



TWO CENTS WORTH

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Member of A.N.A # C-1122583, C.S.N.S # R 11789, I.L.N.A. # C-2718

Our next meeting (#408) is Monday May 2, 2016

Program: COLLECTING STOCK CERTIFICATES by Richard H.

Meetings 1st Monday each month at the Hillside Community Center, 1 Lind Street, Hillside, IL 60162, one block West of Wolf Rd, one traffic light North of Roosevelt Rd, (just west of Proviso High School).

The Hillside Coin Club Membership list is kept confidential

IN THE LOUPE

as 'eye' see it

By Jim Maurer, Secretary

Here is a nice concise article on Bullion Products from CoinWeek.com

By Ron Drzewucki – Modern Coin Wholesale

In the coin industry, "bullion" is a word with many connotations.

To the extent that older circulating coinage contains silver and gold, many collectible coins are bought and sold according to their intrinsic—or "bullion"—value. But when we say "bullion" in today's marketplace, we usually mean ingots and bars and specially-made coins.

What is bullion, exactly?

Bullion is precious metal that's been processed in ways that conform to a standardized purity and weight. Historically, this was a good way to store and preserve wealth (think Spanish Galleons or [Fort Knox](#)).

In more recent times, creating bullion makes it easier to trade on the commodities market.

However, most people never get to handle ingots and bars of precious metal. That's where bullion *coins* come in. Several governments around the world have issued bullion coins since the early 19th century, with the latter half of the 20th century being especially productive. These coins vary in composition and purity (between .900 and .9999 fine).

So today, I wanted to talk about the various bullion products and bullion coins of the world, starting with the United States.

United States Bullion Coins

America's most popular bullion coin programs—the **American Gold Eagle** and [Silver Eagle](#)—were first released in 1986.

Originally motivated by a long-standing political desire to sell off surplus silver from our country's defense stockpile, the Silver Eagle has proven so popular that legislation eventually authorized the purchase of additional silver now that the surplus is gone.

The design of the coin doesn't hurt, either. The obverse features an adaptation of **Adolph Weinman's** classic **Walking Liberty** design for the half dollar (1916-1947), and the reverse features one of the better heraldic eagles on American coinage, as designed by former Chief Engraver of the U.S. Mint **John Mercanti** ([View Designer's Profile](#)).

The Gold Eagle is the most popular gold coin in America. Besides the obvious fact that gold is a popular commodity, we again see a legendary design appropriated for use on a modern coin. In this case, it just happens to be what many consider the apex of American coin art: the **Augustus Saint-Gaudens \$20 gold double eagle** obverse (1907-1933). The reverse hosts a family of eagles in a unique arrangement designed by **Miley Busiek**.

(By the way, the \$20 double eagle itself—at .900 fineness, and starting in 1849—also meets the purity requirements to be a bullion coin.)

In addition to the Gold Eagle, the US also issues the **Gold American Buffalo**.

Another commemorative of a classic design, the Gold Buffalo adapts **James Earle Fraser's** iconic **Buffalo (or Indian Head) nickel** for use on the obverse and reverse of the bullion coin. First issued in 2006 (with new denominations / weights first released in 2008), the Gold Buffalo is another popular product from the United States Mint.

Ah, but before you get the impression that the Mint is only about commemorating famous coin designs on its bullion, they also manufacture special versions of more recent series, such as the **First Spouse** and **America the Beautiful** programs.

First Spouse gold coins are issued alongside their respective presidential \$1 coins. These \$10 face value coins are made of .9999 fine gold.

The America the Beautiful silver bullion coins share the same designs as their quarter dollar counterparts (right down to a face value of 25 cents), though they're larger and the edge says “.9999 FINE SILVER 5.0 OUNCE”.

The United States also issues a platinum bullion coin, the [American Platinum Eagle](#). The obverse was designed by John Mercanti and features a face-on portrait of the **Statue of Liberty**. Unique among American bullion coins, the reverse changes every year, but usually involves an eagle.

The coin itself is .9995 fine platinum and comes in 1, 1/2, 1/4, and 1/10 oz. denominations. The face values of each variety are \$100, \$50, \$25 and \$10, respectively—though like all other bullion, the actual value of the coins depends on the spot price of the metal.

Spot Price

It might be time for a quick aside.

