

# Liberty's Outlook

LCS 45th Anniversary!  
1971-2016

September 2016, Volume 22 Issue 9 Liberty Coin Service's Monthly Review of Precious Metals and Numismatics September 7, 2016

## In Preparation For Adding Yuan To The IMF Special Drawing Rights— Will China Report Much Higher Gold Reserves Before October 1?

### P3: Did Deutsche Bank Default On Gold Delivery Last Week?

#### US Dollar Performance Versus Selected Currencies and Pre- cious Metals (6 weeks July 25, 2016 to September 6, 2016)

Currency/Precious Metal	Change
Chile	+0.7%
Peru	+0.5%
Argentina	+0.4%
China	+0.0%
Hong Kong	+0.0%
Indonesia	-0.8%
Malaysia	-0.9%
Singapore	-1.2%
Thailand	-1.2%
Platinum	-1.3%
Philippines	-1.4%
Russia	-1.4%
India	-1.7%
Palladium	-1.7%
Switzerland	-1.8%
Silver	-2.2%
Gold	-2.2%
Great Britain	-2.3%
Israel	-2.4%
Denmark	-2.4%
Mexico	-2.5%
Euro	-2.5%
South Africa	-2.7%
Brazil	-2.7%
Canada	-2.9%
Australia	-3.0%
Sweden	-3.1%
Taiwan	-3.3%
Japan	-3.8%
South Korea	-4.1%
Colombia	-4.5%
New Zealand	-5.9%

#### 2016 Year To Date Results

Through September 6, 2016

##### Precious Metals

Silver	+45.5%
Gold	+27.3%
Palladium	+24.6%
Platinum	+23.4%

##### Numismatics

US MS-63 \$20 St Gaudens	+17.4%
US MS-63 \$20 Liberty	+12.9%
US MS-65 Morgan Dollar, Pre-1921	-6.3%

##### US Dollar vs Foreign Currencies

Argentina Peso	+16.1%
Great Britain Pound	+9.6%
Mexico Peso	+6.2%
China Yuan	+2.8%
Sweden Krona	+0.3%
India Rupee	+0.1%
Hong Kong Dollar	+0.1%
Philippines Peso	-0.9%
Peru New Sols	-1.5%
Switzerland Franc	-3.2%
Israel Shekel	-3.5%
Euro	-3.5%
Denmark Krone	-3.8%
Thailand Baht	-4.0%
Singapore Dollar	-5.1%
Australia Dollar	-5.2%
Taiwan Dollar	-5.4%
Indonesia Rupiah	-5.6%
Malaysia Ringgit	-5.9%

Chile Peso	-6.5%	
South Korea Won	-6.9%	
Canada Dollar	-7.2%	
New Zealand Dollar	-7.9%	
Colombia Peso	-9.7%	
South Africa Rand	-9.7%	
Russia Ruble	-10.3%	
Japan Yen	-15.2%	
Brazil Real	-19.3%	
U.S. Dollar Index	94.82	-3.87%

##### US And World Stock Market Indices

Sao Paulo Bovespa	+38.7%
Russell 2000	+10.3%
London FT 100	+9.4%
Standard & Poors 500	+7.0%
Dow Jones Industrial Average	+6.4%
Dow Jones World (excluding US)	+5.6%
NASDAQ	+5.4%
Australia S&P/ASX 200	+2.2%
Frankfurt DAX	-0.2%
Nikkei 225	-10.3%
Shanghai Composite	-12.7%

10 Year US Treasury Note interest rate	1.544%	-32.07%
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##### Metal Content Value Of U.S. Coins

Lincoln cent, 1959-1982	1.40¢
Lincoln cent, 1982-date	0.60¢
Jefferson nickel, non-silver	2.99¢
Roosevelt dime, 1965-date	1.36¢
Washington quarter, 1965-date	3.39¢
Kennedy half dollar, 1971-date	6.78¢

I then forecasted a 2/3 likelihood that the spot price of gold would reach \$1,450 and silver \$20 before Labor Day.

Five weeks after these predictions, silver closed on the COMEX on July 6 at \$20.16. Silver's daily close ranged from \$19.61 to \$20.67 for the next several weeks through August 18. The price of silver then fell below that range, not returning above \$20.00 until yesterday.

Gold never did get close to reaching \$1,450 before Labor Day. Its highest

COMEX close was on July 6 at \$1,364.75.

In the circumstances, it may seem that my silver prediction was accurate, but didn't necessarily stabilize and that gold was off the mark.

Still, consider that at the COMEX closes on June 1, gold was at \$1,212.00 and silver at \$15.90. At yesterday's COMEX closes, gold was up 11.3% and silver rose 26.1% from the beginning of

Before I go into details about two of the most important new developments, let me first backtrack to my predictions in the June 1, 2016 issue of this newsletter.

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June! If anyone rushed out to purchase physical gold or silver on the basis of my prediction, they are in a nice profit position.

This just shows that short-term forecasting is treacherous. Although I did not hit the targets exactly, and I did leave myself a 1/3 probability of the targets not being reached, my base prediction of rising prices was right on the nose.

I am highly confident that gold will top \$1,450 and silver \$20 to stay—and will do so much faster than almost anyone expects. Once these levels are sustained, then expect prices to rise much higher.

Before I cover the latest developments, let me review one from late July.

Since the Federal Open Market Committee announced at the end of their July 27 meeting that they were committed to reducing the value of the US dollar (as detailed in the last issue of *Liberty's Outlook*), the dollar has been overall gone downhill.

The dollar reached a temporary peak on July 25, two days before the announcement. As you can see in the table in the first column on the front page, it has fallen against most currencies. Even where the dollar has appreciated against a few other currencies, the change is much smaller than the average loss to the rest of the currencies.

