

Market Comment

News: US jewelers optimistic as holiday sales gain momentum. Signet raises FY forecast after 3Q revenue +3% to \$1.6B, profit -60% to \$38M. Dealer trading cautious. Manufacturers under pressure to raise liquidity and reduce inventory. Small stones doing better than 1 ct.+. China slow, but some speculating that select categories have bottomed. De Beers extends sightholder contracts for a year due to market uncertainty, keeps prices stable at Dec. sight. Christie's NY sells \$59M (93% by lot), including pear, 32.62 ct., fancy-blue, potentially IF diamond for \$11.8M (\$373K/ct.). Sotheby's NY sells \$50M (81% by lot), with pear, 303.10 ct., fancy-brownish-yellow, IF going for \$12.4M (\$41K/ct.).

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.