

COLLECTOR OR HOARDER

WHICH ARE YOU?!



By AGWire™
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COLLECTOR: A person who makes a collection: an accumulation of objects gathered for study, comparison, or exhibition or as a hobby

HOARDER: A person affected with [hoarding disorder](#), a psychological disorder characterized by the persistent accumulation of a variety of items that are often considered useless or worthless by others and by the inability to discard such items without great distress regardless of their value

It's pretty clear by the Hoarder definition above that stockpiling bullion bars is not a psychological disorder, as bullion bars, collectible or not, are NOT useless, nor are they worthless. In fact, they provide financial security and wealth protection. Let's say you own one hundred 5oz silver bars. Is that hoarding? How would that be different than owning 100 shares of IBM stock at \$150 per share? Same approximate valuation, but totally different ownership method, different type of risk, purpose and utility. Logic tells us going forward that it is MUCH smarter to own hard assets in hand with no debt or third party risk. And unlike Hoarders who likely have no idea what they own or what is stored where, Collectors are typically highly organized and even have detailed spreadsheets outlining their collections, with details down to date of purchase, price, seller, rarity, ingot condition, etc. So then, for the record, we are NOT hoarders. To be fair, let's replace the word Hoarder with Obsessive Collector, or maybe more appropriately Aggressive Collector. That makes more sense. Or you can come up with your own title that fits your game plan. Ok, onward Silver Soldiers...

Without mentioning any names, there are several folks within our collector community who primarily focus on certain sizes and varieties of collectible bullion. Yes, this includes **us** too! But we will stay out of this one, and we will keep the collector names anonymous as well. As you all know, vintage and rare bullion bars grow on you. No two bars are alike, every bar has its own unique character and appeal. They're like a cheesy Doritos White Cheddar Tortilla Chip. You have one, and before you know it the empty bag is crumpled in the trash and you're on your way back to the store. What started out as a desire to own ONE Engelhard ingot, turned into a desire to own ONE of EVERY size, followed by ONE of every SERIES, and then every ERROR bar, and then, like a drug addiction **MOAR OF EACH**, and then... *drum roll*... **OTHER REFINERS**. Some may call it an insecurity or control issue, others may call it prudent investing. We call it an AWAKENING to the ultimate hobby and investment strategy! To be fair, maybe we're just sharing our own experience, but somehow we think it's a universal contagion. Every collector has their preferred target list, just like stock market investors or coin collectors.

In our many years of monitoring and recording information in the collectible bullion market, we have come across a growing class of collectors who literally have galvanizing amounts of certain ingots. Face it, we all have our favorite pieces that somehow speak to us. After that first one, you see another that has totally different character and you've just gotta have it – every ingot is unique and different, and that's the intrigue of this hobby. Some of them must speak pretty darn loudly, as we know of collectors having as many as 50% of the surviving examples on the planet in a certain variety. Imagine that. And yet, these collectors are *STILL* passionate about pursuing every last bar that can be had, often at any price. This is a clear example of a **SILVER BUG, a contagion of which there is no known cure**.

Again, it's really no different than if you like a particular stock that has performed well, and so you choose to buy more of it. The beauty of collectible bullion versus stocks, however, is that every bar is different, and you can touch and feel and smell the history and value! Just take a look at our [DREAM PAGE](#) and you'll get a sense of what we're talking about.

One of our collector friends fancies Engelhard 10 ounce "W" prefix ingots. The 10oz "W" series had an original mintage of less than 18,000 bars. To date, we have recorded only about 5% of the minted serial numbers (960 bars). Based on our formulas, it is likely that the survivability rate of this series was about 25%, in other words, 75% were melted and repurposed the great melts. So, if 75% were melted, that leaves a surviving mintage population of approximately 4500 examples. We know a collector who at one count had 229 of these ingots, a whopping ONE QUARTER (1/4) of the known recorded examples, and approximately 5% of the estimated surviving examples. It's a big world, and there are now thousands of collectors pursuing 'one of each' or MORE. So it's only a matter of time before the majority of collectible bars are in strong hands, leaving a scant few stray pieces to be traded, and likely at much higher prices. eBay, Instagram, Reddit, Mineral Exchange, other auction and blog sites, and a tight worldwide collector community network in general, make all of this possible. And oh you can bet that if a "W" 10oz ingot comes to market, our friend will be an aggressive bidder on it.