Assuming no other crises erupt, expect the dollar to continue a medium- to long-term decline relative to the monies of other nations.

However, the probability that no other major crises will occur is close to zero.

## Critical New Developments

So, what are the most important recent developments that could push

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gold and silver prices much higher in the shorter term?

First will be the fallout of the Chinese Yuan currency being added as a component of the International Monetary Fund's Special Drawing Rights on October 1.

Before this event comes about, the Chinese government will need to officially declare the amount of its gold reserves.

The Chinese government is well known for consistently under-reporting its gold reserves. For many years, it would only update its stated reserves once or twice a decade.

For example, I began hearing credible rumors in 2003 that the Chinese were accumulating significant gold reserves. It wasn't until 2005 that I gathered sufficient corroboration to report this development in *Liberty's Outlook*.

The Chinese government did not admit the enormous increase in its gold reserves until April 2009. At that time, I cautioned that China almost certainly had greater gold reserves than the newly reported amount.

Over the past couple of years, the Chinese have begun reporting monthly gold reserve statistics, though I have continued to think the actual figure was higher than stated.

As of last month, the Chinese government claimed gold reserves at 58.6 million ounces, making it the fifth largest holding of any nation. The US government, supposedly, holds the largest gold reserves at 261.5 million ounces.

How much will the Chinese government declare as its gold reserves before the end of this month? There is one unconfirmed rumor that the total will be greater than America's reserves.

Whether or not this is true, and I think there is only a slight chance of this happening, what will matter is if the Chinese report any total of gold reserves much higher than what it stated a month ago.

For instance, should the Chinese government suddenly report 100 million ounces of reserves, what would be the effects? Here are some:

- Despite all the internal financial problems in China, you will see a surge in international demand for central banks and the private sector to hold yuan-denominated bonds.
- The value of the Chinese yuan would rise against pretty much every other world currency.
- Demand for US Treasury debt will almost certainly turn into a net liquidation as central banks and foreigners re-

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

### November 2016, Lansing, Michigan.

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

### March 17, 2017, Ionia, Michigan.

Presentations for Career Day at Rather Elementary School, a non-public event.

To arrange for a presentation by Patrick A. Heller, call 800-933-4720 or email [path@libertycoinservice.com](mailto:path@libertycoinservice.com).

patriate existing debt and US dollar currency back to the US government.

- The value of the US dollar is almost certain to decline relative to other paper currencies and may fall by a lot.
- There will be a surge in demand to acquire physical gold and silver. The price of gold and, to a lesser extent, silver would therefore jump noticeably.

These would just be the initial effects. With the US government being suddenly hit with having to take back tens to hundreds of billions (or more!) of US currency and Treasury Debt, expect a negative impact on US stock markets, the jobs market, the cost of living, the November elections, and almost every aspect of everyday American life.

There is a slight possibility that the Chinese could this time overstate their gold reserves in order to boost that country's international political clout.

Ah, but what if the Chinese do not report a significant increase in gold reserves? Unfortunately, the same changes will still come to pass, just to a lesser degree.

For the optimum management of foreign exchange reserves, governments around the world will need to adjust their holdings to parallel the changes in the composition of the IMF's Special Drawing Rights.

Right now, the US dollar makes up 41.9% of the SDR and will only decline to 41.73% weighting on October 1. The other three currencies that are now components, the euro, the Japanese yen, and the British pound, will see much larger drops to make room for the Chinese yuan to account for 10.92% of the new SDR.

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This October 1 change has been known for the past year. In theory, central banks have already had time to rebalance their reserves and financial markets already reflect the impact of these shifts. While I am sure that some of this has happened, the average American probably doesn't realize what is happening 24 days from now.

It could be argued that the tiny impact on the dollar's percentage of the SDR could mean that the other three currencies will be hit harder than the dollar. That is possible—if you ignore the fact that 60% of all international transactions are still settled in dollars.

The important point to realize from adding the Chinese yuan to the IMF's Special Drawing Rights is that it is one more way the value of the US dollar will suffer. It could be sooner rather than later, and could be fast or slow, but that is the trend.

**Deutsche Bank's Default On Gold Delivery.** Deutsche Bank, Germany's largest private bank, had sponsored a gold exchange traded commodity called Xetra-Gold. It was traded on the Deutsche Borse Commodities Exchange. Under terms of these contracts, holders of Xetra-Gold shares had the right at any time to exercise the right of delivery of securitized (physical) gold. Further, deliveries of the gold were to be made at branches of Deutsche Bank.

Well, someone decided to redeem their Xetra-Gold shares at a branch of Deutsche Bank to receive physical gold. They were turned away empty-handed with a statement that the Bank had a policy of not redeeming such shares for physical gold.

A spokesperson for Deutsche Borse stated "the exchange was unable to name any bank which is in a position to deliver physical gold without problems."

While Deutsche Bank, Deutsche Borse, and Xetra-Gold are pointing fingers at each other as the party to blame for the snafu, the default on delivering physical gold in compliance with contract terms could have major impact on global financial markets.

In saying this, I have to emphasize "could." Should this one instance be

settled quickly and investors are assured that these paper gold contracts can readily be redeemed as specified for physical gold, there could be minimal impact for now.

However, if investors find out that their "paper" gold basically means that they don't really own gold, expect a stampede away from paper contracts and into physical gold.

Such a development would also cause the same to occur with silver and other paper precious metals contracts.

There have been other isolated instances where people who thought they owned physical gold were unable to get it: MF Global Holdings, Ltd when it went bankrupt in 2011, the largest Dutch bank ABN AMRO when it told its customers in 2013 that the physical precious metals it was storing for them could no longer be withdrawn, and apparently some unspecified problem at the Swiss bank Julius Baer.

