

100J

Number 4

June 2016

FLASH!

Linn's announced that they will replace their monthly Linn's U.S. Stamp Market Index with a new quarterly index based on graded stamps!

Perhaps the traditional leaders in the hobby are beginning to hear from you on the subject of the importance of grading. We want to believe that we played a small part by urging our readers to express their opinions. Regardless, this is definitely a step forward for increasing the focus on grading and its place in the hobby. Congratulations to us all! More information to come. Stay tuned.

The Market is Hot (at least for Quality Material!)

I had the opportunity recently to sell approximately 30 graded items through one of the major auction houses. While the sample size is small, I did obtain some interesting thoughts about the health of the graded stamp market. Please understand that the thoughts presented below are more anecdotal than statistical. Even so, they are interesting.

The 30 items ranged from population tops (PT's) to very average items. As you might imagine, the realizations mapped well against the rarity of the items. In analyzing realizations, I reported them as a percentage of PSE SMQ. I added the sales commission since this is what the buyer was actually paying.

Top Realizations

Scott	Grade	% of SMQ	Same Grade	Higher Grade	Comments
628	98 / Used	172.6%	3	0	Population Top (PT)
618	98J / NH	170.7%	11	1	Only 1 higher
248	98 / Used	139.5%	2	0	PT
416	98J / PH	125.9%	8	0	PT
358	95 / Used	118.0%	2	0	PT

A quick review tells the story. The rarity of the population numbers dictates the auction valuations. Four of the top five realizations were for population top (PT) stamps. The fifth one only had 1 example graded higher. Three of the five were used. **Highly**

The Market is Hot (continued):

graded used stamps are hot! For a stamp to survive its journey through the mail stream without incurring a fault marks it as a very desirable item. To find one such example that is highly graded makes it an extremely valued item.

Bottom Realizations

Scott	Grade	% of SMQ	Same Grade	Higher Grade	Comments
236	90J / NH	56.9%	9	15	
17	95 / Used	59.0%	39	43	
489 PR	98 / NH	59.7%	14	1	Mystery / bad photo
216	85 / PH	60.6%	10	36	
332	98J / NH	63.3%	8	5	

The bottom realizations also had a common theme. While there were some nice examples, they mostly had a significant number of stamps graded higher. Scott 332 seems to be an exception. Perhaps it is included in this list because of the five graded higher, four were graded 100J. The inclusion of the Scott 489 coil pair might be explained by the poor photo included in the auction catalog. Despite any anomalies, population once again appears to drive auction valuations.

I think my brief experience once again points to a universal truth – quality philatelic material sells well. While this does not express any new idea, it does help indirectly reinforce the need for grading. **In determining “quality,” grading has proved to be the best predictive measure.** Grading has greatly helped move valuation levels to their “true market” value.

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Editor's Thoughts “The World Stamp Show”

Unless you have been in prison solitary or on a climbing expedition to Mt. Everest, you are aware that the king of all philatelic shows is in New York City (Manhattan) from Saturday May 28th through Saturday June 4th. The World Stamp Show happens once every 10 years.

If you have any ability to attend this show, you should. While the reasons for attending the show run the gamut, there are two overriding reasons why I will attend.

Editor's Thoughts (continued):

Any serious collector is vitally concerned with the health of our hobby. To be brutally honest, stamp collectors are not considered "cool" by non-philatelists. Stamp collectors are often portrayed as social misfits and geek types. In the same vain, stamp collecting has significantly declined especially since the advent of low cost technology.

Today, young people, the former bedrock of the hobby, have a myriad of other choices for spending their spare time. If you want to find out about any subject just ask Google. While stamps opened the world for many of us, today there are so many more enticing ways to be introduced to new and exciting places and people.

If you attend WSS 2016, look at the attendees. Look for the younger set. Are they in evidence in significant numbers? Are they just accompanying their parents or are they really interested in what they see? Without a younger group entering our hobby, we are in trouble. If the excitement is not generated in this show, what do think the future will bring? On the other hand, if the younger set is there and excited by what they see, perhaps the hobby has turned a corner.

The other thing I will be looking for is the impact of grading in all aspects of the show. I already have some preconceived opinions. I reviewed the list of meetings and events and noted a few that I would like to attend while at the show. What disappointed me is that I did not see any meeting devoted to a discussion about grading and its impact on the stamp hobby.

With grading having well established itself, you would think that it would play a MAJOR role at this show. Hopefully, I will be able to report that it is fully intertwined in other aspects of WSS 2016.

Grading Rules!

