GOLD & ENERGY ADVISOR

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"5 Predictions for 2005... and Their Impact on Your Investments!"

"I'm looking for 2005 to be a rollercoaster ride in the markets ...in a way that most people don't expect. Here are my predictions!"

- **Stocks: Up or down in 2005?**
- **Ominous signs in our banking system**
- **An "off-the-radar" investment that's ready to soar!**

What's going to happen in the financial markets this year? Will anything happen that will affect your investments?

Yes—lots! Most of which the mainstream media is completely missing. 2005 is shaping up to be a rough year, and conventional analysts are going to be blindsided by some of these events.

I'll start with…

Prediction #1: The Stock Market Will Tank

If you're thinking about investing in stocks this year, my recommendation is…don't!

Most of the talking heads on TV are cheerfully predicting a good year for stocks. But I think they're dead wrong. There are at least two "early warning" alerts that are flashing red…signs of trouble ahead!

First of all, investors are wildly bullish right now. There are four major surveys of investor optimism, and *all* of them are at extremes.

This is almost always a *bad* sign. When everybody loves an investment…when everybody just knows it's going up…that's when it *crashes*! (Remember the dot-coms? They're only one example of this.)

When everybody's a raging bull, then everybody will already have bought the investment. Which means there'll be no new buyers coming into the market, and thus nobody buying…so the investment can go in only one direction. Down!

And the statistics confirm this to be true. For example, the Investor's Intelligence survey (the longest-running "sentiment" survey) has had only seven years in its history where bulls outnumbered bears every single week of the year. After this occurred, the stock market had **double digit** declines five out of six times.

Why did I say "out of six times" instead of seven? Because the seventh time was in 2004! We'll see if this indicator holds true for 2005. If so, we'll see the stock market drop 10%—or more.

But investor sentiment isn't the only reason I'm pessimistic on stocks. Another reason is the huge surge in insider sales lately.

Executives of publicly-traded companies are required to report their purchases or sales of the company's stock. Since these executives are "insiders," they of course know more about their company's prospects than anybody else. When executives of a company start buying their own stock heavily, it's a good bet the company is doing well. That's usually a good sign to start buying that stock yourself.

But the opposite is also true. When there's heavy insider selling, you should hesitate before buying that stock. If the people who know the most about the company are dumping it…you don't want to own it!

And that's what's happening now. In November alone, there was $6.6 *billion* in insider stock sales. This is the highest level since August of 2000. (Insider purchases were a measly $144 million.)

Across the market, insiders are bailing out of their own companies' stocks. This isn't a time for others to get in!

Prediction #2: One or More "Bolts From the Blue"

Financial analysts tend to be "linear thinkers." They take current trends and extend them into the future for their forecasts. "Things are looking rosy," they say.

But real life—and real markets—don't work that way. Real life is non-linear. Unexpected things happen, like lightning bolts coming out of a blue sky. 9/11 was an extreme example of this.

Usually this wouldn't be a big deal. Even 9/11—as tragic as it was for those who lost friends or family—didn't cripple our country, as Osama had expected. But right now we're vulnerable to shocks...and several are brewing.

A few issues back I told you al-Qaeda is planning more attacks on our country. Recent news reports say they're planning to use WMDs (weapons of mass destruction) this time.

Other possible shocks aren't deliberate attacks, but would be equally devastating. I've explained how dependent we are on foreign lending: our current

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account deficit alone requires us to borrow $1.8 billion each day from foreigners. Any interruption in this flow of money would be catastrophic.

This could happen in numerous ways. One way would be Asian central banks deciding to sell off the deteriorating US dollar. (Japan is openly threatening to do this. See last month's issue for details.) Another would be a foreign reluctance to buy our Treasuries, resulting in a failed bond auction. (This is also starting to happen, as I told you about last November.) Yet another way is central banks exchanging their dollar reserves for gold. (More on this in a moment.)

