

Liberty's Outlook

LCS 45th Anniversary!
1971-2016

May 2016, Volume 22 Issue 5 Liberty Coin Service's Monthly Review of Precious Metals and Numismatics May 4, 2016

Gold And Silver Price Suppression Tactics Fizzle Last Week!

Precious Metals Continue Strong 2016 Performance!
US Dollar Value Falls Further!

US Dollar Performance Versus Selected Currencies and Precious Metals (12 weeks from February 9-May 3, 2016)

Currency/Precious Metal	Change
Great Britain	-0.5%
Hong Kong	-0.5%
Argentina	-1.1%
Thailand	-1.2%
China	-1.2%
Philippines	-1.4%
Euro	-1.8%
India	-1.9%
Switzerland	-1.9%
Denmark	-2.1%
Indonesia	-2.5%
Taiwan	-2.7%
Singapore	-3.2%
South Korea	-3.9%
New Zealand	-4.0%
Sweden	-4.3%
Malaysia	-4.4%
Australia	-5.5%
Chile	-6.2%
Mexico	-6.3%
Japan	-7.4%
Peru	-7.5%
Gold	-7.7%
Canada	-8.3%
Brazil	-8.4%
South Africa	-8.9%
Silver	-13.2%
Colombia	-14.1%
Platinum	-14.1%
Russia	-16.1%
Palladium	-17.8%

During intraday trading on the New York COMEX two days ago, gold briefly topped \$1,300 and silver \$18.

Gold had not closed above \$1,300.00 since it settled at \$1,300.75 on January 22, 2015. The last time before that

2016 Year To Date Results

Through May 3, 2016

Precious Metals

Silver	+26.8%
Gold	+21.7%
Platinum	+19.9%
Palladium	+8.2%

Numismatics

US MS-63 \$20 St Gaudens	+17.8%
US MS-63 \$20 Liberty	+13.6%
US MS-65 Morgan Dollar, Pre-1921	+3.1%

US Dollar vs Foreign Currencies

Argentina Peso	+9.8%
Mexico Peso	+2.3%
Great Britain Pound	+1.4%
India Rupee	+0.5%
Hong Kong Dollar	+0.2%
China Yuan	+0.0%
Philippines Peso	+0.0%
New Zealand Dollar	-1.2%
Taiwan Dollar	-1.8%
South Korea Won	-2.0%
Australia Dollar	-2.6%
Israel Shekel	-2.9%
Thailand Baht	-3.0%
Indonesia Rupiah	-4.0%
Peru New Sols	-4.5%
Sweden Krona	-4.6%
Singapore Dollar	-4.6%
Switzerland Franc	-4.8%
South Africa Rand	-5.4%

Euro	-5.5%
Chile Peso	-5.6%
Denmark Krone	-5.8%
Malaysia Ringgit	-7.3%
Russia Ruble	-7.6%
Canada Dollar	-8.1%
Colombia Peso	-8.3%
Brazil Real	-10.1%
Japan Yen	-11.4%

U.S. Dollar Index	92.96	-5.76%
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US And World Stock Market Indices

Sao Paulo Bovespa	+20.6%
Dow Jones Industrial Average	+1.9%
Australia S&P/ASX 200	+1.1%
Standard & Poors 500	+1.0%
Dow Jones World (excluding US)	-0.4%
London FT 100	-0.9%
Russell 2000	-1.2%
NASDAQ	-4.9%
Frankfurt DAX	-7.6%
Nikkei 225	-15.2%
Shanghai Composite	-15.4%

10 Year US Treasury Note interest rate	1.80%	-20.8%
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Metal Content Value Of U.S. Coins

Lincoln cent, 1959-1982	1.49¢
Lincoln cent, 1982-date	0.49¢
Jefferson nickel, non-silver	3.05¢
Roosevelt dime, 1965-date	1.39¢
Washington quarter, 1965-date	3.46¢
Kennedy half dollar, 1971-date	6.92¢

where gold settled in New York markets over \$1,300 goes all the way back to August 15, 2014, when it ended the day at \$1,303.75.

Silver had not closed in COMEX markets above \$18.00 since it finished at \$18.06 on January 28, 2015.

When these two metals last closed above those thresholds, prices then quickly declined. Five trading days after the last time gold closed over \$1,300.00 on the COMEX, it was down to \$1,255.00. After silver last closed over \$18.00, it was

pounded down the very next trading day to \$16.88, a 24-hour fall of 6.5%.

When it reached those intraday highs on Monday, gold was up more than 23% since the end of 2015 and silver had soared more than 30%!

The price of gold and, by association, silver effectively serve as a report card on the US dollar, the US economy, and the US government. It seems obvious from what happened in January 2015 that \$1,300 gold and \$18 silver were major "do not pass"

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SGE Altering Global Gold Trade page 3
Pre-1934 US Gold Coin Demand Strong page 4

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trigger points for the politicians in Washington.

So, it should be no surprise that gold and silver prices were quickly suppressed two days ago upon breaching those levels. By the COMEX close, the price of gold was down about 0.6% from its daily peak and silver plummeted 2.5%.