We also know of a collector who fancies Engelhard Canadian 16.075 ounce in both extruded and poured variety. Together, these have a mintage of only about 700 total examples. This particular collector has approximately 25 of these bars. We are estimating a survivability on these of about 25%, so say 175 survivors and this collector has 25, which means that he has 14.3% percent of the known examples. That's HUGE!! To date, we have recorded only 99 examples, so his 25 of 99 is an even more impressive 25% of this known variety. Again, it's a big world, but in perspective the rarest production US 1oz Silver Eagle is the 1996 date, revered as incredibly scarce and consistently commanding a high premium, with a mintage of **only** 3.6 MILLION. Just sayin'...



Another example is a collector who has pursued Engelhard London kilo bars since he started collecting in the mid 2000's. Last we spoke, he had amassed a collection of some 255 London kilos and half kilos. As you may have read in the previous newsletter on Engelhard London, there were only about 15,000 produced, and survivorship is estimated at a maximum of 20%, meaning that only 3000 ingots in the world likely exist today. And to date we have only recorded 585 serial numbers, so if this particular collector has 255 ingots, that is 44% of known examples, and 8.5% of the surviving examples for a World Class **Legacy Ingot**. THAT, to us, is mind-blowing.



Oh, and this 'friend of ours' started collecting Engelhard Canadian 10oz Maple bars awhile back, the blank reverse series with <500 mintage, and the TD reverse counter-stamp at <1000. Since they were a 1980's 'pressed' production, they were and often remain confused with the more common Engelhard 10oz Portrait Eagle bars. But make no mistake, these 10oz Maples are rare. Last count he owns about half the recorded examples. HALF. These are definitely underdog bars, with extremely low mintage, and yet, they are often overlooked as common bars. Keep an eye out for these, as they seldom come available.

And it's interesting how these large hoards influence the market. They are, unquestionably in strong hands, meaning that they will not likely be sold individually. In fact, the accumulation of many of these collections involved purchasing smaller collections from other collectors, typically at price premiums. Therefore, it is likely that if there are ever sales of these large collections, they, too, will go to a very significant collector, either in small or large lots and not on the open market. Because such a large percentage of these bars are tied up with only a few collectors, very few single or loose ingots come on the market for sale. And when they do, these same collectors are in hot pursuit of these examples, often driving prices upward. This may be good for price discovery of these bars, but production was so low on so many varieties of collectible bullion that these large collections may also restrict the market. Collectors get together with each other and compare their portfolios, and if one collector has a 16.075oz bar and the other collector desires one of the same, yet there are none available on the market, that takes some of the fun out of collecting this variety. We estimate that 90% of the collectible bullion bars are owned by 10% of the collectors, meaning that the remaining 10% of the collectible bullion bars are owned by 90% of the collectors. That's *quite* an imbalance in a market that is very, very small. Engelhard produced about 5 million pieces of all sizes in its 27+/- year retail bullion tenure. Assuming 70% were either melted for industry, or in the great melts of 1979/80 and 2011, that leaves only about 1.5 million survivors. The Ultra Rare 1914-D Lincoln Cent had a mintage of about 1.2 million. Compare that mintage with an estimated 1.5 Million surviving Engelhard examples of each year, weight class and variety! This confirms just how off-the-charts rare Tier 1 ingots are at <500 mintage!



While most all of us to have an exit plan at some time or price, we still like to urge the hoarders aggressive collectors among us to pick out the examples they like the most in their collections, and to consider selling off some of their excess and duplicates, as this would be beneficial for both establishing new market valuations and instantly welcomed in building the collector market. If most rare ingots are held in strong hands, the rest of the collector audience is deprived of ownership and will likely pursue other interests or means of investment, and this may have a negative effect on market development and long-term collectible bullion valuations.

Collectively, we are fortunate to be in such a truly fascinating hobby, one that provides us pleasure, camaraderie and friendships, teamwork, often fierce competition, endless excitement, financial security and ultimately ([SOON](#)) the reward of **epic** profitability.

Engel**hoardedly**,

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Our sincere thanks to the collectors who provided us permission to display their amazing photos in this newsletter.

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