There are lots of other potential shocks—more than we can even foresee. But the scary part is their possible results…

The Collapse of the US Banking System!

All of the possible shocks I've mentioned would cause a sharp spike in interest rates. Unfortunately, our economy and banking system have gotten very fragile…and a jump in rates could cause the whole system to lock up.

Look at the chart below:

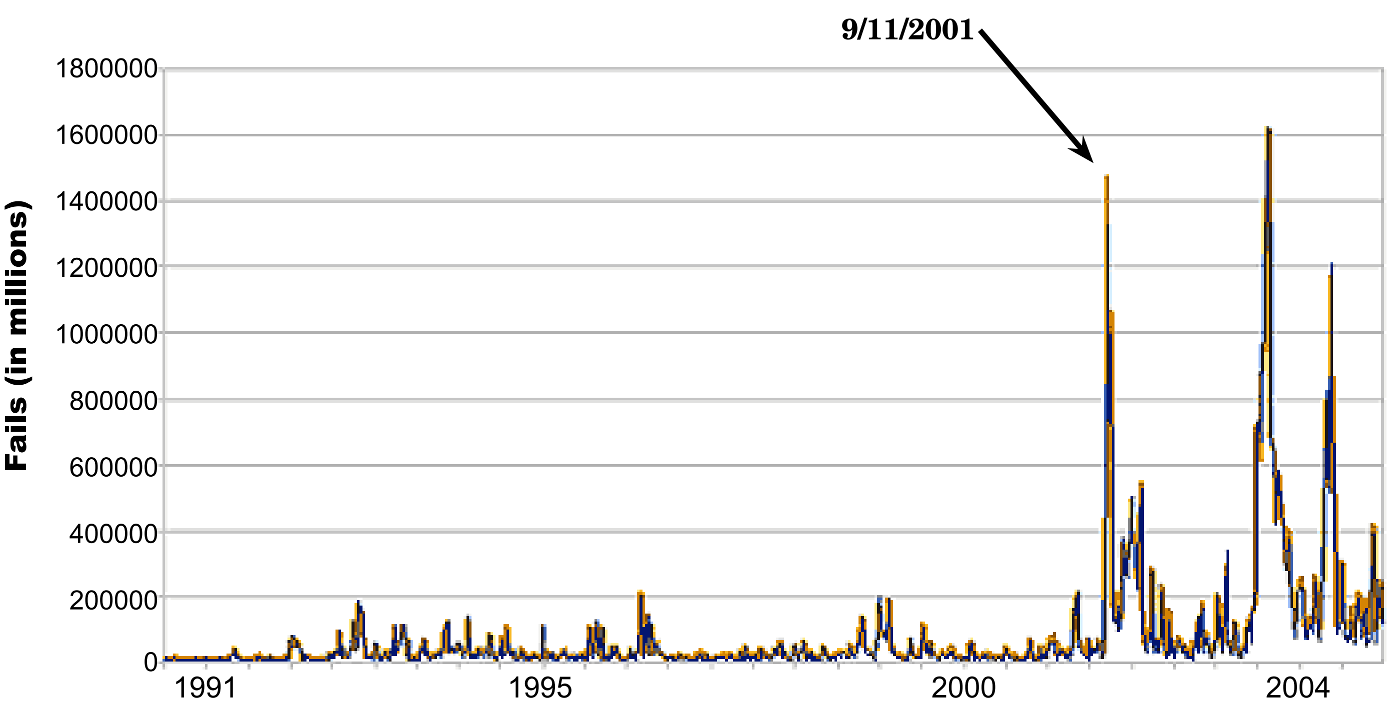
This chart shows "Treasury Settlement Fails": the amount of US Treasury securities that were sold, but not delivered, in a particular week. They represent problems in the smooth functioning of the Treasury market.

