

## **VALUING COINS and BANK NOTES**

Please note that we usually need to see your coins/bank notes as it is not usually possible to give a value over the phone or by way of faxed lists. This is because the art of valuing coins and notes is very difficult as it depends on rarity and condition. You may buy a book, with some description of valuing guidelines, to give you a feel for the condition and rarity of your coins. However, it is tricky to master as even the experts will differ on the finer points of valuations.

Below, I discuss valuing coins, valuing bank notes and I include some additional notes. It should also be noted that the World Coin Catalogues comprise over 5000 large pages of fine print, depicting multiple columns of coins with 7 grades per coin. The South African Catalogue comprises a few hundred pages. Therefore, we cannot fax you lists of prices we will pay for coins. The Bank Note Catalogues comprise a similar number of pages. Then there are books on war medals, patterns forgeries etc

### **VALUING COINS**

If you have coins for sale, with the exception of Bullion Gold Coins, we are mostly unable to give you a value over the phone for the following reasons:

- The value of any coin is firstly determined by its rarity and secondly by its condition. These aspects are discussed below:
  - The rarity of any coin is determined by a combination of the original minting and also, since many of the original coins may have been lost, the frequency with which it is available in the market. Most coins from the last few hundred years are minted in their millions and will never be rare. However, a number have been minted in limited numbers. To illustrate, they only minted 128 of the 1931 SA tickey, so it is rare, whereas they minted 45 million of the 1994 R5.00 coin with the union buildings on it, so it will never be rare - spend it now. After all, the RSA has 48 million people and countless shops and banks, who all need a few coins in their pockets/tills. Typically, in my opinion, coins only start exhibiting a small rarity premium if there are less than a thousand in circulation. Equally, they only become fairly valuable if there are less than 300 in circulation and true collectors' pieces if there are less than 50-100 in circulation (Although these figures could be a bit higher depending on the coin). Many of the old coins still have intrinsic value, since they are made of silver or gold, therefore, dealers still buy them. However, since the mid 1900's (varies by country), most coins have no intrinsic value (since they are made of metal) and they have been minted in huge numbers, which makes them worth little. For some of the modern limited edition and special issue coins, the value has been boosted too high by the dealers desire to increase margins in the face of rampant demand driven by excess money and hype (such as Mandela Hype). However, these margins are only justified if they stand the test of time,

bearing in mind that collectors want to earn a return on their investment and do not want to have to wait 10 years before they earn a return. What I am really saying is buyer beware – shop around.

- Now, if we have established the rarity of the coin, we need to look at the condition of the coin. There are about 7 broad grades of condition, namely Proof, Uncirculated, Almost uncirculated, Extra Fine, Very Fine, Fine and Useless, with numerous degrees in between each. Therefore we have to see the coins before we can express an opinion of its value;

## **BANK NOTES**

If you have Bank Notes for sale, we are mostly unable to give you a value over the phone for the following reasons:

- The value of any note is firstly determined by its rarity and secondly by its condition. These aspects are discussed below:
  - There are about 7 broad grades of condition, namely Uncirculated, Almost uncirculated, Extra Fine, Very Fine, Fine, Very Good, Good, Fair and Useless, with numerous degrees in between each. Therefore we have to see the note before we can express an opinion of its value;
  - The rarity of any note is determined by a combination of the original minting and, since many of the original notes may have been lost, the frequency with which it is available in the market.

It should also be noted that the World Bank Note Catalogues comprise over 3000 pages of fine print and the South African Catalogue about 50 pages. Therefore, we cannot fax you lists of prices we will pay for notes.

## **ADDITIONAL NOTES**

Typically one should look at the buy/sell spread when buying coins. Eg A Krugerrand will sell for 7-8% over the Gold purchase price. Therefore, the price only needs to go up 8-9% for you to break even. Special Edition coins like the Mandela coins, on the other hand, sell for up to 40-50% over their repurchase price. Therefore, the coin needs to go up 40% before you break even. Therefore, Krugerrands are a shorter term investment than Collectors coins. However, Collector's coins will probably yield higher returns than Krugerrands over 20 years.