When examining trading activity in these metals on the COMEX, it is somewhat surprising that gold and silver prices even reached these levels two days ago. Between the previous Friday and on Monday, the number of open contracts on the COMEX gold market increased more than 4.7 million ounces—almost a 10% increase! Late the previous week, the COMEX silver market surpassed a billion ounces of open contracts for the first time in history!

For each of these contracts, there is a buyer and a seller. In theory, these contracts can be held to maturity to receive physical delivery of the underlying commodity: 100 ounces of gold per contract in that market or 5,000 ounces of silver per contract.

However, the COMEX does not require that sellers back their contracts by storing 100% of the commodity they are selling in COMEX bonded warehouses. In actual practice, most COMEX traders are investing in the price change and have no desire to hold the physical metal.

As a consequence, the COMEX vaults have only enough “registered” gold and silver in its vaults to cover a small fraction of outstanding contracts.

(Registered inventories are dedicated for delivery against maturing COMEX contracts. The vaults also hold “eligible” gold and silver bars for the convenience of the owners, but they are not committed as available to deliver against COMEX contracts unless the owners agree to change their status to registered. Be-

Find more than a thousand numismatic items offered for sale today in our eBay store and on our company's website. Gold, silver, and copper coins, exnumia, paper money, and other collectibles. On eBay, search for seller **Treasurechestofliberty**. Other items are for sale on our website at www.libertycoinservice.com.

cause storage charges in COMEX vaults tend to cost less than elsewhere, many owners of physical gold and silver choose to use them for storage without any intention of delivering them against paper contracts.)

The COMEX is open during normal trading hours in the United States, which gives this exchange significant influence on world prices for the commodities traded there. Only the London gold and silver markets trade higher volumes of contracts, which are open before most Americans conduct their investment transactions.

In allowing traders to sell gold and silver contracts on the COMEX exchanges without the necessity of owning the physical metal to back them up, the COMEX market is prone to extreme naked short selling of paper contracts. There has been ample evidence of this kind of activity in recent weeks.

On April 21, before 10 AM Eastern, more than 770,000 ounces of gold contracts were sold on the COMEX in a 2-minute period. [Last minute note—another 170,000 ounces of gold were sold on the COMEX again today.] This quantity is equal to almost 1% of global worldwide new mining output. During the same hour, in two trading periods totaling seven minutes, more than 39 million ounces of silver were sold on the COMEX. That amount equals about 5% of annual worldwide new mine production.

Massive concentrated short selling like this just does not occur in freely traded markets. Selling large quantities all at once is a guarantee of selling for the lowest possible price—exactly the opposite of what profit-seeking traders seek to avoid. To liquidate a large position for the highest possible price, the standard method is to break up the sale among multiple brokers in different markets around the globe, possibly over multiple days. By doing so, no one broker would realize the extent of the total sale, which is information that brokers might use or share to trade against the seller.

No, concentrated short selling is only done as a means to suppress prices by parties who have that result as their objective rather than to maximize the proceeds from the sales.

Commodity futures contracts that are sold all have a maturity date. So, in theory, at some point the naked short seller would have to either buy back the contract or be able to deliver the physical commodity. But, that is not what happens in the real world.

Short sellers can realize a profit by repurchasing their contract after prices fall. However, if they hold on to close to maturity, all they have to do is simultaneously buy back their maturing short position as they

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.

August 11 or 12 (tentative), Anaheim, California, American Numismatic Association World's Fair of Money “Money Talks” at the Anaheim Convention Center, 800 W. Katella Ave. Time, location, and title to be determined. For more information to go to <https://www.money.org/worldsfaireofmoney>.

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

sell short an equal position of contracts dated further into the future. By this means, short sellers may never need to come up with the underlying physical commodity to back up their trading position.

Similar trading patterns have also been long observed in the London market. The London market has two daily fixes, of which the second occurs during morning COMEX trading hours in the US. The late analyst Adrian Douglas reviewed trading patterns in the London gold market between the AM and PM fixes from the end of 1999 to 2011, a time when the gold spot price rose 400%. He found that almost every day the PM fix was lower than the AM fix. Even though the gold price soared over this time period, the price actually declined, on net, between the two fixes. More than 100% of the overall price rise occurred during the times outside of the AM and PM fixes on the same day. Douglas calculated the odds of this pattern happening strictly at random. He said it was so remote that there was a greater likelihood that the sun would not rise tomorrow.

Actually, declassified US government documents confirm that politicians had continuously manipulated gold prices going all the way back to the establishment of the Exchange Stabilization Fund in the mid-1930s to the use of the London Gold Pool in the late 1960s, right up to the most recent documents that have been released. Therefore, despite repeated assertions to the contrary, there is every reason to assume that the US government has continued to manipulate

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gold (and silver) prices all along.

Price Suppression Tactics Fizzle

In recent years, major short selling efforts were almost certainly conducted by brokers who were primary trading partners of the US government, by central bank allies of the US government, or by use of the US Exchange Stabilization Fund (which is explicitly authorized to use its resources to manipulate the price of gold).

After prices of silver peaked at the end of April 2011 and gold in early September that year, these “waterfall” selling events would often quickly knock down gold and silver prices 5-10%. Once the price suppression was over, it would usually take months for prices to recover.

