

# Liberty's Outlook

Volume 21 Issue 9 Liberty Coin Service's Monthly Review of Precious Metals and Numismatics September 1, 2015

## You Haven't Seen Anything Yet!

**Extreme Physical Silver Supply Shortages; Physical Gold Becoming Scarce!**

On Monday last week, the Dow Jones Industrial Average (DJIA) fell almost 6% immediately after the market opened. Trading was suspended to allow the US government, its primary trading partners, and allies time to arrange to support (i.e. manipulate and rig) American stock markets.

Almost simultaneously, trading in the NASDAQ and Standard & Poor's 500 Indices were halted. This was apparently the first time ever that trading in the S&P 500 Index had ever been suspended (I'm not counting September 11, 2001 and the following days when the US stock exchanges never opened). (By the way, there was virtually no news reporting of these halts in stock trading—which non-action is itself an attempt to manipulate investors).

Stock market fears around the world were triggered primarily because of the dramatic decline in the Shanghai Composite Index of the Shanghai Stock Exchange. This is (was?) the world's second largest exchange by value, surpassed only by the New York Stock Exchange. From a peak on June 12, SHCOMP is now down almost 40%.

Despite extraordinary efforts by the governments around the globe to prop up stock prices Monday last week, it wasn't sufficient to allay investor fears. Over the last week, stock indices surged and waned, depending whether there were government-backed efforts to artificially support prices or investors were

### 2015 Year To Date Results

Through August 31, 2015

<i>Precious Metals</i>	
Gold	-5.2%
Silver	-7.4%
Platinum	-15.2%
Palladium	-26.2%

<i>Numismatics</i>	
US MS-65 Morgan Dollar, Pre-1921	+12.9%
US MS-63 \$20 St Gaudens	+6.4%
US MS-63 \$20 Liberty	-2.5%

<i>US Dollar vs Foreign Currencies</i>	
Brazil Real	+36.3%
New Zealand Dollar	+23.0%
Australia Dollar	+14.9%
South Africa Rand	+14.9%
Chile Peso	+14.2%
Mexico Peso	+13.6%
Indonesia Rupiah	+13.5%
Canada Dollar	+13.1%
Thailand Baht	+8.7%
Peru New Sol	+8.5%
South Korea Won	+8.1%
Euro	+7.9%
Singapore Dollar	+6.5%
India Rupee	+5.3%
Philippines Peso	+4.7%
China Yuan	+2.8%

Taiwan Dollar	+2.6%
Great Britain Pound	+1.5%
Japan Yen	+1.3%
Hong Kong Dollar	-0.1%
Switzerland Franc	-2.7%
U.S. Dollar Index	95.86 +6.4%

<i>US And World Stock Market Indices</i>	
Tokyo Nikkei 225	+8.3%
Frankfurt Xetra DAX	+4.6%
NASDAQ	+0.9%
Shanghai Composite	-0.9%
Russell 2000	-3.8%
Australia S&P/ASX 200	-3.8%
S&P 500	-4.2%
London FT 100	-4.9%
Dow Jones World (ex-US)	-5.4%
Sao Paulo Bovespa	-6.8%
DJIA	-7.3%

10 Year US Treasury Note interest rate	2.204%	+1.43%
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<i>Intrinsic Metal Value Of U.S. Coins</i>	
Lincoln cent, 1959-1982	1.53¢
Lincoln cent, 1982-date	0.47¢
Jefferson nickel, non-silver	3.14¢
Roosevelt dime, 1965-date	1.43¢
Washington quarter, 1965-date	3.56¢
Kennedy half dollar, 1971-date	7.12¢

rushing to cash out.

In the US, new regulations implementing the Dodd-Frank law that shortened the time that investors had to meet margin calls on leveraged investments resulted in greater liquidation of stockholdings than in previous stock declines. This put further downward pressure on US stock prices.

As part of the strategy to dissuade investors from selling their stocks, it was necessary that alternative safe havens for funds also perform weakly. As a consequence, there were significant efforts to suppress gold and silver prices so that investors would not flee the stock markets to move their funds into

precious metals.

Because the silver market is far smaller than for gold, most of the price manipulation focused on the white metal (see the daily US closing markets on page 4). Once gold rose past \$1,100 again, it has not dropped back below that level. In contrast, silver was not only bombed back below \$15.00, it was pushed down to close at \$14.04 last Wednesday, its lowest close in more than six years, since it settled at \$13.88 on August 20, 2009. In fact, during intraday trading on August 26, the price of silver sank below \$14.00!

### Value Of US Dollar As Measured Against Gold

Value of \$1.00 at creation of Federal Reserve in 1913	0.0484 tr oz
Value of \$1.00 today	0.0009 tr oz
Change in value of US dollar against gold since 1913	-98.1%

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 RCM Introduces "Bullion DNA" Maples page 4

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By the end of last week, it appeared that some amount of normalcy was returning to world financial markets. On that basis, some so-called experts were predicting that the worst was behind us. Some even projected that US stock market indices would soon exceed their recent peaks.

That is not what is happening so far this week.

Yesterday, most global stock indices fell again. The DJIA lost a net 6.6% for the month of August. The fact that the Dow closed lower yesterday, the last day of a month, is especially telling. If the

### List Of US Government Primary Trading Partners.

The primary dealers serve as trading counterparties of the New York Fed in its implementation of monetary policy. They are required to 1) participate consistently in open market operations to carry out US monetary policy pursuant to the direction of the Federal Open Market Committee (FOMC), and 2) provide the New York Fed's trading desk with information and analysis to help implement these policies.