If a publically-reported pattern develops of defaults on delivering physical precious metals, that could be sufficient to destroy the public's faith in financial markets worldwide.

### What Does All This Mean?

These aren't the only looming financial crises. For more of them, please refer to last month's issue of *Liberty's Outlook*.

In two weeks, the Federal Open Market Committee will hold their next regularly scheduled meeting. Various Fed officials, from Fed Chair Janet Yellen on down, are trying to pretend that there is an actual prospect of an increase in the federal funds interest rate at this meeting.

I give that almost no chance of happening. The Fed needs interest rates to remain as low as possible to avoid the risk of investors selling their stocks to move funds into bonds. Also, the Fed traditionally does not tinker with interest rates in a presidential election year, especially so close to election day. At the most, expect government officials to pretend they are considering an interest rate increase, but not follow through by actually doing so.

The bottom line is that the current values of most paper assets, especially those denominated in US dollars, are at a higher risk of falling, perhaps sharply, than in recent years. The trend is for this risk to increase in the future.

By the way, if you check the daily spot prices on the last page, you will see that there was a major price suppression effort that started in

## 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.

earnest August 19 and continued into Friday, September 2. During that time, there were several events where gold and silver prices are typically held in check: the COMEX September gold and silver options expiration on August 25, Fed Chair Yellen's speech at the Federal Reserve Bank of Kansas City meeting in Jackson Hole, Wyoming on August 26, the last trading day of the month on August 31, the release of the Non-Farm Payrolls and Unemployment Report on September 2, and the 3-day holiday weekend for Labor Day.

As soon as Labor Day passed, gold and silver prices started to rebound.

At the minimum, I urge people to establish an insurance position in physical precious metals, which I consider to be the "conservative" allocations listed in the box at the top of this page.

If you don't already have sufficient physical precious metals to meet the insurance posture, I strongly urge you to make your purchases and take delivery well before the end of September.

### Silver and Silver Coins

Silver settled on the COMEX today at \$19.75, down 69 cents (3.4%) from five weeks ago. While that may not seem like positive news, consider that today's close was up 6.1% from a week ago. Yes, the price of silver really can move that much that fast—in

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both directions.

Retail demand and liquidation of physical precious metals tapered off in August, which was offset by higher activity in rare coins and other collectibles.

Pretty much all bullion-priced products remain readily available for immediate or short-term delivery. As I recommended last month, my top recommendation for acquiring bullion priced silver is **US 90% Silver Coin** (4.3%). It has a lower premium than you would pay for **100, 10 and 1 Ounce Ingots** (4.8%-5.8%). It also has the advantage of greater public familiarity as many people have experience having spent these coins half a century ago. Further, they also have great divisibility, where one 90% Silver Dime has about 1/14th of an ounce of silver content.

The premium on 90% Silver Coins fell dramatically once the silver spot price rose above \$20 in early July. That price level encouraged some liquidation. Currently, we are selling US 90% Silver Coins for about 85 cents per ounce above the silver ask spot price.

But, be careful. There are a number of national dealers that are still pretending that 90% Silver Coin supplies are still tight, charging as much as \$1.89, \$1.99, and even \$2.49 above the silver ask spot price.

The prices of some of the **High-Grade Common Date Morgan and Peace Silver Dollars** are mostly down slightly from last month, presenting an attractive buying opportunity.

At the American Numismatic Association World's Fair of Money in Anaheim, California a few weeks I finally had success in a more than 15 year search for a group of **Medieval Germany Silver Hand Hellers**. Because the denomination is my family name, I had personally scooped up about a dozen specimens that I found over the past twenty or so years. These coins are famous for depicting the Right Hand of God. Please see our flyer.

### Gold And Gold Coins

Gold ended today on the COMEX at \$1,344.25, a slight drop of \$11.75 (0.9%) from last month.

As with silver, trading volume of bullion-priced products eased in August (being offset with a rise in activity in rare

### The Month

Gold Range	49.00	3.6%
Net Change	-11.75	
Silver Range	1.97	9.6%
Net Change	-0.69	
Gold/Silver Ratio	68.1	
Net change	+1.8	
Platinum Range	134.00	11.5%
Net Change	-78.00	
Platinum/Gold Ratio	0.81	

Date	Gold	Silver	Platinum
Aug 03	1,356.00	20.44	1,170.00
Aug 04	1,358.75	20.41	1,165.00
Aug 05	1,336.50	19.78	1,151.00
Aug 08	1,333.50	19.77	1,155.00
Aug 09	1,339.00	19.81	1,160.00
Aug 10	1,344.25	20.13	1,183.00
Aug 11	1,342.50	19.98	1,156.00
Aug 12	1,335.75	19.64	1,120.00
Aug 15	1,340.25	19.82	1,116.00
Aug 16	1,350.50	19.84	1,124.00
Aug 17	1,348.50	19.61	1,116.00
Aug 18	1,351.25	19.72	1,133.00
Aug 19	1,340.50	19.30	1,118.00
Aug 22	1,337.75	18.84	1,108.00
Aug 23	1,340.50	18.91	1,111.00
Aug 24	1,324.50	18.54	1,082.00
Aug 25	1,320.00	18.47	1,077.00
Aug 26	1,321.50	18.65	1,078.00
Aug 29	1,323.00	18.76	1,081.00
Aug 30	1,311.75	18.57	1,056.00
Aug 31	1,307.00	18.62	1,053.00
Sep 01	1,312.25	18.85	1,049.00
Sep 02	1,322.00	19.28	1,062.00
Sep 05	closed		
Sep 06	1,349.50	20.05	1,102.00
Sep 07	1,344.25	19.75	1,092.00

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

coins and other collectibles). Also like silver, virtually all products remain readily available for immediate or short-term delivery at reasonable premiums.

