

Liberty's Outlook

LCS 45th Anniversary!
1971-2016

April 2016, Volume 22 Issue 4 Liberty Coin Service's Monthly Review of Precious Metals and Numismatics April 13, 2016

As US Dollar Continues To Decline, Is A Financial Earthquake Coming?

**Federal Reserve Board—3 Emergency Meetings This Week!
Shanghai Gold Exchange Daily Domestic Gold Fix Begins April 19!**

US Dollar Performance Versus Selected Currencies and Precious Metals (9 weeks from February 9-April 12, 2016)		2016 Year To Date Results Through April 12, 2016			
Currency/Precious Metal	Change	<i>Precious Metals</i>			
Great Britain	+1.4%	Gold	+18.8%	Chile Peso	-5.1%
Argentina	+0.9%	Silver	+17.7%	Australia Dollar	-5.2%
Hong Kong	-0.6%	Platinum	+11.9%	Singapore Dollar	-5.3%
Euro	-0.8%	Palladium	-3.2%	Indonesia Rupiah	-5.4%
Thailand	-1.1%			Canada Dollar	-7.8%
Denmark	-1.1%	<i>Numismatics</i>		Russia Ruble	-8.8%
Switzerland	-1.8%	US MS-63 \$20 St Gaudens	+13.1%	Japan Yen	-9.8%
China	-1.7%	US MS-63 \$20 Liberty	+10.4%	Malaysia Ringgit	-10.5%
India	-2.4%	US MS-65 Morgan Dollar, Pre-1921	+0.0%	Brazil Real	-11.9%
Taiwan	-2.7%			U.S. Dollar Index 93.97	-4.73%
Philippines	-3.2%	<i>US Dollar vs Foreign Currencies</i>		<i>US And World Stock Market Indices</i>	
Singapore	-3.8%	Argentina Peso	+12.0%	Sao Paulo Bovespa	+20.0%
Indonesia	-3.9%	Great Britain Pound	+3.2%	Dow Jones Industrial Average	+1.7%
Sweden	-4.0%	Mexico Peso	+1.6%	Standard & Poors 500	+0.9%
New Zealand	-4.2%	India Rupee	+0.1%	London FT 100	+0.0%
South Korea	-4.6%	Hong Kong Dollar	+0.0%	Dow Jones World (excluding US)	-1.6%
Gold	-5.1%	China Yuan	-0.5%	Russell 2000	-2.7%
Silver	-5.1%	New Zealand Dollar	-1.3%	NASDAQ	-2.7%
Palladium	-5.4%	Philippines Peso	-1.8%	Australia S&P/ASX 200	-6.1%
Japan	-5.7%	Taiwan Dollar	-1.8%	Frankfurt DAX	-9.1%
Chile	-5.7%	South Korea Won	-2.7%	Shanghai Composite	-14.6%
Platinum	-6.4%	Thailand Baht	-2.9%	Nikkei 225	-16.3%
Peru	-6.7%	Israel Shekel	-3.1%	10 Year US Treasury Note interest rate	
Mexico	-7.0%	Sweden Krona	-4.3%	1.781%	-21.7%
Malaysia	-7.7%	Peru New Sol	-4.3%	<i>Metal Content Value Of U.S. Coins</i>	
Australia	-8.0%	Euro	-4.6%	Lincoln cent, 1959-1982	1.42¢
Canada	-8.0%	Switzerland Franc	-4.7%	Lincoln cent, 1982-date	0.47¢
South Africa	-8.5%	Colombia Peso	-4.9%	Jefferson nickel, non-silver	2.85¢
Brazil	-10.2%	Denmark Krone	-4.9%	Roosevelt dime, 1965-date	1.29¢
Colombia	-10.9%	South Africa Rand	-5.0%	Washington quarter, 1965-date	3.23¢
Russia	-17.2%			Kennedy half dollar, 1971-date	6.46¢

Last Thursday, the Federal Reserve announced that a closed "Meeting under Expedited Procedures" on April 11 would involve "Review and determination by the Board of Governors of the advance and discount rates to

be charged by the Federal Reserve Banks." The stated purpose of the meeting was almost certainly a smoke screen. In recent years, the discount window of the Federal Reserve has been little used by member banks. When that happened, it tended to involve a bank in serious financial trouble. It was unlikely that the discount rate would increase during this meeting, as that would contradict what Fed Chair Janet Yellen stated publicly earlier in April about the plan to go slow raising interest rates. And, since the Fed is still trying to pretend that it

is tilting toward higher rather than lower interest rates, it was unlikely that a decrease would result. Last, there would be no reason to call an emergency meeting if there were no plans to make changes.

Even more curious, Fed Chair Yellen went to the White House after the Federal Reserve Board meeting for a closed direct meeting with President Barack Obama and Vice President Joseph Biden. This may be the first time ever that people in these positions have held such a meeting.

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Officially, the purpose of the White House meeting was to review the economy and financial markets.

Obviously, something drastic must be going on for it to be necessary for such quick emergency high-level get-togethers one after the other. Another warning signal has been the significant decline of the US dollar against other currencies over the past nine weeks.

Yesterday, the Fed held another emergency meeting to discuss a “bank supervisory matter.”

Today, the Fed governors held a third emergency meeting for “periodic briefing and discussion on financial markets, institutions, and infrastructure.”

