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DECEMBER-JANUARY 2014-2015
2014-2015年12-1月



SPOTLIGHT ON MACAU
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The China Pricepedia MCM Index: December 101.7 +.3

MACAU NUMISMATIC SOCIETY SHOW OPENS EYES

by Robert Mish

Editor's Note: It is an honor for China Pricepedia to bring to readers an insider's view of the recent Macau coin show and auction. My thanks to Mr. Robert Mish, the President of Mish International Monetary, for contributing the following article.

It seems everybody is talking about it.

Paraphrasing, "Did the gold and silver China-Macau show pandas really go for \$43,700 & \$24,150 in the MNS show auction and why?"

The answer is yes. I was there. It was real. I was the guest auctioneer.

To understand why along with understanding what is happening in China which will continue to mature for generations to come, I recall my memories of numismatic development in the USA during the 1950's & 1960's. A new generation of motivated collectors were

channeling their scholastic curiosities and new found discretionary income into stamps & coins. It was a time of discovery, a time when not only was the hobby learning which coins were truly scarcer than others, but the "treasure hunt" for valuable coins was still lucrative. In 1964, when I took my first table at a coin show, the bourse was crowded not with dealers and mint officials, but with enthused young collectors.



David Chio (director of Macau Numismatic Society), Huang Zhicheng (honorary chairman of Macau Numismatic Society) and Michael Chou of Champion Auction

Fast forward 50 years to Macau SAR China 2014. Can you image a city of just 575,000 people having nearly 400 active members of their coin society?

Prior to WW2, Macau was a cluster of sleepy fishing villages over three islands. It

transitioned in 1999 from a Portuguese colony to a China special administrative region. Prosperity has since come from an expansion and modernization of

the gaming industry, tourism & conventions, clothing & textile manufacturing, and a real estate boom. In two years a freeway with bridges will connect Hong Kong and Macau via the China coast, driving time a little more than one hour. For Macau, things will only get better.

First generation millionaires and their children can now afford to purchase, study and preserve their cultural history, among which is coins. Even the working class has discretionary income now. It is a process similar to what accelerated

in the USA after WW2, and to what began in mainland China after the economic reforms.

The 2014 MNS coin show opened late Thursday afternoon Nov 27 with well attended coin exhibits, socializing, and an

opening ceremony ribbon cutting that rivaled the caliber one would see at a summit meeting of international leaders. Thirteen chairs on stage were

filled not only by MNS officers, but by banking and government officials, plus business and media dignitaries. Joining them was Michael Chou of Champion Auctions, the official auctioneers who helped publicize the MNS event throughout Asia and America.

The highlight of the ceremonies was the unveiling of the China Macau SAR commemorative

friendship show pandas. Most everyone, whether they had seen the drawings or not, were awed by their beauty, details, and workmanship. Ribbon

cutting participants were given one of the 26 pattern copper and brass panda presentation sets. Television and newspaper coverage followed.

Later that evening, the MNS hosted a very fine dinner for all the dealers, special guests and show staff. A few

short remarks, thank you's, award presentations and drawings all focused on recently released numismatic books. Education was notably the parent of all the



The Macau gold 2 ounce panda opens at \$3000 before a flurry of bids drove it to \$43,700 with commission



From L: John Cristianon of Excelsior Coin Gallery, Dr. Frank Laiacona from Emerging Market Group and Charles McGregor from NGC

other show activities. MNS president David Chio explained it is seen as molding the future of the hobby in Macau and adjoining regions of China whose numismatists were attracted to the show.

Unlike our shows back home, set up for coin business would not begin until the next day. But oh what a day that turned out to be. It was Friday and the bourse floor started out as most all coin shows do, with a flurry of activity as both table dealers and walking dealers scanned each other's goods. But unlike some shows at home, the floor got busier into the late afternoon and evening as attendees finished school or work. Saturday was the busiest of all for public attendance. Maybe 1/2 of those in the room were at a coin show for the first time, but we did not mind answering their questions because they were so real and truly fascinated.

Vintage Chinese coins solicited the most interest, followed by modern PR China and Portugal-Macau



Rick Stezler and Adam Biagi

coins. What did surprise us (even though we were tipped ahead) was the interest in any "old" coins of the world, including but not limited to European trade dollars that once circulated in the region, and coins of other Asian countries, even those from

when they were colonies.

My next surprise was when I took a quick beverage break, going down one floor past the theater where the MNS educational seminar was running all afternoon. Over 80 people were in the

audience. I counted them. Unheard of at a U.S.

coin show. One thought: Macau coins will not be cheap in 10 years. And, a portion of the new money will help fuel the next wave higher

in modern China coins as well. Relaxed values will be history.

Meanwhile, the lines at the show panda distribution booth for member pick-up and limited public sales were getting longer. Even restricting



MNS members to one silver panda per person took about 400 of the 1000 mintage at the local issue discount, equivalent to US\$110. One hundred more were sold to the public, again one each. Such distribution near cost was the discretion of the MNS, insuring the affordability for Macau collectors who were so proud to have their memento. The remainder was pre-contracted to distributors in mainland China, Taiwan, Japan, Korea, and the USA to be sold strictly one per person at the market rate.

The 10 pieces of 2 ounce gold pandas were pre-designated for the Mint museum, show organizers and speakers, with the #1 gold to be auctioned that Sunday, proceeds funding both ongoing and future MNS educational programs.