Further, they are also required to participate in all auctions of US government debt and to make reasonable markets for the New York Fed to trade on behalf of its foreign official account holders.

**When the US government wants to surreptitiously manipulate markets, the primary trading partners are the entities that conduct or arrange to execute the transactions to do so.** Currently, the 22 primary trading partners are:

Bank of Nova Scotia, New York Agency  
BMO Capital Markets Corp.  
BNP Paribas Securities Corp.  
Barclays Capital Inc.  
Cantor Fitzgerald & Co.

Citigroup Global Markets Inc.  
Credit Suisse Securities (USA) LLC  
Daiwa Capital Markets America Inc.  
Deutsche Bank Securities Inc.  
Goldman Sachs & Co.

HSBC Securities (USA) Inc.  
Jefferies LLC

J.P.Morgan Securities LLC  
Merrill Lynch Pierce Fenner & Smith Incorporated

Mizuho Securities USA Inc.

Morgan Stanley & Co. LLC  
Nomura Securities International, Inc.  
RBC Capital Markets, LLC  
RBS Securities Inc.  
SG Americas Securities, LLC

TD Securities (USA) LLC  
UBS Securities LLC

US government and its partners don't have enough financial firepower to prop up the stock market on the last trading day of a calendar month, a day that is followed by many technical traders, we could be in serious trouble soon.

Today, the carnage was even worse. The stock slump in China was reinforced by poor manufacturing data released in the US. The DJIA closed today 2.84% lower than yesterday and other major world indices declined by one to more than three percent. At today's close, the DJIA is down 11.5% from its June 23 peak.

### Is The Worst Over?

In "normal" stock markets, any sell-off tends to overshoot. That results in a rebound quickly thereafter. This is the basis why some financial commentators think that the worst of the stock market declines may be behind us.

However, stocks are not operating in normal markets right now. They would have fallen much further but for the tactics used to prop them up.

So, right now, there are a lot of shareholders scared to stay in the stock markets. Because of this, I would expect to see major selling occur upon any rallies of stock prices.

As a result, the US dollar, which has slowly been declining against other currencies, has seen some strength in the past two weeks. Interest rates have fallen as people sought the perceived safety of bonds.

Those who have been lulled into thinking that the immediate crisis is over are going to be shocked and very unhappy—a lot sooner than almost anyone thinks. In my opinion, the worst is yet to happen.

### What Could Further Rock World Financial Markets?

The US government, its primary trading partners, and allies have trillions of dollars in financial clout. They can also change laws or regulations to further their purposes. However, they do not have infinite resources and cannot always change laws, especially outside the US.

There are a handful of indicators that the US government is getting closer to the day when it will no longer be able to prop up the stock markets or hold down precious metals prices. Here are some of them.

1. Its inability to successfully stop the declines in US stock markets last week and the first two days this week are scarier than most people realize. Propping up the markets involves spending money to purchase index futures when the markets are closed as a means to magnify market pressure. When markets are open, it seems like about 50% of the trading days over the past several years there has been a sudden spike in US stock indices during that last few minutes before the close. This is not trading on the basis of investor activity. To the extent that US stock markets do not recover,

### Patrick A. Heller's Upcoming Speeches and Appearances

September 19, Grand Rapids, Michigan, "Consumer Protections When Buying and Selling Precious Metals," part of the Michigan State Numismatic Society Educational Program, at the Neal E. Fonger Post #179 American Legion at 2327 Wilson Ave SW, Grand Rapids, MI 49534. Registration required at <http://www.michigancoinclub.org/westside%20seminar.html>. Cost \$20 to MSNS members, \$25 for non-members. Entire four programs run from 9AM to 4 PM, lunch and refreshments included in the fee.

November 23-24, San Francisco, California, Silver Summit and Resource Expo, Park Central Hotel San Francisco, 50 Third Street. Subject and time to be determined. For information, go to <https://cambridgehouse.com/event/50/the-silver-summit-and-resource-expo-2015>.

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](mailto:path@libertycoinservice.com).

that is a signal that the artificially high indices are more likely to decline than rise over the coming months.

2. The fact that the gold spot price did not close in US markets below \$1,100 during the past few weeks is another signal that the US government is unable to muster enough resources to manipulate markets as easily as it has done for the past several years.

3. The continuing rise of the Chinese yuan to someday displace the US dollar as the world's dominant international currency is going to drive down the value of the US dollar over time. As more dollars and Treasury debt in foreign hands is returned to the US Treasury, they will need to be redeemed for American goods, services, and assets, with no receipt of anything of value but the repatriated paper documents. This will reduce wealth in America.

4. The coming massive number of insolvencies of state and local governments and government school districts. *The Detroit News* just ran a story (go to <http://www.detroitnews.com/story/news/education/2015/08/30/school-credit/71442824/>) listing the 43 Michigan government school districts that have suffered credit downgrades thus far in 2015 (versus only one district with an upgrade).

None of these downgrades reflect the  
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coming change in state and local government financial reporting that will require more prominent reporting of unfunded liabilities, such as retiree pensions and health care benefits. Once governments have to publicly report how badly indebted they are, I expect that the majority of them will show they are insolvent and may be forced to file bankruptcy. Massive financial crises across the country will clobber any other positive economic news.

