

Wanted – More Comments

We did hear from a few of you but not that many. We want to create a newsletter that you will look for each month. We want to create a newsletter that will help you analyze the graded market to understand and identify opportunities.

One of our readers forwarded a copy to Scott Murphy, President of PSE. Scott took the time to send me an email wishing us success with **100J**. Thank you, Scott.

I am going to repeat something I stated in the first issue. The fact that I am repeating a prior comment is not a sign of impairment but rather my strong conviction. Under Scott's leadership, PSE is becoming recognized as the savior for the philatelic hobby. Grading and encapsulation, both created by PSE, have single handedly saved our hobby. They have injected a renewed sense of excitement with the majority of collectors. They are responsible for enticing a new breed of collectors, a more sophisticated breed.

Those of you who have purchased items from our eBay store are aware that we always include an information stuffer in our packages. The stuffers are changed on a continual basis. Some of you may not have seen the message from one of our original stuffers. I think a quick look back will summarize our thinking. From one of the early stuffers:

Unlike the traditional opinions in our hobby, I believe you can collect for pleasure AND profit. It has been proven that high quality philatelic material does increase in value over time. This material represents
Stamp Collecting for Investment.

The grading of stamps initiated by Professional Stamp Experts (PSE) in California has given our hobby a new and exciting "shot in the arm."
Grading will help the hobby grow and prosper.

I thank the people who took time to comment on our first issue. We do, however, need to hear from more of you. We want to make this newsletter relevant to our readers. In order to accomplish this, we need your comments, suggestions, criticisms. Thank you!!

100J is a monthly newsletter created by the eBay store **thanks-for-the-memories-1**. It is delivered free of charge to all **thanks-for-the-memories-1** buyers and others requesting a subscription. It is edited by Ray Lieberman. You may unsubscribe by emailing lieberr@comcast.net.

Our second issue, this issue, will focus on the following topics:

Editor's Thoughts	Paper or Plastic?
100J of the Month	A look at a very rare used Columbian.
Topic of the Month	The joy and difficulty of collecting graded sets.
Database of the Month	We will review 1930 NH commemoratives.
Surprise! New Feature!	Win money and have fun! A new monthly contest.

Editor's Thoughts – Paper or Plastic?

The tag line “Paper or Plastic” has been used by numerous companies and in many commercials. In our hobby today, this question is very timely and relevant. PSE invented the encapsulation process and is the only certification organization offering this service.

While the answer should be an obvious one, it is not. There are still collectors who think that encapsulation is a crime. They insist on the ability to mount stamps in albums. They will never see the advantages of encapsulation as being “proper collecting behavior.”

Perhaps a true story will help shine some light on this subject. One of my favorite eBay dealers listed new auctions one Saturday morning. Among the items was a very well centered and NH Scott 288 (the 5 cent Trans-Mississippi). I estimated that it might grade 98 but should definitely grade 95. It was accompanied by a PSE certificate dated before grading was offered. The stamp was listed as NH with no noted faults.

At today's SMQ values, that stamp would be valued at either \$1,750 for a 95 grade or \$10,500 for a 98 grade! What a great stamp. But wait a minute. When I took a closer look, I noticed what appeared to be a corner crease. Sure enough, when the dealer re-examined the stamp there was a distinct corner crease despite a clean certificate. After discussion, it was evident that the crease was a post-certificate event. Depending on the grade it would have received and the deduction for the crease, the monetary loss was most likely huge and it deprived the stamp community of a wonderful stamp.

Encapsulation is not only an issue of protection. Encapsulation allows us to handle stamps more than ever before. We get to view stamps without fear of mishandling them.

There is another very practical benefit of encapsulating stamps. When selling your stamps, having them encapsulated will prevent the need to acquire a current certification to assure the buyer that nothing bad has happened since the original certificate date.