To have three “expedited” closed Federal Reserve and one White House meetings so close together, no matter how innocuous the stated purposes are, is just about a guaranty that a looming financial earthquake is about to erupt.

What was being discussed behind these closed doors? If the politicians and bureaucrats have their way, the public will never find out.

Unfortunately, there are a plethora of imminent financial catastrophes looming. Almost certainly some of these have been discussed.

Financial Crises Galore!

1. The shares of Germany’s largest bank, Deutsche Bank, were trading for more than \$150 in 2006. Even last summer, they went for as much as \$35. Last Thursday, Deutsche Bank shares fell sharply down to almost \$15. This was happening as the Fed announced the first emergency meeting.

Although not a US company, Deutsche Bank is a primary trading partner of the US government. As such, it almost certainly follows orders to assist the federal government in manipulating financial markets.

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Even more critical, this bank has the largest portfolio of derivatives contracts of any financial institution in the world. Many derivative contracts are treated by holders as insurance protection against negative market moves. But, should one of the counterparties be unable to meet contract obligations, will the derivatives markets become a sequence of falling dominoes involving most of the world’s largest banks?

Deutsche Bank’s financial position is precarious. It has large exposure in loans to the energy industry, in commodities that have fallen sharply in price, to other shaky European banks (including ones in Greece), and to issuers of junk bonds. Billions of dollars of “assets” carried on its books at full face value are worth nowhere close to the stated amounts. The bank also has significant loans to iffy businesses such as commodity giant Glencore and vehicle manufacturer Volkswagen.

If Deutsche Bank went into default, this would likely trigger a worldwide depression. In my opinion, the financial weakness of this bank was probably one of the prime subjects discussed in this week’s secret meetings.

2. There are plenty of other banking problems around the globe. Large banks such as Credit Suisse, RBS, Citigroup, and major banks in Italy are at risk of default.

3. Over this past weekend, an \$8.5 billion dollar hole in Austria’s Heta Asset Resolution Bank was revealed. This was a bank established by the Austrian government to liquidate the bad assets of a failed bank in the country. As a result of this loss, this bank’s secured creditors will lose almost 54% of their principal and not be repaid the funds that are due until possibly 2023!

4. The scary aspect of the Austrian financial solution is that much of the losses are being dumped on parties other than the bank’s investors or the government. This is the first Eurozone bank to take advantage of the recent rule change to allow “bail-ins” as a means to minimize how much governments would have to subsidize failed banks.

This matters to Americans because this bail-in provision is similar to one of the regulations under the Dodd-Frank Act of 2010. Should a US bank that has derivatives contracts be at risk of failure because of losses on derivatives, it will be required to confiscate customer bank accounts (including retirement plan assets held by the bank) where there will not be any Federal Deposit Insurance Corporation insurance coverage. It is for this reason that I have suggested for some time that people avoid establishing accounts at banks that hold derivative contracts—primarily the largest banks.

Patrick A. Heller’s Upcoming Speeches and Appearances

May 11, Highland, Michigan, Huron Valley Numismatic Society meeting, “Collecting Coins For Fun And Profit, 7:00 PM at the Highland Adult Activities Center, 209 N. John Street. For more information, go to www.hvns.org.

For more information on any event or to arrange for a presentation by Patrick A. Heller, call 800-933-4720 or email path@libertycoinservice.com.

5. US retail sales have been weak since late last year. Car and truck sales in March were sharply lower. Retail businesses have announced higher mass layoffs compared to a year earlier. Yet, the Bureau of Labor Statistics is pretending that the number of retail jobs in America, “seasonally adjusted” (which means they can theoretically use any number they want), increased about 170,000 over the first three months of this year. Something doesn’t add up.

6. The percentage of US males aged 54 and younger who do not have a job is running at all-time high levels.

7. Last week, the first group of documents of what are called the “Panama Papers” were released. They identify people who have used a Panamanian law firm to help hide their assets from public scrutiny. Though such arrangements were not necessarily illegal, a number of people were exposed making investments and holding assets that contradicted their public image.

Two days after the release, the prime minister of Iceland resigned. It turned out that he had personally profited from some government actions involving failed Icelandic banks. The heads of governments in Argentina, Saudi Arabia, Ukraine, and the United Arab Emirates had used this law firm. Close relatives or associates of the heads of more than forty other nations were also exposed, including those from Great Britain, China, Brazil, and Russia.

More documents will be released in the coming weeks. Thus far, few Americans have been exposed. A treaty between the US and Panama made the use of Panamanian shell corporations less attractive to Americans than what they could accomplish in the Cayman Islands or right in the US.

8. The country of Brazil has the world’s seventh largest economy. That nation is in an economic depression and

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undergoing a widespread political scandal that reaches all the way to current and past presidents. (But you wouldn't necessarily know this from seeing how much the Brazil real and the Sao Paulo Bovespa stock exchange have outperformed their US counterparts thus far in 2016.)

9. The hyperinflation in Venezuela has brought that nation to the brink of economic collapse. Retail stores have virtually no inventory on the shelves. If people are lucky enough to find a source of toilet paper, for instance, that usually means standing in a long line to buy it.

10. It is not known what secret deals might have been struck at the G-20 meeting of finance ministers and central bank governors held in Shanghai, China in February. Further, the International Monetary Fund and World Bank are holding a regularly scheduled joint meeting in Washington, DC this week. Yesterday, announcements from the latter meeting revealed a decrease in forecasted global and US economic growth for 2016 and 2017 compared to the projections they released two months ago.