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

**Better Date Pre-1934 US Gold Coins** seem to be getting ever more difficult to find, no matter the price. Still, when LCS Chief Numismatist Allan Beegle and I attended the ANA show last month, we were able to find a nice variety of small

quantities of **Bargains In Better-Date US Silver And Gold Coins**. Perhaps even more intriguing, we also brought home a 9-coin lot of **Italy Gold 40 Lire of King Napoleon Bonaparte**. These are far scarcer than the equivalent French 40 Francs. See our enclosed offer.

### Liberty's Outlook Honored As Best Coin Dealer Publication

At the Numismatic Literary Guild award ceremony during the American Numismatic Association World's Fair of Money convention in Anaheim, California in mid-August, LCS's Patrick A. Heller was honored twice. *Liberty's Outlook* received the award for Best Dealer-Published Magazine or Newspaper. Heller's twice-weekly 3-minute radio commentaries on 1320 WILS AM in Lansing, Michigan were honored for the fourth time in six years for Best Radio Report. This series is called "Things You 'Know' That Just Aren't So, And Important Things You Need To Know."

Past issues of *Liberty's Outlook* are archived online at <http://libertycoinservice.com/newsletter-archive/>. Past radio commentaries are archived at <http://1320wils.com/pages/patrick-a.-heller-commentary>.

### Correction To Prior Issue Daily Spot Price Chart

The printed version of the August 3 issue of *Liberty's Outlook* contains the incorrect daily spot prices for July 11 through 14. In error, the aftermarket July 9 prices were posted in the issue as July 11. Then, the correct July 11 prices were posted as being July 12, and so forth. The issue posted online at <http://libertycoinservice.com/wp-content/uploads/2016/08/libertys-outlook-newsletter-august-2016.pdf> has the correct figures. You may want to go online to print that page of the newsletter if you are keeping a printed archive of *Liberty's Outlook*.

Here are the correct daily US closes:

Date	Gold	Silver	Platinum
Jul 11	1,355.00	20.26	1,108.00
Jul 12	1,334.00	20.13	1,098.00
Jul 13	1,342.50	20.37	1,100.00
Jul 14	1,334.00	20.28	1,104.00

We apologize for the confusion.

*Liberty's Outlook* is published monthly by Liberty Coin Service, 400 Frandor Ave., Lansing, MI 48912. Telephone: National 800/527-2375 Fax: 517/351-3466 Website: [www.libertycoinservice.com](http://www.libertycoinservice.com), Facebook: [www.facebook.com/LibertyCoinService](http://www.facebook.com/LibertyCoinService), Twitter: @libertyfrandor, E-mail: [path@libertycoinservice.com](mailto:path@libertycoinservice.com) Patrick A. Heller, Editor. Subscriptions are available at \$159.00 per year (12 issues). Send subscription orders and changes of address to the above address. All information is derived from sources believed to be reliable, but accuracy cannot be guaranteed. No guarantee of profitability of any investment or recommendation contained herein is made or implied. Liberty Coin Service has been a dealer in rare coins and precious metals since 1971. Find recent commentaries and like our Facebook page at <https://www.facebook.com/LibertyCoinService>. The publisher, its principals and associates may, from time to time, have a position in items recommended here. Copyright 2016, all rights reserved.

**Liberty Coin Service Computer Quotes 2PM EDT 9.7.16**

**Spot Prices**

Item	Qty	Fine Wt	Price	Cost/Oz	Premium
*U.S. 1 Oz Gold Eagle	10	1.0000	1,411.25	1411.25	4.9%
*U.S. 1/2 Oz Gold Eagle	10	0.5000	729.75	1459.50	8.5%
*U.S. 1/4 Oz Gold Eagle	10	0.2500	375.00	1500.00	11.5%
*U.S. 1/10 Oz Gold Eagle	10	0.1000	154.00	1540.00	14.5%
*U.S. 1 Oz Gold Buffalo	10	1.0000	1,411.25	1411.25	4.9%
*Australia 1 Oz Kangaroo	10	1.0000	1,409.75	1409.75	4.8%
*Austria 100 Corona	10	0.9802	1,342.25	1369.36	1.8%
*Austria 1 Oz Philharmonic	10	1.0000	1,404.50	1404.50	4.4%
*Canada 1 Oz Maple Leaf	10	1.0000	1,395.00	1395.00	3.7%
*China 1 Oz Panda	10	1.0000	1,438.00	1438.00	6.9%
*Mexico 50 Peso	10	1.2057	1,662.50	1378.87	2.5%
*S. Africa Krugerrand	10	1.0000	1,385.50	1385.50	3.0%
*U.S. Medallion	10	1.0000	1,383.00	1383.00	2.8%
*50 Gram Combibar	10	1.6077	2,379.00	1479.75	10.0%
*1 Oz Ingot	10	1.0000	1,387.00	1387.00	3.1%
*Austria 1 Ducat	10	0.1107	162.50	1467.93	9.1%
*Austria 4 Ducat	10	0.4428	672.50	1518.74	12.9%
*British Sovereign	10	0.2354	338.00	1435.85	6.7%
*British Sovereign, BU	10	0.2354	356.00	1512.32	12.4%
*France 20 Franc	10	0.1867	266.75	1428.76	6.2%
*Swiss 20 Franc	10	0.1867	267.50	1432.78	6.5%
\$20 Liberty BU	10	0.9675	1,450.00	1498.71	11.4%
\$20 St Gaudens BU	10	0.9675	1,455.00	1503.88	11.8%
\$20 Liberty Extremely Fine	10	0.9675	1,430.00	1478.04	9.9%
\$10 Liberty Extremely Fine	10	0.4838	720.00	1488.22	10.6%
\$5 Liberty Extremely Fine	10	0.2419	390.00	1612.24	19.8%
*U.S. 90% Silver Coin	1,000	715	14,765.00	20.65	4.3%
*U.S. 40% Silver Coin	1,000	295	6,030.00	20.44	3.2%
*U.S. Circulated Dollars	1,000	760	20,500.00	26.97	36.2%
*U.S. Silver Eagle-2016	1,000	1,000	22,590.00	22.59	14.1%
*Canada Silver Maple Leaf	1,000	1,000	21,990.00	21.99	11.1%
*100 Oz Silver Ingot	10	100	2,075.00	20.75	4.8%
*10 Oz Silver Ingot	100	10	209.50	20.95	5.8%
*1 Oz Silver Ingot	1,000	1	20.95	20.95	5.8%
*1 Oz Platinum Ingot	10	1.0000	1,179.00	1179.00	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	742.00	742.00	7.1%