Thus far in 2016, that pattern has changed dramatically.

The trend really started to change last month. Two developments are likely to impair any future efforts to continue to engage in major price suppression of gold and silver.

First, on April 7 Deutsche Bank agreed to settle class action suits by, in part, admitting that it had conspired to manipulate silver and gold fix prices on the London market. It also committed to provide evidence to help convict the other defendant banks in the lawsuits, including HSBC, Scotia Bank, and UBS.

As this settlement was being announced, The Federal Reserve Board of Governors quickly scheduled three days of emergency secret meetings the following week. After the first day of these meetings, Federal Reserve Chair Janet Yellen went to the White House for an unprecedented direct secret meeting with President Barack Obama and Vice-President Joe Biden. Participants in these meetings later claimed that nothing of particular importance was discussed, but common sense tells me that these emergency secret meetings would not have occurred to handle mundane matters.

Deutsche Bank has more problems than its admission of helping to manipulate silver and gold prices. It is in financial difficulty, with its share price down almost 90% from what it was a decade ago. The bank’s first quarter 2016 results showed a fifth consecutive revenue drop. Although

the bank reported a profit for the quarters, it was down more than 61% from the year earlier quarter and followed the previous six months where the bank reported \$9 billion in losses.

Deutsche Bank’s financial problems are extremely important for worldwide financial markets because the bank has the largest portfolio of derivatives contracts (about \$70 trillion!) of any bank in the world! Should this bank be at risk of failure, that would harm the finances of central and major private banks worldwide.

The second major market shift happened on April 19 when the Shanghai Gold Exchange began to set its own daily gold price fix. Although almost all of the 18 participants in this activity are banks effectively controlled or dominated by the Chinese government, the changes in the nature of setting this fix could threaten the future of the London and New York markets.

In order to participate in the SGE fix, the participants are required to have stored in that exchange’s vaults 100% physical metal to back any contracts they want to offer for sale. Buyers of SGE contracts will then get prompt delivery of the physical metal, not a paper promise.

Further, SGE contracts are for kilogram bars (32.15 troy ounces) using metric weights and avoid the troy weights used in London and New York. Perhaps most important though, the SGE price fix is denominated in the Chinese yuan currency, not US dollars. Contract buyers are also required to make payment in yuan.

The SGE has a disadvantage that it trades during hours which are at night in the US. However, gold contracts there have developed a slight premium to prices in the rest of the world for paper contracts.

When I checked last week, SGE gold contract prices were about a dollar per ounce higher than those traded elsewhere. I would not be surprised to see this market trading physical gold developing an even larger premium over the paper trading in the London and New York markets. It is even possible that the SGE could someday become the world’s dominant gold exchange.

Beyond these two developments, there were a number of other events that indicate potential imminent problems in the world’s economies and financial markets. Unfortunately, I don’t have space this time around to mention them in detail.

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.

With so much growing uncertainty in the world’s monetary circles, I would normally expect the US government to be extremely aggressive at restraining gold and silver prices. To my surprise, that did not happen last week.

There were recurring events on Tuesday, Wednesday, and Friday last week that over the past several years would normally reflect falling precious metals prices. Last Tuesday, the COMEX silver May options contracts expired. The higher the closing COMEX price is on option expiration days, the greater will be the demand for delivery of the physical commodity.

Last Wednesday, the Federal Open Market Committee announced at the conclusion of their two-day meeting that they were not changing the federal funds interest rate. Typically, gold and silver prices are suppressed before these announcements to give a psychological indication that the Fed has control over monetary and financial markets.

Next, last Friday was the final trading day of the month. The higher that gold and silver prices settle on such days, the more likely it will signal technical chart followers to buy precious metals.

In my mind, the US government needed the price of silver to settle on those three days below \$17. As you can see on the table on the last page, it

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did not occur on any day last week. In fact, the silver closing price closed higher five consecutive days—as did gold!

For the price of silver to have traded so far above its normal pattern over the past several years and temporarily surpassing a threshold two days ago leads me to think that the US government is losing its ability to suppress prices to the degree it had done before.

Also interesting—even though gold and silver have continued to fall in price over the past two days, their declines are to a lesser degree than occurred in January 2015. This supports my thesis that higher gold and silver prices are more likely in the near term than are significant declines.

Finally, the US dollar has continued to decline against other currencies since its peak in early February. It has now fallen in value against all 27 of the other currencies that I track. The actions of the Shanghai Gold Exchange and the announcement last week that Russia will begin an oil exchange priced in rubles rather than US dollars are likely to accelerate the future decline in the value of the dollar. That also indicates higher precious metals prices in the future.

The general media is slowly—far to slow in my opinion—starting to cover the signs that the global economy is shaky, that the US dollar is on the way down, and that the politicians and bureaucrats in Washington, DC cannot deliver a stable, much less a recovering economy. By the time such understanding is widespread, gold and silver prices will be much higher than they are today.

If you don't already have your insurance position of physical gold and silver, I urge you to make your purchases soon. Liberty Coin Service can help you.