100J of the Month

Each month, we will display and discuss a graded 100J stamp. For this issue, we are presenting another 100J owned by Betsy S. She is a serious 100J collector who understands the value of obtaining the best possible example of a stamp. We presented her used 100J 1¢ Columbian in the March issue. This month we are focused on another of her beauties.

Before we discuss the stamp, we should clarify a point of history that is misunderstood by the vast majority of people. The first person to fly the Atlantic non-stop was NOT Charles Lindbergh. That was accomplished 8 years before Lindbergh's famous flight. In

100J of the Month (continued):

1919, Alcock and Brown (British aviators) made the first transatlantic nonstop flight from Newfoundland to Ireland.

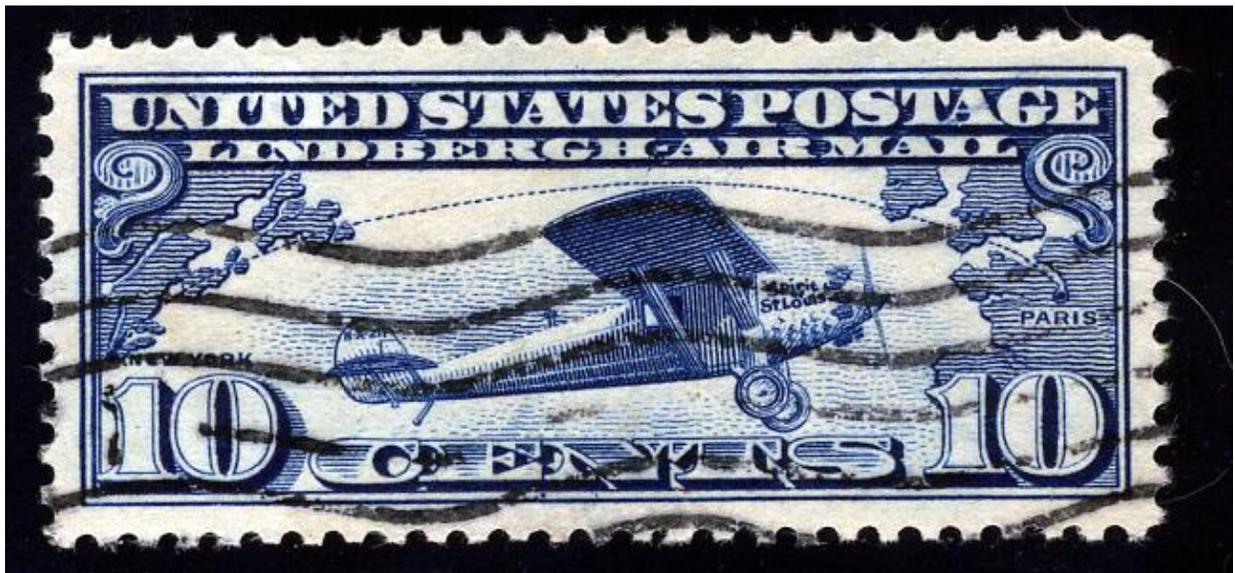
At the end of World War I, a New York hotel owner, Raymond Orteig (French born) offered \$25,000 to the first aviator to fly non-stop from New York to Paris (in either direction). That amount of money was a fortune and grabbed the attention of the public and all aviators.

It took several years for aviation technology to advance to the stage when real attempts could be undertaken. In 1927, several attempts were made resulting in multiple crashes and six deaths. Charles Lindbergh was a virtual unknown pilot at the start of 1927. When he took off from Roosevelt Field, New York, on the morning of May 20, 1927, he was headline news thanks to all the previous failures.

When Lindbergh landed at Le Bourget (the Paris airport) on May 21, he instantly became the most famous person in the entire world. His single feat cemented his place as one of the top ten most famous people of the 20th century.

The USPS was quick to design and place into production a stamp commemorating the flight. It only took them only 28 days to issue this stamp. Approximately 20 million stamps were printed and it was also available as a booklet pane of 3. Lindbergh's (a living person) name appears on the stamp. The stamp was extremely popular.

The stamp below (certificate 01209539 issued in September 2009) is the only used 100J C10. There is also one never hinged 100J C10 in existence.



Here is the current summary of the entire C10 population (as of May 26th):

100J of the Month (continued):

C10	Total Graded	>95J	98	98J	100	100J
Used	22	14	6		1	1
NG/RG/DG	5	5				
OG (hinged)	10	9	1			
NH	278	232	38	4	3	1
Total Graded	315	260	45	4	4	2

% of Graded	100.0%	82.5%	14.3%	1.3%	1.3%	0.6%
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The next question that most people will ask is, “How much is that stamp worth?” That is the subject of the next section.