<b>Gold:</b>	\$1,345.25
<b>Silver:</b>	\$19.80
<b>Platinum:</b>	\$1,102.00
<b>Palladium:</b>	\$693.00

**Notes from Liberty**

By Allan Beegle  
LCS Chief Numismatist

Sales in August were strong, virtually matching those of July. September is off to a roaring start.

Last month's featured offerings completely sold out as did almost every coin listed in this column.

A few days after the August issue was mailed, LCS Communications Officer Pat Heller and I "walked the floor" at the huge American Numismatic Association World's Fair of Money in Anaheim, California. We were hoping we might be able to find some additional coins that were offered in *Liberty's Outlook*. Unfortunately, we were only able to find a few specimens of the Choice Mint State-63 1920 \$20.00 Saint Gaudens, which also sold quickly.

Because of a California law about out-of-state businesses establishing nexus for tax purposes in that state, fewer dealers than typical hosted booths at the ANA. While our own sales at the show were quite strong, the relative absence of other buyers proved disappointing to most dealers there—which meant that Pat and I could take advantage of a great buying opportunity.

Unfortunately, rare coins are just that—rare. Savvy collectors and knowledgeable dealers are all looking for the same kinds of items. Finding great numismatic values seems to get tougher every year, especially if you are looking for any quantity.

That proved to be true at the ANA show. We did not find any group of a specific rare coin to make a stand-alone major offering.

But, there is good news. Because of

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

*Coins, Rolls and Sets*

U.S. 10 pc Gold Medallion Set, 1980-1984, BU	\$11,590
U.S. Morgan Dollar, 1921, Brilliant Uncirculated Roll/20	\$650
U.S. Morgan Dollar, Pre-1921, Brilliant Uncirculated Roll/20	\$900
U.S. Peace Dollar, Brilliant Uncirculated Roll/20	\$580

<b>Gold:</b>	\$1,345.25
<b>Silver:</b>	\$19.80
<b>Platinum:</b>	\$1,102.00
<b>Palladium:</b>	\$693.00

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

	MS-63	MS-64	MS-65
U.S. \$20.00 St Gaudens	1,510	1,565	1,780
U.S. \$20.00 Liberty	1,565	1,765	3,180
U.S. \$10.00 Liberty	970	1,420	3,015
U.S. \$5.00 Liberty	550	750	2,290
U.S. 4 pc Indian Gold Type Set	3,740	5,350	13,670
U.S. 4 pc Liberty Gold Type Set	3,520	4,430	9,220
U.S. 8 pc Gold Type Set	7,200	9,630	22,440
U.S. Morgan Dollar (Pre-1921)	61	76	150
U.S. Peace Dollar	39	53	139

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.

the dearth of other buyers, we were able to pick up a variety of smaller groups of **Bargains In Better-Date US Silver And Gold Coins**. I have to warn you, though, even though there is a nice variety of bargains, the combined total of all coins in this offer is less than 50 pieces! They won't last long.

Pat also had two other great finds from the ANA show. From a Midwest dealer friend, he picked up a small handful of **Italian 40 Lire Gold Coins Issued By King Napoleon Bonaparte!** The 40 Lire and 40 Francs denominations were short-lived and mostly melted down decades later to restrike as 50 Lire and 50 Francs coins. The Italian issues of Napoleon have much smaller mintages than their French counterparts. Even though there are not many coins in this lot, it is the most any of us recall seeing at one time!

The last offer is near and dear to Pat's heart. When he learned more than 20 years ago about the **Medieval German Silver Hand Heller** coins that were easily affordable, he has been on the hunt ever since to personally buy just about all that he could find. Yet, over the decades, no matter how much he paid, he only accumulated maybe a dozen specimens. Well, a West Coast dealer friend had one in inventory at ANA, which Pat bought for himself. When Pat told the dealer that he had been looking to find a quantity of these coins for more than 15

years, the other dealer said he might know of a mini-hoard. By the end of the show, Pat finally struck paydirt. These coins are famous for depicting **"The Right Hand Of God."** There is extensive religious symbolism and history with these coins. Now, for the first time in LCS's 45 year history, we can share these coins with you.

As I do every month, I urge you to review our offers and place your orders promptly before they sell out. As we demonstrated last month, when our rarities have sold, finding more examples can be difficult to impossible.