Silver and Silver Coins

Silver closed on the COMEX today at \$17.27, up a strong \$0.95 (5.8%) over the past three weeks. As I expected, silver is now the top performing precious metal thus far in 2016.

Higher prices have again sparked demand after the lull in mid-April. But, it has also prompted a mini-surge in liquidation from investors who have tired of waiting for prices to return to levels seen five years ago.

As a consequence, there has been enough dispositions of US **90% Silver Coin**

The Month

Gold Range	66.00	5.3%
Net Change	+26.50	
Silver Range	1.63	10.0%
Net Change	+0.95	
Gold/Silver Ratio	73.7	
Net change	-2.7	
Platinum Range	108.00	10.8%
Net Change	+52.00	
Platinum/Gold Ratio	0.83	

Date	Gold	Silver	Platinum
Apr 13	1,246.75	16.32	1,003.00
Apr 14	1,227.50	16.15	990.00
Apr 15	1,233.00	16.30	990.00
Apr 18	1,233.50	16.25	978.00
Apr 19	1,253.00	16.97	1,016.00
Apr 20	1,253.25	17.13	1,028.00
Apr 21	1,249.00	17.09	1,032.00
Apr 22	1,228.75	16.90	1,011.00
Apr 25	1,239.00	17.01	1,019.00
Apr 26	1,243.00	17.13	1,012.00
Apr 27	1,249.25	17.28	1,025.00
Apr 28	1,265.50	17.55	1,050.00
Apr 29	1,289.25	17.78	1,078.00
May 02	1,294.75	17.65	1,086.00
May 03	1,290.75	17.47	1,071.00
May 04	1,273.25	17.27	1,055.00

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

(12.1%) that premiums have continued to decline. Further, most every dealer now has access to supplies to be able to make quick deliveries. They still cost about a dollar an ounce more than the **100, 10, and 1 Ounce Ingots** (6.1-6.6%) or I would make this my most recommended form of physical silver to own.

The US Mint is having trouble keeping up with demand for US **Silver Eagle Dollars** (17.0%). Through the end of April, the Mint had sold almost 20 million coins, well ahead of last year's record-setting pace. I do not recommend them as a way to own low-premium physical silver, but they make attractive gift ideas or are suitable in modest quantities in a collection.

The market in US **Blue Chip Silver (or "Generic") Coins** such as high grade common-date Morgan and Peace Silver Dollars and Walking Liberty Half Dollars looks to be on the brink of significant price increases. In just the past three weeks, the price of Gem Mint State-65 Peace Dollars is up about 20%, with almost no supplies coming

onto the market. Supplies of the other Blue Chip Silver Coins are also tight.

A handful of times over the past 30 years, at LCS we have been able to identify specific gold or silver coins that could be purchased at low prices, often at bullion-related levels, that later developed a significant collector premium. Being able to acquire such coins as bullion and sell them as collector rarities is every collector's dream.

LCS General Manager Tom Coulson thinks he may have identified the next such opportunity. Along with the US America the Beautiful Quarters struck for circulation in a program that started in 2010 and will run into 2021, the US Mint is also issuing a corresponding **America The Beautiful 5 Ounce .999 fine Silver Quarter**. These are initially being sold at bullion-related prices but the mintages are quite low compared to, for example, US Silver Eagle Dollars. Tom is putting the finishing touches on his analysis of collecting this series of coins. It will soon be posted on at www.libertycoinservice.com.

In the meantime, we jumped at the opportunity to acquire a quantity of the first issue this year, the **2016 Shawnee National Forest America The Beautiful 5 Ounce .999 fine Silver Quarter** that we can offer at a cost per ounce even lower than you would pay for Silver Eagle Dollars. These coins will appreciate as the spot price of silver increases and could be the next coins to acquire a significant collector premium. See our enclosed flyer for details.

Gold And Gold Coins

Gold settled on the COMEX today at \$1,273.25, \$26.50 (2.1%) higher than last month.

In the past few weeks, little has changed in the bullion gold coins and ingots. My low premium favorites continue to be the US **American Arts Medallions** (2.8%), the Austria **100 Corona** (2.5%), and the Mexico **50 Pesos** (2.5%).

The major action in gold coins has been with **Pre-1934 US Gold Coins**. Even many circulated issues are up around 5% over the past few weeks, much more than the rise in the gold spot price. Last week, we scooped up a lovely group of **Mint State-62 1887-S and 1888-S \$10.00 Liberties**. They are about 20 times scarcer than the most common \$10.00 Liberty, but we can still offer them to you at the very same price. Please see our enclosure.

