



# MONEY METALS

## INSIDER

An Insider Report for Clients of Money Metals Exchange

# Avoid Silver American Eagles... and Save Big

BY CLINT SIEGNER

Director, Money Metals

Most long-time bullion investors know Silver American Eagle premiums are very high these days.

The coins command a numismatic-like premium over the spot price of silver, yet they are anything but collectible. In fact, the dysfunctional U.S. Mint makes tens of millions of them each year.

Here's the rub.

Unlike well-run private mints, government bureaucrats in the U.S. have proven to be incapable of or unwilling to address their silver coin production and sourcing stumbles – attracting criticism from members of Congress and many others.

Given the U.S. Mint's ongoing production shortfalls, retail demand for Silver Eagles has continued to outstrip supply.

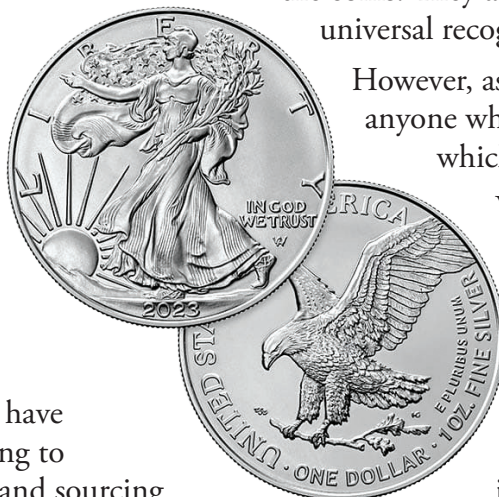
For some investors, buying Eagles is something of

a habit. In addition, the droves of newcomers entering the markets these days are instinctively drawn to the coins. They are official, legal tender and carry universal recognizability.

However, as Money Metals staff will explain to anyone who asks, there are today alternatives which offer SO much greater value.

We often can't talk people out of buying Silver Eagles. Still, since we want to do right by our customers, it is worth trying.

Here are three reasons to swear off new purchases of Silver Eagles and put your money instead into other types of silver coins, bars, or rounds.



***The first reason is that an investment in Silver Eagles is extremely speculative at this point.***

Buyers of Silver Eagles aren't just betting on silver prices. Some 40% of what an investor puts into each coin is to cover the premium, which remains near all-time highs. In order for that portion of their bet to pay off, premiums will need to go even higher from here.

It is easy to make a good argument for silver itself being cheap. Making the same argument for Silver Eagles is way harder. No one paying today's premiums should be under the impression they are "buying low."

*See Avoid Silver American Eagles, next page*

### Inside This Issue:



When is the Best Time to Buy Precious Metals? .....	3
Q & A: Frequently Asked Questions .....	4
State-of-the-Art Security to Store Your Gold & Silver .....	5
Inflation Firestorm Fuels Sound Money Movement .....	6

## Avoid Silver American Eagles

*continued from previous page*

If Silver Eagle premiums return to what they averaged between 2010 and 2019, it will be a decline of some \$10 per ounce. In our estimation, the likelihood of that is far greater than Eagle premiums rising by another \$10.

***The second reason is buyers get very little actual value for all those extra premium dollars.***

The trust and recognizability that comes with an official U.S. coin is worth a buck or two historically. Over time, buyers expected to pay a couple dollars more when they bought them, and they expected to get a couple dollars more when it was time to sell.

What does paying *more than* \$2 extra get for investors? Probably nothing.

They aren't getting a collectible, because Eagles are anything but scarce. There are no meaningful legal or tax advantages to owning them. And they aren't going to be any easier to sell than other common silver bullion products.

***The third reason is that bid/ask spreads are extremely high. Dealers are worried the bubble in Eagle premiums will suddenly burst, and they will get stuck holding the bag. Thus, they are hedging that possibility by setting bid prices well below the ask.***

Prudently managed dealers hedge against spot price fluctuations in the value of their inventory. This allows them to keep buying and selling to clients without regard to market prices.

There are, however, no similar tools dealers can employ to hedge against premium fluctuations.



***The popular Silver Krugerrand can be acquired for 30% to 40% less per ounce than Eagles.***

They don't want to be caught with a lot of inventory purchased at ultra-high premiums, so they must add extra cushion.