Treasuries are the heart of our financial system—they're the vehicle for government borrowing (hundred of billions of dollars per year), they're used in inter-bank transactions, and they're heavily intertwined with international finances. If the Treasury market breaks down, our whole financial system freezes up. You might remember Alan Greenspan's bailout of the Long Term Capital Management hedge fund a few years ago: if LTCM had defaulted, it would have taken the bond and Treasury markets with it, and Greenspan himself said this would have collapsed the global financial system.

That's why this chart is so scary. Notice that before 9/11, weekly settlement fails were low. In September and October 2001, the financial system was thrown into turmoil by the 9/11 attacks, and fails spiked up.

That part isn't surprising. But since then, the markets haven't stabilized as expected. Numerous bouts of settlement fails have happened, each of which was far larger than any in history before 2001. Two of them were huge (July/August 2003 and May 2004), both caused by spikes in interest

Treasury Fails (source: the Federal Reserve)



Latest prices as GEA goes to press—January 20, 2005

Comex spot contract: silver $6.54, gold $422.50
Nymex spot platinum: $865.00, palladium $187.00
Nymex Light Sweet Crude Oil $37.10

Silver coins		Dealer will buy at this price	Dealer will sell at this price
100 1 oz. silver American Eagles		$800	$890
100 1 oz. common rounds		$630	$700
$1,000 face value US pre-1965 coin bag (circulated)		$4,500	$4,850
$1,000 face value US circulated silver dollar bag (VG or better)		$7,600	$8,500
US Morgan silver dollars	PCGS MS64	$42	$55
	PCGS MS65	$120	$160
	PCGS MS66	$300	$360
Platinum coins			
U.S. Platinum Eagle:	1 oz.	$875	$925
	1/2 oz.	$450	$490
	1/4 oz.	$230	$260
	1/10 oz.	$95	$115
Gold coins			
Australian Kangaroo		$425	$437
British sovereign (Kings)		$98	$115
(Elizabeths)		$100	$115
Canadian Maple Leaf		$425	$445
Credit Suisse 1 oz. gold bar		$420	$440
Mexican 50 peso Centenario		$500	$520
South African Krugerrand		$420	$435
US Gold Eagle:	1 oz.	$433	$447
	1/2 oz.	$210	$225
	1/4 oz.	$108	$118
	1/10 oz.	$44	$49
US $20 double eagle:			
Liberty	Raw MS60	$500	$570
	NGC MS63	$750	$850
	NGC MS64	$1,450	$1,850
	NGC MS65	$4,150	$4,850
Saint Gaudens	Raw MS60	$525	$600
	NGC MS63	$640	$725
	NGC MS64	$700	$800
	NGC MS65	$1,100	$1,350

Prices courtesy of Finest Known, Boca Raton, FL. (800) 806-3468.

rates. (Treasuries are valued by their interest rates. When rates swing wildly, Treasury prices can spasm violently, disrupting the market.)

Any of the shocks I've described—terrorist attacks, dollar sell-offs, weak Treasury auctions, etc.—will cause interest rates to surge upwards. Big surges create settlement fails…and a big enough settlement fail will lock up our entire financial system.

What do I mean by "lock up"? Imagine waking up one morning and hearing news reports say there's a "temporary interruption in financial services." ATM machines won't produce any cash. Checks won't clear. Credit cards can't be processed. You can't even withdraw anything from your bank account, because the bank is temporarily insolvent (it can't process deposits, and the Fed's inter-bank liquidity system has frozen up). Everything you buy is "cash only."

Now imagine this problem lasts for days… maybe weeks. What will you do? How much cash do you have available for a situation like this?

The Fed has somehow managed to avoid a complete system lock-up…so far. When a problem occurs, they usually flood the system with liquidity and try to drown it in dollars. But when the next storm hits, and interest rates jump up unexpectedly, who knows how high the fails will go?

Our financial system is looking creaky and fragile. Sooner or later, we'll be hit with a storm we can't withstand. And then the dominos will fall.

