

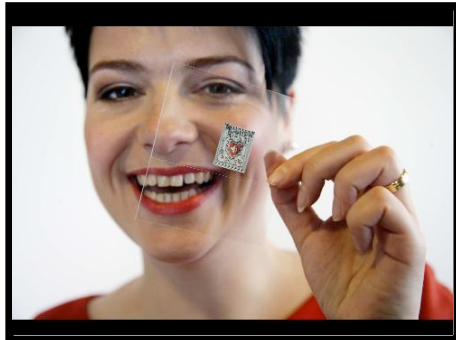
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## Swiss Investors Shun Falling Stocks, Buy \$15 Million of Stamps

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By Naomi Kresge



Nov. 28 (Bloomberg) -- A 45-minute train ride from Zurich's bourse, where **stocks** have fallen 33 percent this year, buyers have sought comfort in a different investment: postage stamps.

Collectors ate raclette, the Swiss national dish of melted cheese and potatoes. They were chauffeured by a Swiss dairyman. Then they spent 17.9 million Swiss francs (\$15 million), buying all the 3,022 lots offered at the world's largest stamp auction.

Sales for classic postage stamps are rising this year, defying the global economic recession, said Marianne Rapp Ohmann, whose **Rapp Auction House** held the auction that ended last night in Wil. Driving the increase are rare issues that can sell for more than 100,000 francs and are seen as a stable investment, Rapp said.

"We have customers who say they would rather invest in stamps than the stock market," Ohmann said.

Bucking a trend of falling prices and unsold lots in art and collectible auctions, the Rapp auction exceeded presale estimates by 19 percent. Especially sought were rare single stamps from Switzerland and entire collections from around the world. The highest-priced lot in the auction was a collection of Guatemalan stamps that sold for 357,000 francs, including auction fees.

### Swiss Record

A Swiss "Rayon I" stamp dating to 1850 sold for 348,000 francs, a Swiss record for a single stamp. It had a top presale estimate of 150,000 francs and had a foreign buyer, the auction house said. A Swiss resident spent 153,000 francs for a pair of first-edition "Basel Dove" Swiss stamps listed with a presale estimate of 100,000 francs.

Both buyers are longtime collectors, moving in a Swiss stamp community that numbers some 200,000 people, including 10,000 serious collectors, said Jean-Paul Bach, a philatelist for Rapp.

Learning enough to be a serious collector takes years, said Hanspeter Strauch, 69, of Bern, who began by keeping the African stamps on letters from his Swiss expatriate parents as a child during World War II. It's a lack of young collectors, not recession, that threatens the market, Strauch said.

He and other white-haired bidders leafed through books of stamps in an upstairs research room on Tuesday, the auction's second day, keeping an eye on the action downstairs via closed-circuit television. Security guards watched as the collectors used tweezers to extract stamps from their waxed-paper envelopes and made notes in the auction's fat hardbound catalogue.

Strauch ducked out to bid on a letter, returning empty-handed.

"It's very expensive," he said with a sigh.

'No Bubble'

Prices continue to rise because, unlike in the art world, there has been no speculative bubble, said Karl Louis, managing director of **Corinphila Auctions**, the oldest auction house in Switzerland.

Corinphila's auction last month exceeded presale estimates by 35 percent, with one 15-piece Chinese set from 1897 selling for 778,700 francs, Louis said.

"That never existed before for stamps like this," Louis said. He had phoned clients before the auction to make sure the recession hadn't made them reconsider. He needn't have worried.

"One client said to me, 'Do you know, Mr. Louis, I've invested more than a million Swiss francs in classic Swiss stamps. I could have invested this money in stocks, but then I'd only have half of the value and wouldn't have had any fun!'"

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