5. Massive debt defaults are looming. The US student and vehicle loans are running at record high default rates. American and Canadian banks are buried in billions of dollars of loans to the shale oil industry that are currently shaky.

6. Canada is officially in a recession. France's economy is contracting, as are some other developed countries. Today, the Institute of Supply Management reported that US manufacturing growth in July was the lowest in more than two years. Export orders were the lowest since July 2012.

Factories have been piling up unsold inventories, which is the pretext by which the Department of Commerce is claiming an increase in Gross Domestic Product. However, rising inventories will lead to future production declines and lower employment levels.

## Massive Shortages Of Physical Silver And Gold

7. The growing shortages of physical gold and silver. Normally when prices fall, that indicates a surplus of supply, and decline in demand, or both. The opposite is true with precious metals. Prices have fallen because of the massive short selling of commodity paper contracts. On the physical market, it is a whole different story.

Lower spot prices for gold and silver have stirred public demand, independent of any worries about the risk of falling values for paper assets such as stocks, bonds, and currencies. Inventories held in exchange traded funds and in commodity exchange warehouses are plummeting to cover part of the supply shortfalls.

Physical silver is in the most extreme shortage. Because of low prices compared to recent years, little is being liquidated. Last week, a spokesperson for the US Mint stated that it had capacity to strike many more US **Silver Eagle Dollars** (29.3%) but suppliers

of coin blanks cannot provide enough pieces to meet strong demand. **For most bullion-priced silver coins and ingots, delivery delays are running 6 to 11 weeks after payment, depending on the particular product.**

Most dealers, including LCS, are no longer accepting orders for Canada **Silver Maple Leafs**. A large number of dealers have also stopped taking orders on US **90% Silver Coins** (LCS will still take smaller orders).

For most of August, bullion-priced gold coins and bars of some kind were available for immediate or short-delay delivery. **Beginning this week, almost all gold products are now for delivery one to two weeks after payment is made.**

By the time you read this, delivery times are likely to be even longer for physical silver and gold than they are today.

As the general public learns how tight physical precious metal supplies have become, that will almost certainly add to demand. At some point, it will not be possible to continue to take inventories from exchange traded funds and the bonded warehouses for COMEX and the London Bullion Market Association. As that day approaches, the rise in gold and silver prices will take off in earnest—and probably accelerate.

Today, supplies of physical gold and silver are so tight that there is a strong likelihood that jewelry manufacturers will be unable to obtain enough raw material to fabricate all the product that retailers order for their holiday season sales. It is quite possible that this is how the public will learn of gold and silver shortages—when their jewelers tell them that they cannot get sufficient inventory to meet customer demand.

If (when) gold and silver prices take off, that will encourage more investors to get out of stocks, bonds, and currencies, further hurting the values of those assets.

## What Now?

There isn't enough space to list several other factors that put paper assets at high risk of further declines in value.

In my judgment, since it was revealed last year that governments, central banks, and sovereign investment funds now own more than 50% of publicly traded stocks worldwide, the top priority of governments will be to try to prop up stock values. From market trends over last week and this, I don't think this can be fully successful for long.

For more than a year now, the Federal Open Market Committee has made multiple indications that it would raise the federal funds interest rate multiple times this year and again in 2016. The FOMC only has three more meetings this year to carry out that threat.

## 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>
	10-20%	20-25%	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.

In particular, the Fed is still trying to get people to think it will raise this interest rate at their next meeting in two weeks. Since the US government, as the world's largest debtor, is the largest beneficiary of low interest rates, it cannot afford to add to budget deficits by increasing the interest rate. Further, an interest rate increase would signal lower profits for publicly held companies because their interest costs would increase. Because of these two factors, the FOMC needs whatever excuse it can use to avoid raising the federal funds interest rate in two weeks. The current stock turmoil would be the perfect excuse to justify leaving the interest rate alone.

Now, having said that the US government cannot afford to raise interest rates, the politicians and bureaucrats don't want to be perceived as total blowhards. Because of this, they still might impose one or maybe even two small interest rate increases just to prove they weren't lying about doing so.

Still, the FOMC has an ideal excuse to not raise the interest rate soon. I don't think the FOMC will refuse this gift alibi as a pretext to not do what it has consistently promised to do this year.

I previously thought that people might have longer time to build their insurance positions of physical gold and silver. It is not my intention to panic anyone into a knee-jerk reaction. Still, I encourage everyone to do their due diligence investigation of physical precious metals and acquire their holdings very soon. See the above table for guidance. Call or

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stop by our store soon.

## ANA Convention Report— Rare Coins Strong

The American Numismatic Association World's Fair of Money near Chicago three weeks ago showed perhaps the strongest buying enthusiasm since some of the major coins shows in the late 1980s. This is normally the second largest American coin show of the year after the Florida United Numismatists convention in January.

No wonder dealers were happy. Wholesalers were severely short on filling orders for high-grade Morgan and Peace Silver Dollars, high-grade Walking Liberty Half dollars, and most Mint State US Gold Coins. They were scrambling to acquire inventory, which trickled across the spectrum.

Action was stimulated when it was reported on August 10 that a major wholesaler, a relatively young company, had defaulted on promises to deliver to customers quantities of Royal Canadian Mint 10 Ounce Silver ingots. Top officials from the RCM told me that they set production records in July, but just could not keep up with demand.