In the past, I've recommended you keep some cash on hand, for problems like this. Two weeks' worth, if you can manage it. A financial lock-up might not happen in 2005—but if it does, make sure you're prepared!

Prediction #3: Social Security Reform Will Fail

Social Security and Medicare are runaway trains…and a spectacular wreck is coming.

SS and Medicare are "pay-as-you-go" programs; money is transferred directly from taxpayers to recipients. When Social Security was created in 1935, most people didn't live to age 65, so there were about 16 workers supporting each retiree.

Today, thanks to lengthening lifespans and shrinking birthrates, that's all changed. There are now only 3.3 workers supporting each retiree, and the number is still declining.

What's worse, the "Greatest Generation" and Baby Boomers have voted themselves very generous benefits—and paid little to finance them. For example, a married couple that retires this year, who earned the median income throughout their lives, will have paid about $43,300 in Medicare taxes. But they'll get a joint Medicare benefit of $283,500. The net loss to taxpayers: $240,200!

That's for just *one* couple, and it doesn't even count Social Security (which whacks the taxpayers for another $128,000).

Our national debts and obligations go up by hundreds of thousands of dollars whenever another person retires. Right now, an average of 1,712 beneficiaries *per day* are being added to SS. (This is a net figure—it's after accounting for those beneficiaries who die each year.) And the numbers will swell even faster, once the baby boomers start to become eligible for SS in four years.

Analysts have calculated how much we'll have to pay as boomers retire, and it's a frightening statistic. Our combined federal and state debts, along with unfunded SS and Medicare obligations, are now $53 trillion.

This isn't the amount we'll need to pay in the future: no, that number is far *higher*. This is the "present value" of the debt.

Present value is similar to a home mortgage. If you borrow $100,000 for 30 years at 6% interest, you'll pay a total of $215,838 over the life of the loan. But the present value starts at $100,000—the amount you need to pay off the entire debt today.

Here, the bills coming due in a few years are astronomical. So high that we need $53 trillion in the bank *today*, earning interest, just to have enough to pay all our debts later…

That means each household (including yours) owes $487,047!

And that's in addition to the taxes you're already paying (since the $53 trillion is above and beyond the normal tax revenue).

This number is surreal. Every asset in America—every stock, bond, piece of real estate, everything—only adds up to about $45 trillion. Even if we *sold our entire country*, we'd be unable to pay these debts.

Now President Bush wants to "reform" Social Security. His suggestions are far too little, and way too late. But even these are causing howls of protest from the AARP and other senior-citizen lobbying groups.

The Democrats and lobbyists are screeching that Bush wants to turn Grandma into a bag lady. This is complete nonsense—none of his proposals affect current retirees. (Not that it really matters—none of his proposals come close to solving the problem anyway.)

I predict in 2005 we'll see lots of theatrics in Washington over this issue, with lots more screeching from the lobbyists…and no real solution at the end. SS and Medicare are icebergs in the water, and the US economy is running full speed ahead to ram into them. The shipwreck is inevitable.

Ironically, the final result has been accurately predicted by somebody who denies there's even a problem. *USA Today* quoted economist James Galbraith, who is a "rare optimist" in the debate. He said, "The US government isn't going to go broke because **it can print money**."

He's exactly right. The US is going to print tons of money to "pay" for all this. Soon enough, we'll be drowning in a blizzard of dollar confetti. Lots and lots and lots of dollars…none of which will be worth anything.

See, this is why I pull my hair out over these bozos. If printing lots of money works so well, why not do it *now*?

Why not just print up a billion dollars for each American, and drop it all out of a helicopter tomorrow?

According to this "economist" (can he really call himself that if he's so incompetent?), printing money is a peachy idea. So why don't we make everyone in the country billionaires tomorrow?