11. The Shanghai Gold Exchange will debut the process of setting daily domestic gold price fixes next Tuesday, April 19.

World Gold Trading To Change April 19

Up to now, the world's dominant gold trading market has been the London Bullion Market Association, with the New York COMEX a distant second. Contracts are priced in US dollars and quoted for 400 ounce bars (London) and 100 ounce bars (New York).

While the COMEX was primarily for trading paper contracts, the London market was originally meant to trade contracts for bars that backed 100% of outstanding contracts. Practices in the London market have changed over the years. A few years back, analyst Jeffrey Christian testified to the US Commodity Futures Trading Commission that the vaults in London contained only about 1% physical gold backing for outstanding contracts in that market.

The Shanghai Gold Exchange began operations a few years ago in China. Contracts bought there were for immediate delivery of kilogram-

sized gold bars. Prices were denominated in Chinese yuan. Volume has grown substantially, though it is still dwarfed by paper contract trading volume in London and New York.

After a long delay, on April 19, the Shanghai Gold Exchange will begin setting a daily domestic gold price fix in competition with London. Contracts will continue to be priced in yuan and will be for kilogram bars rather than ingots measured in troy ounces. The purity standard of .9999 fineness is stricter than London or New York requirements. In addition, contract sellers are expected to make prompt delivery of the physical gold.

Ten Chinese banks will participate in fixing the gold price on the SGE. International banks were invited to participate, but all declined. The sticking point for foreign involvement was that contracts could only be offered for sale after the physical gold bars had been deposited into the SGE's vault. Foreign market-makers used to suppressing prices through naked short selling of paper contracts cannot do this in the Chinese market.

Although it may take some time, I expect that there will develop a two tier price market in gold. For people who actually want to own gold, they can purchase it from the SGE and take delivery. For others who want to gamble their luck at being able to sell their paper contracts before they default, there will be a different, almost certainly lower, price in the London and New York markets.

As the SGE gains volume, there is a good likelihood that this will make it ever more difficult for the US government, its primary trading partners, and allies to suppress gold prices through short selling of paper contracts. Should the Shanghai Gold Exchange eventually dominate global gold trading, which I expect to happen, the outcome will likely be at much higher price levels than today.

Then look for the Chinese government to repeat this process with another exchange for the silver market.

Don't Wait To Acquire Your Physical Gold And Silver

As I stated earlier, the emergency meetings of the Federal Reserve Board of Governors and at the White House this week almost certainly signify a major financial crisis that is about to break. Whether or not it happens in the coming days, weeks, or months, just about all analysts expect much higher prices within the next two years—even those still pretending that the gold spot price may fall below \$1,000 before rising for good.

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.

While there is a small possibility of as much as a 10% price drop from current levels, in my judgment the potential gains far outweigh the downside risks.

Should a financial crises erupt that shakes the public confidence in paper assets such as currencies, stocks, and bonds, it may soon become virtually impossible to acquire physical gold and silver, no matter the price.

For your own protection and peace of mind, I urge you to take possession of your physical gold and silver bullion-priced coins and ingots right away.

Blue Chip US Coin Supplies Tighten

Last month I reported about the resurgence in the prices of US Pre-1934 US Gold Coins. It gives us a measure of satisfaction that we offered a nice group of Very Choice Mint State-64 1895 \$5.00 Liberties early last year at \$719 that would now cost you \$820. Or that our offering of Choice Mint State-63 \$10.00 Indians two months ago at \$869 would now cost you \$1,020 to acquire.

Not all of our offerings have fared as well. Actually, in the past few weeks, when the price of gold dropped to the low \$1,200s and silver temporarily fell below \$15, prices for several of the more common Blue Chip (or "generic") US Collector Coins dropped a bit. Coins such as Common

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-Date High Grade US Walking Liberty Half Dollars, US Morgan Silver Dollars, some US Peace Dollars, and many Pre-1934 US Gold Coins are lower than they were five weeks ago.

However, lower prices does not mean that supplies are plentiful. I do know of a couple hoards of Gem Mint State-65 Peace Dollars that will not be offered for sale until prices rise at not 25%.

At current prices, I consider most US Blue Chip Collector Coins to be attractive values—if you can find them. Recently, LCS General Manager Tom Coulson picked up a moderate quantity of **Very Choice Mint State-64 Pre-1921 Morgan Silver Dollars**. I was able to locate a smaller group of **Mint State-62 \$5.00 Liberties** at a price much closer to value of the gold content than normal. See our enclosed offers to take advantage of either.

Silver and Silver Coins

Silver settled today at \$16.32, up a healthy \$0.97 (6.3%) from last month. This is the highest close for silver since June 3, 2015.

I have received a report from a source that has been reliable for more than a decade that there are multiple refineries desperately short of newly mined or recycled silver needed to fill orders from waiting customers. I must caution though that I have not corroborated this report from other sources.

The price of silver has far outperformed that of gold over the past five weeks, which gives credibility to this report of supply shortages.

Because the silver market is much smaller than for gold, its price tends to rise by a greater degree in strong markets or fall a larger percentage during weak periods.

For example, from their respective 2011 price peaks to their bottoms a few months ago, the price of silver fell around 70% while gold was only down about 45%.