Prices for most coins were very strong at the show, with some issues up 5-10% during the course of the week. By being aggressive buyers early, we were able to pick up a number of bargains for our customers.

It definitely appears that the decline in High-Grade Pre-1934 US Gold Coins ended a couple months ago. Those who purchased our offerings of Very Choice Mint State-64 \$5.00 Liberties or Choice Mint State-63 \$5.00 Indians earlier this year have done well.

## Silver and Silver Coins

After turbulent trading for the past four weeks, the price of silver settled in US markets today at \$14.61, up only one cent (0.07%) since August 5.

Although prices may seem relatively quiet, they were not. Three days, the spot price fell by more than fifty cents from the previous day.

With the Gold/Silver ratio near its highest in some years, I heavily recommend purchasing bullion-priced silver over gold for the time being. While I think gold will do well, I expect silver to outperform the rise in the price of gold by 50-100% in the next few years.

Demand for silver is so strong that virtually all premiums are up. Coins such as Canada Silver Maple Leafs and US 90% Silver Coins are virtually unobtainable even if you

## The Month

Gold Range	74.25	6.8%
Net Change	+53.50	
Silver Range	1.47	10.1%
Net Change	+0.01	
Gold/Silver Ratio	77.9	
Net change	+3.6	
Platinum Range	84.00	13.3%
Net Change	+57.00	
Platinum/Gold Ratio	0.89	

Date	Gold	Silver	Platinum
Aug 05	1,085.25	14.60	951.00
Aug 06	1,090.25	14.67	956.00
Aug 07	1,094.00	14.81	962.00
Aug 10	1,104.25	15.29	989.00
Aug 11	1,107.50	15.28	992.00
Aug 12	1,123.25	15.47	1,000.00
Aug 13	1,115.75	15.40	995.00
Aug 14	1,113.00	15.21	994.00
Aug 17	1,118.50	15.30	1,000.00
Aug 18	1,117.00	14.78	994.00
Aug 19	1,128.00	15.17	1,013.00
Aug 20	1,153.00	15.51	1,035.00
Aug 21	1,159.50	15.30	1,027.00
Aug 24	1,153.50	14.76	991.00
Aug 25	1,140.50	14.69	975.00
Aug 26	1,124.50	14.04	980.00
Aug 27	1,122.50	14.42	1,006.00
Aug 28	1,133.00	14.53	1,022.00
Aug 31	1,126.00	14.43	1,001.00
Sep 01	1,138.75	14.61	1,008.00

London Silver Market Premium To New York Silver Market = 2¢

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

were willing to wait for three months or longer for delivery. Premiums are regularly increasing and delivery delays are getting longer every week.

We are not yet in the silver buying frenzy that developed in late 2008 when the spot price fell more than 50% from earlier in the year. But we aren't that far away. At the peak of demand in 2008, orders for 1 Ounce Silver Ingots and Rounds were for delivery up to four months later!

Right now, the **100, 10, and 1 Ounce Silver Ingots** (9.9-11.3%) are the most reasonably priced forms of physical silver to purchase. As long as deliveries are taking once the orders are paid, I recommend dealing with long established dealers, preferably those who have been in business at least 20 years. The coin dealer bankruptcies and de-

livery defaults this year have involved younger companies that may not have had the experience to ride through the ups and downs of customer demand. Fortunately, LCS has been around 44 years, with four staff who started working here at least 30 years ago.

The Royal Canadian Mint has modified the designs of the 1 Ounce Gold and Silver Maple Leaf Coins to make them more difficult to counterfeit. In addition, each of these coins are imprinted with "Bullion DNA" that can be verified back to the dies used to strike these coins at the Mint. LCS should be one of first dealers to receive a verification machine when they are released later this year.

With the introduction of the Royal Canadian Mint Bullion DNA issues, I would not be surprised to see a two tier market develop. The new style issues that can be verified as genuine are likely to be worth slightly more on the secondary market compared to the pieces issued up until now. Price differences have not appeared yet. If you are able to purchase the newly-designed coins without paying any extra, I strongly urge that you do so.

We have updated our analysis of **Peace Silver Dollars** that have the highest appreciation potential. With strong demand and few coins available, we have decided to offer our modest inventory of **Better-Date High-Grade Peace Silver Dollars** now rather than wait for prices to rise further. See our enclosure for details.

## Gold And Gold Coins

Though turbulent, gold experienced a significant rise of \$53.50 (4.9%) from a month ago.

Demand for gold has increased, though nowhere near to the degree that it has for silver. As a result, premiums are little changed and most products are available with a maximum of two weeks delivery after payment.

However, delays are starting to get longer, so don't be surprised if delivery times stretch further into the future during September.

At the ANA show, a Midwest dealer friend offered us a lovely group of **About Uncirculated Italy 1911 50 Lire Gold Commemoratives for the 50th Anniversary of the Kingdom of Italy**. Mintage is a modest 20,000 pieces and they were the only Italian gold coins struck that year. They feature a lovely reverse design of a standing couple.

Until a mini-hoard came onto the market a couple years ago, they were so scarce we had never handled any before. Now we offer them at prices below our competition—but only while they last. See our flyer.