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Liberty Coin Service Computer Quotes 2PM EDT 5.4.16

Spot Prices

Item	Qty	Fine Wt	Price	Cost/Oz	Premium
*U.S. 1 Oz Gold Eagle	10	1.0000	1,338.00	1338.00	5.0%
*U.S. 1/2 Oz Gold Eagle	10	0.5000	693.75	1387.50	8.9%
*U.S. 1/4 Oz Gold Eagle	10	0.2500	356.25	1425.00	11.8%
*U.S. 1/10 Oz Gold Eagle	10	0.1000	146.30	1463.00	14.8%
*U.S. 1 Oz Gold Buffalo	10	1.0000	1,338.00	1338.00	5.0%
*Australia 1 Oz Kangaroo	10	1.0000	1,335.50	1335.50	4.8%
*Austria 100 Corona	10	0.9802	1,280.25	1306.11	2.5%
*Austria 1 Oz Philharmonic	10	1.0000	1,330.25	1330.25	4.4%
*Canada 1 Oz Maple Leaf	10	1.0000	1,326.50	1326.50	4.1%
*China 1 Oz Panda	10	1.0000	1,362.25	1362.25	6.9%
*Mexico 50 Peso	10	1.2057	1,574.75	1306.09	2.5%
*S. Africa Krugerrand	10	1.0000	1,321.50	1321.50	3.7%
*U.S. Medallion	10	1.0000	1,310.00	1310.00	2.8%
*50 Gram Combibar	10	1.6077	2,253.50	1401.69	10.0%
*1 Oz Ingot	10	1.0000	1,313.75	1313.75	3.1%
*Austria 1 Ducat	10	0.1107	156.70	1415.54	11.1%
*Austria 4 Ducat	10	0.4428	643.25	1452.69	14.0%
*British Sovereign	10	0.2354	325.50	1382.75	8.5%
*British Sovereign, BU	10	0.2354	343.50	1459.22	14.5%
*France 20 Franc	10	0.1867	258.25	1383.24	8.6%
*Swiss 20 Franc	10	0.1867	261.25	1399.30	9.8%
\$20 Liberty BU	10	0.9675	1,465.00	1514.21	18.8%
\$20 St Gaudens BU	10	0.9675	1,470.00	1519.38	19.2%
\$20 Liberty Extremely Fine	10	0.9675	1,445.00	1493.54	17.2%
\$10 Liberty Extremely Fine	10	0.4838	720.00	1488.22	16.8%
\$5 Liberty Extremely Fine	10	0.2419	370.00	1529.56	20.0%
*U.S. 90% Silver Coin	1,000	715	13,885.00	19.42	12.1%
*U.S. 40% Silver Coin	1,000	295	5,405.00	18.32	5.8%
*U.S. Circulated Dollars	1,000	760	20,400.00	26.84	55.0%
*U.S. Silver Eagle-2016	1,000	1,000	20,270.00	20.27	17.0%
*Canada Silver Maple Leaf	1,000	1,000	19,610.00	19.61	13.2%
*100 Oz Silver Ingot	10	100	1,837.00	18.37	6.1%
*10 Oz Silver Ingot	100	10	184.70	18.47	6.6%
*1 Oz Silver Ingot	1,000	1	18.47	18.47	6.6%
*1 Oz Platinum Ingot	10	1.0000	1,140.00	1140.00	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	643.00	643.00	7.0%

Gold:	\$1,274.25
Silver:	\$17.32
Platinum:	\$1,065.00
Palladium:	\$601.00

Notes from Liberty

By Allan Beegle
LCS Chief Numismatist

April sales volume far exceeded the prior month and also the results for the same month last year, though it didn't match our activity in January or February this year. Higher gold and silver prices are definitely encouraging people to take action.

Last month's three featured offerings all sold out, as I expected. Just about every coin listed in this column also found new homes.

We were able to get more of the Canada 2016 Silver Cougars, but the replacement cost to obtain any more of the Mint State-62 \$5.00 is now well above the bargain price at which we offered them to you a few weeks ago. Through aggressive efforts, we have also come up with a handful of the Pre-1921 Very Choice Mint State-64 Morgan Dollars that, while they last, we will hold at last month's price.

Last week, LCS General Manager Tom Coulson, Communications Officer Pat Heller, and Numismatist Nicole Stroebel (ironic aside—how can someone with 15 years of experience as a coin dealer not be called a Senior Numismatist?) “worked the floor” at the large Central States Numismatic Society show near Chicago. Although it seemed like we had little inventory to offer for sale, our sales volume totaled more than any of us expected.

As buyers scurry to purchase coins, rising gold and silver prices have made it even more difficult than ever to find bargain opportunities. Demand for Pre-1934 US Gold Coins and for Blue Chip (or generic) US Silver Coins is strong,

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

Liberty Coin Service Call Toll-Free: **(800) 527-2375 National**
400 Frandor Avenue **(517) 351-4720 Local**
Lansing, MI 48912 **(517) 351-3466 Fax**
 web: www.libertycoinservice.com email: path@libertycoinservice.com
 Trading Desk Hours (Eastern): Mon-Fri 9:30AM-6PM, Sat 10AM-2PM

Coins, Rolls and Sets

U.S. 10 pc Gold Medallion Set, 1980-1984, BU	\$10,920
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:	\$1,274.25
Silver:	\$17.32
Platinum:	\$1,065.00
Palladium:	\$601.00

Numismatic Coins (PCGS/NGC/ICG Graded)

	MS-63	MS-64	MS-65
U.S. \$20.00 St Gaudens	1,525	1,605	1,950
U.S. \$20.00 Liberty	1,585	1,790	3,110
U.S. \$10.00 Liberty	930	1,420	2,995
U.S. \$5.00 Liberty	585	900	2,740
U.S. 4 pc Indian Gold Type Set	3,950	6,070	14,125
U.S. 4 pc Liberty Gold Type Set	3,520	4,670	9,655
U.S. 8 pc Gold Type Set	7,410	10,590	23,330
U.S. Morgan Dollar (Pre-1921)	63	80	165
U.S. Peace Dollar	44	59	136

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.

meaning very few could be found. But the team persisted—and struck paydirt!