Going forward, I expect both metals to appreciate against the US dollar, with silver outperforming that of gold. Still, the future is uncertain so I still recommend owning some of both metals. See page three for recommended allocations.

A higher silver price has brought down premiums. Plus, in the case of products not in current production such as **US 90% Silver Coins** (15.9%) the premium has also fallen from a supply/demand shift.

The Month

Gold Range	54.00	4.3%
Net Change	-9.75	
Silver Range	1.38	9.0%
Net Change	+ .97	
Gold/Silver Ratio	76.4	
Net change	-5.5	
Platinum Range	61.00	6.2%
Net Change	+21.00	
Platinum/Gold Ratio	0.80	

Date	Gold	Silver	Platinum
Mar 09	1,256.50	15.35	982.00
Mar 10	1,272.00	15.54	977.00
Mar 11	1,258.75	15.61	970.00
Mar 14	1,244.50	15.51	965.00
Mar 15	1,230.50	15.25	959.00
Mar 16	1,229.25	15.21	958.00
Mar 17	1,264.50	16.02	989.00
Mar 18	1,253.75	15.80	970.00
Mar 21	1,243.75	15.84	981.00
Mar 22	1,248.25	15.87	996.00
Mar 23	1,223.75	15.26	960.00
Mar 24	1,221.50	15.19	952.00
Mar 25	1,218.00	15.23	949.00
Mar 28	1,220.00	15.19	944.00
Mar 29	1,235.50	15.23	965.00
Mar 30	1,227.00	15.20	964.00
Mar 31	1,234.25	15.46	977.00
Apr 01	1,222.25	15.04	953.00
Apr 04	1,218.00	14.94	942.00
Apr 05	1,228.50	15.11	950.00
Apr 06	1,222.50	15.05	943.00
Apr 07	1,236.25	15.15	953.00
Apr 08	1,241.50	15.37	957.00
Apr 11	1,256.75	15.97	990.00
Apr 12	1,259.50	16.22	999.00
Apr 13	1,246.75	16.32	1,003.00

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

Right now I recommend the **100, 10, and 1 Ounce Ingots** (6.4-7.0%) to get more silver at a lower premium than most other forms. Even if you acquire the bulk of your holdings in the lower-premium 100 Ounce ingots, make sure that you own some quantity of the smaller pieces for potential “spending money” purposes.

Canada has debuted another short series of 1 Ounce pure silver coins, this time featuring Canadian Predator Animals. The first issue, the **Canada Silver Cougars**, may continue a general trend that the first issue of a new series appreciates more than

later coins. See our enclosed flyer.

Consumer Protection Alert: Any seller of bullion-priced products who is unable to deliver a product within the same delivery period as other dealers is giving a sign you may not want to deal with them. Sadly, the Northwest Territorial Mint in the state of Washington has now filed for bankruptcy, owing customers millions of dollars. While the company had a Better Business Bureau rating of A+, the BBB report listed more than 100 complaints lodged against it, most involving slow product deliveries or refund checks to customers tired of waiting for their orders to arrive. This is the second major bankruptcy in the past year of a bullion seller competing on the basis of lowest price. If a deal sounds too good to be true, it usually is.

Gold And Gold Coins

Gold closed in US markets today at \$1,246.75, down a modest \$9.75 (0.8%) from five weeks ago. When COMEX trading ended at \$1,272.00 on March 10, that was the highest close for gold since February 2, 2015.

When the spot price swooned in March, demand fell slightly. With this week's surge in prices, though, volume has increased substantially.

Pretty much all bullion-priced gold and silver coins and ingots are readily available for immediate or short-delay delivery. Premiums are reasonable for most items (though US 90% Silver Coins are still too high to suit me).

Once again, I recommend as my low premium favorites the **US American Arts Medallions** (2.8%), the **Austria 100 Corona** (2.5%), and the **Mexico 50 Pesos** (2.5%).

Consumer Protection Alert: They're at it again. There has been a surge of bullion sellers promoting the use of Precious Metals Individual Retirement Accounts as a last-minute tax saving idea.

Unfortunately, Precious Metals IRAs are a poor way to own precious metals, with few exceptions. For example, IRAs defer current taxes on income such as dividends and interest. Precious metals are tax deferral assets where taxes are not owed until they are sold. It is poor planning to put tax deferral assets into a tax deferral account. For copies of more reasons why they are a bad idea, send me an email request at path@libertycoinservice.com or call our store at 800-933-4720.

