They were designed by US Mint Chief Engraver Charles E. Barber, later famous for the Barber Dime, Quarter, and Half Dollar designs on US coins.

The mintage of 500,000 coins does not explain just how scarce Hawaiian quarters really are. When Hawaii was annexed by the United States a large number of these coins were withdrawn from circulation and melted.

Over the past 30 years, PCGS and NGC together have certified just 239 MS-66 specimens and a paltry 30 coins in all higher grades combined.

This deeply toned example is tied for the finest we have ever offered.



How Long Will They Be Available?



China 2017 3 Gram Gold And 30 Gram Silver Pandas!



To: All Clients

From: Tom Coulson, LCS General Manager

Date: November 29, 2016

(Note: these advance photographs supplied by the China Mint do not do justice to the actual beauty of these coins)

For 2016, the China Mint converted the weights of its bullion issues to metric weights that are more frequently used for measurements in the Far East than the previous troy ounce system used for previous issues.

The newly-sized coins were an instant hit across Asia!

Demand was so strong for these Brilliant Uncirculated 3 Gram 50 Yuan Gold Pandas (0.09645 oz gold content with a total mintage of 600,000) that only limited quantities were shipped to the US. The primary distributors then quoted such a high premium on these coins that we chose not to stock them. When these coins promptly sold out, no more were ever shipped directly to America. Today, these coins are virtually impossible to find in America, with the dealers who do have a piece or two in stock typically quoting about 20% higher than for other common Gold Panda issues.

Initial deliveries to US primary distributors of the Brilliant Uncirculated 2016-dated 30 Gram Silver Pandas also quickly sold out. Fortunately, we procured enough to be able to continue offering them at reasonable premiums.

The Good News: When the Brilliant Uncirculated 2017-dated China 3 Gram Gold Pandas and 30 Gram Silver Pandas became available to order, we made sure to lock in as many of the Gold coins as we could (though still less than we would have wanted to purchase). We also bought what we hope is an adequate quantity of the Silver Pandas.

The Bad News: Although shipments of both of these coins are not due here until early next week, we have been told that the entire 2017-dated 3 Gram Gold Pandas allotted to the US have already sold out. It is uncertain whether any more will become available.

The Rising Popularity Of Panda Coinage!

The Panda series began in 1982, suggested to the Chinese government by a New York coin dealer. Obverse designs change annually, while the reverses all depict the 600-year old Temple of Heaven. Initially it was illegal for Chinese citizens to purchase gold and silver bullion products. The law changed earlier this century to allow the people in China to own gold and silver. Demand for such coins has soared ever since, especially by those collecting the coins by year.

As a consequence, most Silver Pandas dated 2012 and earlier are now selling in the \$50 to \$250 range per coin. Several of the earlier 1/10 Oz Gold Pandas are likewise now selling at multiples of their metal value.

Although mintages have increased since the Chinese people could purchase gold and silver, there is a strong possibility that the 3 Gram Gold Pandas may develop into relative rarities. If the 2017-dated mintage is again just 600,000 pieces, that means that fewer than one of every 2,000 Chinese residents will ever be able to own these coins, even if none are shipped to other nations. Mintages of the Silver Pandas in recent years have ranged from six to eight million pieces, a tiny fraction of the US Silver Eagle Dollar production. Obviously, there are far too few coins to satisfy would-be collectors in China, a nation with well over a billion population.

These coins are packaged at the China Mint in hard plastic protective cases. The Silver Pandas are packaged into sheets of 15 individually-encased coins.

After checking what other dealers are quoting for these coins, we made sure our prices are competitive. While they last, here are the formulas at which you can purchase them above the ask gold and silver spot prices:

2017 3 Gram Gold Panda	Payment by cash/check		Payment by credit card	
	Formula	Premium	Formula	Premium
1-9 Coins	spot x .12200	26.5%	spot x .12566	30.29%
10 Coins	spot x .12105	25.5%	spot x .12468	29.27%
<u>2017 30 Gram Silver Panda</u>				
5-14 Coins	spot x 1.4564	51.0%	spot x 1.5001	55.54%
15-149 Coins	spot x 1.4468	50.0%	spot x 1.4902	54.50%
150 Coins	spot x 1.4275	48.0%	spot x 1.4703	52.44%

They Won't Last Long!

We expect a complete sellout of our inventory of both coins. We anticipate we will not be able to secure another supply of the 2017-dated 3 Gram Gold Pandas and are uncertain of further availability of the 30 Gram Silver Pandas. To cover the costs of preparing an invoice and wrapping a package, mail-order purchases must be for a minimum of one gold or five of the silver issues. But, to increase the opportunity for more customers to acquire some of these pieces we must set a limit per customer of ten of the gold and 150 of the silver coins.

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

Sincerely,

Tom Coulson
LCS General Manager

Thomas W Coulson

Yes! Please ship me the 2017-dated China 3 Gram Gold Pandas and 30 Gram Silver Pandas in Brilliant Uncirculated condition that I have indicated below. I understand that every coin is backed by LCS's exclusive guarantees. I may return them for a full refund for any reason within 14 days of my receipt. Minimum order one 3 Gram Gold Panda or five 30 Gram Silver Pandas. Limit ten 3 Gram Gold Pandas and 150 30 Gram Silver Pandas per order. Note: There is no postage charge for total combined purchases of \$5,000 or more.

_____ China 3 Gram Gold Panda, 2017, Brilliant Uncirculated (limit 10 coins)	\$ _____	each =	_____
_____ China 30 Gram Silver Panda, 2017, Brilliant Uncirculated (limit 450 coins)	\$ _____	each =	_____
Postage (see Computer Quotes Page)			_____
Total Enclosed			

name

address

city,state,zip

telephone number

Confirmed by phone?	Confirmation #
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Liberty Coin Service, 400 Frandor Ave, Lansing, MI 48912 Toll-Free Nationwide **800-527-2375**