

Press Release: Diamond Prices End Year with Decline



1ct. RAPI -1.5% in December; -10.7% in 2022

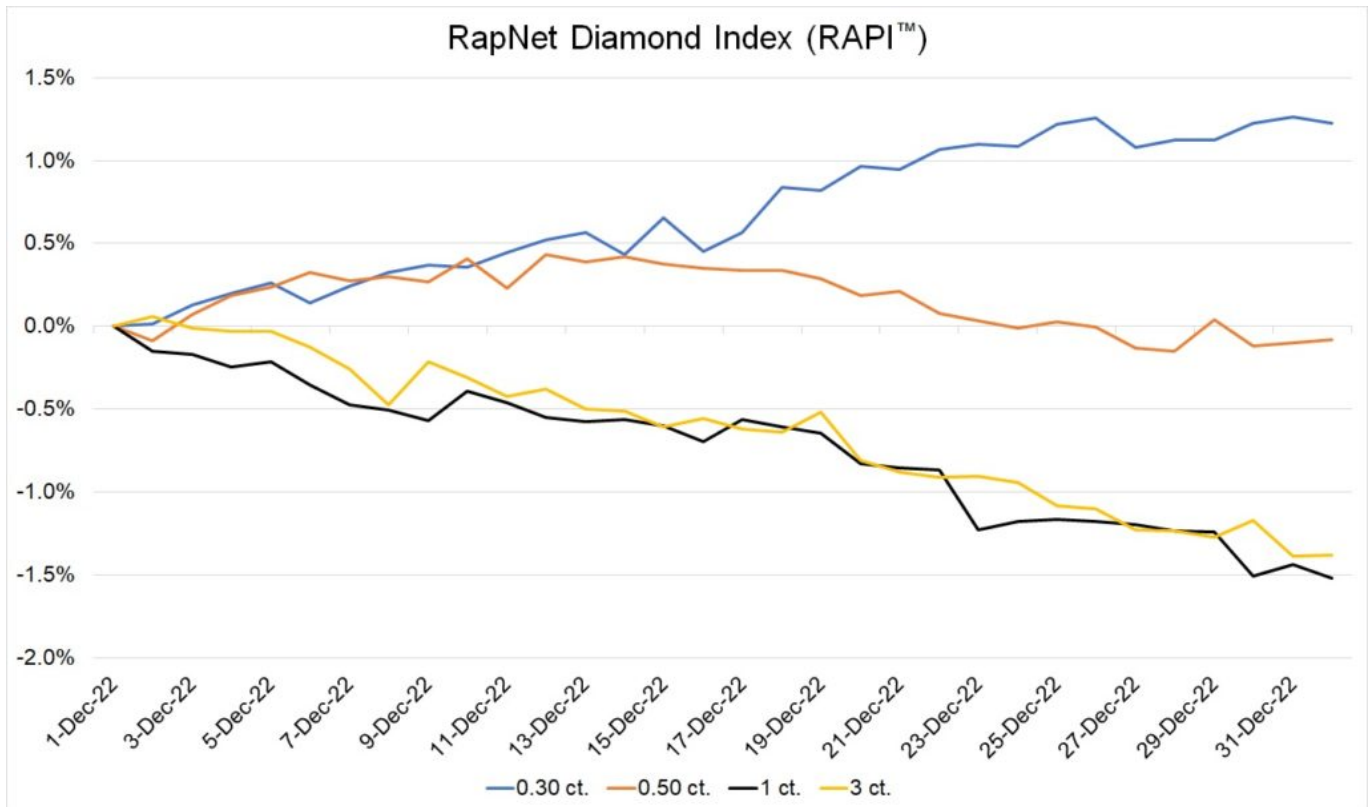
RAPAPORT PRESS RELEASE, January 3, 2023, Las Vegas.... Diamond markets were quiet toward the end of December as wholesalers took vacation between Christmas and New Year. Major dealers were satisfied with the holiday season but remained cautious about their short-term prospects.

Polished prices continued to decline in most categories. The RapNet Diamond Index (RAPI™) for 1-carat diamonds fell 1.5% during the month and was down 10.7% for the full year.

RAPI for 0.30-carat rose 1.2% in December. The volume of 0.30-carat, D to H, IF to VS diamonds on RapNet declined around 60% during 2022, with lower supply contributing to the upturn in prices in November-December.

RapNet Diamond Index (RAPI™)				
	Index	December	4Q 2022	2022
RAPI 0.30 ct.	1,484	1.2%	-1.9%	-7.7%
RAPI 0.50 ct.	2,667	-0.1%	-5.8%	-10.8%
RAPI 1 ct.	7,528	-1.5%	-8.0%	-10.7%
RAPI 3 ct.	24,803	-1.4%	-5.1%	-2.8%

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The midstream held historically high inventory in December. There were 1.77 million diamonds on RapNet as of January 1 — the same as a year earlier but 46% more than on January 1, 2020. Suppliers reduced prices to offload less-popular goods and raise liquidity.

Manufacturers kept polished production low. That fueled concern for post-holiday restocking, as there have been fewer newly manufactured stones available than usual. Many expect De Beers to reduce its rough prices in January to stimulate demand, especially after prices on the secondary market decreased in the fourth quarter.

Polished trading was sluggish due to the seasonal lull, the lingering economic uncertainty, and the slowdown in China. Although China eased its Covid-19 lockdowns last month, another outbreak stifled the recovery ahead of the January 22 Lunar New Year.

US jewelry sales fell 5.4% year on year in November-December, according to Mastercard SpendingPulse. General retail grew 8% as consumers sought a mixture of gift products and experiences over the holiday period. Consumer confidence also rose as the outlook for inflation and employment improved, The Conference Board reported.

Jewelers are not rushing to buy, and the trade has muted expectations for the post-holiday inventory replenishment that typically occurs in January. After the continued price declines of December, dealers remain unsure whether market conditions will carry on the downward trend of 2022 or return to growth in the year ahead.

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About the RapNet Diamond Index (RAPI™): The RAPI is the average asking price in hundred \$/ct. of the 10% best-priced diamonds, for each of the top 25 quality round diamonds (D-H, IF-VS2, GIA-graded, RapSpec-A3 and better) offered for sale on RapNet® (www.rapnet.com). Additional information is available at www.rapaport.com.

About the Rapaport Group: The Rapaport Group is an international network of

companies providing added-value services that support the development of ethical, transparent, competitive and efficient diamond and jewelry markets. Established in 1976, the group has more than 20,000 clients in over 120 countries. Group activities include Rapaport Information Services, providing the Rapaport benchmark Price List for diamonds, as well as research, analysis and news; RapNet, the world's largest diamond trading network; Rapaport Trading and Auction Services, the world's largest recycler of diamonds, selling over 400,000 carats of diamonds a year; and Rapaport Laboratory Services, providing Rapaport gemological services in India and Israel. Additional information is available at www.rapaport.com.

Image: Polished diamond on natural material. (De Beers)