Because, of course, hyperinflation would immediately kick in, and prices would explode. Soon enough, your billion dollars wouldn't buy you a loaf of bread. (Think about it—if everyone has lots of money, they'll all be fighting to buy goods and services…which will make prices shoot up until demand is dampened down again. Chronic inflation is why the banana republics are always having to chop zeroes off the numbers on their currencies.)

During the famous German hyperinflation of the early 1920's, the value of the Mark was wiped out in a matter of months. People needed *wheelbarrows* full of cash just to buy food.

And once a hyperinflation starts, it turns into a vicious circle. People stampede to buy things as quickly as possible, before prices rise any further. The unnatural demand pushes prices higher, which forces people to buy faster…etc.

That's what happens when the government prints lots of currency.

The scary thing is that so many in government don't realize this basic truth. We'll promise everything to everybody, and just print more and more dollars to pay for it all. We've gotten away with it so far, since foreigners keep soaking up all the dollars we've been creating (as I've mentioned in previous issues). But the drunken spending party is almost over.

Which is a good intro to my next prediction…

Prediction #4: Gold Will Continue Its Bull Run

Gold has hit a soft patch since the start of the year, but I think this was mostly year-end profit taking, and part of the normal ups and downs of a bull market. Overall, it's up about 56% over the last three years. I predict the gold bull will continue for 2005.

Why? First of all, the dollar has crashed recently, and its future still looks grim. I've discussed this in the last few issues.

Second, world demand for gold continues to build. The *China Post* recently wrote, "The country's growing urban middle class is lining up" to buy gold. The Bank of China recently opened a gold exchange in Shanghai: over 170 tons of gold were traded in the first half of last year, and the Bank was so impressed it now plans to expand into other cities.

Under Communism, gold was forbidden to the Chinese. So the recently-liberalized gold market is still in its infancy there. China's per capita consumption of gold is currently about a tenth that of the US—but the population is about four times as big. If Chinese per-capita consumption grows to even *half* that of the US, that would be another 840 tonnes added to world demand: more than one-quarter of the world's annual gold production!

The *China Post* also speculated about the Chinese central bank. If China's bank raised its percentage of gold reserves to match the European Central Bank, China would have to buy more than 4,500 tonnes of gold! The article quoted an analyst which pointed out how rapidly the central bank's dollar reserves have been depreciating lately, and that gold might be a "viable alternative." But, he said, nobody wants to talk about it openly, because "the numbers are simply too staggering." Gold's price would go to the moon!

Elsewhere in the world, investors are stampeding to buy gold. Jewelry demand in Turkey in the first 3 quarters of 2004 outstripped demand in all of 2003. Saudi Arabia has seen a 12% rise in jewelry demand. And net retail investment in Japan is up a whopping 74%. (A popular item there is the *Senryobako* treasure box: a wooden chest filled with gold bars or coins.)

Web India recently quoted India's Commerce and Industry Minister Kamal Nath. He said India currently has 9,000 tonnes of gold in its reserves…and this number is "likely to go up to 15,000 soon"!

Meanwhile, gold supply continues to fall. Net producer de-hedging for third quarter 2004 was 144 tonnes. (Remember, this is gold that was mined but not sold into the market. It was used to fulfill previous hedging contracts instead.)

Also, gold mining supply continues to be weak. As I predicted a few years ago, the suppressed gold price we saw then is having a huge impact now. Many mines were unprofitable because gold was so low, so they were shut down. Some mining companies went bankrupt.

Even the mining companies that survived were forced to slash their exploration budgets. So there was no money to find new deposits. This had little effect at the time, since it takes five to ten years for a new discovery to come on-line. But we're seeing the effects today. The deposits that should have been coming on-line now, weren't found back then…

So mining production today is down…*despite* gold's recent highs!

At a recent gold seminar, analyst Trevor Steel told attendees, "The way I like to think of it is that the gold industry is in overdraft. It's been relying very much on discoveries that were made many, many years ago and it is not replacing the reserves it is mining every year."