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

Meanwhile, for your additional enjoyment, here are more special purchases made at the ANA show or in our store:

**40% Silver Bicentennial Proof Sets:**

For the 200th anniversary of American Independence, the US Mint issued 3-coin Proof and Mint Sets, consisting of a 40% silver Washington quarter, Kennedy half dollar, and Eisenhower Dollar. Total silver content of the coins is 0.53792 oz.

Millions of sets were struck. The net mintage figures are not known as the Mint melted unsold sets. Still, the Proof issues are much less common than the Mint State versions.

These sets contain the only 40% Silver Quarter ever struck by the US Mint. We have

acquired a larger than usual group of these Proof Sets in their original packaging. *Coin Values* is \$22 per set, but you can purchase 5 sets for just \$97 or 10 sets for \$190.

**Choice Mint State-63 1874 Gold Dollar:**

The US 1874 Gold Dollar had a moderate mintage of 198,800. By the time it was issued, these tiny gold coins (only 15 millimeters in diameter) were falling out of favor as circulating coinage. As a result, it is not that scarce in uncirculated grades.

We have traded a handful of Mint State 1874 Gold Dollars over the years. This PCGS-certified coin with satiny surfaces is perhaps the nicest of those we have seen in the past quarter century.

This coin also used to sell at a far higher price—for more than \$3,500. Today it lists in *Coin Values* for \$625. Strangely, the 1889 Gold Dollar which has a higher MS-63+ PCGS and NGC population catalogs for \$750. At \$550, it is a bargain today.

**Ancient Roman Silver Denarius Coins Of Emperor Hadrian And His Wife:**

From the ANA show, Pat brought back three NGC-certified Very Fine pieces of the Ancient Roman Silver Denarius. Two coins depict the Emperor Hadrian (117-138 AD) and the other his wife Sabina (recognized as Augusta from 128-136 AD).

Hadrian is famous for Hadrian's wall that separated Roman England from the northern tribes. Sabina was the favorite niece of Hadrian's predecessor, the childless Emperor Trajan. When the two married in 100 AD, that indicated that Hadrian would succeed Trajan, which occurred 17 years later.


Their marriage lasted 36 years until her death, an exceptionally long time in that era. It is not known why Hadrian delayed elevating her to Augusta until eleven years after he became Emperor, a title that gave her authority to issue her own coinage.

Hadrian's bust is on the obverse of his coins with the seated goddess Justitia (Justice) holding a patera (a shallow bowl or drinking vessel) and olive branch on the back. On the reverse of Sabina's coin is the seated goddess Concordia (agreement in marriage and society) also holding a patera and a cornucopia (symbolizing prosperity).



1976 40% Silver Bicentennial Proof Sets  
- \$97 for 5 sets or \$190 for 10 sets



**ROMAN EMPIRE**  
Sabina, AD 128(?) - 136/7  
AR Denarius **VF**  
Golden Age Hoard  
2054436-793  




Ancient Roman Silver Denarius  
NGC Certified - \$119



# Bargains In Better-Date US Silver And Gold Coins!



by Allan Beegle, LCS Chief Numismatist

Wow! When we offered some small groups of Better-Date US \$20.00 Saint Gaudens Double Eagles last month, they quickly sold out! It happened that, a few days after it was mailed, LCS Communications Officer Pat Heller and I flew to California to attend one of the largest coin shows in the country—the American Numismatic Association World’s Fair of Money. If there was any place that we could locate any more specimens, this would be the opportunity.

Instead, despite extensive searches, we merely confirmed how scarce each of these coins in our offer really were. We did not see a single specimen of the Choice Mint State-63 1908-D With Motto date. We saw only one example of the 1915 Saint in MS-62 condition—and it did not meet our strict quality standards. There were a handful of the 1920 Saints in Choice Mint State-63 quality around the bourse floor, but most did not meet our fussy scrutiny. We brought home only four of those specimens—which sold out quickly.

**The Good News!** It turned out that we were in the right place at the right time, however. California has a strict limit on how many days out-of-state vendors may host booths at shows in that state. As a consequence, attendance was down noticeably from a typical summer ANA convention. Many dealers who take tables at such shows count on generating cash flow by selling inventory. That made it easier for us to succeed at hard-nosed bargaining when we encountered nice quality specimens of a handful of Better-Date US Morgan Dollars, \$10.00 Liberties and Indians, and \$20.00 Liberties and Saint Gaudens!

In the series where we have done our Undervaluation Index™, all the coins but one meet our criteria to earn the Highest Recommendation for appreciation potential (for the 1914-D \$10.00 Indians, the Undervaluation Index using the *Coin Values* catalog value

of \$1,200 only merits a High Recommendation. However, if you instead use our actual discounted selling price, that qualifies the coin for Highest Recommendation).

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

**But—Once Again—There Is Not So Good News.** Despite extensive efforts, we were not able to locate any one group of these Better-Date coins that were in large enough quantity to offer to everyone!

As there are so few coins in stock—fewer than 50 pieces among all issues combined—there is no order blank. Please call to confirm availability and lock in your purchase.

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

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

**1884 Morgan Dollar, Very Choice Mint State-64, PCGS—\$89 (6 coins available) and Gem Mint State-65, PCGS—\$299 (2 coins available).** Undervaluation Index™ 36 (MS-64) and 66 (MS-65), both Highest Recommendation. As graded by PCGS and NGC combined, this date is 18 times rarer than the 1881-S Morgan Dollar in MS-64 or higher grade. In MS-65 or nicer, it is more than 27 times as scarce as the 1881-S. Yet the MS-64 quality coins sell for little more than the common-date and the MS-65 is only about double the price of the 1881-S.

In recent major auctions, most of the MS-64 specimens have sold for more than \$100. In MS-65 condi-



tion, two recent auctions went for at least \$400. This date lists in *Coin Values* for \$90 in MS-64 quality and \$325 for the MS-65 grade.

