

NUMISMATIC AUCTION HOUSES — A REVIEW

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The trade of Greek and Roman coins has been a popular phenomenon in recent years. Today, it is easy to purchase coins at auctions that take place several times a year in Western Europe and North America, as well as on web sites such as eBay.

Trade of ancient coins as a topic worthy of discussion

Trade in ancient coins (and antiques in general) is considered inappropriate by certain sectors of the numismatic establishment as there is a belief that such trade encourages looting, which is, of course, harmful to archeological research. When coins are removed from archeological sites, not only are the sites themselves damaged, but the coins are irrevocably affected because they are cut off from their historical context. Coins found through legitimate excavations can provide clues about the economic condition of the city, the culture, religious icons being worshipped at the time, etc.

As this is such a widespread phenomenon, it cannot be ignored, and cannot be remedied simply by dealing only with coins that have been found in legitimate excavations. In the past, new coin types were presented at many important auctions - coins unrecorded in the conventional references. For example, in the CNG 72 auction (June 2006), there are many new coin types: eight tetradrachm of Alexander the Great (lots 335, 447–453), a tetradrachm of Caria (lot 801), a tetradrachm of Athens from the east (lot 986) and more.

Keeping an eye on auctions can be rewarding through the discovery of hoards that reach the markets, as well as private collections that are consigned to these auctions. Auction catalogs provide a great deal of information about coins, including where they were found, commentary on minting, new literature etc. However, some of this information is not accurate; for legal reasons, an auction house will not accept coins coming from an unclear source. In order to evade these strict measures, dealers are purposely providing the auction houses with fabricated information regarding the coins' origin.

Public auction houses

The leading numismatic auction houses are Numismatica Ars Classica NAC AG (Zurich), Classical Numismatic Group (CNG) and Numismatik Lanz München. Other houses include Fritz Rudolf Künker Münzenhandlung, Spink, Aurea Numismatika, Münzen & Medaillen GmbH, H.D Rauch, Hess-Divo, St. James's Auctions Ltd, Astarte, Baldwin's Auctions, Meister & Sonntag, and The Archaeological Center (Israel).

NAC AG is probably the most prestigious auction house today. The house has two branches: one in Zurich and the other in London. The owners are an Italian father and son team – Roberto and Arturo Russo. The house carries out auctions of Celtic, Greek, Roman and Byzantine coins every spring. An additional European coin auction takes place during the year.

The quality of the coins is quite high. The auction takes place over the course of two days; on the first day, the house presents its best items (extremely fine or rare coins), and on the second day, lower grade coins are offered.

From time to time, NAC AG offers complete private collections. For example, in December 2002, they offered an exceptional collection of Roman gold coins.

CNG has two branches: one in London and the other in New York - and is managed by Victor England, Eric J. McFadden and Italo Vecchi. The house maintains an intensive level of activity throughout the year, with three printed auctions (including two by mail), a number of electronic auctions through their web site, and an online coin store.

Numismatik Lanz München was established in 1947 in Graz, Austria by Hermann Lanz, the father of the present owner. Since 1977, the company has expanded to Munich, Germany.

The other auction houses mentioned above have coin sales once or twice a year.

In addition to traditional auction houses, one of the main platforms for the buying and selling of ancient coins is ebay, where approximately 5000–10000 items are on display each week. From this list of auction houses and platforms mentioned here, CNG and ebay are the primary outlets.

Conducting transactions via ebay has both advantages and disadvantages:

Advantages:

- **Speed:** Transactions take only a few days.
- **Geography:** Dealers and collectors from around the world can participate.
- **Price:** Prices are relatively low.
- **Supply:** Large numbers of coins are available.

Disadvantages:

- The classification of items is not good; coins from different emperors with different grades are offered together.
- Many coins come with either partial or incorrect information.
- Most coins are low grade.
- Many forgeries are sold under the guise of being authentic.