How much longer will this continue? Back in 2002, gold exploration had already been hurting for five years. A forecast published by Beacon Hill Advisors predicted gold production would be reduced by 35% for the following five to eight years. That means that, conservatively, gold mines will still be under-producing until 2007-2011.

So there's several more years for the gold bull market to run!

Last month I mentioned gold's increasing importance in modern technology, especially "nanotechnology": the cutting-edge science of building microscopic devices. Nano-machinery promises to be as revolutionary as the automobile, or the telephone.

This surprised some of you, so here's some more info.

Gold has many unique properties that are crucial on the microscopic scale. Gold's conductivity and reflectivity outmatch almost every other substance. And it's impervious to almost anything: unlike other metals, it won't "oxidize" (tarnish, rust, or corrode), and it dissolves only in cyanide. Gold's unique combination of characteristics are found in no other metal.

As a result, nanotechnologists are creating amazing things with gold. Using ordinary ink-jet printers, gold particle "inks" can be sprayed in a mesh of fine lines—creating electronic circuitry. No more do we need "clean rooms" and other expensive facilities to make electronics. Soon we'll be **printing** circuits—maybe even entire computer chips—onto plastic, clothing, paper... you name it.

Other researchers are using high-tech "fountain pens" to write even thinner stripes of gold particles, then fusing them with lasers to create nanowires. You'd need 15 of these wires side-by-side to equal the width of a human hair. (And scientists expect to shrink their size even further.)

At MIT, engineers are experimenting with "microelectromechanicals"—tiny machines made from gold and silver particles. Using ink-jet printers and gold-particle inks, these researchers have created impressive, multi-layered devices: inductor coils, rotors, antennas, even a tiny electric motor.

Researchers are developing an endless array of new gadgets. "Digital paper": the size and thickness of paper, but able to update its content like a computer screen. Computers (including keyboards) you can roll up and put in your pocket. Even countless specialized applications, like firefighter uniforms that radio back to the chief with temperatures, smoke readings, and other vital information.

And nanogold has uses far beyond even these. Medical researchers have found that gold "nanoshells" (a microscopic, hollow gold sphere filled with silica) have groundbreaking uses in treating cancer. Human blood and flesh don't absorb certain frequencies of near-infrared light —but the nanoshells do. Experiments have shown nanoshells can be injected into a tumor, and then heated with light. The cancerous cells are burned and destroyed, while the healthy flesh is unaffected.

Gold nanoparticles are even being investigated for use in the fuel cell—the revolutionary new energy source that converts hydrogen and oxygen into electricity, with no pollution.

When all this research is complete, gold will be all around us—in the clothing we wear, the electronic "books" we read, the cars we drive, even the medical technology that extends our lives. Truly, gold is the 21st Century metal!

Then there's the recent shocker from Europe. In a bold announcement, the Bundesbank (German central bank) said it had decided *not* to sell the 120 tons of gold it had previously announced. Under the European Central Banks Agreement (ECBA), central bank sales are limited to 2,500 tons until 2009. Germany had a quota this year of 120 tons, but has decided to sell only eight.

This calls into question the overall 2,500 tons of the agreement. France, Germany, and Italy are the three main possible sellers under the ECBA, but Italy has already refused to sell any. Now Germany is backing out too. It's hard to see where the gold will come from…meaning central bank sales will probably be even less than expected.

By the way, there's more going on here than what we see on the surface…

Germany's announcement was a slap in the face to the United States!

It's a refusal to help support the sagging dollar any more. (Large gold sales depress the price of gold, making the dollar look better in comparison. Gold's price is often viewed as an inverse barometer of the dollar's health.)

Europe has been slowly—and quietly—dumping its dollar reserves, and turning to gold instead. In the last two years, the Eurosystem's foreign-currency reserves have been slashed by 49%. Meanwhile, its gold reserves have held steady. Gold is occupying a higher and higher percentage of the European bank reserves.

