

## Welcome Aboard!

This is our first monthly newsletter. It is dedicated to the grading of US stamps. Like most new publications, it will start off slowly and pick-up speed as we continue this journey. While virtually everyone receiving this newsletter has a great degree of familiarity with graded stamps, we will try very hard each month to present you with information that is new and useful to you.

The name of this newsletter is 100J. That is the highest grade assigned to a stamp. It is a designation of perfection. It has taken into account all the aspects of a stamp. Perforated stamps graded 100J are not only rare but they are essential stamps when building a premier collection.

It really doesn't matter whether you are viewing classic stamps or modern material – 100J's are rare. To illustrate this, here are a few random sets with their population of 100J's:

Set	Scott	Total Graded	100J's	% of 100J's
<b>Columbian</b>	230 - 245	6,825	12	0.2%
<b>Trans-Mississippi</b>	285 - 293	2,804	2	0.1%
<b>Pan American</b>	294 - 299	2,469	0	0.0%
<b>National Parks</b>	740 - 749	3,287	11	0.3%
<b>Presidential</b>	803 - 834	11,489	1	0.0%
<b>Transports</b>	C25 - C31	1,854	1	0.1%

Based on these numbers, perhaps the term rare is not sufficient. The point to be made is that whenever you have an opportunity to acquire the absolute "best of the best," you should make every effort to do so since that opportunity may never come your way again.

*Please remember: We are only addressing perforated 100J's. Imperforate 100J's are often the most common grade for a stamp.*

**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. It is edited by Ray Lieberman. You may unsubscribe by emailing [lieberra@comcast.net](mailto:lieberra@comcast.net).

## **Editor's Thoughts – The Impact of Grading**

You would suspect that everyone would be waving the grading flag. Unfortunately, this is not what has happened.

In my opinion, when we look back years from now, we will see that grading actually saved our hobby. Despite all the positive aspects of grading (which we will discuss in another issue), I have a strong feeling that it is not looked upon with universal praise.

Before grading, dealers set their own standards. A “superb” stamp might actually be just a VF example. There were no standards – no sheriff in town. As a result, collectors were at a significant disadvantage. Dealers, on the other hand, had a significant advantage.

You shouldn't read this as a statement about a lack of honesty. While some may have played fast and loose with centering, many dealers gave it an honest attempt but without a set of standards, one dealer's opinion might be very different from another.

When I read my weekly copy of Linn's, I am disappointed to see few, if any, mention about grading. With grading representing the most positive impact to our hobby in my lifetime, why hasn't Linn's created a separate weekly column devoted to grading? If you look at the dealer ads, how many sell graded material vs. dealer opinions? It is a very low percentage. It appears that the traditional viewpoint is not a pro-grading one.

With a hobby declining on a continual basis, where are the established leaders and organizations openly embracing grading? I think that those dealers who have fully embraced grading will perform much better than those who do not. It may mean that we will need some more time before grading is fully recognized as a savior.

You can do your part by writing or calling Linn's and any organization you are of member of and present your feelings about grading. Change only comes as a result of people getting involved.

## **100J of the Month**

Each month, we will display and discuss a graded 100J stamp. We are starting today with what might at first glance appear to be an unworthy candidate. After all, it is a common 1950's commemorative. This is, however, a perfect lead in to the subsequent database article.



This stamp comes with a PF graded certificate (502322) dated February 16, 2012. I came into possession of this stamp through an east coast auction a few years ago.

Cond	<i>Total Graded</i>			<i>Investment Grades</i>			
	Total	J's	% J's	98	98J	100	100J
NH	96	0	0.0%	55		25	
				\$55		\$155	

Above is the latest PSE summary of this stamp. PF has only graded this one Scott 1017. This commemorative is easily found in grade 100. What makes this stamp worth discussing is the fact that of all the 118 1950 commemoratives, there are only two stamps graded 100J. The other is Scott 1107 – the 3¢ Geophysical Year. From our opening discussion about the rare nature of graded 100J stamps, having only 2 representing an entire decade of commemoratives makes these two definitely noteworthy.

As printing methods improved, jumbos have been hard to find. Some of the earlier US stamps are loaded with jumbos. Finding 100 jumbos in the modern era is like finding the mother lode. While Scott 1017 is a very common stamp, this example is a very rare and desirable stamp worthy of inclusion in the best collections.