A West Coast wholesaler called Pat over to his table. It turned out that he had packed some inventory that he thought would be perfect for Liberty's astute customers. He was right on target! The **Mint State-62 US 1887-S and 1888-S \$10.00 Liberties** are much rarer than the common-date issue, but we are offering them for the common-date price—while they last.

The previous week, a wholesale dealer friend had called me to encourage us to do more business with the new company that hired him. He offered us an irresistible price to purchase a quantity of the **US 2016 Shawnee National Forest Bullion 5 Ounce .999 fine Silver America The Beautiful Quarter**. Tom had recently studied the series of these largest-diameter coins ever struck by the US Mint. We agree with his assessment that this series contains many undervalued rarities. The Shawnee Quarter is a perfect example—a coin that you can now purchase at a lower cost per ounce of silver than what you would pay for the high mintage 2016 Silver Eagle Dollars, yet has the potential to sell for a higher collector value in the future (to say nothing of the possible gains as the silver spot price rises)!

With such strong demand for almost any Pre-1934 US Gold Coins and the attractive

value of these Shawnee 5 Ounce Silver Quarters, I once more anticipate a complete sellout of our featured offers.

As I regularly suggest, check the enclosed offers, then promptly call our **Trading Desk toll-free at 800-527-2375** to check on availability, prices and to confirm your order.

Here are a few other bargains picked up at the Central States show or purchased in our store. Enjoy:

Early Mint State Morgan Dollars From The New Orleans Mint: Although Morgan Dollars were struck at the Carson City, Philadelphia, and San Francisco Mints in 1878, none were struck at the New Orleans Mint until 1879.

While mintages are not low, the quantity of surviving Mint State specimens is relatively low. For example, PCGS and NGC combined have now certified 17,819 Mint State specimens of the 1879-O Morgan and only 16,736 of the 1880-O issue. This is a tiny fraction of the more than a half million 1881-S Morgan Dollars certified in Mint State grades by the two services.

From the Central States show, our buyers brought back attractive NGC-certified Mint State-60 specimens of the two early New Orleans dates. The single 1879-O coin catalogs in *Coin Values* at \$100, with your price being \$99. The two pieces of the 1880-O also catalog for \$100 and are priced at \$99.

These are both dates that are tough to locate in this grade.

Superb Gem Proof-66 Mercury Dimes: Fewer than 80,000 Proof Mercury Dimes were struck from 1936 through 1942, making all such coins many times scarcer than the later-issued Proof Roosevelt Dimes. Just 11,827 Proofs were minted in 1940 and 16,557 in 1941. From the Central States show, we have an NGC-certified Superb Gem Proof-66 piece plus three PCGS or NGC-certified coins of the same grade from 1941.

Unlike most surviving Proof Mercuries that feature unattractive toning, each of these coins have white or light evenly toned surfaces. This is the look most sought by fussy collectors. *Coin Values* lists these coins in Gem Proof-65 quality (not Proof-66!), at \$190 and \$185, respectively. The PCGS Retail catalog values for Proof-66 condition are \$290 and \$260, respectively. You can purchase the 1940 date for just \$229 or any of the 1941 coins for \$219. Prices today are a tiny fraction of the \$1,595 and \$1,465 that you would have paid for these beauties at the last major market peak in mid-1989.

NGC-Certified Mint State-62 1888 \$5.00 Liberty Rarity: This 1888 \$5.00 Liberty has a paltry mintage of just 18,201. In the past 30 years, PCGS and NGC combined have certified a meager 69 coins of this date in MS-62 grade and just 50 specimens of higher quality. The coin is so rare that no mint state specimens in any grade have appeared in major auctions within the past year. This satiny-surface coin is easily the nicest example of the handful we have ever had in stock in our 45 years in business.

We could not find any comparable quality specimens for sale offered by other dealers. The *Coin Values* listing at \$750 does not appear correct, as no specimens have sold in major auctions at that price or less going back several years. For instance, another NGC-certified MS-62 specimen sold in auction in early 2014 for more than \$1,500. PCGS Retail catalogs for this coin for \$1,300. Your cost \$995.

Please Note: Liberty Coin Service will be closed Saturday, May 28 and Monday, May 30 for the Memorial Day holiday.

Rarities At A Common-Date Price!

Mint State-62 1887-S & 1888-S \$10.00 Liberties!



To: All Clients

From: Patrick A. Heller, LCS Communications Officer

Date: May 2, 2016

Which two of these would you rather own?