It's easy to take certain things for granted in the rare coin business. For instance, that everyone knows what "bullion" is. Another phrase that gets bandied around in regards to bullion or precious metals like everyone knows what it means is **spot price**. I think I can settle this one.

All "spot price" means is the price of a commodity (like bullion) that you physically have in your possession within a very short time (technically two business days) from your purchase. Contrast it with a *futures contract*, where you're paying for something based on what you think it will be worth in the future, which is when you will actually receive it.

In other words, the "spot price" is the price you pay to get something "on the spot".

It's a simple but vital concept in today's sophisticated international market. If you're interested in the real wealth protection that bullion can provide, then you'll need to pay attention to the spot price.

World Bullion Coins

Speaking of the international market, the United States is far from the only player in the bullion game.

If it weren't for the South African Krugerrand, you could argue that the American programs might have come along much later, if at all. There were other motives for the creation of a United States bullion coin program, but it's certainly a fact that the success of the [Krugerrand](#) (and its decades-long lock on the market) made everyone stand up and take notice.

Kind of like when one state has a lottery but its neighbor doesn't. How long can the neighbor state sit back and watch all that revenue escape?

But of all the other bullion programs in the world besides America's, China deserves pride of place.

The **Chinese Silver** and **Gold Pandas** are immensely popular with collectors and investors alike. First issued in 1982, the Gold Panda comes in various sizes: 1, 1/2, 1/4, 1/10, and 1/20 oz. There are even some 5 oz. and 12 oz. coins. Silver Pandas, starting in 1983, come in similar weights, with an additional 1 kg(!) coin.

Most years feature new reverse designs.

Next up are our neighbors to the North and South. The **Canadian Maple Leaf** bullion coin comes in gold, silver and platinum varieties. The **Gold Maple Leaf** consists of 1 troy ounce of .9999 fine (24 karat) gold, and like the silver and platinum versions, features a maple leaf on the obverse and a portrait of **Queen Elizabeth II** on the reverse. The silver coin is 1 oz. of .9999 fine silver, and the platinum coin is .9995 fine. Intriguingly, Canada also issues a palladium bullion of .9995 fineness.

Mexico produces gold, silver, and platinum **Libertads**.

Gold Libertads were .900 fine until 1991, when the gold content was increased to .999. **Silver Libertads** are .999 fine. The **Platinum Libertad** is also .999 fine. Gold and Silver Libertads come in a variety of weights, similar to many other world bullion coins, but the platinum coin is available only in a 1/4 oz. version.

We'd be remiss not to mention Australia. Australia manufactures many coins with aboriginal fauna as the main motif, with the [Kookaburra](#), the **Kangaroo** and, yes, the **Koala** featuring prominently. Much like other international programs, the silver bullion coins are .999 fine, and the Platinum Koala is .9995 fine.

While we're at it, check out the [Tuvalu American Buffalo silver bullion coin](#). Produced by the [Perth Mint](#), the Tuvalu Buffalo is 1 troy ounce of .999 fine silver.

There are, of course, many other bullion programs in the world. The [Austrian Mint's Vienna Philharmonic](#) is another great example.

But did you know there are other kinds of bullion out there?

Rhodium? Bronze?

Yes, you read that correctly! **Rhodium** belongs to the platinum family of metals (as does **palladium**), and is especially resistant to corrosion. As such, it makes sense to use it to manufacture bullion bars or coins.

And while it may seem strange to call anything made out of bronze "bullion", in recent years the industry has realized that bullion is a useful way to package all sorts of metal, including **copper**, **aluminum** and alloys such as bronze.

Conclusion

As you've seen, the world knows and respects the value of bullion, whether it's in the form of a bar or a coin. Bullion makes a great addition to your financial portfolio, and is one of the more dependable ways to diversify your investments. When the economy hits a slump, and stocks and bonds take a dive, you'll be glad you looked into bullion.

Diversity is the name of the game.

Besides, bullion coins aren't just useful economic instruments; they're attractive collectors' items, too.

-Ron

Minutes of our meeting on April 4, 2016:

Our 407th consecutive meeting was called to order at 7:00 pm by our President, Kevin M, who led us in the Pledge of Allegiance. There were 29 members and 1 guest in attendance.

Minutes of the March meeting were approved as posted in the newsletter. Treasurer report indicated a balance of \$ 1573.34, also approved. Welcome back, Bob F!!

WELCOME NEW MEMBERS: Dennis and Vicky K. and Kerry L.