The best part about encapsulating is that it is not a permanent one-way event. If a future owner insists on only collecting stamps that are not encapsulated, PSE will convert an encapsulated stamp to a non-encapsulated stamp with a paper certificate for only \$15.00 or 1% of SMQ. When dealing with valuable items, this is a very reasonable expense to protect and enjoy stamps while in your possession. Remember, not all philatelic items can be encapsulated if their size is bigger than the available area within the slab.

I hope that this discussion has helped convince those of you who are not fans of encapsulating that ...

Encapsulating your stamps makes total sense!!

100J of the Month

Each month, we will display and discuss a graded 100J stamp. For this issue, we are presenting a 100J owned by one of our readers, Betsy S. She was one of the readers who contacted us and shared her love for the “best of the best.”



This stamp is supported by a PSE graded certificate (01287763) dated September 2, 2014.

If you remember the 100J table on the first page of the first issue, of the then 6,825 graded Columbians, there were only twelve 100Js. Of these, there are only four used 100J Columbians – the 1¢, 6¢, 8¢ and the 10¢ values. Here is the most current summary of the 1¢ used Columbians (as of March 4, 2016):

Scott 230 / 1¢ Columbian / Used							
PSE Database	Total Graded			Investment Grades			
	Total	J's	% J's	98	98J	100	100J
Population	90	34	37.8%	3	4	1	1
Value				\$400	\$625	\$1,000	Not Listed

The first question most of us will ask is, “What is the used 100J worth?” Like most UPT (unique population top) stamps, the answer is very subjective. Owning a “best in the world” class stamp makes valuation more art than science. In this case your guess is as good as mine (although my guess is on the high side).

There is an interesting point in these metrics. Of the 90 graded used 1¢ Columbians, 37.8% or 34 are jumbos. This should not surprise you. Printing methods back in 1893 were nothing like today. Some early US stamps have an even higher percentage of jumbos.

Congratulations, Betsy. A great stamp. Hope it is encapsulated!

Topic of the Month – Do You Collect Graded Sets?

What do the Columbian and Presidential Series have in common?

I think one of the greatest misunderstandings regarding graded stamps is the scarce/rare nature of graded sets of stamps. They are much harder to accumulate than you might think. Let’s answer the above question to start this discussion.

There is very little that the Columbian and Presidential Series have in common other than the difficulty of accumulating a complete set of highly graded stamps. The chart below will show you that completing a graded 98 or 100 set of Columbians is impossible. For both grades there are some values that do not have any stamps graded in the 98 or 100 categories.

The Presidential Series in grade 100 is just as difficult as the Columbian Series – both have no possibility of completing a set. That is what they have in common. For grade 98, while the Columbian Series still has no possibility of completing a set, there are only 18 *possible* Presidential Series sets in existence.

Below is a list of some popular sets, both classic and more modern, with the number of *possible* sets:

Set	Scott	Graded 98		Graded 100	
		Used	NH	Used	NH
Columbian	230 - 245	0	0	0	0
Trans-Mississippi	285 - 293	0	0	0	0
Pan American	294 - 299	0	2	0	0
Set	Scott	NH		NH	
National Parks	740 - 749	50		5	
Presidential	803 - 834	18		0	
Transports	C25 - C31	54		3	

The above table highlights the difficulty of completing sets even with more modern material. You would think that completing a graded 100 set of the Presidential Series would be *possible*. When you visit PSE's population database you will see that the \$1 value (Scott 832) has no stamps that grade 100 NH. That stamp prevents accumulating a set of graded 100s of the Presidential Series.

We use the word "*possible*" when describing the number of sets. Since most collectors do not collect graded material in sets (a personal observation), for every person who possess a highly graded stamp but who does not collect sets, the *possible* number of sets is reduced to a lower *potential* number.

An illustration may help explain this. What if three collectors each owned one of the three Scott C26 (8 cent value) graded 100. The C26 has the lowest number of graded 100s in that set and therefore establishes the *possible* number of graded 100 sets for the series (Scott C26-C31). Furthermore, what if the three collectors mentioned above do not collect sets. Then the *potential* number of graded 100 sets is zero.

Highly graded sets are a very rare commodity!