**Liberty Coin Service Computer Quotes 2PM EDT 9.1.15**

**Spot Prices**

Item	Qty	Fine Wt	Price	Cost/Oz	Premium
*U.S. 1 Oz Gold Eagle	10	1.0000	1,200.00	1200.00	5.2%
*U.S. 1/2 Oz Gold Eagle	10	0.5000	619.50	1239.00	8.6%
*U.S. 1/4 Oz Gold Eagle	10	0.2500	316.75	1267.00	11.1%
*U.S. 1/10 Oz Gold Eagle	10	0.1000	131.50	1315.00	15.3%
*U.S. 1 Oz Gold Buffalo	10	1.0000	1,200.00	1200.00	5.2%
*Australia 1 Oz Kangaroo	10	1.0000	1,199.00	1199.00	5.1%
*Austria 100 Corona	10	0.9802	1,142.75	1165.83	2.2%
*Austria 1 Oz Philharmonic	10	1.0000	1,191.00	1191.00	4.4%
*Canada 1 Oz Maple Leaf	10	1.0000	1,188.75	1188.75	4.2%
*China 1 Oz Panda	10	1.0000	1,219.50	1219.50	6.9%
*Mexico 50 Peso	10	1.2057	1,408.50	1168.20	2.4%
*S. Africa Krugerrand	10	1.0000	1,188.75	1188.75	4.2%
*U.S. Medallion	10	1.0000	1,172.75	1172.75	2.8%
*50 Gram Combibar	10	1.6077	2,017.50	1254.90	10.0%
*1 Oz Ingot	10	1.0000	1,173.75	1173.75	2.9%
*Austria 1 Ducat	10	0.1107	142.00	1282.75	12.4%
*Austria 4 Ducat	10	0.4428	578.25	1305.89	14.5%
*British Sovereign	10	0.2354	291.25	1237.26	8.5%
*British Sovereign, BU	10	0.2354	309.25	1313.72	15.2%
*France 20 Franc	10	0.1867	233.50	1250.67	9.6%
*Swiss 20 Franc	10	0.1867	236.75	1268.08	11.2%
\$20 Liberty BU	10	0.9675	1,405.00	1452.20	27.3%
\$20 St Gaudens BU	10	0.9675	1,415.00	1462.53	28.2%
\$20 Liberty Extremely Fine	10	0.9675	1,380.00	1426.36	25.0%
\$10 Liberty Extremely Fine	10	0.4838	690.00	1426.21	25.0%
\$5 Liberty Extremely Fine	10	0.2419	380.00	1570.90	37.7%
*U.S. 90% Silver Coin	1,000	715	Not available in large quantity		
*U.S. 40% Silver Coin	1,000	295	4,925.00	16.69	13.9%
*U.S. Circulated Dollars	1,000	760	22,500.00	29.61	101.9%
*U.S. Silver Eagle-2015	1,000	1,000	18,960.00	18.96	29.3%
*Canada Silver Maple Leaf	1,000	1,000	Not available		
*100 Oz Silver Ingot	10	100	1,611.00	16.11	9.9%
*10 Oz Silver Ingot	100	10	162.60	16.26	10.9%
*1 Oz Silver Ingot	1,000	1	16.31	16.31	11.3%
*1 Oz Platinum Ingot	10	1.0000	1,087.00	1087.00	6.8%
*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	624.00	624.00	6.7%

**Gold:** \$1,140.75  
**Silver:** \$14.66  
**Platinum:** \$1,018.00  
**Palladium:** \$585.00

**Notes from Liberty**

By Tom Coulson  
 LCS General Manager

*(I'm filling in this month while LCS Chief Numismatist Allan Beegle is on a much-deserved vacation.)*

For the third month in a row, August sales were the highest of any month thus far in 2015! If we could have received faster deliveries of silver coins and ingots, sales would have soared!

Last month's offering of the Superb Gem Mint State-66 Walking Liberty Half Dollars sold out quickly. When Allan Beegle and LCS Owner Emeritus Pat Heller "worked the floor" at the huge American Numismatic Association World's Fair of Money near Chicago three weeks ago, virtually no additional coins were available. The few who now have some in stock are mostly quoting us prices higher than we sold them to our customers last month.

The Mint State 1902-S King Edward VII Sovereigns also sold out, as did almost everything listed in this column. When we say the time to buy is now, we mean it!

At the ANA show, Allan and Pat sold an extraordinary amount of coins, but also brought home a nice variety of great bargain purchases. Of any coin show that any of us have attended over the decades, this is the only one where every dealer we talked with said they were having good activity. Every other time, there would always be some that had so-so action or had poor results.

From a Midwest dealer friend, Allan and Pat brought back 22 specimens of the incredibly rare **Italy 1911 50 Lire Gold Commemorative for the 50th Anniversary of the Kingdom of Italy.**

<b>LCS Postage Charges</b>	
Value of Contents	Postage Charge
Under \$50	\$4
\$50-250	\$8
\$250-499	\$15
\$500-999	\$22
\$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	\$9,775
U.S. Morgan Dollar, 1921, Brilliant Uncirculated Roll/20	\$710
U.S. Morgan Dollar, Pre-1921, Brilliant Uncirculated Roll/20	\$935
U.S. Peace Dollar, Brilliant Uncirculated Roll/20	\$640

<b>Gold:</b>	\$1,140.75
<b>Silver:</b>	\$14.66
<b>Platinum:</b>	\$1,018.00
<b>Palladium:</b>	\$585.00

*Numismatic Coins (PCGS/NGC/ICG Graded)*

	MS-63	MS-64	MS-65
U.S. \$20.00 St Gaudens	1,510	1,575	2,085
U.S. \$20.00 Liberty	1,570	1,815	3,400
U.S. \$10.00 Liberty	1,060	1,585	3,030
U.S. \$5.00 Liberty	635	880	2,860
U.S. 4 pc Indian Gold Type Set	4,235	6,190	14,905
U.S. 4 pc Liberty Gold Type Set	3,785	4,860	10,270
U.S. 8 pc Gold Type Set	7,960	10,900	24,725
U.S. Morgan Dollar (Pre-1921)	65	82	175
U.S. Peace Dollar	52	64	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.