OLD BUSINESS: The following is a calendar with some of our programs filled in. Do you have something to share? Consider being one of our monthly program presenters! See any of the officers for details.

Discussed whether there was any interest in buying slabbed coins for the raffle (more expensive, but fewer coins). Most liked the estimated value on the slips, but many do not collect slabbed coins. It was suggested that perhaps we could mix it up a little, one month as is, next month slabbed, etc.

MAY COLLECTING STOCK CERTIFICATES

JUN OTHER HOBBIES

JUL PEST FREE PICNIC OPEN

AUG MEMBER AUCTION (good of the member)

SEP OPEN

OCT WHITE ELEPHANT AUCTION (good of the club)

NOV OPEN

DEC CHRISTMAS BANQUET

NEW BUSINESS: Kevin M. gave everybody an assignment to bring at least one coin with an animal on it to the July meeting/picnic. Prices range from dirt cheap to “you said HOW MUCH?”

SHOW AND TELL:

Kevin M. showed an assortment of world animal coins to back his request referenced above. He also had a baseball coin from Australia (or is it a “cricket” coin?)

Keith L. brought in a belated St. Patrick’s Day show and tell. He brought some collectible drinking glasses and memorabilia by “Guinness”. Luckily they were all washed and dried from the party!

Jim D. showed us the difference between Kennedy halves with and without “accented hair”, which Jackie didn’t like!

Lynn T. reminisced about the 1968 Democratic Convention in Chicago. He had tickets and some executive currency from the DNC.

Bob F. always returns from his trips with interesting finds. He first had a very nice Morgan Dollar that was transformed into a beautiful pendant, then two box coins; one an 1893 ¼ Anna, the other a 1900 British Large Cent. He can certainly sniff out some unusual items!

BREAK FOR TREATS: There was plenty of sugar to go around!

FEATURE PRESENTATION: THE LIFE AND WORKS OF AUGUSTUS SAINT GAUDENS

We can always count on Mike B. to be thoroughly prepared when he presents to us! By way of a short introduction, he showed a modern Gold Eagle alongside 1910-S “Saint”. Both are beautiful coins. And both designed by ASG.

After a brief family history, we were presented by a wonderful slide show, complete with expert commentary, on a multitude of ASG’s famous works, including a Chicago connection. Thanks for bringing it all to life for us, Mike!

RAFFLE PRIZES WINNERS:

Bob H.	Las Vegas gaming token (.999 silver)
John F.	? Mystery envelope
Keith L.	2018 (you read right) Silver Zombuff
John G.	Canadian Maple Leaf (1 oz silver)
Alan M.	1964 Canadian silver dollar
Beverly K.	Roosevelt dime PDS set
Mike B.	1861 50c Bank of Tennessee bill
Jim Sch.	Framed set of 3 barber coins
Paul B.	1966 Canadian silver dollar
Albert M.	Grover Cleveland 3-coin set
Jim Scr.	Framed set of Lincoln Memorial cents
Beverly K.	Set of ancient Roman coins
Nick W.	1909 VDB in VF
Kyle K.	1700 1 reale shipwreck coin
Keith L.	Harry Truman PDS set
Mike B.	1863 Civil War Currency
Alan M.	9 asst V nickels

Elliott K. 1971 Proof set
Bob E. 1862 Civil War Scrip

RING TOSS WINNERS: Alan M, John F, Kyle K.

MEMBER PRIZE Lynn T. Silver half

SPLIT THE POT Mike B. (\$ 7)

MEETING WAS ADJOURNED AT 9:00

UPCOMING COIN SHOW SCHEDULE:

May 1. Palatine. 1st Sunday Coin Show.

May 8. Countryside. 2nd Sunday Coin Show.

May 15. Itasca. NOISE 3rd Sunday Coin Show.

May 22. Tazewell NS show - Pekin

May 29 D'Atri Auction

Bob F. will be bringing the 2017 Red Books for those members interested in buying the latest issue at a substantial discount:

2017 Spiral bound Red Book (retail \$16) Discounted Member price \$12

2017 Hard Cover Red Book (retail \$18) Discounted Member price \$14

2017 Spiral bound Large Print Red Book (retail \$30) Discounted Member price \$24

2017 MEGA Red Book 1501 pages! (retail \$50) Member price \$40

Please see Bob if you ordered a book or would like to buy one.