

disparity

WHAT \$1,600.00 WILL BUY YOU TODAY...

By AGWire™
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One good thing about our wild and incongruous precious and collectible bullion world is that it forces us to use our dictionary to find the appropriate words to describe the ever-strange and inordinate happenings in this market. So the word of the day seems to be *Disparity*. We know there is the huge disparity between excessive volumes of 'paper' metals trading versus the nearly non-existent volume of 'physical' (aka REAL) metals trading on the COMEX. That's because physical silver is actually very scarce, and to boot, JP Morgan, the world's most trusted bank, has diabolically acquired most of the available physical silver in the world over the past 7 years. And then there's the perplexing disparity within our chief Government regulator, the Commodities Futures Trading Commission (CFTC), who is solely responsible for enforcing fair trading practices and proper ethics within our industry, yet they indefensibly turn a blind eye to blatant manipulation in our market, their actions like a police officer standing with a radar gun in front of a 25mph school zone watching their friends speed by at 100mph with no consequences. Our friend Ted Butler continues to keep the JP Morgan/CFTC/COMEX precious metals manipulation 'scandal' at the forefront of our public awareness, and because of Ted's unrelenting efforts, much of the financial world now knows that the game is in fact rigged, and hopefully we will see a fair and final resolution very soon to this parody of all parodies.

As disparity relates closer to home in our collectible bullion market, one very clear scenario immediately surfaces in our minds and continues to baffle us. That is, the per-ounce value disparity between small rare ingots and larger rare ingots, all having the same approximate mintages. The illustration below compares the valuations of various sizes of vintage Engelhard poured ingots¹ with similar mintages.

¹ Please refer to www.AllEngelhard.com and menu heading DEFINITIVE PAGES.

	<u>Est. Value</u>	<u>Est. Mintage</u>	<u>\$/Oz.</u>
Engelhard 100oz 2 nd Ser. CDN	\$1,550-\$1,600	< 1,000	\$15.5-\$16
Engelhard 50oz 1 st Series	\$1,000-\$1,100	< 1,000	\$20-22
Engelhard 25oz 1 st Series	\$ 950-\$1,000	< 1,000	\$38-40
Engelhard 20oz 1 st Series	\$ 800 - \$ 900	< 750	\$40-45
Engelhard 10oz 4 th Series	\$ 550 - \$ 600	< 1,000	\$55-60
Engelhard 5oz 5 th Series	\$ 350 - \$ 400	< 1,300	\$70-80
Engelhard 3oz 6 th Series	\$ 360 - \$ 400	< 1,500	\$120-133

The above mintages of all weight classes are within a close range, and survivability of these is likely similar as well. No doubt the smaller ingots have a great feel and eye appeal, but the larger bars do as well, although a bit bulkier. But with a per ounce disparity range of \$15.50 to \$133 for seemingly equal rarity, an investor has some serious thinking to do when determining how to invest \$1,600 in collectible Engelhard bullion. Do you simply buy a 100oz bar? Or do you buy a 50/oz and a 10/oz bar? Or maybe a 25/oz and a 10/oz? Or two 20's? Or three 10's? Or four 5's? Or four 3's?! That's a lot to think about.

When silver hits \$100/oz (and **oh** it will), a **100oz** bar will be worth **\$10,000** in silver value alone; **two 20oz** bars will be worth **\$4,000** in silver value; **three 10oz** bars will be worth **\$3,000** in silver value; **four 5oz** bars will be worth **\$2,000** in silver value; and **four 3oz** bars will be worth **\$1,200** in silver value, not to mention the potential premiums on each for collectible value.

History tells us that when silver spot price increases, the smaller ingots will likely still carry a higher premium over the larger bars, but the unknown going forward is 'how much.' If you're the gambling type, the smaller ingots might serve you very well, but based on the above numbers at \$100/oz silver, you would need an \$8,800 PREMIUM on your four 3oz bars to equal the silver value alone of the 100oz bar. Conversely, a conservative investor would not go wrong with the 100oz bar, as the additional 88 ounces over and above the 12 ounces of the four 3oz bars already banks your \$8,800 profit, not to mention the potential collectible premium on THAT! Talk about disparity!

But then again, there is no right or wrong answer here, because who's to say that the 3oz ingots won't be worth \$3000 or \$5000+ EACH at that time? That, too, is a winning hand. And **that's** the unknown.

In past years, we've run similar newsletters on this very subject, "[Size vs. Premium](#)", and "[SIZE DOES MATTER](#)". The most important takeaway from this article is to buy known authentic, quality brand silver at a fair market price, based on your personal preference and budget. Either road you choose to take leads to the same destination, which we emphatically believe will make us all smile as we see the disparity with great clarity, and that day might just be around the corner!

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