

## Market Comment

**RAPAPORT**<sup>®</sup>  
MARKET COMMENT

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# CAUTIOUS BUT CURIOUS



**News:** Mixed sentiment amid slow trading. Expectations rising for 2H recovery as US shows signs of improvement despite lingering economic uncertainty. Hong Kong fair demonstrates pent-up Chinese demand, with buyers testing price points. Dealers happy to reconnect with Chinese market after Covid-19 disruptions. Small-stone segment strong; some concerned that recent rough-price hikes outpaced polished, putting pressure on cutters' profit margins. De Beers Feb. sales -24% to \$495M. Sightholders planning larger purchases later in the year. Manufacturers increasing production but still operating well below capacity. Israel Feb. polished exports +80% to \$642M, rough imports -10% to \$101M.

**Fancies:** Fashion driving demand for elongated Ovals, Emeralds and Radiants. Goods with medium and short ratios are weak and declining in value. Slow market for 0.30 to 1.20 ct. diamonds. 1.25 ct. and larger, F-J, VS-SI categories stable. Supply shortages of well-cut fancies supporting prices. Oval is leading shape, followed by Radiant, Emerald, Pear, Cushion and Marquise. Retailers offering broader product ranges as consumers seek alternative cuts. Excellent shapes commanding premiums. Oversizes trading at higher prices than usual. Off-make, poorly cut fancies illiquid and difficult to sell.