Saturday night's banquet dinner was hosted by Champion Auctions. CEO Michael Chou traditionally hosts a dinner at important Asian coin shows and it is always first class. On exhibit in the room were some of the highlights of the many vintage China numismatic rarities which would be auctioned the next day. Designated for a future auction but generously on display were two coins each with a million dollar history: a Hunan Province

1898 pattern dragon dollar and a Yunnan "Spring 1910" dragon dollar, both NGC certified. Many dinner invitees took turns being photographed holding these rarities.

Into the dinner, some noted speakers shared their particular numismatic experience with passion.

Among them was Adam Biagi who writes for this publication. Adam spoke on the growing market for Southeast Asian coins with focus on the traditionally inexpensive coins which are now realized

to be scarce, and in particular grade rare. Adam's passion is contagious. I learned a lot, even after 50+ years of my own in the same field.

I was also honored to be a speaker, and asked to give a history of all the China show commemorative friendship pandas. It was a subject with perfect timing after the day's excitement over the 2014 Macau panda distribution and the next day's auction of the #1 gold and silver two ounce pieces. Condensing two hours of presentation and side stories into an imposed 30 minute limit (including translation) was not easy but I made it through.

Editors are working on an English language



Robert Mish at Macau dinner forum with renown China coin and currency designers Rocky Zhao (left) and Zhao Qiming (right)

video which hopefully will be available in January upon request.

My talk chronologically worked towards the Macau show pandas which was easy to talk about and helped perk up the attendees. I noted:

- ▶ It is the first 2 ounce size panda since the 1991 and the first show panda of its size both in gold and silver.
- ▶ It is the first high relief Panda.
- ▶ It is the first struck concave with incredible detail and a high rim to protect the design.
- ▶ It includes both the famous motifs of Macau, the race car and St. Paul's Cathedral wall.
- ▶ It is the first China issue to portray both the Panda and the lunar animal in its current year (on the front race car, not “necessarily” a Ferrari !)
- ▶ The founding year of the MNS, 1988, is represented by #88 on the grill of the second race car.
- ▶ It was struck with state of the art technology and attention to detail at the Shanghai Mint, which has not struck an



international show Panda since 1989.

- ▶ It is the first show Panda ever to have the commemorative's serial number struck in the field. (the only other P.R.China issue that qualified for serial numbering on the face was the 2013 Shanghai Memory issue honoring the WW2 Jewish refugees who were protected by the Chinese people).

Based on feedback at the show, all these “firsts”

added to the desire of the Macau and China mainland collectors to own one, and led into the big event on Sunday: The Champion Auction which included not only numerous world class China Empire & Republic coins, but a modern P.R.China section highlighted by lots #446 & #447, the gold then silver Macau

pandas with serial number 001.

Nobody expected the bidding to reach the levels it did. But looking back now, I can understand why. In fact, I think the gold went cheap. After the initial cluster of hands ran the bids through US\$10,000, only five floor bidders remained: A Hong Kong dealer, a Taiwan collector, a Singapore rare coin fund manager, a renowned Panda collector from mainland China, and one of the most respected

collectors (and wealthiest men) in Macau.

Above \$25,000 it was a test of wills between the mainland collector and the Macau gentleman. In the end, the mainland “Panda King” kept his title. Some say “expensive” but with a mintage of 10 we may look back someday and appreciate his vision.

The silver 2 ounce was next, and it took \$24,150 for Panda King to complete his #1 set. The lengthy audience applause was quite appropriate for his bold purchase. The MNS locals so much appreciated

that their numismatic educational program was about to be funded by \$67,850 as all the proceeds for these #1 pandas was being donated by Champion and the program partners.

Overall the auction went quite well particularly throughout the vintage coin section as floor bidders competed with internet bidders sometimes with lengthy advancements. The remainder of the modern P.R.China coins and medals were soft to mediocre in the auction, reflective of how things have been in this market all year and as well at all other auctions involving modern China. One highlight of the modern section was the bidding for the Macau coins. A 2004 silver 100 Patacas Monkey, NGC PF69 UC,

estimated at \$80-120, brought \$506 ! The scarce 1978 nickel 100 Patacas race car with ads in NGC MS67 brought \$2645.

I noted that while the vintage section of the auction featured many important rarities the modern section had mostly inexpensive coins along with an unusual array of seldom seen China Mint medals. I asked Mr Chou how he could give expensive space to so many interesting but entry level coins & medals. He explained for one, it brings new collectors to



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the auction & the hobby. This was customized in particular for the new market in Macau. Also, Mr Chou is of the opinion that it is a disservice to consignors, to estates and to the industry to force feed their good coins to auction at a time when

liquidity is weak. The punishment is magnified by commissions which can reach up to 20%. This can be win-win in both stable and advanced markets, but is painful after a free fall fueled in part by too many coins up for bid at the worst time.

This was one reason he suspended his auctions of modern Chinese coins during the downturn of 2013-2014. Instead of panicking which contributes to overreactions, he believes we should be nurturing new collectors and quietly trading person to person

at the relaxed levels. It is during these times, he noted, that coins move from weak hand to strong hands. Ergo, from players to real collectors and numismatists.

Vintage Chinese coins have already started back up in value, and he believes that modern should be held firm now as well as smartly accumulated if you are able at current levels. Mr Chou is confident that one day in the next year or few, a confluence of factors will cause them to suddenly take off as they did in late 2010.

In China, in Macau and as well for several Asian countries, numismatically we are still young. New generations are attracted to the history, geography, economics, art, and culture that coins bring to life. Current generations already with interest are acquiring the means to collect. There is so much growth ahead. And so much to be discovered and learned.

Macau: I can hardly wait until next year.