Europe is tired of holding dollars and Treasuries: "assets" that have plummeted in value. Instead, the central banks are turning to gold instead—true wealth, that will only appreciate as the US runs its printing presses faster and faster.

Now for my last prediction…

Prediction #5: The Rare Coin Market Will Heat Up

Actually, the coin market has *already* heated up. But it has a long way to go.

Coin investors have quietly been making a killing. For example, in September 2003 you could have bought an MS-65 St. Gaudens gold coin for $935. Today that same coin would cost about $1,650. That's an eye-popping 76 percent gain in only 16 months!

(Yes, gold is up over that same period. But that only accounts for 18% of the gain. I've talked about this before: rare gold coins are a great investment, because you get such high leverage to gold.)

Despite all this, the coin market is still completely off everybody's radar. It's not that investors are shunning coins—for the most part, mainstream investors don't even seem to know they exist. And that's great news for us!

Savvy investors who get in now can ride this market up. And there's still lots of room to the upside in this market. Rare coins are only 35 percent of their previous 1989 highs.

I've asked my friend, rare-coin expert Mike Fuljenz, to explain further. His answer is below. Take it away, Mike!

The Great 21st Century Bull Market In Rare Coins

by Mike Fuljenz, President of Universal Coin & Bullion

In the January 14, 2005 issue of *USA Today*, the headline cover story was titled, "Real Assets Create Real Riches." The opening paragraph of the article points out "some of the sharpest minds on Wall Street" are now making the bet there's more money to be made in "metals than Microsoft" over the next few years.

In short, they say, "the new bull market is in ***stuff***, not stocks."

Specifically, the article is referring to "land and oil and gold": the very same commodities that netted fortunes for the likes of John Jacob Astor, John D. Rockefeller and the Hunt Brothers, among many others.

While stocks have generally languished for the past five years, "real assets," the kind you can touch, see and taste, have been soaring. Since 1999, the Commodities Research Bureau index, which tracks and measures commodities prices has gained 36%, while the Standard & Poor's 500 Stock index is down 20%.

Suddenly, experts everywhere are beginning to comment on the potential long-term nature of rising commodities cycles, and saying the trend could last ten years, or possibly longer. In the *USA Today* article, John Brynjolfsson, manager of Pimco Commodity Real Return Strategy fund, stated that a "soaring commodity cycle" could run for "years, if not decades."

In the same article, Jim Rogers, co-founder of the Quantum fund, stated, "When you have a bull market in commodities, you don't have one in stocks."

Just for the record, it's not just *USA Today* that is expending ink to talk up commodities, and the talk is not just about land, oil and gold. Substantial ink is also being given to rare coins. Just recently, there have been major articles in the *Wall Street Journal* and *Forbes*, as well as a cover story on gold coins in *Fortune* magazine.

What Does It Mean For Rare Coins?

You might be interested to know that, in the entire history of United States coinage, there have only been 14 total coins that have sold for over $1 million each.

But very recently, on January 19, 2005, on the first day of the Florida United Numismatists (FUN) show, four coins sold for over $1 million a piece. Two of these coins are now ranked as #3 and #4 of all-time, each fetching over $2 million.

If you follow the rare coins markets, then you already know these sales are but the latest signs of what is now widely perceived, by insiders and experts, as the fourth rare coin bull market in the past thirty years. Many say, perhaps the strongest ever.

Background History on Rare Coin Bull Markets

Since 1970, the rare coin market has experienced three major bull market cycles. According to the CU 3000, a leading index that tracks rare coin prices, each of those three bull markets experienced price rises of 348%, 1,195% and 665%, respectively.

