

Market Comment

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WHY THE SLOW MARKET...



News: Diamond trading quiet amid US economic caution. US Federal Reserve raises interest rates 0.25 basis points, aiming to reduce inflation from 6% in February to 2%. Chinese buyers lack urgency after Hong Kong show signaled their reentry to the market. Smalls doing better than certs. Manufacturer profit margins tightening after price increases of small rough in 1Q. Polished production stable at low levels; inventory reduced in popular categories. G7 working on plan to oblige companies to declare their supply is not sourced from Russia ahead of May meeting. Martin Rapaport to address supply chain challenges and opportunities at Israel's International Diamond Week on Monday, March 27.

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.