

PERSPECTIVE

By AGWire™
May 13, 2017



Last year, when silver dropped down to the \$14's, we were heavily buying Eagles, 90% and **anything** Engelhard that we could get our hands on. When silver jumped back up to \$15.50, we *patiently* sat on the sidelines waiting for the 'big' correction. Today, we're buying in the \$16's and \$17's like there's no tomorrow. No, we're not crazy... well, maybe a *little*... but why did \$15.50 not make sense back then, while \$17 makes sense today? And why (I hear my wife ranting about this 'silver nonsense') did \$48/oz **somehow** make sense in April of 2011? Everything felt good at the time, right? And *whoosh*... like a piece of lint, we were sucked into JP Morgan's vacuum while they hoovered every ounce of silver available in the market. But let's discuss something other than the ongoing in-your-face manipulation that those goons continue to get away with. If you're like us, you buy silver when (A) you have extra money to spend, (2) you feel good about the market, and (D)¹ there is a good value and quality bullion opportunity that you are excited about owning. Chances are, the lower the spot price, the less picky you are about what you buy. The same goes for the contrary where, the higher the spot price, the pickier you are about your purchases.

The key is to have a plan for what you buy in a down market, what you buy in a flat market, and what you buy in an up market. The market will always be in one of these three scenarios, and your plan must be well thought out and consistent. Everything you buy should be of reputable name bullion of high quality, and at the best price available at the time. Margins do matter, especially when you buy in volume. While there are many bullion options, from generic to collectible rounds, to pre-1965 US 90% coins, to collectible vintage bullion, our focus will always be collectible bullion because that is our passion. Certainly, there are far more right choices than wrong when it comes to buying silver at today's prices, but some choices will clearly fare much **better** than others. Oh, what a long strange trip it's been. "Better" is certainly a subjective point of view, but boring 99.9% generic silver is just that, with virtually zero numismatic potential. The price point *is* cheap, however, and the upside from strictly a metal standpoint is the same as collectible bullion, but with generic you are only betting on spot price, not collectability. Collectible bullion, on the other hand, commands a small to large premium that may very well increase as spot increases. Plus, it makes buying a lot more fun, and Lord knows we need to have fun in this market! We consider all Engelhard bars and ingots to be collectible. Yes, even the 'very common' bars that are actually becoming rare in themselves, in comparison to other choices like Silver Eagles. To the point, if spot is depressed, as it remains in today's market, and you bought common Engelhard 1oz, 10oz or 100oz bars on slim margin, **you could do no wrong**.

¹ Cheeky [Home Alone](#) Reference

If spot had jumped, and was at a point where widespread selling is taking place to capture profits, we believe you would best be served buying Tier 1, Tier 2 and some Tier 3 ingots that are considerably above spot, but may not be directly tied in to a silver spot value correlation. We remember paying \$650 in 2008 for a 4oz Top Logo Engelhard. And a 7oz Top Logo for \$700 in 2010 from the "ever eccentric" D. M. Green! Everyone thought we were crazy, D.M.G. included, and frankly those were big numbers back then for what many at the time still considered ugly or junk bars. Today, no serious collector would bat an eye at paying \$2500 - \$3500 for a nice example of either. Spot is only a few dollars higher today than it was in 2008, but the collector market has seemingly grown 100 fold. If spot climbed to an all-time high, we would likely put our money into rare Tier 1 or Tier 2 ingots, which are less influenced by a climbing spot price, and they may even represent a bargain in relative comparison to other bullion in different markets, as noted in the above 4oz example. Please do not take this as investment advice, as we are not qualified nor smart enough to guide you with that, but, doggonnit, people still like us anyway! We do what we do because we love this stuff, as you certainly cannot make a living at it.

Today's collectors generally understand rarity and value, and they recognize that ounce-per-ounce prices differ based on rarity, commonality, demand, etc. Collectors also recognize that there are clear underdogs to be acquired that others may not be aware of. If you can recognize and source these, they are absolutely your best play in any market. The reality is, when silver hits \$50/oz, or \$100/oz, we will look back at today's offerings and wish that we had taken advantage of every silver opportunity that we could manage, except maybe silverplate!

Everyone asks us "What do you buy?" Honestly, we buy the bars that we personally like, bars that we are attracted to for some reason. And, likely, so do you. One of our 'more seasoned' core collectors purchased his first Engelhard bar in 1979 when the market was running upwards in the Hunt days. It was a 10oz 9th series in pristine condition. He remembers borrowing money from his mommy [sorry amigo] and paid \$175 cash for it (\$.50 over spot) and selling it a few months later for \$445 cash while he was in line at Webster Street Coins in Oakland, CA to partially liquidate when silver and gold were near their 1980 peaks. His profiteering would have been a smarter move if he hadn't taken the money and purchased a [money-pit sports car](#), but that's another story! Ever since he held that first bar, he says Engelhard became embedded in his brain as the most trusted and respected silver bullion, not to mention that it was beautiful. That was almost 40 years ago, and we continue to buy the same stuff today, and for the same reason. Currently, there's enough to go around, but it most certainly will dry up quickly once the Salami Hits The Focaccia.

Fellow bullionaires, we all want to make the best decisions today so when that day comes where we want or need to sell some or all of our stash, we have the best goods to sell, and can do so in the shortest amount of time, and at the highest value. Buying the **right** collectible bullion today should pay huge dividends over generic due to the added bonus of collectible value and rapid growth of the collector market. Frankly, that's what got us hooked on Engelhard in the first place, and boy are we glad we did.

Perspectively,

AE