This means new Eagle purchasers will need to see a larger rise in silver prices in order to break even versus investors who bought something with a narrower spread.

For those who bought Silver Eagles in years past when premiums were low... congratulations! You could make a nice profit by selling them to Money Metals Exchange and swapping the proceeds into other forms of silver – adding ounces.

Consider swapping out of your Silver Eagles before premiums come back to Earth.

The best deals on silver, by far, are found on silver rounds and silver bars. If you want government-minted coins, consider the silver Britannia, Philharmonic, Kangaroo, or Krugerrand. 📍

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# When is the Best Time to Buy Precious Metals?

BY STEFAN GLEASON  
*President, Money Metals*

Many investors who are thinking about buying gold and silver are waiting for the right time. But what exactly is the right time?

The truth is that no particular date on the calendar will ever announce itself as the right time to buy. And no market timer is capable of predicting when ideal entry points will emerge.

Investors who want to wait for bullion to get cheaper before buying risk never being able to buy because spot prices never become cheap enough.

In a bull market, the best time to buy was yesterday. The second best time to buy is now.

Of course, downswings will occur within any bull market. Some can be quite severe.

Investors who succumb to fear and hit the sell button when market conditions are adverse risk making the exact wrong decision. Prices could surge the very next day and keep surging thereafter.



Market conditions for precious metals were choppy in 2022. Price performance may not have met the high expectations of gold and silver bugs, but actual bullion buying was highly robust.

Buying activity sometimes even picks up after sell-offs as bargain hunters step up to the plate. Gold and silver investors tend to be hardy, long-term holders.

Buying activity in the stock market, by contrast, tends to be driven heavily by trend followers and algorithmic traders who have time horizons that are measured in minutes or days instead of

years and decades. Studies have shown that most traders not only fail to beat the market but actually underperform it. Buying and holding during a bull market is the surest way to profit from it. And the surest way to avoid buying at the wrong time is to buy in increments over time.

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Studies have shown that most traders not only fail to beat the market but actually underperform it.

Buying and holding during a bull market is the surest way to profit from it.

And the surest way to avoid buying at the wrong time is to buy in increments over time.


*See Best Time to Buy Precious Metals, page 8*

## Get Cash Without Selling Your Precious Metals!

Do you own precious metals you would rather not sell, but need access to cash?

You were wise to stash away precious metals to meet your future financial needs. Now Money Metals Capital Group can extend you a cash loan on your gold, silver, platinum, and/or palladium bullion coins, bars, and rounds.

It only takes days to close and fund your loan, all without tapping the equity in your home or selling your precious metals, stocks, bonds, or other investments!

Our minimum loan size is \$15,000, and we loan up to 75% against the market value of your metals (not available in all states; loans should be for business or investment purposes). For more information, call 1-800-800-1865 or visit at [MoneyMetals.com/gold-loan](https://www.MoneyMetals.com/gold-loan). 



# Frequently Asked Questions About Gold and Silver Investing



*We get lots of questions from the public about precious metals. Here we will answer a few of the most common, most broadly relevant questions we receive. Even if you're a seasoned metals investor, you can surely find value in this regular FAQ feature.*

## **QUESTION: Where are silver premiums headed?**

**ANSWER:** At the moment premiums appear to be headed lower – particularly for silver. The wholesale market is more stable than it has been for much of the past three years.

Producers of privately minted rounds and bars have been ramping up production. At the same time, buying activity softened in November and December. This allowed dealer inventories to finally recover on many key products.

The lesson of the past few years is that bullion premiums are quite sensitive to physical supply and demand.

This is in contrast to the COMEX paper price of silver and gold. Extraordinary demand for physical gold and silver seemingly had no bearing on prices in the futures markets. At least not until recently.

The vaults backing the trading exchanges reported a continuous decline in inventory, and alarm bells have started to ring.

Although premiums have come down, bullion buyers may simply be taking a breather. Geopolitical turmoil and falling investor confidence in financial assets remain as major drivers. The next wave of people seeking the safety of physical metal may not be more than one headline away.