Topic of the Month – Part 2 – Valuing the “Best of the Best”

In last month’s issue, in part 1, we discussed defining the best of the best. This month we will discuss a much harder topic – valuing the best of the best. We will use the C10 above as an example.

Right from the outset, you know that we have a serious issue. With only one stamp in the highest grade, how do we place a valuation on this stamp? Normally, if the stamp was sold, the price at which it changed hands would be the basis for its valuation. What if there was no selling transaction?

First, let’s be very clear. There is no right or wrong answer to valuing the 100J C10 above. Valuing in a rarified atmosphere of PT’s (population tops) or UPT’s (unique population tops), is extremely subjective based more often on buyer’s emotions than on any other factor.

Here is the most current valuation data on C10:

C10	98	98J	100	100J
Used - #	6		1	1
Used - \$	\$325		\$725	
NH - #	38	4	3	1
NH - \$	\$375	\$525	\$900	

PSE does not routinely value stamps in the 100J category mainly because sales data is extremely hard to find with such limited quantities involved.

Topic of the Month (continued):

If you were a collector and needed this C10 to finalize a collection or set you might be willing to pay almost any amount to obtain the best centered used C10 in the entire world.

Unfortunately, unlike real estate, using comparative sales will not shed additional light on this subject. The issue with using comparative sales is what stamp should you use for comparison? Finding a logical comparative stamp is a very subjective task.

So, without any previous sales data, valuing this C10 is a very subjective. I have “rules” for valuing stamps not priced in the PSE SMQ. These rules are rather flexible. They do, however, provide certain firmness to the valuation process. With the C10 above, here is what I would consider in establishing a valuation:

- The C10 is a UPT for the used category. It is not a UPT for the stamp since there is a 100J NH example.
- There is only one 100 graded used stamp that is valued at \$725.
- There are three 100 graded NH stamps valued at \$900.

Based on these data points, I would feel very comfortable at valuing the used 100J C10 in the \$1,500 - \$1,800 range. Is this correct? It is my opinion only. Your estimate will be correct for you. This is not a science but rather an art.

Next month – valuing highly graded OG (hinged) examples. This is an area ripe with opportunity. Ask yourself a simple question – “Are you interested in acquiring the best centered examples or examples with pristine gum?” Sometimes these goals are widely divergent! This will be a very interesting topic with lots of differing opinions.

Database of the Month

1901 Pan American / 1932 Washington Bicentennial

This month we are reviewing two interesting and challenging never hinged sets.

The Pan American Exposition set (Scott 294 -299) is probably one of the toughest commemorative issues to obtain highly graded NH singles (grades 98 – 100J). It is a beautifully designed set utilizing bi-color inks. Unfortunately, the older printing technology ensured that the number of nicely centered stamps is the exception rather than the rule.

You can see the scarcity of highly graded examples in section 5. It is hard to believe that four of the six stamps in this set have less than 10 never hinged examples

Database of the Month (continued):

graded 98 or higher. Three of the six stamps have no 100 graded examples. This is a set to focus on specifically because of the rare nature of its highly graded stamps.

The 1932 Washington Bicentennial (Scott 704 -715) is another challenging set. It was extremely popular with printing quantities aimed at meeting the public demand. The lowest quantity printed and sold was the 9¢ value with a quantity of 75.7 million. At the other end, the 2¢ value had a printing of more than 4.2 BILLION stamps. With these quantities, you would surely think that obtaining highly graded examples would be an easy task. Oh, how wrong you would be!

While not as difficult as the Pan American set, the Washington Bicentennial set in high grades (98+) is not an easy set to construct. Half of the stamps have less than 25 examples of highly graded stamps. The potential number of graded 98 sets is 10. There are no potential 100 graded sets. While the rarity of highly graded Washington Bicentennial stamps is not as constrictive as the Pan American stamps, they are elusive.

Study the attached database. It is highly informative. You can help us by recommending changes to what we present. Are there metrics you want to see that we are not presenting? How can we make these databases more informative for you?

In the world of grading, knowledge is power.

Congratulations Larry Hull – Our April/May Grading Expert!

Not only did Larry come closest to the actual grading of the three stamps in the April/May contest but he did it while demonstrating the “early bird” philosophy.

