

US Retail Restocking Is Going Slowly – but Don't Despair



This year has started quietly for the US jewelry trade, with retailers showing limited appetite for merchandise following the holidays. But the fact that retailers are still taking stock — in the figurative and literal senses — need not cause too much alarm, dealers said in interviews with *Rapaport News* this week.

There is a perception that January ought to be a time for restocking after the holidays. This is true in some contexts: Retailers that have run out of product and need it for Valentine's Day clearly must buy in the first few weeks of the year. This is especially the case for independents, which often stock on a short-term basis and expect their suppliers to hold inventory as long as possible.

The large chains, however, prepare their inventories months in advance and have complex digital systems enabling pinpointed replenishment. The success of the holiday season has less impact on majors' inventory needs than independents', according to a supplier who mainly serves these larger clients.

“It’s not like I expect a restocking when Christmas is good or bad,” said the supplier, who asked to remain anonymous. “If Christmas is good, maybe they’ll ask to accelerate some orders. When Christmas is a little tougher, all they’ll do is...say, ‘don’t deliver in January, deliver in February.’”

Quieter than usual?

Retailers will know their buying needs by the end of January, said Ronnie VanderLinden, president of New York-based polished manufacturer [Diamex](#) and of the [International Diamond Manufacturers Association](#) (IDMA).

Still, this month has been slow for the time of year, he added. This followed what he perceived as a late shopping season.

“The holiday season wasn’t exactly as robust as we had all hoped for,” said VanderLinden. “There was a holiday season the last few weeks of December. But that doesn’t make up for September, October, November.”

Christmas saw decent demand for 1- to 2-carat, G-I, VS-SI diamonds, VanderLinden reported, cautioning that this might reflect the focus of his business rather than the market. However, fresh orders for these categories are sluggish, with jewelers still going through their display cases to calculate how the season went, he explained.

Dollar flow

One indication of this trend is the flow of dollars through the US jewelry industry, according to Erich Jacobs, president of the [Jewelers Board of Trade](#) (JBT), a provider of credit information for the industry.

The organization's "total trade dollars index" — which tracks this cash movement and reflects inventory buying levels — typically falls at the start of the year before picking up around March, figures for the last five years show. It usually drops again in the summer before gradually rising to its holiday-season peak.

Last year saw a continuation of this, the data indicated: Retailers showed a conservative approach to inventory in mid-2023, but the index bounced back to 2022 levels in December.

(Sometimes the index peaks in January, but this may be because there is a reporting lag that causes December trades to appear a month late, said Jacobs.)

Price uncertainty

The uncertainty in the diamond market has created an added factor in this year's weak January. While there has been a general increase in sentiment in the trade since November, De Beers' sharp reduction of rough prices at this month's sight has the potential to [stall the recovery](#) in polished prices.

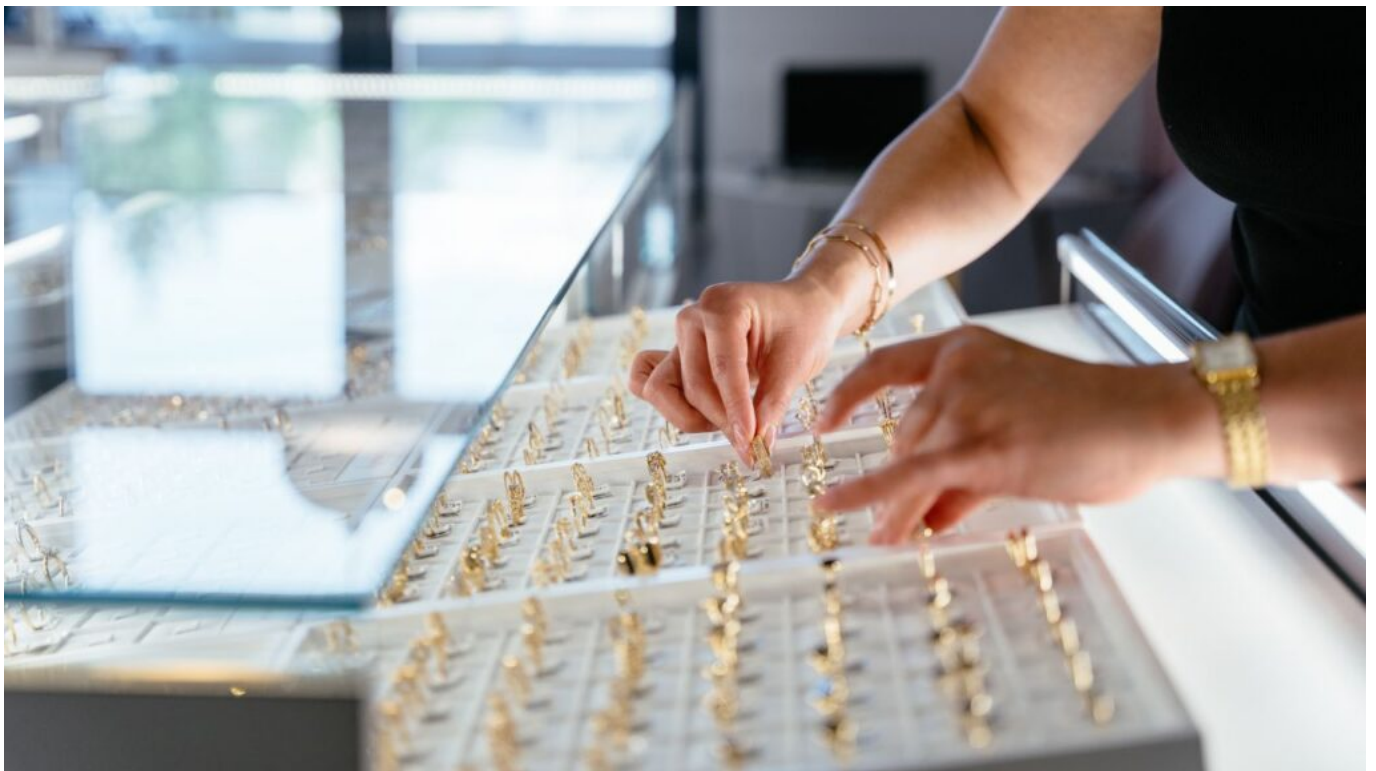
"At the dealer level, there's still skepticism as to what people want to stock, because they don't know where the prices are going to go," said Nilesh Sheth, president of New York-based polished supplier [Nice Diamonds](#).

The February-March show season should also bring independent jewelers back to life.

While January can be quiet, "the buying usually starts February [and] March," said David Bonaparte, president and CEO of [Jewelers of America](#) (JA). "The majors — they're building the house all year long."

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