## **QUESTION: Where do you expect gold and silver prices to go in the months ahead?**

**ANSWER:** The truth, of course, is we don't know. If the futures markets worked properly as a vehicle for honest price discovery and responded as expected to

fundamentals like supply and demand, forecasts might be more reliable.

When you add influences like market manipulation, algorithmic trading, and leverage, price direction gets much harder to predict.

It is best for investors to think in terms of probabilities. Our view is it is more likely for physical gold and silver prices to move higher over time rather than lower.

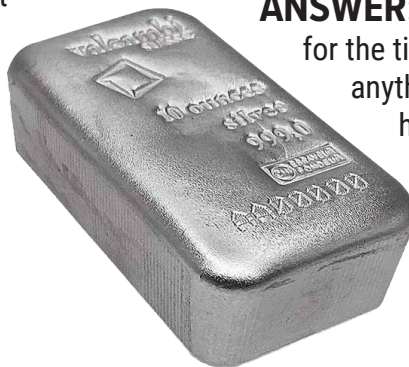
## **QUESTION: Will Fed rate hikes hinder precious metals markets?**

**ANSWER:** Metals are particularly well suited for the times in which we live. Price inflation is anything but “transitory,” as Jerome Powell had laughably claimed. In 2022, Powell finally acknowledged price inflation as a serious issue and the Fed responded by driving interest rates higher. That bolstered the Federal Reserve note dollar versus other major currencies. America's current monetary policy tries to fight the inflation it creates by triggering a recession and higher unemployment. It was ugly for real estate, stocks, and bonds in 2022. The year ahead may hold even worse for conventional markets.

The Fed spent most of the last 15 years fostering an addiction to zero interest rates in these markets. They aren't going to fix that without inflicting a massive amount of pain on investors.

Fed watchers are waiting on Jerome Powell's every word for signs that the “pivot” is coming. Historically, the politicians and Wall Street bankers who control the Fed have a low tolerance for pain.

Therefore, the FOMC at some point can be expected



*Money Metals is the largest U.S. retailer of Swiss-made Valcambi 10 oz silver bars.*

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# Frequently Asked Questions *(continued)*

to reverse and march back toward monetary easing. Perhaps Congress will resume stimulus by mailing another round of checks to everyone.

**QUESTION:** What are some of the qualities that differentiate owning precious metals from investing in the stock market?


**ANSWER:** As a tangible asset held in your possession, bullion has no counterparty risk. It can't go bankrupt or default. It doesn't commit fraud, and it doesn't make terrible decisions. It doesn't even rely on electricity or an internet connection to work.

Private, portable, and enduring coins, rounds, and

bars are a time-tested hedge against out-of-control central bankers, hostile politicians, ESG malinvestment, and other troubling developments that currently cloud the outlook for most conventional assets.



It is important to note the decline in confidence and unhinged monetary and fiscal policy are long-term trends with no end in sight. That is why metals have outperformed stocks over the last two decades plus.

As of this writing, the S&P 500 is up 180% since January of 2000. The gold price vastly outperformed over the same period – up 540%. Silver has gained 350%. 



## Money Metals Depository

### State-of-the-Art Security to Store Your Gold & Silver

*Money Metals customers know the importance of protecting their wealth from inflation and financial turmoil. Building a precious metals holding is one vital step. Securing that holding is quite another.*

*Storing your precious metals in the ultra-secure Money Metals Depository is prudent and affordable. Store with us and you'll find convenience, security, and savings on shipping and insurance – at a bargain price.*

#### State-of-the-art physical security

- Money Metals Depository is custom-built to our specifications, armored in thick steel and hardened concrete.
- Money Metals Depository uses only top-of-the-line UL Class 3 vaults.
- Our facility uses 24-hour monitoring and the latest security protocols.
- Located in low-crime Eagle, Idaho, with the county sheriff's office in the same building.

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- You'll never pay a dime to ship and insure when you order from Money Metals Exchange and elect to store your metal with Money Metals Depository.
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#### Contents fully insured by Lloyd's of London

- Metals stored in a standard account are fully segregated and are never commingled with any other customer's holding or our own.
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#### Access to Cash Loans If Desired

**If you need storage for any portion of your metals stockpile, take advantage of the most secure, convenient, and affordable option available anywhere. Just call us at 1-800-800-1865 or visit [MoneyMetals.com/depositary](http://MoneyMetals.com/depositary) to get started.**



# Inflation Firestorm Fuels Sound Money Movement

BY MIKE GLEASON  
*Director, Money Metals*

Sound money, in the form of physical gold and silver are entering the New Year on a bullish footing.