- A 1904 \$20.00 Liberty, Mint State-62, mintage 6,256,699, with a total Professional Coin Grading Service (PCGS) and Numismatic Guaranty Corporation (NGC) population of 347,648, a *Coin Values* catalog value of \$1,600, now selling for \$1,520?
- A 1924 \$20.00 St Gaudens, Mint State-62, mintage 4,323,500, PCGS/NGC MS-62+ population of 572,742, listed in *Coin Values* at \$1,650, and available for \$1,520?
- A 1901-S \$10.00 Liberty in Mint State-62 quality, mintage 2,812,750, with a combined PCGS and NGC MS-62+ population of 31,007, cataloging in *Coin Values* at \$900, currently priced at \$810?
- A 1887-S \$10.00 Liberty, MS-62, mintage 817,000, total PCGS/NGC MS-62+ population of 1,139, cataloging for \$1,100, now at \$810?
- A 1888-S \$10.00 Liberty, MS-62, mintage 648,700, with PCGS and NGC together having certified 1,560 MS-62+ specimens, listed in *Coin Values* at \$1,150, selling for \$810?

If you picked the last two coins as representing the best value, give yourself a pat on the back! While the \$20.00 Double Eagles have almost a half ounce more gold content than the \$10.00 Eagles, the 1887-S and 1888-S \$10.00 Liberties are more than 200 times scarcer than these larger coins!

A Fresh Purchase!

As we have informed you, the decline in the value of the US dollar that began in early February has hurt the prices (in other currencies) at which foreign banks could sell Pre-1934 US Gold Coins. Because of that, I advised you that supplies could tighten and to look for rising prices. That is exactly what is happening.

At last week's large Central States Numismatic Society show near Chicago, a West Coast wholesaler of US Gold Coins called me over to his table. This company has buyers regularly scouring European bank vaults to acquire inventory. As he was packing some of his freshest inventory to take to the show, he realized that he had two mini-hoards of 1887-S and 1888-S \$10.00 Liberties, dates not often found in Mint State condition yet catalog in Mint State-62 condition for only a moderate premium to the 1901-S date.

The dealer told me that as soon as he saw these coins, he immediately thought that they would be a perfect fit for Liberty Coin Service. That was why he called me over when he saw me walking down the aisle. He told me what he had to show me as he reached to pull out his stock.

From decades of looking for rarer date US Gold Coins, I knew these coins were not common in Mint State condition. As I investigated further, I found them to be about twenty times rarer than the 1901-S in MS-62 and higher quality. In fact, together PCGS and NGC over their 30 years of operation have certified just one specimen of the 1887-S in MS-65 quality and a mere 16 in MS-64 condition. For the 1888-S, they have certified just 8 MS-64 coins and none in any higher grades.

These were the exact kinds of treasures that we seek but cannot often find.

-over-

Flashy Attractive Coins

Then I looked at the coins. All had been graded by the Numismatic Guaranty Corporation. Unlike many earlier \$10.00 Liberties with satiny surfaces, these coins had the flashy look that you see on dates from the end of the series. I was also surprised at the consistent, eye-appealing, solid quality. Where it is not unusual for us to reject as many as one-third of PCGS and NGC-certified coins as not meeting our fussy quality standards, I only excluded one coin from this group.

The Money-Saving Opportunity!

Then I asked for a price to purchase the group of coins. At first, the dealer wanted a higher price than I judged to be a bargain. Eventually we came to terms. They cost us more than we would have paid for comparable quality 1901-S dated coins, but still close enough to represent outstanding value.

While this inventory lasts, we offer them to you at the very same price as you would pay for the common-date 1901-S of the same quality—just \$810 per coin.

Warning: About two-thirds of the coins in this group were dated 1888-S. To even out our inventory, we will not sell the 1887-S dates separately. Instead, you can only purchase as many of the 1887-S date as you order of the 1888-S. For example, if you order two of the 1887-S date you must purchase two or more of the 1888-S as well.

They Won't Last Long!

After purchasing this group, I scoured the show for more specimens. I only found two, which were priced higher even though they were not of acceptable quality. As a complete sellout is likely, we must limit orders to eight coins.

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

Sincerely,



Patrick A. Heller

Yes! Please ship me the Mint State-62 1887-S and 1888-S \$10 Liberties that I have indicated below. I understand that every coin has been independently certified by the Numismatic Guaranty Corporation (NGC) as well as being backed by LCS's exclusive guarantees. I may return them for a full refund for any reason within 14 days of my receipt. Limit total 8 coins per order, with the quantity of 1887-S dated coins limited to the quantity of the 1888-S dated pieces purchased. Note: There is no postage charge for total combined purchases of \$5,000 or more.

_____ U. S. 1887-S \$10.00 Liberty, Mint State-62, NGC	@ \$ 810 each =	_____
_____ U. S. 1888-S \$10.00 Liberty, Mint State-62, NGC	@ \$ 810 each =	_____
	Postage (see Computer Quotes Page)	_____
	Total Enclosed	_____

name _____

address _____

city,state,zip _____

telephone number _____

Confirmed by phone? _____ Confirmation # _____

2016 Shawnee National Forest America The Beautiful 5 Ounce Silver Quarter!

- **Lower Mintage Bullion Coin!**
- **Potential Numismatic Rarity!**
- **Lower Cost Per Ounce
Than US Silver Eagle Dollars!**



To: All Clients

From: Tom Coulson, LCS General Manager

Date: May 2, 2016

A collector's dream is to be able to purchase a coin close to the value of its gold or silver content, then later sell it for a premium price as a rare collectible. This seldom happens.