We actually had four entries in our April/May contest that were within 1 point of the actual grading average. Two were above and two were below the actual answer. Larry was the first to submit his guess. In fact, he submitted his estimate within two hours after receiving his email copy of **100J**. Now that is quick!

While Larry is our grading expert, I would like to also give recognition to Win Bohme, Steve DeMoe and Dale Rikert for their equally accurate submissions. I think that we may have a really interesting time in crowning our June grading expert.

Larry’s story of how he became a stamp collector is somewhat similar to many of us. He received a stamp album and some stamps when he was eight years old. He was

Congratulations Larry Hull (continued):

instantly hooked by the history and geography displayed on the stamps. He received additional stamps from lots of different people and an occasional purchased stamp mixture. He remained a serious collector until the point when other things became more important.

There was a gap in the years until Larry was an established adult. He then discovered eBay and that renewed his interest in stamps. He could find almost anything he wanted to buy and it was an exciting event when he won a desired lot at a great price. Larry eventually started selling on eBay. Over the years, I remember buying lots from 7hulls.

Larry is a big proponent of grading. In his words, "Stamp grading has resurged stamp collecting and collecting for investment." Larry is very determined to continue his grading expert title. Congratulations, Larry our April/May grading expert.

The May/June actual results were as follows:



Scott 720
Graded 100

Scott C24
Graded 98

Scott J46
Graded 95J

The average grade was calculated as follows: $100 + 98 + 95 + 3 = 296 / 3 = 98.67$

The majority of submissions were much closer to the actual average for the April/May contest. For this month's contest, we are going to create a more difficult challenge. We wish you good grading and don't forget to submit your answer early.

Your Chance to Win Some \$\$\$\$!

You got to be in it to win it!

You can now win some money by using your knowledge of grading. I will illustrate three stamps that were graded by PSE. Your challenge is to guess the average grade that all three stamps received. The person who guesses the closest average for all three will win \$50 in cash and get their 15 minutes of fame in the next published **100J**. ***Ties will be broken in favor of the earliest answer submitted.***

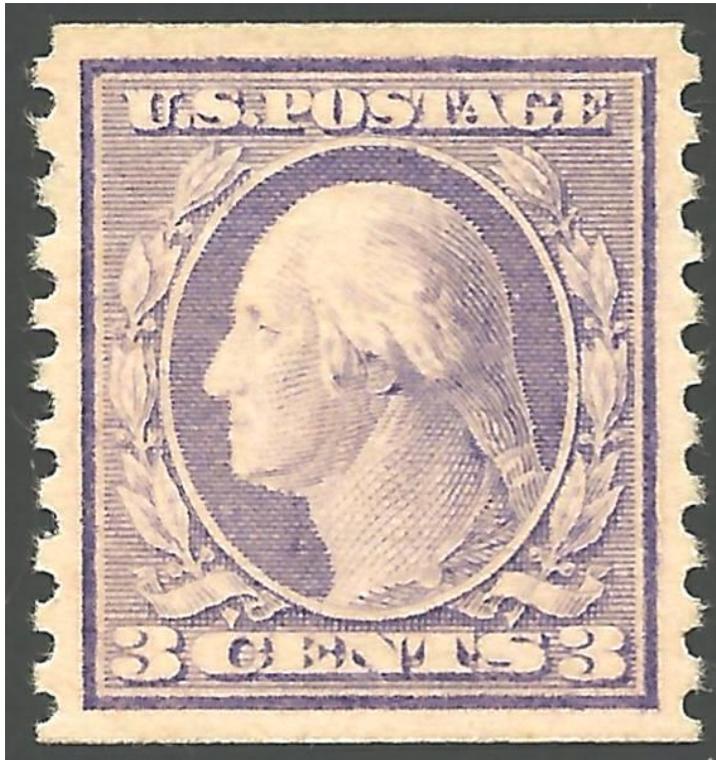
Your Chance to Win Some \$\$\$\$! (continued):

The contest is based solely on centering. Jumbo's are worth 3 additional points. The winner is the person whose guess is closest to the average grading for the three stamps.

An example: If three stamps are graded 98, 95J and 90, the average would be 95.33 - calculated as follows: $98 + 95 + 3$ (for the jumbo) $+ 90 = 286 / 3 = 95.33$. **This example has nothing to do with the stamps below.**

Below are the three stamps for June contest. Guess your best. Good luck! Just email me (Ray at lieberra@comcast.net) with your best estimate (one per reader). Please email me latest by Friday June 24th.

June Grading Contest Stamps



Scott 493

June Grading Contest Stamps (continued):



Scott 907



Scott C20

Thank You!!

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