**1903 Morgan Dollar, Gem Mint State-65, PCGS—\$289 (4 coins available).** Undervaluation Index™ 50, Highest Recommendation. These coins are 19 times the rarity of the 1881-S Morgan in MS-65 and higher condition. It catalogs slightly higher than the 1884 in MS-65 quality in *Coin Values* at \$330. Our experience is they are slightly easier to locate than the 1884 in Gem Mint State-65 grades.

Still, locating four wonderful specimens of this date at one time, after excluding two examples that did not meet our strict quality standard, was a real find.

**1881 \$10.00 Liberty, Mint State-62, NGC—\$790 (10 coins available).** This has a high mintage of almost 3.9 million. However, proportionately more of these coins entered circulation than did most issues from the mid-1890s onward. As a result, this date in PCGS and NGC-certified MS-62 and higher grades is almost 4-1/2 times rarer than the 1901-S date.

*Coin Values* for MS-62 quality coins is \$975, which is \$75 more than the catalog value of the 1901-S of the same quality. Yet, because of our timely bargain purchase, we offer them here for the exact same price as the more common coin!



**1883 \$10.00 Liberty, Mint State-62, NGC—\$850 (2 coins available).** The 1883 \$10.00 Liberty has a moderate mintage of 208,700 coins. This issue began a nine year run (through 1891) when the Philadelphia Mint struck fewer than 260,000 coins every year.

The date is more than 28 times rarer than the 1901-S \$10.00 Liberty in MS-62 and higher grades.

We offered three MS-62 specimens of this date six months ago, and are now fortunate to have two additional examples.

*Coin Values* lists this date in MS-62 quality at \$950.

Still, for all this rarity, you can purchase these coins for just \$60 more than the common 1901-S in the same grade.

**1889-S \$10.00 Liberty, Mint State-62, NGC, \$850 (2 coins available).** This date also has a moderate mintage of 425,400. Over the past 30 years, PCGS and NGC combined have certified just 1,224 MS-62 or nicer quality pieces. That makes it more than 25 times scarcer than the 1901-S examples certified by PCGS and NGC.

This coin catalogs in *Coin Values* for \$950 in MS-62 condition.

We would love to be able to offer a few dozen of these specimens. But, despite always being on our list of coins to seek, we have probably handled, at most, a half dozen Mint State examples over the past quarter century!



**1914-D \$10.00 Indian, Mint State-62, PCGS/NGC, \$860 (10 coins available).** Undervaluation Index™ of 29 using the *Coin Values* catalog of \$1,200, which merits High Recommendation. (At our nicely discounted price, that raises the appreciation potential to over 40, meriting our Highest Recommendation.) Mintage is a moderate 343,500 date. However, it is more than 35 times rarer in MS-62 and higher grades than the 1932 date! Yes, for all that rarity, you cost is only \$30 higher than for the 1932. In the circumstances, go for the 1914-D every time.

Of all \$10.00 Indians struck at the Denver Mint, none are common, with the 1910-D being the easiest to locate. This is probably the first time we have ever been able to offer a group of the 1914-D in any grade!

**1878-S \$20.00 Liberty, Mint State-61, PCGS, \$1,950 (3 coins available).** With a mintage of 1,739,000 coins you might expect this coin to be relatively common. And you would be wrong.

In Mint State-61 and higher grades, this coin is more



than 313 times scarcer than the 1904 issue. Why? US Gold Coins struck before 1880 almost all entered circulation. As a result, Mint State pieces dated in the 1870s and earlier are exceedingly hard to locate. *Coin Values* in MS-60 quality is \$1,850. In MS-62 condition it lists for \$6,250. At our price,

these won't last long.

**1910-S \$20.00 Saint Gaudens, Choice Mint State-63, NGC—\$1,695 (3 coins available).** Undervaluation Index™ 207, getting a well deserved Highest Recommendation. This is a high mintage date, at 2,128,250 coins. But relatively few survived in MS-63 or higher grade. This date is more than 105 times scarcer than the 1924 in the same or nicer quality, yet your cost is less than 13% above that of the common date.

*Coin Values* lists this coin at \$1,900, but we can offer a nice discount while they last.



**1912 \$20.00 Saint Gaudens, Mint State-62, PCGS—\$1,750 (2 coins available).** Undervaluation Index™ of 60, Highest Recommendation. This coin has a lower combined PCGS/NGC population in MS-62+ than the 1910-S in MS-63+ grades! Mintage is a meager 149,750. It is more than 130 times rarer than the 1924 in this condition or higher.

*Coin Values* is \$2,250, but we can again offer these beautiful examples at a lovely discount.

Note: We also brought back a handful of one-of-a-kind Better-Date US Gold Coins. If you are interested, give us a call.

## Italian 40 Lire Gold Coin Rarities of King Napoleon!



During the days of the French Revolution, Napoleon Bonaparte proved to be a mostly brilliant military and political strategist. He rose quickly through the military ranks with his innovative use of mobilized artillery. Most of his glory was achieved battling and defeating Austrian, Italian, Russian, and Prussian forces in Italy. After attaining the rank of general, he was promoted to Commander in Chief of France's Army of Italy. He later was elected First Counsel of the French Republic.

After declaring himself Emperor of France in 1804, he crowned himself as King of Italy in 1805. He later destroyed the Holy Roman Empire. At its peak, his Empire stretched into Russia, Spain, the Middle East, and Egypt.