Item	Qty	Fine Wt	Price	Cost/Oz	Premium
*U.S. 1 Oz Gold Eagle	10	1.0000	1,310.75	1310.75	5.0%
*U.S. 1/2 Oz Gold Eagle	10	0.5000	679.75	1359.50	8.9%
*U.S. 1/4 Oz Gold Eagle	10	0.2500	349.00	1396.00	11.8%
*U.S. 1/10 Oz Gold Eagle	10	0.1000	143.30	1433.00	14.8%
*U.S. 1 Oz Gold Buffalo	10	1.0000	1,310.75	1310.75	5.0%
*Australia 1 Oz Kangaroo	10	1.0000	1,308.25	1308.25	4.8%
*Austria 100 Corona	10	0.9802	1,254.00	1279.33	2.5%
*Austria 1 Oz Philharmonic	10	1.0000	1,303.25	1303.25	4.4%
*Canada 1 Oz Maple Leaf	10	1.0000	1,299.50	1299.50	4.1%
*China 1 Oz Panda	10	1.0000	1,334.50	1334.50	6.9%
*Mexico 50 Peso	10	1.2057	1,542.75	1279.55	2.5%
*S. Africa Krugerrand	10	1.0000	1,294.50	1294.50	3.7%
*U.S. Medallion	10	1.0000	1,283.25	1283.25	2.8%
*50 Gram Combibar	10	1.6077	2,207.50	1373.08	10.0%
*1 Oz Ingot	10	1.0000	1,287.00	1287.00	3.1%
*Austria 1 Ducat	10	0.1107	153.80	1389.34	11.3%
*Austria 4 Ducat	10	0.4428	630.00	1422.76	14.0%
*British Sovereign	10	0.2354	318.75	1354.08	8.5%
*British Sovereign, BU	10	0.2354	336.75	1430.54	14.6%
*France 20 Franc	10	0.1867	253.00	1355.12	8.6%
*Swiss 20 Franc	10	0.1867	256.00	1371.18	9.8%
\$20 Liberty BU	10	0.9675	1,375.00	1421.19	13.9%
\$20 St Gaudens BU	10	0.9675	1,390.00	1436.69	15.1%
\$20 Liberty Extremely Fine	10	0.9675	1,345.00	1390.18	11.4%
\$10 Liberty Extremely Fine	10	0.4838	680.00	1405.54	12.6%
\$5 Liberty Extremely Fine	10	0.2419	360.00	1488.22	19.2%
*U.S. 90% Silver Coin	1,000	715	13,565.00	18.97	15.9%
*U.S. 40% Silver Coin	1,000	295	5,125.00	17.37	6.1%
*U.S. Circulated Dollars	1,000	760	20,250.00	26.64	62.8%
*U.S. Silver Eagle-2016	1,000	1,000	19,320.00	19.32	18.0%
*Canada Silver Maple Leaf	1,000	1,000	18,660.00	18.66	14.0%
*100 Oz Silver Ingot	10	100	1,742.00	17.42	6.4%
*10 Oz Silver Ingot	100	10	175.20	17.52	7.0%
*1 Oz Silver Ingot	1,000	1	17.52	17.52	7.0%
*1 Oz Platinum Ingot	10	1.0000	1,084.00	1084.00	7.0%
*U.S. 1 Oz Platinum Eagle	10	1.0000	Not available		
*U.S. 1/2 Oz Plat Eagle	10	0.5000	Not available		
*U.S. 1/4 Oz Plat Eagle	10	0.2500	Not available		
*U.S. 1/10 Oz Plat Eagle	10	0.1000	Not available		
*Other 1 Oz Plat Coins	10	1.0000	Not available		
*Canada Palladium ML	10	1.0000	585.00	585.00	6.9%

Gold: \$1,248.25
Silver: \$16.37
Platinum: \$1,013.00
Palladium: \$547.00

Notes from Liberty

By Allan Beegle
 LCS Chief Numismatist

Our March sales volume, though still healthy, was the lowest in a few months. With higher gold and silver prices this week, though, volume is taking off for April.

Last month's featured offers mostly sold out, though we still have a handful of the Better-Date \$5.00 and \$10.00 Liberties and a few pieces listed here.

LCS General Manager Tom Coulson headed the company's staff at our booths each of the last three weeks at coin shows in Michigan. I helped him at the first in Dearborn. He was assisted by a friend the following week in Kalamazoo. LCS Numismatist and GIA-certified Graduate in Diamonds David Hartung worked with him last weekend in Warren. (Both LCS Communications Officer Pat Heller and I were on spring break vacations with our families over the past two weekends.)

Having so many conventions so close in time and competing against major national shows means that each was somewhat slower in activity than usual. However, combined added up to nice results.

Before these shows, however, Tom snapped up a nice-sized group of **PCGS-Certified Very Choice Mint State-64 Pre-1921 Morgan Silver Dollars**. He managed to get them at a small discount and we pass along the savings to you.

Pat uncovered a bargain group of **Mint State-62 \$5.00 Liberties** at a price that was irresistible. While there are not as many coins as we would like, we offer them now at a price much closer to the value of their gold content than is nor-

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	\$10,695
U.S. Morgan Dollar, 1921, Brilliant Uncirculated Roll/20	\$665
U.S. Morgan Dollar, Pre-1921, Brilliant Uncirculated Roll/20	\$915
U.S. Peace Dollar, Brilliant Uncirculated Roll/20	\$595

Gold:	\$1,248.25
Silver:	\$16.37
Platinum:	\$1,013.00
Palladium:	\$547.00

Numismatic Coins (PCGS/NGC/ICG Graded)

	MS-63	MS-64	MS-65
U.S. \$20.00 St Gaudens	1,450	1,520	1,780
U.S. \$20.00 Liberty	1,530	1,750	2,990
U.S. \$10.00 Liberty	885	1,310	2,910
U.S. \$5.00 Liberty	535	820	2,765
U.S. 4 pc Indian Gold Type Set	3,770	5,895	13,850
U.S. 4 pc Liberty Gold Type Set	3,345	4,345	9,495
U.S. 8 pc Gold Type Set	7,055	10,090	22,895
U.S. Morgan Dollar (Pre-1921)	63	80	160
U.S. Peace Dollar	43	57	125

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.

mal for this series in this quality.

