



Palm Beach Coin News

THE MONTHLY NEWSLETTER OF THE PALM BEACH COIN CLUB

May 2016

Volume 26, Number 5

May 2016 Events

May 1

Gold Coast Coin, Stamp & Collectible Show
Mardi Gras Casino, Hallandale

May 7

Annual Club Picnic, Eat at 12:00PM
John Prince Park, Lake Worth, Granowitz Pavilion

May 8

Coin, Stamp and Collectible Show
Eau Gallie Civic Center, Melbourne

May 11

PBCC Meeting: Doors open at 5:00PM
Meeting Begins at 7:00PM

May 15

Coin and Stamp Show
Volunteer Park Community Center, Plantation

May 22

PBCC Coin Show
American Polish Club,
4725 Lake Worth Rd., Greenacres

May 25

PBCC Meeting: Doors open at 5:00PM
Meeting begins at 7:00PM

SUN	MON	TUE	WED	THU	FRI	SAT
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Presidents Message

Saturday, May 7th is our annual club picnic at John Prince Park in Lake Worth. We are at the Granowitz pavilion in the SE corner of the park. Enter on the Congress entrance and follow the signs to the Granowitz pavilion. We eat at NOON. You must have pre-paid to attend. We paid the caterer upfront for the number of people attending.

The special consignment auction April 13th was a huge success. Although we only sold 47 of the 138 lots, the club made over \$700. We will do this again next April.

2017 *Red Books* are in. Spirals are \$8.50 and hard covers are \$9.50. Retail is \$14.95 & \$17.95. We gave 24 hard cover copies to the Palm Beach County Library System.

Club membership currently stands at 295 with 53 delinquent members.

The Club bus trip to *Summer FUN* in Orlando is Friday, July 8th at 7AM, returning the same day at approximately 7:30PM. There is a \$10 deposit, fully refundable on the trip. Once again the bus leaves from the church at 855 Jog Road, just NW of Summit Blvd. & Jog Road.

We need programs for our club meetings. See or call Tony (964-7236) to schedule a program of 15-20 minutes. We need a months' notice in order to get it in the newsletter.

Tony

2017 Red Books are Here!

Available at the Meeting
Soft Cover \$8.50 - Hard Cover \$9.50

Helpful Hints

Buying & Selling Coins and Bullion

By Tony Swicer

When you buy gold & silver you need to know the buy/sell spread. One ounce Gold American Eagles are sold at 6% over NY spot gold price and they are bought at NY spot, not futures prices out of the newspaper. That's a 6% spread. One ounce Canadian Maple Leafs are sold at 5% over spot and bought at 98% of spot (7% spread). One ounce gold Kruggerands are sold at 3% over spot and bought at 96% of spot (7% spread). As you can see from above, the best buy is the American Eagle. Fractional gold coins (1/2 oz., 1/4 oz., 1/10 oz.) cost more percentage wise than the one ounce coin does. A half ounce coin has an 8% - 10% premium, a quarter ounce has a 15% premium, a tenth ounce has a 20% premium. When you sell the coins, you lose the premiums. You can find current spot at www.kitco.com.

Foreign gold with odd weights such as the British Sovereign (.2354), have a 20% spread from buy to sell. That's why telemarketers love them. All odd weight coins have big spreads.

100 oz. silver bars are sold 3% - 4% over spot and they are purchased at 97% of spot. 10 oz. silver bars are sold at 5% over and are bought at 3% under. One ounce silver bars sell for 6% over spot and are bought at 3% under spot.

You can usually buy silver coins, dimes, quarters, and halves at their melt value and sell at 6% - 10% under melt. The melt value is determined by taking .715 times spot. Example: if silver is at \$48 oz. X .715 = \$34.3 for every dollar in silver coin. So a \$1000 bag of silver coin would cost you \$34300. You could sell the bag at .5 off, or \$33800. Quantities smaller than \$1000 face value usually get 20% less.

Jewelry is generally tougher to sell because of holding requirements and time and cost of refining. 10K gold is worth .416 X spot X 70%. 14K is .585 X spot X 70%. 18K is .750 X spot X 70%. Example: 10K .416 X \$900 X .70 = \$262/ oz. or \$13.10 pennyweight, 20 dwt. in an ounce. 31.1 grams in an ounce would be \$8.42 gram.

Sterling silver is .925 fine times spot = melt value. However, everyone wants a cut so when you sell, expect to get 70% of melt. Example: spot at \$48 X .925 X .70 = \$31.08 oz. All silver flatware **MUST BE MARKED** with the word "STERLING" or ".925", NO EXCEPTIONS.