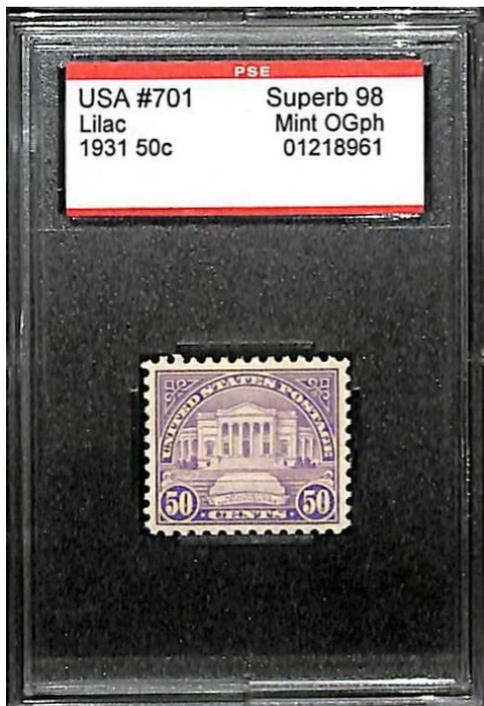
The question to be addressed is what is this stamp worth? A question to be answered at another time.

## Topic of the Month – Are Graded Hinged Stamps Priced Too Low?

I am a BIG FAN of PSE. I thank them for introducing both grading and encapsulation. Single handedly they have done more to salvage our hobby than any other organization. While they do so many things correctly, there is one thing I will never understand – their pricing of hinged stamps.

I could approach this question from many different perspectives. I think I could write enough on this subject to generate a thick book. Since we have limited space, let me get right down to the crux of this issue.

Never hinged stamps have always commanded a premium over hinged stamps. This is understandable and seems logical. With grading, the never hinged premium becomes distorted. To demonstrate, let me illustrate this distortion with two stamps that I recently listed on eBay.

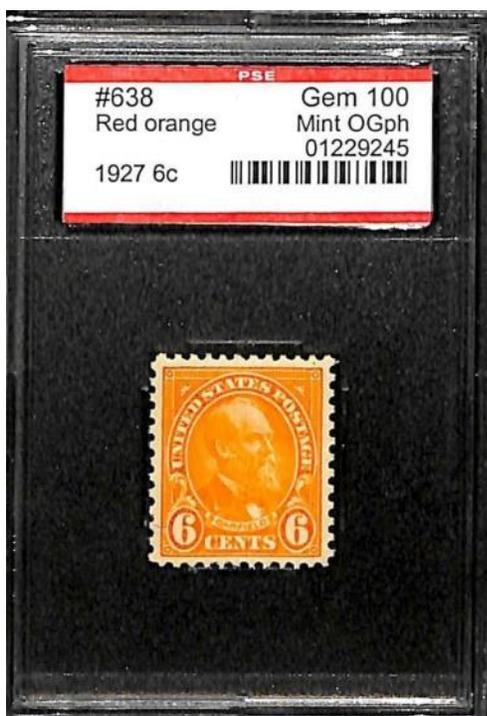


Scott 701: A previously hinged graded 98 is valued at \$90. A never hinged graded 90 is also valued at \$90.

The population of Scott 701 lists only 7 stamps graded higher than 98. There are 106 stamps graded higher than 90.

The never hinged premium for a 98 is 511% (\$550 NH vs. \$90 PH).

Based on this example, I think the valuation of the previously hinged 98 is too low when compared to the lesser graded 90 NH and the 98 NH stamps. You may not be convinced by this example but the next one should once and for all point to “crazy” hinged valuations.



Scott 638: This stamp is a UPT – unique population top. It is the highest graded 638. It is graded 100 and is the only one.

PSE values this stamp at \$90. It also values a graded 95 at \$105 - \$15 more than the UPT graded 100!!

There are 37 stamps graded 95 or higher.

This is the finest centered Scott 638 in the entire world. Would you rather have this stamp or graded 95 NH? While there is no right or wrong answer to this question, I know which way I am leaning!

Seriously, I do hope that you now understand that graded hinged stamps are significantly under-valued. This creates a window of opportunity for those of you interested in collecting the best centered stamps in existence. You will be able to form great collections at a fraction of the cost of never hinged examples and be able to even acquire higher graded material for certain stamps (like this one).