Napoleon is also credited with establishing one of the most important coinage systems in history—the Latin Monetary Union. Under the Union, coins issued in different lands all carried the same gold or silver content. The French 20 Francs had the same gold content as the Italian 20 Lire, Belgian 20 Francs, and so forth. These 40 Lire, struck in Milan from 1807 to 1814, contain 0.3733 Oz of gold.

Comparatively few Gold 40 Francs were struck under Napoleon, less than 3.1 million. Even fewer Gold 40 Lire were minted, just 1.23 million. Most were melted in later decades to re-coin as 50 Francs/Lire coinage.

At the ANA World's Fair of Money in Anaheim, California, we spotted nine specimens of Italian Gold 40 Lire in Choice Very Fine and Extremely Fine quality. This was the largest group we ever recall seeing.

While they last, you can purchase Choice Very Fine specimens for just \$695 or Extremely Fine pieces for \$775 apiece.

**Call our Trading Desk at 800-527-2375 to confirm your order.** You may use your Discover, Mastercard, or Visa credit cards to charge your order.

As with all our numismatic offerings, you have 14 days upon receipt to return these coins for a full refund.

## A 15+ Year Search Finally Strikes Paydirt—

# “The Right Hand Of God!”

## Medieval German Silver Hand Hellers

### A Religious Accommodation

Late Roman and Early Byzantine Empire coinage depicted Jesus Christ. However, around 800, the depiction of God was then considered to violate the Second Commandment of the Jewish and Greek Orthodox faiths that proscribed graven images.

The depiction of the Right Hand of God (in Latin called Manus Dei) grew to be used as an acceptable artistic representation of the Deity. God's hand symbolized salvation, protection, benediction, and absolution.

References to the Right Hand of God appear in the Hebrew Bible and in the New Testament. God's right hand is “full of righteousness” to vanquish enemies and serves as a guide to lead the faithful to the Promised Land.

### A New Denomination

The Heller denomination originated in the southwestern German city of Hall am Kocher (known today as Schwäbisch Hall). It was derived from the previous silver pfennig, and was a denomination originally equivalent to half of a pfennig (though later considered the same value as the pfennig). The denomination was a reference to the city where it was struck.

The Royal Mint in that city was established about 1180 by Holy Roman Emperor Friedrich I. Barbarossa (1122-1190). The earliest known mention of the “Handheller” coinage is in 1189. Production continued possibly up to the year 1500, though later issues were smaller, lighter, and had little silver content. The original silver coins weighed about 0.6 grams, but gradually declined to around 0.3 grams. The specimens in the discovery mini-hoard offered here weigh an average of about 0.45 grams and are about 2/3 pure silver. Post-1500 heller coinage is copper or bronze.

The heller was the smallest denomination of its era. Heller coinage continued to be struck for more than 800 years. It was struck in various parts of Germany up to 1873. The Austro-Hungarian Empire issued hellers from 1892 to the end of the First World War in 1918. Germany resurrected the heller denomination in 1904 for its then colony German East Africa, now modern day Tanzania.

After the political breakup in Eastern Europe in the 1990s, the Czech Republic and Slovakia issued heller-denominated coins and currency. The Czech government re-

moved the last 50 heller coins from circulation in 2008 and printed the last 50 heller notes just a few years ago.

When I first encountered the Silver Hand Heller coins more than two decades ago, I had to purchase them for myself and my family because the denomination was the same as our surname. Over more than 20 years I have constantly searched for more pieces and maybe found a dozen specimens, sometimes paying more than the price at which we offer this group.

More than 15 years ago, a medieval coin specialist told me that a hoard of these coins had surfaced in the 1980s but not since. Upon hearing this, I kept my senses attuned to the possibility of any groups of these coins.

### The Surprise Discovery Lot

At the American Numismatic Association World's Fair of Money in Anaheim, California last month, I encountered a Hand Heller in the stock of a dealer friend, which I promptly bought personally. I then commented that I had been searching for a group of these coins. The lightbulb went off in my friend's mind. He said that he thought he knew a dealer who had a group. Before the end of the show, he showed me a photograph of the lot, then quoted me an irresistible price to take the entire group. I quickly said yes! After more than 15 years, my search was finally successful!

### Simple Artistry

The obverse of the coin depicts the Right Hand of God. The reverse shows an artistic cross. There is no text. Both of these sym-



bols appear in the city of Hall coat of arms.

These silver coins were crudely hand struck with a punch one at a time onto thin silver planchets. Because of the thinness of the blanks, some coins have small holes at the edge of the punch's imprint.



### Act Today!

Upon checking online, I found these coins being offered at prices upwards to almost \$300. However, most dealers are pricing them from the low to high \$60s.

**While this discovery lot lasts, we pass along significant savings. You can purchase these historic coins, in Fine or better condition, for just \$45 each!**

Our offering is limited to our stock on hand. From past experience, we anticipate a complete sellout. To enable more customers to acquire some, we must limit orders to six coins. No exceptions!

To reserve your purchase, call us toll-free at **800-527-2375**. Or use the order form below. Or use your Visa, Mastercard, and Discover charge card for purchases shipped to the billing address of the credit card.

—Patrick A. Heller

**Yes!** Please send me the Medieval German Silver Hand Hellers in Fine or Better condition that I have indicated below. I understand that they are backed by LCS's exclusive guarantees. I may return any numismatic purchase for any reason within 14 days of my receipt for a full, no-questions refund. Limit 6 coins per order.

\_\_\_\_\_ Medieval German Silver Hand Heller, City of Hall, 1189-1500,  
Fine or better condition @ \$45 = \_\_\_\_\_  
Postage (see Computer Quotes Page) \_\_\_\_\_  
TOTAL \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

C/S/Z \_\_\_\_\_

Phone \_\_\_\_\_ Confirmation # \_\_\_\_\_

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