In the last six years, bullion has been the market. Coins have sat on the sideline. Old US gold coins in XF/AU condition trade just over their melt value. If you buy old gold coins I recommend MS-63 or better, graded PCGS or NGC certified coins. If you want gold bullion, the American Eagle is a good value. In silver, the 100 oz. bar is good.

Misconceptions about Coin Collecting

By Tony Swicer

1. Buying all Mint products is a good idea. NO, many items are losing propositions.
2. The longer I keep a coin the more it is worth. "I'll give it to my grandchildren". NO, everything is selling at the right time in a cycle.
3. I will never sell at a loss. What if you can never make a profit on the item? It's money tied up. Sell at a loss and make it up in other areas.
4. Buying a lot of cheap coins is better than buying a few nice ones. No, everyone knows, the better quality you buy, the quicker it will appreciate. "If you buy junk today, in 15 years, you will still have junk".
5. Buying on TV or in the newspaper is a good idea. QVC & Home Shopping Network are great. NO, unless you wish to pay double! Example: A big mail order discount catalog has a Spanish 8 Real reduced to \$129.95, \$100 overpriced.
6. All coin dealers in *Coin World* and *Numismatic News* are legitimate. NO, buy at your own risk.
7. All coin dealers at a local show will sell you a properly graded coin. NO, it's 50/50.
8. Coin Dealers have your best interest at heart when you are buying from them. NO, many will separate you from your money in a heartbeat.
9. Most dealers are very knowledgeable. NO, you just think they are.

10. If a coin price is too good to be true, should you buy it? NO, it's probably not a good deal.
11. Flea markets and Pawn shops are good places to buy coins. NO, many fakes and cleaned coins are there.
12. Buffing and cleaning coins will enhance their value. NO, unless you are blind. Cleaning will decrease their value.
13. Buying fancy packaged coins is a good idea. NO, many people are taken by the packaging, look at the coins, not the holder. The fancier the packaging, the more you are over paying. Lush velvet boxes, leather boxes, and certificates of authenticity all add up to paying too much.
14. Buying certified bullion is a good investment. NO, certified bullion is an oxymoron. Why certify bullion coins that only go up and down with the price of the metal.
15. All grading companies are equal. NO, the best four are PCGS, NGC, ICG, and ANACS. There are 27 different grading companies. Companies are listed on the front page of the *Grey Sheet* in order of the amount their coins sell for as a percentage of *Grey Sheet*. The best percentage at the top and so on.
16. Storing coins in a garage or attic is ok. NO, hot cold, hot cold causes numerous problems.
17. Using soft vinyl flips for long term storage is okay. NO, soft flips over long term release polyvinylchloride which turns your coins green and can ruin them if left untreated.
18. I will price a coin and the customer replies, "But online it sells for...". Online is like Disneyworld or Shangri-La. The final user in the world is online. Do they really get those prices? You and I never will!! What looks real online may not be reality.
19. Coins I purchase in the mail from a big name dealer are better than coins purchased locally. NO, but you can pay 20% to 300% more.
20. Advertisers who come to town buying, set up at a hotel for three days, then leave, pay more than local dealers. NO, someone has to pay for all their expenses, who do you think that is? You.
21. Buying little foreign gold coins is better than buying a 1oz. Gold Eagle. No, you will have a 20% buy/sell spread on small coins verses a 6% spread on the 1oz. Gold Eagle.
22. I will sell my coins to a collector; a dealer won't pay as much. NO, a collector generally has limited funds so he will cherrypick your coins and leave you with the least desirable coins. A dealer will buy everything but he must make a profit, generally about 20%. A collector might buy one or two coins at a high price but on everything else he wants a bargain. Many sellers pay too much when they bought the coins, they were either overpriced or over graded or both. This is especially true when they purchased on the phone, TV, in the mail, or out of the newspaper.
23. Buying a rare coin portfolio over the telephone is a good idea. No, you will pay 35% to 100% mark up on your purchase.
24. I don't have to report any profit I make on coins to the IRS. No, you are required by law to have a capital gain or loss. Consult your accountant.
25. My father brought back coins and currency from World War II, shouldn't they be worth money? No, every soldier brought back coins and currency, millions of them. Example: My father took a \$100 million Mark note from a museum in Germany. Today it is worth 25 cents.
26. 1976 \$2 Bills are valuable. NO, they made 400 million and 1.1 billion are currently in circulation.
27. Coins that are 50 years old are valuable. NO, all circulated coins that are non-silver are spendable unless they are an error coin.

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PBCC Membership Application

Dues are \$15 for the year

Name _____

Address _____

Phone _____ (optional)

Date _____

How did you hear about us? _____

Join Today!

Mail your completed application and check for \$15 to:

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