## Database of the Month – 1940 Commemoratives

Thanks to PSE's database on their website, we can now perform a myriad of statistical analyses in the process of determining the collectability and valuation of graded stamps.

To introduce my statistical work, I have attached the 1940's database of 79 commemoratives. This includes all 1940's commemoratives in NH condition with the exception of the Famous Americans set (Scott 859-893) and the Overrun Nations set (Scott 909-921). Those two sets have their own separate databases.

The results of this analysis will make us much more informed. The raw data includes:

Scott	Face Value	Description	All Graded Stamps / NH			Stamps Graded 98 and Higher / NH					Sets
			Total Graded	Jumbo's (J)		Change 6 Months	Graded				Total 98-100J
		Total	% of Total	98	98J		100	100J	100		

The conclusions to be drawn from this analysis are far reaching. This analysis covers the six full months from September 1, 2015 through February 29, 2016. Here is a summary of the conclusions:

- During the six month period only 77 1940 commemoratives were graded and added to the PSE population chart. This means on average, each 1940 commemorative only increased by 1 new graded stamp in the six month period. This should alleviate concerns about massive quantities of stamps being newly graded and diluting valuations. I have noted this trend in other databases. See **“RAW DATA”** tab.
- During the six month period only 41 of the 77 were graded 98 or higher – 98’s increased by 29 and 100’s increased by 12. See **“RAW DATA”** tab.
- During the six month period there were no additional jumbo’s graded. See **“RAW DATA”** tab.
- During the six month period the distribution of the 41 graded 98+ stamps was as follows: 18 stamps had 1 additional 98+ grade stamp added, 4 stamps had 2 each added, 2 stamps had 3 each added and one stamp (Scott 945) had 9 stamps added. This means that 54 of the 79 1940 commemoratives experienced no change in their graded 98+ populations for the six month period. See **“CHANGE 98+”** tab.
- Among the 1940 commemoratives only four stamps had an assigned jumbo. This makes jumbo’s rather special and in grades of 98J and 100J are worth acquiring. See **“JUMBO POPULATION”** tab.
- After 15 years of grading, among the 1940 commemoratives there are still 5 stamps that have no 100 graded examples. These stamps are candidates for you searching out a gem copy. See **“NO 100’s”** tab.
- Since we feel that from this period only stamps graded 98+ are worthy of **Stamp Collecting for Investment**, we have stack ranked all 79 stamps by the total number of graded 98+ stamps. The numbers range from only 6 (Scott 899) to 164 (Scott 983). See **“NUM 98+”** tab. This stack ranking provides the base data for the last and most significant tab.

- The final tab contains the most informative data. It marries both population and the PSE SMQ valuations. We have arbitrarily listed those stamps that have no more than 25 graded 98+ stamps. We have listed the valuations for both the 98 and 100 graded categories. When you view the population data and the valuation data, you can see some real anomalies. For instance, compare Scott 932 and 908. Why is the 98 graded Scott 932 valued at \$60 when the 98 graded Scott 908 is valued 133% higher at \$140? Both have 8 graded 98's. Scott 908 has one graded 100 and Scott 932 has no graded 100. Review this data and make your own conclusions. This analysis could easily be extended to cover all 1940 commemoratives. See **"PRICING 25 UNDER"** tab.

Hopefully you will see the value in this database analysis. In each month's 100J newsletter, I will list one or two additional databases for your review.

## **PSE vs. PF vs. PSAG**

We make no judgments about the accuracy of grading performed by any of the established grading organizations.

This newsletter will refer to PSE as our default grading organization. We do this because PSE "invented" grading, has the most experience and is still the only one to encapsulate stamps. PF is very professional and has a great searchable database. PSE, however, publishes extensive grading data that allows us to perform the analysis mentioned above.

While at times the three main grading players will have differing opinions about a grade or faults in a stamp, they do a very admirable job in helping us understand what we own. All three support our hobby in a remarkable way. Good job gentlemen!!

## **The End ... of the Beginning!**

In order to grow and improve this effort, I really need your comments – "the good, the bad and the ugly." Please send your comments, thoughts, suggestions to Ray at [lieberra@comcast.net](mailto:lieberra@comcast.net).

***Thank You!!***