Finally, Tom worked out the purchase of the newly released **Canada 2016 1 Ounce Silver Cougars**. They are the first issue of the new series of coins commemorating Canadian Predator Animals. What we have seen with past short 1 Ounce Silver Canadian Commemorative series is that the first coin of the series often picks up more collector premium down the road than later issues. We offer them at a nationally competitive bullion-related price today but do not know how long coins may remain available.

There has been a pretty consistent pattern over the decades that coin dealers see a drop in business for about a week after tax-deadline day on April 15. Even if that occurs again this year, I think there is a strong possibility that all three of these offerings will sell out. If we do, we might be able to secure more nice coins, but don't know if we can continue our special prices.

So, for best selection, I again recommend that you review our offers, then phone our **Trading Desk toll-free at 800-527-2375** quickly to check on availability and prices and confirm your purchase.

Between buying collections in our store and some wonderful purchases by Tom at the three coin shows, we have more bargains to tempt you:

Lovely Seleucid Kingdom Silver

Tetradrachm: After the death of Alexander III (the Great), his empire was jointly ruled by Alexander's half-brother Philip III Arrhidaeus and Alexander's infant son Alexander IV. Six years later, Philip was murdered by Alexander the Great's mother. With no one able to control the entire empire, it was divided among his generals: Antigonos (Macedonia), Lysimachos (Thrace and Asia Minor), Seleucus (most of the Middle East extending to India), and Ptolemy (Egypt).

During in-fighting, Antigonos initially defeated Seleucus and seized his territories. Seleucus took refuge with his friend Ptolemy. Lysimachos later defeated Antigonos. Then Seleucus defeated Lysimachos, gaining control of all of the lands conquered by Alexander the Great other than Egypt.

The Greek silver tetradrachm was close to a "world coin" in the era, larger than a modern-day US quarter and much thicker. The coinage of Alexander the Great was used so far and wide that his successors continued to strike coinage of matching designs. The obverse bears the head of Herakles (Hercules) while the reverse depicts the seated god Zeus facing to the left.

This particular specimen is among the highest quality of all Seleucid Kingdom Silver Tetradrachms we have handled in decades. Certified by NGC, who graded it Extremely Fine. The strike is wonderfully centered and

highly detailed. When we get prominent issuer high-grade ancient coins such as this, they sell quickly. Your cost \$625.

Top Quality Cuba 1937 Silver Peso Ultra Rarities: The US Mint in Philadelphia struck Cuba Silver Pesos from 1934 to 1939. They were made from the same blanks used to produce US Peace Dollars.

The coins supported the Cuban government silver certificate currency issues after the 1933 overthrow of dictator Gerardo Machado.

The 1937 mintage of 11.5 million was the most of any year. However, almost none of these Silver Pesos entered circulation. After the Banco Nacional de Cuba was established in 1948, it was decided that the coins in the Treasury vaults were no longer needed, especially since the value of the silver content then exceeded face value. When the Silver Pesos were being loaded onto the cruiser Patria to take them to a refiner, a single bag of 1937-dated coins fell to the ground and broke open, with some falling into the water. Not all of these coins were recovered and melted down. Today the best estimates are that maybe 200 specimens of 1937 Cuba Silver Pesos survive.

You can imagine how surprised we were to acquire four of these rarities when purchasing a collection recently. Two of our managers quickly jumped at the opportunity to add the lower quality pieces to their collections. We offer here the remaining two specimens, both certified by NGC. The flashy white Mint State-62 example can be yours for \$1,995. The moderately toned Choice Mint State-63 coin, one of the higher graded pieces ever, is \$4,995—a lower price than one sold for in auction last year.

NGC-Certified Mint State-61 1888 -O \$10.00 Liberty New Orleans

Rarity: Mintage a paltry 21,335. PCGS and NGC together have certified a meager 713 specimens in Mint State-61 to -64 grades (none higher). Perhaps the finest specimen of this date among the handful we have ever handled. In the last major auction 21 months ago, another example sold at \$1,293. *Coin Values* catalogs for \$1,250 and \$2,000 in MS-60 and MS-62, respectively.

Our Lowest Price In 5-1/2 Years!

Mint State-64 Early Morgan Dollars!

- **A Top Value In “Blue Chip” Rare Coins**
- **Buy At A Fraction Of Past Prices**
- **As Low As \$72.00 Per Coin**



To: All Clients

From: Tom Coulson, LCS General Manager

Date: April 11, 2016

Let me remind you of a secret that experienced rare coin investors use to increase their profits—they buy “generic” or “blue chip” U.S. gold and silver coins just after an increase in gold and silver prices.

