

SEQUENTIAL SERIAL NUMBERS

BONUS.... OR BURDEN?

By **AGWire™**
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We often see eBay auctions offering two, three or even more sequential serial numbered Engelhard silver bars for sale, and always at a price that appears to be considerably higher than each bar would typically be priced if offered individually. This poses the question... Should sequential serial numbered bars be valued higher than non-sequential bars? While the answer to this is generally **yes**, the method of value-interpretation is surprisingly subjective and complicated. After all, except in very rare circumstances, every Engelhard bar produced was part of a continuous serial run, so each and every bar has its sequential counterparts. Hopefully this short reading will shed some insight on this often seen but seldom-discussed topic.

The concept of owning sequential serial numbered bars is intriguing. Consecutive bars are typically very similar, if not nearly identical, in appearance and characteristics because of production assembly timing, where procedures and conditions of pouring, cooling and stampings had little to no variance. The above photos illustrate this point by showing three examples of identical twins and triplets. Notice the nearly identical cooling lines and patina in the center example of the three poured 5 digit 10oz ingots. While there are clearly anomalies in stamping procedure, we believe that bars were most typically stamped in proper sequence of production.

The valuation dilemma begins when sequential serial number bars are offered for sale, as the pair offering may put many buyers out of the market strictly due to price, notwithstanding the sequential numbers. Add a sequential premium to the pair, and the challenge becomes even

greater. And offering three consecutive bars again increases the price point, which ultimately reduces the buyer audience further yet. Most sellers know to be patient in finding that chance buyer who is specifically looking for sequential ingots, and is willing to pay a premium for the occurrence. We have noticed moderate to significant premiums on sequential serial numbers of smaller, rare ingots (like the center photo above), as it is considerably more difficult to assemble consecutive numbers when mintages are very low. And, often the buyers for ultra rare bars have larger appetites, and budgets, for these unique opportunities. Even more appealing are unique and/or low serial numbers, again like the above center photo, where you see a 05556, 05557 and 05558. Chances of finding a group like this is slim, yet occasionally they are obtained from the original buyer who purchased them back in the 1970's and elected to keep the group together. The opposite scenario is true for common bars, where sequential pairs are relatively easy to find due to much larger mintages. One of our core collectors owns 53 consecutive early 7th series 10oz Engelhard ingots in the P015xxx range. Imagine trying to sell 53 consecutive 7th series ingots at a premium! That would be a huge price point for even a wholesale buyer, sequential numbers aside. This lot would appropriately need to be sold in 2 to 3 ingot increments to maximize value, but it's anyone's guess as to where the bonus premium might fall - perhaps somewhere between 5% and 25% over non-sequential ingots. We have yet to see the market recognize any sequential premium on the larger 100oz bars, as the price point in itself on a pair of 100's would put most buyers out of the market regardless of serial numbers.

Like so many facets of Engelhard collecting and collecting in general, it's all about what the collector desires, and that truly trumps any protocol or logic. If you are ready to make the *consecutive* decision to buy or sell sequentials, just know that the buyer/seller audience is smaller, and that premiums, while certainly warranted, are based heavily on scarcity, uniqueness of serial numbers, bar characteristics and appeal, and market conditions. As we see it, the potential for sequential premiums on common variety and larger bars is likely inconsequential, while premium on preferential smaller bars is, in fact, quintessentially consequential!

Sequentially, AE

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