This one-year type coin has a modest mintage of 20,000 and was the only Italian gold coin struck that year. The artwork on the reverse, designed by a famous Italian sculptor, is breathtaking. These About Uncirculated coins come from the tail end of a discovery hoard that appeared on the market a couple years ago. By purchasing this group, we offer these coins for less than others have sold. Warning—when these coins are gone, we may not be able to find any more. Also, once a hoard is sold out, prices frequently rise. In other words, if you are interested, the time to buy is right now.

One disappointment at the ANA was the dearth of **High Grade Better-Date Peace Dollars**. Right before the show, we had updated our analysis of what we consider to be the dates and grades with the best appreciation potential. Though Allan and Pat searched high and low, they did not find many specimens at all. Of those available, several did not meet our strict standards and others were priced so high that we did not think they reflected good value. With supplies tightening and prices starting to rise, we have decided to offer our smaller inventory now so our valued customers can acquire coins for the lowest possible prices.

Along with these purchases, Allan and Pat brought back several smaller groups of desirable coins from the ANA, including all of those listed here.

It would not surprise me at all if everything offered this month sold out. For best selection, please contact us early to confirm your order. Reach our **Trading Desk toll-free at 800-527-2375** to do so.

As promised above, here are other tempting bargains. Enjoy reviewing them:

**Roman Emperor Commodus Choice Very Fine Silver Denarius:**

If you have watched the movie *Gladiator* starring Russell Crowe, Commodus was the Roman Emperor who was the opponent of Crowe's character. Ever since this movie was released, all coins issued by Commodus have been popular with collectors and the general public.

From a Southwest dealer who normally does not deal much with ancient coins, Pat snapped up a small group of Silver Denarius issued by Commodus that are all graded Choice Very Fine by NGC. The obverses are so sharply detailed that they deserved a higher grade. However, as is typical for most issues of Commodus, the reverses were weakly struck, thereby appearing more worn than they really are.

I loved this group so much that I even bought one for myself! You will also be pleased. Only \$125 each while they last.

**Super High Grade Late Czarist Russia Silver Coinage:** After Czar Nicholas II abdicated in 1917, a five year

civil war ensued. When the Bolsheviks finally won and formed the Soviet Union, the previous money was soon replaced.

Pat picked up six specimens of spectacular, flashy 1915- and 1916-dated Silver Kopek coinage issued by Czar Nicholas II. None of these coins are rarities for issue, but they are all prized treasures for their high grade.

The obverses depict the double-headed imperial Russian eagle, with ribbons flowing from the crown. The reverses have a wreath around the perimeter, a crown at the top, and the denomination over the date in the center.

All six pieces are certified by NGC. We have two coins graded Gem Mint State-65, a 15 Kopeks and a 20 Kopeks dated 1915 and struck at the St. Petersburg Mint. You can buy either for \$99 apiece.

We have two of the 10 Kopeks in Superb Gem Mint State-66 quality. The 1915-dated coin was struck at St. Petersburg, while the 1916-dated issue was struck in Osaka, Japan. Either would cost you \$119.

Last we have two pieces of the 1916-dated 15 Kopeks struck at the Osaka Mint and graded Superb Gem Mint State-66. You can own them for \$129 each.

**Sharply Detailed US Trade Dollars That Circulated In The Far East:**

As Western States started to produce large quantities of silver, the US government created a Trade Dollar for circulation in Asia in competition with dollar-sized coins of other nations. They were struck for circulation from 1873 to 1878, then proofs only were minted through 1885. These coins are slightly larger and have a bit more silver content than the later Morgan and Peace dollars.

Allan picked up some sharply detailed specimens from a West Coast dealer. Each bears chop marks of Oriental merchants, testifying to their authenticity and to their circulation in Asia. Each coin has been cleaned, but otherwise grades Extremely Fine to About Uncirculated. Problem-free coins of this quality would cost you at least \$300. You can own these pieces of history for just \$139 apiece.

**Please Note:** Liberty Coin Service will be closed Saturday, September 5, and Monday, September 7 for the Labor Day holiday.

**Beauty, Rarity, and Value in a One-Year Type Coin!**

# Italy 1911 50 Lire Gold Commemorative!



To: All Clients

From: Tom Coulson, LCS General Manager

Date: August 28, 2015

Which would you rather own?

A) A Choice About Uncirculated-55 US \$10.00 Liberty struck from 1838 to 1907, gold content 0.48375 oz., with a total mintage of nearly 43 million coins for \$700; or

B) A Choice About Uncirculated-55 Italy 50 Lire issued only in 1911, gold content 0.4367 oz., for the 50th Anniversary of the Founding of the Kingdom of Italy, with a total mintage of just 20,000, for just \$1,295.

If you picked the Italian gold rarity, pat yourself on the back.