A word of clarification. PSE maintains a set registry which is different from what was just described. The set registry looks for the highest graded set of a particular series regardless of the stamp grades. Registry sets are composed of various grades. Let's look at the set registry for the set of used Columbians.

One of our readers, urw1411, holds the record for the second highest current graded set of used Columbians and the fourth all-time highest graded set. His set shows the difficulty in acquiring a set. Here is the composition of his set:

Missing	85	90	90J	95	95J	98	98J	100	100J	Total
3	2	4	1	5	1	0	0	0	0	16
30¢	50¢	4¢	2¢	3¢	1¢					
\$1	\$3	5¢		8¢						
\$5		6¢		10¢						
		\$4		15¢						
				\$2						

This set earned a set rating of 64.12. The best current set was rated 65.24. Sets are a real challenge regardless of what set you intend to construct.

PSE's Set Registry is a wonderful part of the graded experience. We will discuss this aspect in detail in another issue. If you haven't yet reviewed the voluminous detail on their website, PLEASE take a few minutes of your time and browse that section (<http://gradingmatters.com/set-registry.html>).

Database of the Month – 1930 Commemoratives

The PSE population and valuation (SMQ) database provides all the detail necessary to understand issues of rarity and scarcity, trends in grading and especially opportunities.

The 1940 Commemorative database analysis published in the first issue was well received. Some asked questions regarding the objective of the various sections. For this issue we will take the opportunity to more effectively explain the database.

We have added an introduction section to the actual database attached to this issue. This explains the nature of the data in each section. It would be very beneficial to read this brief explanation before diving into the data sections.

The objective of our monthly database is to expand your understanding and help you focus on opportunities. Without this analysis would you have any idea of how many new graded 98+ stamps are being added to the database? Before I started performing this type of analysis, I didn't either!

Why is it important to understand the new additions to the database? It's a question of dilution. If you want to invest a significant amount of money in a certain graded stamp, it would put your mind at ease if you knew that no additional high graded examples had been added in the last six months. Conversely, what if the population of a stamp you were about to purchase reported many new high graded additions every month. That might make you feel that perhaps you should look elsewhere to "invest" your money.

The last section of the database provides the most actionable data. It highlights the “scarce/rare” stamps in the database as measured by the number of graded 98+ stamps. It lists the SMQ valuations for these stamps in the grades of 98 and 100 (not the jumbos). When you view the population and valuations side-by-side, you should be able to see some anomalies. I am not yet at the point where I feel comfortable in pointing out what I believe are opportunities. Regardless, opportunities are present in that section of the database. It is definitely true that knowledge is power.

For a Finale – A Chance to Win Some \$\$\$\$!

In order to finish the second issue of **100J** with flourish, we are adding a new monthly feature. You can now win some money by using your knowledge of grading. I will illustrate three stamps that I am submitting to PSE. Your challenge is to guess the average grade that all three stamps will receive. The person who guesses the closest for all three will win \$50 in cash and get their 15 minutes of fame in the next published **100J**. Ties will split the monthly reward.

The contest is based solely on centering. If the stamps are defective, I will use the apparent grading as supplied by PSE. Jumbos are worth the following (grades 70 through 90 = 2.5 points, 95 = 1.5 points, 98 = 1 point and 100 = 2 points). The winner is the person closest to the average grading for the three stamps. Example: if the three stamps are graded 98, 95J and 90, the average would be 94.8 (calculated as follows: $98 + 95 + 1.5 \text{ (for the jumbo)} + 90 = 284.5 / 3 = 94.8$). This example has nothing to do with the stamps below.

Here are the three stamps for our first monthly contest. Guess your best. Good luck!



496 PR



569



827

For this issue, I am using stamps that have already been graded. I am now submitting them to PSE for encapsulation. Future contests will picture stamps being submitted to PSE for grading for the first time.

Just email me (Ray at lieberra@comcast.net) with your best guess (one guess per reader). Please email me latest by Thursday March 31. The contest results will be announced in the April issue which is scheduled for release on April 15th. Good luck!!

Thank You!!