Meanwhile, things are looking positive on the sound money public policy front as well, thanks to some big wins at the state level in 2022 combined with renewed enthusiasm among our legislative allies as we head into the 2023 legislative season.

Looking back on 2022, one reality emerged: Sound money is clearly a winning issue at the state level.

At a time of record-high inflation and geopolitical uncertainty across the globe, with some prompting from Money Metals Exchange, the Sound Money Defense League, and our Money Metals customers, several state legislatures have taken tangible steps to better enable citizens to acquire, sell, and/or use gold and silver.

Of course, back in 2021, we persuaded Arkansas and Ohio to repeal their sales taxes on gold and silver coins, bars, and rounds. And the Buckeye State also acquired almost \$1 billion worth of physical gold to help protect its Ohio Police and Fire Pension fund.

2022 brought three fresh new legislative victories in Tennessee, Virginia, and Alabama.

All told last year, sound money allies introduced bills in 11 states to remove sales and income taxation on the monetary metals, create state depositories, and/or protect state pensions and reserves with an allocation to physical gold.

## Money Metals Is Backing Three Federal Bills

However, Money Metals' policy efforts on behalf of the industry and its customers aren't limited to state legislatures.

Congressman Alex Mooney of West Virginia introduced three federal bills that have our full

support. The most high-profile bill is the Gold Standard Restoration Act which would define the dollar as a fixed weight of gold.



*Rep. Alex X. Mooney (R-WV) has introduced three sound money bills.*

Another Mooney bill would direct the Government Accountability Office to fully audit, inventory, assay, and otherwise account for America's gold reserves every five years.

And a third bill exempts the monetary metals from the federal income tax.

In December, Congressman Mooney addressed the U.S. House of Representatives on the Gold Standard Restoration Act, a bill that could theoretically halt Washington's irresponsible spending habits as well as

the currency debasement caused by the Fed's creation of money out of thin air.

**Rep. Alex Mooney:** *Madam Speaker, the United States is facing an inflation and debt crisis not seen in over 40 years. West Virginians have seen the value of their savings erode before their very eyes because of reckless tax and spend policies. We know who's responsible for the current inflation crisis, but what in our country's history has allowed us to get to this point?*

*The answer can actually be traced back to 1971, when President Nixon took United States off the gold standard. The gold standard means tying the dollar directly to the value of gold. Under the gold standard, any American would be able to trade their dollars for a fixed amount of gold. By linking the dollar to the value of gold, the money supply could only be increased if the supply of gold increases.*

*This connection protects the purchasing power of your dollars. That is why I introduced legislation to return the United States to the gold standard. Had we been on the gold standard or some other fixed standard, we'd not be in the inflation crisis we're in today. I look forward to working with the Republican majority to make sure this*

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## Inflation Firestorm

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*issue gets attention. Thank you, and I yield back.*

## Money Metals Awards Scholarships to Outstanding Students

In addition to coordinating and deploying legislative efforts across the nation, the Sound Money Defense League joined with Money Metals Exchange for the sixth-straight year to provide six exceptional students with \$10,000 in tuition assistance.

As part of this educational and outreach effort, we've set aside 100 oz of physical gold to help fund scholarships to outstanding high school, undergraduate, and graduate students who display deep understanding of economics and monetary policy.

This year, almost 100 high-school and college students submitted essays on sound money related topics – and the top six were selected with the help a blue-ribbon committee of free-market economists and sound money thought leaders.

This is an annual scholarship, so if you know of a student who might be interested, the next deadline to submit applications is October. More information on the Sound Money Scholarship is posted at [MoneyMetals.com](http://MoneyMetals.com).



## Sound Money Index Ranks All 50 States, Highlights Needed Reforms

Meanwhile, with Americans facing staggering inflation rates, we've released the 2023 edition of our Sound Money Index, ranking all 50 states on their policies in this area of growing importance.