Now is the time to take advantage of a recent stable price. Despite the surge in gold and silver spot prices thus far in 2016, these Very Choice Mint State-64 Early Morgan Silver Dollars—have not yet followed suit. We think they are poised for strong advances within the next twelve months. Here’s why:

- Even by the most conservative analyses, newly mined and recycled gold and silver supplies have fallen far short of demand levels for most years over the past quarter century! In its news release two months ago, the Silver Institute projected that 2016 physical silver demand will increase over last year for industrial, photovoltaic, ethylene oxide, coins and bars, and jewelry usage. It also forecasts that both newly mined and recycled silver supplies will fall from 2015 levels perhaps as much as 5%. As a result, the 2016 supply deficit is expected to be even larger than in 2015.
- As several central banks around the world dump U.S. dollars for gold and other currencies, American investors leery that the temporary strength of the U.S. dollar is ending are looking for alternatives to U.S. stocks, bonds, and savings instruments. With mortgage interest rates at rock bottom levels, they have nowhere to go but up, which is scaring away potential interest in the real estate markets. Tangible assets like precious metals and rare coins are attracting wider interest than they have in decades!
- The price of MS-64 Morgan Dollars have not kept up with recent rising gold and silver prices. Historically they have often kept pace and even outperformed precious metals. However, as LCS Communications Officer Pat Heller noted in last month’s *Liberty’s Outlook*, the pendulum may now be swinging in the opposite direction. As dealers and collectors scramble to accumulate these bargains, supplies are disappearing.

Since I started working here at LCS in 1983, I think that right now you face one of the better opportunities to make short- to intermediate-term profits by acquiring “Blue Chip” or “generic” Mint State-64 Early Morgan Silver Dollars.

Where To Find The Best Values Today

There are a number of attractive bargains in generic US gold and silver coins right now. They will not rise by matching percentages in the next twelve months. The MS-64 Morgan Silver Dollars are available today actually far less than their \$195 peak price in mid-1989 or their \$125 price just five years ago! Even better, with our special purchase we can offer them at their lowest prices of the year!

To me, and many other knowledgeable dealers and collectors, that makes the MS-64 Morgan Silver Dollars underpriced bargains today!

LCS advised clients to sell rather than buy at the mid-1989 peak. At today’s much lower price you can acquire 26 coins for what you would have paid for 10 specimens back then.

Opportunity knocks!

Recently, LCS Communications Officer Pat Heller let me know that an East Coast wholesaler had an unusually large quantity of Very Choice Mint State-64 Early Morgan Silver Dollars, all certified by the Professional Coin Grading Service (PCGS), with virtually every specimen bright white or lightly toned. I quickly called. Even though the company had been offering them at an attractive price, we were able to negotiate a slightly better deal to take almost every coin they had. This was the largest one-time purchase of these large, beautiful, and historic coins that we have made in several years.

We have been constantly picking up other specimens here and there when we could do so at a money-saving price. However, at today's low levels, we have not come up with that many coins meeting our fussy standards that were also either certified by PCGS or the Numismatic Grading Corporation (NGC).

The bad news: At coin shows over the past three weeks, we have been trying to find more bargain lots of Very Choice Mint State-64 Early Morgan Silver Dollars. Not many coins were available. Those that were found often were priced by wholesalers close to or above our selling prices in this offer.

The Bargain Offer!

Because of our fortunate purchase, you can acquire lovely PCGS or NGC certified Very Choice Mint State-64 Early Morgan Dollars at money-saving prices ranging from \$76 all the way down to just \$72 per coin!

While I don't expect to see MS-64 Morgans return to 1989 price levels within twelve months, they might increase 25-50%.

Don't Delay!

When this bargain-priced supply is exhausted, we may have to decline further orders. To give everyone a better chance to acquire some of these historic coins, we must limit orders to 50 coins. No exceptions.

Orders will be filled on a first come, first served basis. I urge you to confirm your purchase and lock in today's low price! Call us today Toll-Free at **800-527-2375**. Or return the coupon below. You may also use your Visa, Mastercard, or Discover credit card for orders shipped to the billing address of the credit card.

Sincerely,



Tom Coulson
LCS General Manager

Yes! Please ship me the Very Choice Mint State-64 1878-1904 Morgan Dollars that I have indicated below. I understand every coin has been independently certified by the Professional Coin Grading Service (PCGS) or Numismatic Guaranty Corporation (NGC) and that all are backed by LCS's exclusive guarantees. Orders of 10 or more coins will receive at least four different dates/mintmarks. Orders of 50 coins will receive at least ten different dates/mintmarks) I may return them for a full refund for any reason within 14 days of my receipt. Limit 50 coins per order.

_____ MS-64 1878-1904 Morgan Dollars, PCGS/NGC, (1-9 coins) @\$76.00 each = _____
_____ MS-64 1878-1904 Morgan Dollars, PCGS/NGC, (10-19 coins) @\$75.00 each = _____
_____ MS-64 1878-1904 Morgan Dollars, PCGS/NGC, (20-49 coins) @\$74.00 each = _____
_____ MS-64 1878-1904 Morgan Dollars, PCGS/NGC, (50 coins) @\$72.00 each = _____

Postage (refer to Computer Quotes Page) _____
Total Enclosed _____

name _____

address _____

city,state,zip _____

telephone number _____

Confirmed by phone? _____ Confirmation # _____

Mint State-62 \$5.00 Liberties Just \$419* Each!



The \$5.00 Liberty was designed by Christian Gobrecht. He used a statue in Philadelphia of the Greek Goddess Venus for his model for Liberty. The series was struck from 1839 to 1908, the longest production of any US Gold Coin design.

In June 1989, when the spot price of gold was around \$365, common-date MS-62 \$5.00 Liberties were going for more than \$1,000 each.

Today, even though the spot price of gold is nearly 3.5 times what it was back then, you can purchase these coins for a fraction of their mid-1989 prices!

The market for Common-Date Pre-1934 US Gold Coins weakened last year as the value of the US dollar soared. Because of the strong dollar, foreign banks desperate to raise cash flow were able to sell these coins at higher prices (in their local currencies) than they could liquidate other assets.

