

Market Comment

RAPAPORT[®]

MARKET COMMENT

DIAMONDS AND WILDFIRES



News: Liquidity improving due to strong sales in India at lower prices. Dealers grabbing bargains and hoping market won't fall much further. US retail uncertain, with fancies selling better than rounds. Macy's reports faster-than-expected rise in credit card defaults. Hong Kong dealers confident Chinese jewelers will buy at Sept. 18-24 show, since demand has built up. India July polished exports -39% to \$1.2B, rough imports -44% to \$1.1B. Israel July polished exports -31% to \$204M, rough imports -46% to \$106M. Letšeng 1H sales -28% to \$72M, average price -21% to \$1,373/ct. Wildfires threaten workforce at Canadian mines. Lucara finds 692ct. rough at Karowe.

Fancies: Fancy-shape market slower than before. Prices dropping, but less sharply than for rounds. Longer Ovals, Pears, Radiants and Cushions bringing higher prices than shorter stones. Goods with medium and short ratios weak. Prices of square Cushions falling amid low demand and high inventories. Marquise prices holding up following drop in supply. 0.30 ct. doing well. Orders low for 0.70 to 1.20 ct. diamonds. VS-SI losing strength, except in 1.20 to 1.49 ct. Well-cut stones seeing shortages. Excellent shapes commanding premiums. Retailers offering broader product ranges as consumers seek alternative cuts. Oversizes trading at higher prices than usual. Off-make, poorly cut fancies illiquid and difficult to sell.