However, at Liberty Coin Service, we have scooped the industry in the past with some of our recommendations:

- In mid-1986 after the US Mint released preliminary mintage figures for the US American Arts Medallion Gold Commemoratives, we recommended acquiring the lower mintage issues at prices fairly close to bullion value. Within two years, collectors had bid up the price of some of these lower-mintage issues to four times their gold value.
- A decade later, we noted that the two Uncirculated \$5.00 1996 Gold Commemoratives for the Atlanta Olympics honoring the Flag Bearer and the Cauldron could be acquired for under \$250. A few years ago, we purchased one of these from a relative of an LCS staffer for \$1,900!
- When the US Mint issued the 2001 American Buffalo Silver Dollar for around \$35, LCS's then-General Manager Pat Heller predicted a quick sellout and higher prices. Both the Proof and Uncirculated versions sold out within three weeks. Prices have ranged from \$100 to more than \$200 ever since!

In conjunction with the 56-coin America The Beautiful Quarter series that began in 2010 and will continue at the rate of five issues per year until early 2021, the US Mint is also issuing corresponding 5 Ounce .999 fine Silver America The Beautiful Quarters in Bullion (or Mint State) and Uncirculated (or Specimen) condition. These are the largest size coins—a full three inches in diameter—ever issued by the US Mint! The US Mint packages these coins in tubes that hold 10 pieces in boxes that hold 10 tubes (total of 100 coins or 500 ounces of silver per box). The design on the front and back is almost identical to that of the quarters struck for circulation. Instead of a reeded edge, the coin's weight and purity is stamped there.

Over the past two months, my study led me to conclude that this series of 5 Ounce Bullion issues will likely have a number of low mintage rarities. For instance, the current authorized mintage cap for each issue is 150,000 between the Bullion and Uncirculated specimens combined. For the 2016 Shawnee National Forest 5 Ounce Bullion issue, the US Mint reports sales of 105,000 coins. This is a tiny fraction of the almost 20 million 2016 Silver Eagle Dollars already sold this year!

When you combine such low mintages with the opportunity to acquire some of these issues at a lower cost per ounce of silver content than you would pay for bullion-priced US Silver Eagle Dollars, I think there is an excellent prospect that some of these issues could appreciate for collector rarity above and beyond any gains for higher silver prices! Therefore, I consider these coins to be the next low-risk issue that you can purchase today at bullion-related prices and perhaps cash them out in the future as collector items!

An Opportunity Arises!

Two weeks ago LCS Chief Numismatist Allan Beegle was talking with a long-time wholesaler who had recently switched companies. The friend wanted to drum up trade for his new employer and made Allan a special price to purchase

a quantity of the first 2016 5 Ounce Silver America The Beautiful Bullion Issue (that honors the Shawnee National Forest in southern Illinois) that had recently ended its production run at the Mint. Knowing of my interest in the series, Allan promptly checked with me. I quickly gave him the go ahead to purchase a supply!

The Special Price!

While our current inventory lasts, we offer these coins to you at a price formula below what you would pay to purchase the same number of ounces of 2016 US Silver Eagle Dollars:

<u>Quantity of Shawnee 5 Ounce Silver Quarters</u>	<u>LCS Sell Price Formula</u>
5-9 Coins	Spot price + \$3.29 per ounce
10-49 Coins	Spot price + \$3.09 per ounce
50-100 Coins	Spot price + \$2.99 per ounce

We can only offer these coins at these prices while our supply holds out. When I checked the prices of our competition, I found some quoting as high as \$3.99 per ounce above the spot price for 100-coin orders. To give more of our valued customers the chance to acquire these interesting, large coins, we must limit orders to 100 coins. No exceptions!

Call Today!

Act quickly! Orders will be filled on a first-come, first-served basis, so call right away to check on the current price and availability. To reserve your purchase, call us toll free at **800-527-2375**. Or return the coupon below. As these coins are priced on the basis of bullion value, we do not accept credit card payments. You must send us a payment. Also, as they are selling on the basis of bullion value, confirmed orders cannot be cancelled; there is no option to return coins for a refund.

Sincerely,



Thomas W. Coulson
LCS General Manager

Yes! Please ship me the Bullion (Mint State) 2016 5 Ounce .999 Fine Silver Shawnee National Forest America The Beautiful Quarters that I have indicated below. I understand that every coin is backed by LCS's exclusive guarantees. **Note:** As these coins are selling in relation to their bullion value, confirmed orders cannot be cancelled and there is no option to return the coins for refund. Limit 100 coins per customer.

_____ US Shawnee National Forest Bullion 5 Ounce Silver, 2016 @ _____ = _____

Postage (see Computer Quotes Page) _____

Total Enclosed _____

name _____

address _____

city,state,zip _____

telephone number _____

Confirmed by phone? _____ Confirmation # _____