Auction prices

Nobel Prize winner in economics Professor Israel Omer explained recently that the price paid in a multi-participant auction is higher than the real (economic) price. A graph showing bid amounts/prices displays a normal distribution — most of the placed bids approximate the real price, while a small number of bids placed are both below and above this real price. The winner is, of course, the bidder who offers a sum that is higher than the real price. During the past few years, NAC AG's auctions have had a hammer price that is approximately 20 % higher than the estimated price. A sale that took place on April 6th, 2006 ended with a hammer price that was approximately 35% higher than the estimate price. Checking the value estimate showed that it

was not reduced for marketing purposes. The conclusion would be that it seems that Oman's theory is in effect here.

Grading coins

Coins are offered with a description that includes technical grade. Most fall into one of the following categories: Good Very Fine – Extremely Fine. Coins with grade of Fine – Very Fine are scarce, and they are offered only in cases of special interest. Coins with the grade of UNC are, of course, rare.

Coins with a grade of EF are generating a great deal of interest. In different sales, there is a range of EF grades – ‘near EF’, ‘about EF’, ‘choice EF’, EF, ‘good EF’ and ‘superb EF’. ‘Near EF’ and ‘about EF’ are the same. ‘Choice EF’ is a higher grade than ‘near EF’ and ‘about EF’. ‘Choice EF’ is a new grade that was created for marketing purposes.

‘Good EF’ and ‘superb EF’ are the same. ‘Good EF’ is different from EF in that a coin manufactured using a new die or a coin in the first batch made by a die is graded as ‘good EF’. Coins that were minted later in the lifecycle of the die utilize a grade that is defined "only" as EF, the reason being that over time the die grooves are filled up with metal and/or crack. As a result, the strike is not as “sharp”, but is still considered to be EF.

Trends

Iraq, Southeast Europe, Internet.

In recent years, there has been a great flow of coins from Iraq, as a result of the ongoing warfare. The coins make their way out of Iraq via two routes. The first involves antique dealers smuggling coins to Israel and Lebanon through Jordan and Syria, the coins eventually ending up in either Western Europe or North America. The second route involves foreign workers in Iraq who send items purchased in the local markets to the West.

Since the collapse of the Soviet Union, there has also been a flow of items from southeast Europe to the West.

These two new coin sources, combined with the proliferation of websites trading in ancient coins have created a strong market for numismatic auctions.

It is inevitable that the amount of items reaching the market will slow down in the future. This forecast is relevant mainly for coins that are in ‘extremely fine’ condition. The phenomenon of Numismatica Ars Classica AG, which offers so many high-grade items is remarkable. It can be expected that NAC will produce more modest auctions in future, given that the number of high-grade coins is limited. Collectors in possession of such coins have no intention of putting these items on the market.

Prices

The trend today is prices that go towards the extreme: the price of low-grade coins drops over time, while that of high-grade coins rises. The price difference between VF and EF can be a difference of several hundred percent.

CNG's auctions show trends where high-grade coins are given greater emphasis, though they make up a small proportion of the sales.

A tetradrachm of Ptolemy I minted in Memphis with Alexander the Great (Svoronos 20) and a grade of EF was offered in auction CNG 72 (lot 989) with a value estimate of 7500 USD. The same coin with grade of 'very fine' (lot 990) received a value estimate of 750 USD.

Another example is a sestertius of Nero Claudius Drusus (RIC I 109), with grade of Good Very Fine (CNG 72, lot 1372) that received a value estimate of 2000 USD. The same coin in a grade of Very Fine (lot 1373) saw the value estimate drop to 1000 USD.

Summary

Numismatic auctions are a fact of life, and for collectors, they are a necessity. Serious coin collectors will never be satisfied with theoretical interest only, as learning about the subject from books is very different from collecting. Collecting ancient artifacts, whether it be coins, Egyptian scarabs, Roman oil lamps, Roman glass, Greek pottery, and so on, is often due to a combination of the following:

- Interest in certain historical periods or kings.
- Artistic interest: Coins were made from gold, silver and bronze. In many cases, the best craftsmen in the empire were hired to make coins, so each die was a distinct work of art.
- Materialism: It gives collectors a heady feeling to know that they possess rare coins from the time of a popular emperor that are in extremely fine condition (for example, Octavian EF denarius from the time of the civil war or rare Hadrian EF Sestertius).

Ancient empires were quite expansive geographically, and coins have been found everywhere – in fields, at the beach, and so on. Many of these items have found their way to various auctions. As such, these auctions can definitely be considered as an integral part of life today.