

Timing the Market

*Contemplating the sale of your collection? Take the same care
in planning its disposition as you did in its assemblage.*



WHEN IS THE best time to sell a coin or collection at auction? In a perfect world, a collector or investor would engage a coin dealer, broker or auctioneer who has a special system or instinctively knows when to buy coins at the lowest price and sell at them at the highest. Unfortunately, no system or individual can do this reliably. When American financier John Pierpont Morgan (1837-1913) was asked a century ago what the market would do, he responded, "It will fluctuate."

The most intelligent way to approach selling your numismatic assets is to admit you don't have a clue where the market is going in the short term, and devise a liquidation plan with your accountant and auctioneer that suits your personal economic plans. Some potential sellers like to work out arrangements with two reputable auction houses, on the theory that you should not put all your eggs in one basket.

Generally speaking, the numismatic community assumes that in the not-so-distant future, say 10 or 20 years, coin market activity and prices will increase significantly, a fair expectation (though long-term predictions are precarious at best). But, what about the short term? Such performance is hard to anticipate, and the best anyone can do, including your auctioneer, is make an educated guess.

My advice to the investor or hobbyist who has carefully assembled a collection over time is to dispose of it



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over time. Not everyone, however, has the luxury of choice. For example, if a collector needs to pay back taxes to the Internal Revenue Service, he may want to sell fast, regardless of the market. But, if he is motivated and willing to sell if the price is right, he would do well to plan an orderly disposition of his coins. Some esoteric or rarely traded items do not have a natural or known price point, so an auctioneer might put just a few pieces up for sale to determine the strength and interest of the market.

Naturally, you would like to auction your numismatic assets in a bull market, but trying to coordinate your sale with a high point in market activity is not necessarily a good idea, as the best time for you to sell may not be the best time for people to buy. Conse-

▲ If it's time to put your numismatic nest egg up for auction, plan carefully and deliberately to make the most of the market.

quently, some auctioneers don't believe there are good or bad times to sell a coin or collection, only better opportunities to realize a profit.

An educated seller will be satisfied with catching most of a wave in a bull market while avoiding a good deal of the risk in a bear market. After years of thoughtfully assembling his collection, he will slowly liquidate his holdings at auction so that only the smallest quantity of his numismatic assets, if any, are sold past the market peak.

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