Since the US Dollar Index has been declining over the past two months, supplies of Pre-1934 US Gold Coins have fallen off. Prices are starting to rise.

An Opportune Purchase!

At a recent coin show, I mentioned to a Midwest wholesaler friend that Mint State-62 \$5.00 Liberties looked like a good value. He told me that he had a moderate quantity back at the office. I asked if he could sell them at a discount to his published wholesale price if we took all the coins that met our fussy standards. After some back and forth, we came to terms.

The package of coins, all independently certified by either the Professional Coin Grading Service (PCGS) or Numismatic Guaranty Corporation (NGC), arrived shortly after I returned to the office. After rejecting a few pieces, we wrote a check for the rest.

Unfortunately, we were not able to acquire any additional coins at the same price from other sources.

When I researched prices charged by other dealers this month, the lowest retail price at which I found a single coin selling was at \$420. Only one coin sold at that price. A surprising number of our national competitors

do not even have any specimens in stock.

Dealers who have multiple coins available in stock are now quoting retail selling prices from \$429.95 up to more than \$500 per coin!

The Money-Saving LCS Price!

While our inventory lasts, you can purchase these lovely bargain rarities for just—

\$419 each if paid by check or cash

***\$432 per coin if paid by credit card**

plus postage (see our computer price quotes page).

That is not a misprint!

The LCS price is lower than what our competitors are charging. Even better, that price is less than 40% above the value of the gold content (0.2419 troy oz)!

Multiple coin orders will receive a variety of dates.

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

The Time Is Now!

Act Today! Orders will be filled on a first come, first served basis. Even though this is the largest stock of Very Choice Mint State-62 \$5.00 Liberties in some time, a complete sellout is almost certain!

To ensure that more customers have the opportunity to acquire one or more of these bargains, we must limit orders to four coins.

You must call to confirm availability and lock in your purchase. For best selection, order today.

To Reserve Your Purchase call us Toll-Free at **800-527-2375**.

Remember, orders paid by Visa, Mastercard, and Discover credit cards are only shipped to the card's billing address.

—Patrick A. Heller, LCS Communications Officer

Canada 2016 .9999 fine 1-Ounce Silver Cougars!

Collector Coins At A Bullion Price!

The 2016 .9999 fine 1-Ounce Silver Cougar is the first issue of the Royal Canadian Mint's four-coin series of commemoratives honoring Canadian Predators. The stunning design shows a hunting cougar leaping to subdue its prey.

The cougar, the fourth largest of the cat breeds, lives across the Western Hemisphere, from southern Canada to the Patagonia region of southern Argentina and Chile. Its exceptionally acute vision gives it the ability to be a stealthy hunter in almost any environment, day or night, from the Rocky Mountains to deserts to the forests.

A Bullion-Priced Issue! As it has done with prior issues in this series, the Royal Canadian Mint will strike up to 1,000,000 Mint State specimens of the \$5.00 1-Ounce .9999 fine Cougars. It has priced this limited edition collectible for little more than you would pay to acquire the higher-mintage Canada Silver Maple Leaf Coins. If past trends are any guide with new Canadian coin themes, this first issue of the Predators could develop a collector premium.

The Money-Saving Bullion Price! By making a timely purchase as they were issued, we can offer these coins for less than national competitors. While they last, you can purchase these beautiful coins for the following formulas:

<u>Quantity</u>	<u>Price per coin above ask silver spot</u>
10-24 coins	ask spot + \$3.69
25-99 coins	ask spot + \$3.29
100-200 coins	ask spot + \$2.99

For example, at a \$15.90 ask silver spot price, a 100-coin group would cost you \$18.89 per coin or \$1,889.00 for the group.

Special Note About Quality. A number of coin dealers go through fresh boxes of bullion-priced coins to pull out specimens that might earn a high grade from the certification services. They then sell the coins of lesser quality in rolls of uncertified coins.

At Liberty Coin Service, we do not pre-screen the contents when we open Mint-sealed boxes to search for coins to send to the grading services. These coins are packaged at the Royal Canadian Mint in tubes of



25 pieces. Each intact tube of coins that you purchase from us has the exact same coins that we received inside the Mint-sealed box. If there are any spectacular quality specimens among those you receive from Liberty Coin Service, consider it a bonus.

Warning! To give everyone an opportunity, we must limit orders to 200 coins. Although we have a large stock of these coins, a quick sellout is likely.

Act Today! To check on the current price and reserve your purchase, call us toll-free at 800-527-2375. As these coins are priced on the basis of silver bullion value, we cannot accept credit card payments. Instead, you must send us your payment.

Tom Coulson, LCS General Manager

Yes! Please send me the Mint State Canada 2016 \$5.00 Cougar .9999 fine 1-Ounce Silver Coins that I have indicated below. I understand that all are backed by LCS's exclusive guarantees and that I may return them for any reason within 14 days of receipt for a full refund. Minimum order 10 coins. Limit 200 coins per customer.

_____ Canada 2016 \$5.00 Cougar, Mint State
 @ _____ per coin = _____
 Postage (See Computer Quotes Page) _____
 TOTAL _____

Name _____
 Address _____
 C/S/Z _____
 Phone _____

Liberty Coin Service, 400 Frandor Ave., Lansing, MI 48912
800-527-2375