What does the current bull market have in common with the three prior bull cycles? Quite a bit, actually. All four bull markets have witnessed:

- Rising Metals Prices
- Turbulent Stock Markets
- Highly Active or Rising Interest Rates
- High Oil Prices
- Increased Investment Newsletter Attention

However, in addition to the foregoing, the current bull market is experiencing new trends not present in previous cycles. Among these trends are the following:

- More coin collectors and investors due to new Mint programs like the State Quarters
- Increased awareness through ongoing television coin sales
- Ongoing uncertainty created by an expensive, open-ended War on Terrorism

All of these trends present together at one time is what has many experts believing this may the longest-running rare coin bull market in history. Many national dealers are already reporting:

- Substantial increases in advertising responses
- Increased reorder rates
- Increased "big ticket" sales

Experts are now speculating that the current bull market for rare coins may only be just beginning, and that current economic and geopolitical conditions are such that this one may wind up being the longest running rare coin bull market ever!

Opportunity Is Knocking

There are substantially more collectors and investors for rare coins today than at any time in history.

Active collectors, and even investors, look to build complete sets of coins. Each “type set” out there has certain rare “key” coins, which can make completing a set sometimes difficult. These “key” coins are what is known as “stoppers.”

The best way to position yourself to take advantage of opportunities in the current rare coin bull market is to acquire the “key” coins other collectors and investors will be looking for in the future. Since rare gold coins are consistently popular with collectors and investors, I especially look for gold coins that are the “keys” to some of the more popular sets.

Gold’s long-standing historical value and importance is certainly a key reason why, as a metal, it remains popular. Additionally, to the typical rare coin buyer, gold coins are oftentimes simply more eye-appealing than silver, nickel or copper coins. They rarely tarnish, and are usually struck with better detail since gold is a softer metal.

In this way, gold coins offer a form of collector satisfaction insurance, because new buyers are less likely to become disenchanted with physical appearance and aesthetic qualities of their new purchases.

My Top Three Picks

What are commonly known as the “Eight Piece Type Set” of 20th century gold coins (including examples of all 8 U.S. gold coins minted in the 20th century), and the “$2 ½ Indian Gold Set” are two of the easiest to complete and consistently popular sets of gold among collectors and investors.

Each of these sets has coins that are usually among the last and most expensive additions to that set.

So with this strategy in mind, these are the top three coins I am recommending.

The $5 Indian Gold pieces minted from 1908-1929. This is by far the key coin for the popular and often recommended “Eight Piece Type Set.” This coin has the potential to double in price this year, and still not eclipse its previous bull market high price. I recommend these coins in grades MS-62 to MS-65.

The 1911-D and 1914 $2 ½ Indian Gold pieces are the two roadblocks to completing a 15-piece $2 ½ Indian Set. The $2 ½ and $5 Indian Gold coins are the only coins produced in U.S. Mint history to feature an “incuse” design, which means the design features are pressed into the coin, rather than raised. This feature makes these coins consistently popular.

I recommend the 1911-D and 1914 $2 ½ Indian Gold coins in grades MS-62 to MS-66. These coins have risen in price over 30% in each of the past two years and, in my opinion, still have considerable headroom remaining.

(I recently released 30,000 copies of a 2nd edition printing of my book on the $2 ½ Indian series: *A Collector’s Guide to Indian Head Quarter Eagles*. The coins, and the book, are that popular. This book received the Numismatic Literary Guild Investment Book of the Year Award.)

I currently have a limited quantity of my award-winning $2 ½ Indian book set aside for subscribers to the *Gold and Energy Advisor*. For the next 30 days, I will send a free copy of the book, priority postage included, to anyone mentioning this article when they call my offices.

Respected experts like James have always stated, “buy the book before you buy the coin.” The only way this sage advice can get any better is when the book is offered for free.

If you feel you are ready to put a toe in the waters of coin investing, I have also set aside a limited number (50) of my recommended coin picks. With thousands of James’ readers receiving this offer, I don’t expect them to last long.

I welcome your toll free call to (800) 459-2646 (COIN) for either the book or to acquire one of my recommended coins.