To make this gold commemorative even more special, the Italian government did not issue any other gold coins in 1911.

All Italian gold coins issued shortly before World War 1 have modest mintages.

Accordingly they all trade at high prices compared to gold value. For instance, the Rome Mint issued Gold 10, 20, 50, and 100 Lire in 1910, with a combined mintage of more than 37,000 coins. It again struck the four denominations in 1912, totaling more than 80,000 coins issued.

In contrast, only 20,000 gold coins were struck in 1911, all of them this 50 Lire Commemorative. These coins are so scarce that the 2015 edition of *The Standard Catalog of World Coins 1901-2000* catalogs these coins in Extremely Fine condition at \$2,000 apiece and Mint State-60 grade at \$3,000 each. None of us at Liberty Coin Service can recall ever handling a single specimen in our 44 years in business.

Like all Italian coins of the era, the obverse depicts Italian King Vittorio Emanuele III. The reverse, designed by the renowned Italian sculptor Domenico Trentacoste, features a unique, beautiful, and highly artistic classical style rendering of a standing couple. To the lower left is "1861-1911" and the "L.50" is at the lower right. Officially, the coin is undated because the 1911 does not stand alone. While other artists designed the other Italian gold coins of the era, Trentacoste earned the honor to design this special commemorative.



*Enlarged to show intricate detail*

## **A Modest Discovery Hoard!**

A modest hoard of these Italian rarities appeared about two years ago. There were a handful of Mint State specimens and a few that graded only Extremely Fine or were damaged. Because of the rarity of these coins, most of the rest that have sold were put into auctions.

At the American Numismatic Association World's Fair of Money three weeks ago, a Midwestern dealer told LCS Chief Numismatist Allan Beegle that he had a group of 25 About Uncirculated specimens of this coin, all independently certified by the Numismatic Guaranty Corporation (NGC). Allan and LCS Owner Emeritus Pat Heller researched the coins. The dealer was offering a significant discount to make a bulk purchase. Pat quickly went to examine the lot.

Three coins did not meet our exacting standards. After excluding them, we still bought the rest at the bargain price.

On checking sales records, we found that the Very Choice About Uncirculated-58 specimens are selling for about \$1,600 or more, the Choice About Uncirculated-55 pieces are going elsewhere for about \$1,450, and the About Uncirculated-53 coins are selling for around \$1,375. While they last, we can offer you these lovely rarities for the first time in LCS history at money-saving prices:

<u>Italy 1911 Gold 50 Lire Commemorative of the 50th Anniversary of the Italian Kingdom</u>	<u>LCS Price</u>
<b>Very Choice About Uncirculated-58, NGC</b>	<b>\$1,395</b>
<b>Choice About Uncirculated-55, NGC</b>	<b>\$1,295</b>
<b>About Uncirculated-53, NGC</b>	<b>\$1,250</b>

**They Won't Last Long!**

We infrequently have the opportunity to acquire and offer coins of this rarity and beauty. In our experience, when we have been able to offer such scarce treasures or discovery hoards as they are almost completely dispersed, prices invariably increase soon thereafter.

Unfortunately, when this lot sells out, we don't know when (or if) we might ever be able to find additional coins at these prices. To enable as many of our customers as possible the opportunity to acquire one or more of these beautiful rarities, we must set an absolute limit of 4 coins per customer. No exceptions!

**Call Today!**

Act quickly! Orders will be filled on a first-come, first-served basis, so call right away. To reserve your purchase, call us toll free at **800-527-2375**. Or return the coupon below. You may use your Visa, Mastercard, or Discover credit card payments for purchases shipped to the billing address of the credit card.

Sincerely,



Tom Coulson  
LCS General Manager

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Yes! Please ship me the Very Choice About Uncirculated-58, Choice About Uncirculated-55, or About Uncirculated-50 Italy 50 Lire Gold Commemoratives of the 50th Anniversary of the Kingdom of Italy. I understand that every coin has been independently certified by the Numismatic Guaranty Corporation (NGC) and is backed by LCS's exclusive guarantees. I may return them for a full refund for any reason within 14 days of my receipt. Limit 4 coins per customer.

_____ Italy 50 Lire Gold, 1911, Very Choice About Uncirculated-58, NGC	@ \$1,395	= _____
_____ Italy 50 Lire Gold, 1911, Choice About Uncirculated-55, NGC	@ \$1,295	= _____
_____ Italy 50 Lire Gold, 1911, About Uncirculated-53, NGC	@ \$1,250	= _____

Postage (see Computer Quotes Page) \_\_\_\_\_

Total Enclosed \_\_\_\_\_

name \_\_\_\_\_

address \_\_\_\_\_

city,state,zip \_\_\_\_\_

telephone number \_\_\_\_\_

Confirmed by phone? \_\_\_\_\_ Confirmation # \_\_\_\_\_





# Better Date Peace Silver Dollars



## —Rarity And Value!

by Patrick A. Heller, LCS General Manager

In early 2007, I prepared an analysis of the Peace Silver Dollar series in grades MS-64 through MS-66. The analysis compared the prices of the coins at the last major market peak in June 1989 against their relative rarity and current catalog values. Then I compared this data against that of the 1923 Peace Dollar, the most common issue in high quality.

From this analysis, I calculated an Undervaluation Index™ for each date and mintmark in all three of these grades of the Peace Dollar series. Those coins earning an Undervaluation Index™ of 20 or higher were given our Highest Recommendation for appreciation potential. The coins that earned an Undervaluation Index™ of 10.00 to 19.99 were given a High Recommendation for appreciation potential.