Of course, the root of the problem is at the federal level, but there are some things states can in fact do to promote sound money. And although no state is anywhere close to becoming a sound money “promised land,” some are certainly better than others.

According to the 2023 Sound Money Index, for example, Wyoming and South Dakota are currently the most pro-sound money states in the U.S. And Vermont, New Jersey, and Maine are dead last.

The index's scoring system examines sales and income tax policies involving precious metals, whether a state recognizes the monetary role of gold and silver under the U.S. Constitution, whether a state holds pension, reserves, or bonds in gold or silver, whether a state has imposed precious metal dealer and investor harassment laws, and several other criteria.

The 2023 Sound Money Index also includes a new 13th ranking criterion – Specie Tender Mechanisms. This category examines whether a state has created

*See Inflation Firestorm Fuels Sound Money Movement, next page*

## Special Discounts for Monthly Silver and Gold Savers!

Money Metals Exchange's monthly gold and silver savings program is extremely popular with customers, especially because they get access to lower premiums than the general public. The minimum purchase is only \$100! A program description and enrollment form are posted at [www.MoneyMetals.com](http://www.MoneyMetals.com). Monthly accumulation is a savvy, no-hassle way to protect and save your money. We can even set up bank debiting, so you never need to write a check!

**Call 1-800-800-1865 or visit [www.MoneyMetals.com](http://www.MoneyMetals.com) today.**



**Huge Selection of Gold and Silver!**

## Best Time to Buy Precious Metals

*continued from page 3*

Investors can protect themselves from the risks of being on the wrong side of up, down, or sideways markets by simply adding to their positions on a regular basis, regardless of price, in accord with their long-term objectives.

This strategy is also known as dollar-cost averaging.

## Inflation Firestorm Fuels Sound Money Movement

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a system to remit and accept gold and silver for payment of fees and taxes. Currently no state has, but that could change in the not-too-distant future.

Vermont, New Jersey, Maine, Kentucky, Mississippi, Wisconsin, New Mexico, and Hawaii are the worst states on sound money. That's primarily because these states continue to charge sales taxes on purchases of gold and silver, with many of those states also maintaining tax rates above the national average.

With 42 states now fully or partially exempting gold and silver from sales taxes, these 8 remaining states are now way out on the fringe.

As the New Year begins, so does the 2023 legislative session. The Sound Money Defense League is targeting the elimination of more state sales and income taxes on gold and silver... but we need your help to make it happen.

Without a doubt, grassroots participation in our past efforts has made the difference in legislative battles.

### You Can Help Secure Victory in Upcoming Policy Battles

Of the 8 states that still impose a sales tax on purchases of precious metals, we expect there will be exemption bills introduced in Kentucky, Maine, Mississippi, and Wisconsin.

Legislative allies in a handful of states are also aiming

And Money Metals' Monthly Savings Plan makes it easy for bullion investors to implement. Just choose the monthly dollar amount you wish to invest (as little as \$100) or a monthly number of ounces you want to buy.

By exchanging depreciating U.S. fiat currency for sound money on a regular basis, you'll have good odds of coming out ahead over time in terms of purchasing power. ⓘ

to eliminate state-level capital gains taxes on sales of precious metals coins and bullion, including Alabama, Michigan, Washington, Oklahoma, South Carolina, West Virginia, Arkansas, and Idaho.

Idaho could do even more – after a whole new batch of liberty-minded legislators got elected this year.

The Gem State will consider investing a portion of state funds in physical gold. And Tennessee and Wyoming may do so as well.

Wyoming is also considering a system where the state treasurer establishes a mechanism for accepting and remitting payments in gold and silver.

If a state were to establish infrastructure to transact in gold and silver, it would have a real leg up – and so would its citizens – if or when the collapse of the Federal Reserve Note accelerates.

If you live in any of the states mentioned, be on the lookout for the legislative alerts Money Metals will be sending to you by email or mail in the coming months. Grassroots pressure from concerned, in-state citizens is essential if we are to continue achieving victory in these legislative initiatives.

Promoting sound money at the state and federal level is one way to serve our customers, our industry, and our nation. These efforts also stimulate much-needed discussion about the vital and historic role of gold and silver in securing our liberties, restraining debt, and preserving one's savings and wealth. ⓘ

