

Record demand pushes US Mint silver coin sales up over 40% so far this year

Silver sales hit 3.59 million ounces in January, a record in the history of the Mint's bullion programme

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NEW YORK (Reuters) -

Record demand drove the U.S. Mint's silver coin sales 40.2 percent higher in the first two months of the year to 5.643 million ounces from 4.025 million ounces, the mint's website showed.

Silver sales in January hit 3.59 million ounces, a record in the history of the Mint's bullion program, surpassing the 3.13 million ounces in March of 2009, a U.S. Mint spokesman said.

Coin dealers said silver demand rose as the metal benefited from its industrial component in a global economic recovery.

"One of the main reasons why silver is popular is that from the price standpoint, it is certainly a lot less expensive than gold," said David Beahm, vice president of economic research at coin and bullion dealer Blanchard & Co.

However, American Eagle gold coin sales fell 17.8 percent in the same timeframe to 169,000 ounces from 205,500 ounces in the same period a year earlier.

In January, only 1-ounce size gold coins were available after a lack of coin blanks due to high demand at the end of 2009, the mint said.

The mint usually offers American Eagle gold coins in one-ounce, half-ounce, quarter-ounce and a tenth-ounce denominations.

The U.S. Mint produces the popular American Eagle gold, silver and platinum coins as well as other bullion and circulation coins.

In early 2009, sales of physical bullion investment products had soared as fears over instability in the financial system prompted buying of hard metal assets.

So far this year, other coin dealers continued to report high volume of gold sales as investors bought the metal as a hedge against lingering economic uncertainties, they said.

(Reporting by Frank Tang in New York and Jan Harvey in London; Editing by David Gregorio)