

The Third Side of the Coin: The Fallacy of Technical Trading

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Mintages mean nothing. Look in the Red Book under Bust Dimes.

YEAR	MINTAGE	GOOD	EX.FINE
1832	522,500	\$14	\$175
1835	1,410,000	14	175
1836	1,190,000	14	175
1837	359,500	14	175

Technically, a coin with 1/3 the volume should have 3 times the price.

Consider Seated Dimes:

1841	1,622,500	\$ 8	\$ 45
1841-O	2,007,000	9	65
1841	1,887,500	8	40
1841-O	2,020,000	9	125

Technically, a coin with smaller volume should have a higher -- not a **lower** -- price.

These same anomalies exist all across the entire range of collectible money. Many commemoratives of the 1920s and 1930s were melted after disappointing sales. The mintages are objectively low; the coins are objectively rare. They have no market because there is no demand for them. However, year after year, for the past 50 years, writer after writer has tried to hype these commemoratives as sleepers about to wake up. They never have and they never will. Let sleeping dogs lie.

Some dealers want collectors to play the game with \$5 Liberty gold coins, especially the earlier No Motto types.

YEAR & MINT	MINTAGE	VF-20	AU-50
1843	611,000	\$175	\$350
1844	340,000	175	350
1852	573,901	175	275
1853	305,000	175	275
1901-S	3,648,000	160	185
1903-S	1,855,000	160	185

Others are looking to the \$5 Indians. The realities of the marketplace are not necessarily reflected in a simple supply- driven demand curve.

It is an axiom of economics that **demand** (not supply) drives markets. Supply is certainly a factor, but the prime mover, the engine of commerce is **demand**. The fact is that long, long ago the market accounted for the mintages. The market is not going to suddenly wake up and change. Whether you look to Newcombe on copper or Haseltine on silver or Lyman Low on tokens, every aspect of American numismatics found definition over 100 years ago.

There is no utility in owning a lower mintage Bust Dime than a higher mintage coin of the same grade. The average collector obviously prefers Bust Dimes to Seated Liberties. The preference for No Motto gold is measurable, but not important. In either case, the fact is that the collector market is not excited by the opportunity to collect these coins by Date or Date and Mint or Variety or Error.

Not so, the Lincoln Cent or Morgan Dollar. Those coins became collected in recent times because markets do change. Before World War II (1940), few collectors pursued Date and Mint sets. Serious collectors assembled Type Sets. By the mid-1950s, coin collecting took on the form we recognize today and accept as normal.

However, each new collector sees the spectrum of numismatic collectibles as if they have discovered a new continent ready for their own exploration. However, the continent already has inhabitants -- inhabitants who charted, plotted, occupied and leased all the available property long before the latest wave of immigrants showed up.

American numismatics has 150 years behind it. People richer and smarter than you went first. Generally speaking, any coin that could become valuable already has. If you want to collect Seated Half Dimes by Date and Mint, then do! Enjoy the pursuit and assembly of a tough collectible topic. However, do not believe that a "rare date" today will ever be worth more tomorrow.