

PROOF GOLD



**“THE BEACH FRONT PROPERTY OF THE
RARE COIN MARKET!”**

By David Hall

When I look at current coin prices, I believe there are some true bargains. I believe 19th Century silver type coins, top quality generic gold coins, and classic silver and gold commemoratives are not only at cyclical low prices, they are at true bargain levels. I strongly feel it's a great time to buy select top quality rare United States coins.

With the above in mind, the question becomes, which area of the rare coin market is the very best long-term bet? And noticed I said, "long-term". That's because every person who I have witnessed having significant financial success in the rare coin market has used a long-term approach. The strategy that works best in the rare coin market is the long-term approach. Look at the rare coin market the way Warren Buffett looks at stocks. Buy great coins and hold them for the long term. So, I'm not going to tell you which coins I feel are going to soar in value in the next six months. I'm going to tell you which coins I am sure will be worth a lot of money six years from now... or sixty years from now!

The best coins for long term price appreciation are the coins I call "forever coins". These are coins that have always been high demand items, and undoubtedly will be high demand items in the future. They are the best coins in the rare coin market. Think of it like real estate, and then identify the "beach front property" of the rare coin market. And for me, the true beach front property of the rare coin market is vintage (pre-1916) proof gold. These great coins are: beautiful, historically important, numismatically important, and very rare. Sixty years ago, when I was a teenage coin dealer, if I went to a coin show and saw a proof gold coin my eyes would pop out. Today, if I have a proof gold coin in my case at a coin show, every dealer who walks by will ask the price of the coin. They are the easiest coins to sell...and people get genuinely excited about them.

The Mint started striking proof coins in about 1820 and starting marketing to collectors in about 1860. And in general, the larger denomination had lower production numbers than the lower denominations. So, in the late 19th Century, the cents, nickels, and dimes often had mintages in the thousands of coins per year. But the proof gold issues, especially the fives, tens, and twenties, had original mintages as low as only 20, 30, or 40 coins per year. So, for all of the proof gold issues, especially the pre-1880 issues, original mintages are very low.

Of the original mintages, the survival rate for proof gold issues is approximately 50% to 75% of the original mintage. So, the surviving number of available coins for many proof gold issues can be as low as only 10 to 20 coins in all grades. Vintage proof gold coins are really rare.

THREE AREAS OF THE PROOF GOLD MARKET

1. **Pre-1890:** these earliest proof gold issues were minted in extremely low original mintages. They are the rarest of the rare.
2. **1890 to 1907 proof Gold:** These were made in larger quantities, but they are still truly rare and extremely desirable. The classics of the proof gold market.
3. **1908 to 1915 Matte and Roman Finish Proof Gold:** During this time period, the Mint experimented with the Matte and Roman finishes for proof coins that were popular in Europe at the time. These coins were not very popular at the time of issue so survival rates are relatively low. The Matte and Roman finish proofs are very popular today and the 32-coin series is often collected as a separate set.

EARLY ISSUES



The early pre-1890 brilliant proof gold issues are ultra rare and incredible long-term values. For many of the issues, survival numbers can be as low as a dozen or two coins in all grades. Yet, they sell at modest premiums over the later more common issues of the types. Gem quality PR65 or better early proof gold issues are among the greatest values in the rare coin market... *the best of the best!*

1890-1907 PROOF LIBERTY GOLD



The Liberty Head \$1, \$2.5, \$3, \$5, \$10, and \$20 proof gold issues are the classics of the proof gold market. They are all rare, beautiful, and highly desirable “forever coins”. Size does matter in this market as the higher denominations are definitely rarer. It is really difficult to buy Gem quality proof \$10 and \$20 Liberties. I’m lucky if I can buy two or three \$10 or \$20 Liberties a year. A great way to get involved with the proof gold market is to put together a type set... buy one of each type!

MATTE AND ROMAN FINISH GOLD



The 1908 to 1915 Matte and Roman finish gold proofs are among the great long-term values in the rare coin market. I’ve been dealing in them since the 1970s and they have always been hard to buy and easy to sell. There are four denominations of eight years each... \$2.5 Indians, \$5 Indians, \$10 Indians, and \$20 St. Gaudens... 32 coins in all. A set of any of these denominations, or a complete set of all four would be a monumental

accomplishment. Note that these proof issues have a great price history, as at the market peak of early 1980, matte proof \$20 St. Gaudens were bringing over \$100,000 at auction. Make sure you only buy original (undoctored) Gems graded by PCGS or NGC and are verified by a dealer you can trust.

TIPS ON BUYING PROOF GOLD

1. **Eye Appeal Matters.** Like all areas of the rare coin market, for proof gold, eye appeal is extremely important. You should only buy attractive, problem free coins. And top quality is an issue, so buy PR64 or better coins if your budget allows.
2. **Find a Dealer You Can Trust.** You need expertise to navigate this market. Find a dealer you can trust as they can help you with price and eye appeal.

THE RARE COIN MARKET'S BEST VALUES

The proof gold market is the “beach front property” of the rare coin market. I believe these are the best coins you can buy. And today’s prices seem like bargains to me. Proof gold is not cheap. But these great rarities were not cheap 50 years ago, and they will still be great 50 years from now. Buy some today!



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