As you might suspect, many of the coins that look like the best values are the less-common issues, and are often those that can now be purchased for a fraction of their mid-1989 prices! Our customers have eagerly sought these coins ever since we published our analysis. The attraction is easy to understand—as some of these coins can be acquired for 70% or even almost 90% less than they cost 26 years ago!

**The good and the bad news!** Three years ago, I updated this analysis for changes in the supply of coins and current catalog values. I also expanded the analysis to include coins that grade Choice Mint State-63.

We recently updated this analysis once again. After both updates, I discovered that, in general, the Peace Dollars that earned the Highest and High Recommendations outperformed those that did not. As a group, the coins with the lowest Undervaluation Index™, which were not recommended at all, performed the

worst.

Another trend is that the coins with the highest Undervaluation Index™ tended to see their UI drop, while those with the lowest UI tended to rise. This is a signal that the market is heading toward relative equilibrium.

Since publishing my original analysis in 2007, just about all Better Date Peace Dollars we have acquired have quickly resold.

Early last year we made our most recent general offering of Better Date Peace Dollars. As a result of that offer, a number of our customers began assembling the entire series. Since then, we have been aggressively seeking bargains among the Highest and High Recommended Peace Dollars. [That's the good news.](#)

[Now for the bad news!](#) Better Date Peace Dollars are more difficult to locate than Morgan Dollars. Peace Dollars were not stored in Mint Vaults for decades, as happened with millions of Morgans. As a result, we now offer fewer than 100 specimens among sixteen different dates, mintmarks, and grades.

Each coin has been independently certified by either the Professional Coin Grading Service (PCGS) or Numismatic Guaranty Corporation (NGC) as well as passing our own fussy scrutiny.

**More bad news:** Some of these coins are one-of-a-kind! When they are gone, we cannot tell when we may locate more.

**More good news!** Just look at the list on the reverse. These coins range from two to more than 96 times scarcer than the 1923 Peace Dollar in the same and higher quality. Every coin has earned an Undervaluation Index™ of 20 or higher, with two still having an Index above 50!

Best of all, we were able to acquire these coins at

such reasonable prices that you can pick up most of them at prices reflecting a money-saving discount from their *Coin Values* catalog values. Many are even priced at levels well below some recent prices realized in auctions!

**More bad news!** As I have reported several times in *Liberty's Outlook*, the prices of many lower-priced Morgan and Peace Silver Dollars, from junk quality to Superb Gem Mint State-66 have been rising in value even while the silver spot price declined. Prices for some of these coins have started increasing simply because they are so close to those of common dates. In many instances, prices have risen faster than catalogs can keep up!

The dilemma for us is whether to offer fewer coins now at lower prices or wait until we find additional coins, but risk higher prices. As we have decided in similar situations in the past, we would rather offer fewer coins to our customers at more attractive prices, so we have elected to offer these coins now.

**They won't last long:** There is a good chance that this list will sell out quickly as has happened in the past. Don't delay. Order today.

Review the list for rarity compared to the 1923 Peace Dollars, check the value, then call us right away! With so few coins, we have omitted the order coupon. You must call our Trading Desk at **800-527-2375** to confirm availability and to reserve your order. The only charge on top of the price of the coins is a postage charge as listed on our Computer Quotes page. For fastest shipment, you can use your Visa, Mastercard, or Discover charge card to have your purchase shipped to the credit card billing address.

Your satisfaction is guaranteed! You have 14 days upon your receipt to return these coins for a full, prompt, no-questions refund.

## Better Date Peace Silver Dollars

### Compare Rarity and Value to the 1923 Date

Date	Grade	PCGS/NGC Population for grade or higher	June 1989 Price	<i>Coin Values</i>	Undervaluation Index™	Rarity to 1923	LCS Price
1922	MS-65	24,233	\$1,000	\$120	20	2x	\$125
1922-D	MS-63	13,976	\$145	\$90	23	32x	\$85
1922-D	MS-64	8,846	\$535	\$130	55	31x	\$129
1922-D	MS-65	2,568	\$3,250	\$575	26	22x	\$575
1922-S	MS-63	9,448	\$175	\$95	37	48x	\$89
1922-S	MS-64	4,645	\$850	\$300	31	60x	\$285
1923-S	MS-63	9,580	\$250	\$90	59	48x	\$95
1924	MS-66	2,226	\$5,425	\$550	24	2x	\$650
1926	MS-64	9,874	\$315	\$125	31	28x	\$119
1926	MS-65	2,358	\$1,825	\$475	24	24x	\$395
1926-S	MS-64	5,342	\$565	\$260	23	48x	\$275
1927	MS-64	3,577	\$1,530	\$575	20	78x	\$550
1927-D	MS-63	4,765	\$1,440	\$385	37	96x	\$396
1927-D	MS-64	2,354	\$3,875	\$1,100	21	120x	\$975
1935	MS-63	11,161	\$220	\$125	23	41x	\$125
<i>For comparison</i>							
1923	MS-63	457,968	\$63	\$40	1		\$52
1923	MS-64	282,499	\$200	\$55	3		\$64
1923	MS-65	58,660	\$875	\$120	7		\$125
1923	MS-66	5,525	\$4,200	\$550	7		\$450