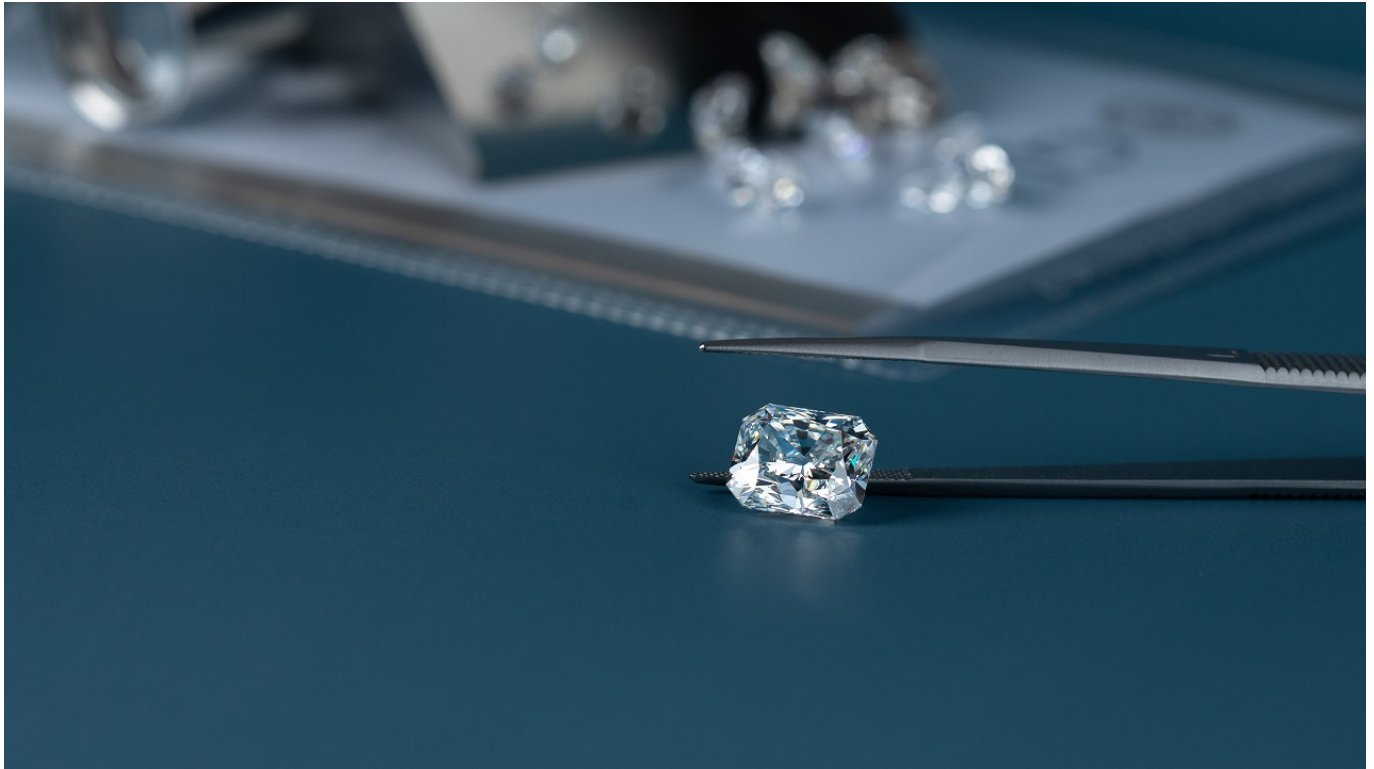


Diamond Prices, Market Sentiment Weak



RAPAPORT PRESS RELEASE, June 6, 2023, Las Vegas... The RapNet Diamond Index (RAPI™) for 1-carat polished diamonds fell 1.2% in May. It stood at 7,072 on June 1, versus 7,537 at the beginning of the year. The RAPI also declined in other sizes.

Slow trading at the JCK Las Vegas show reflected overall market uncertainty. Activity was stronger in the finished-jewelry section than the diamond pavilion. Jewelers have curbed their buying and lowered their short-term expectations due to weak consumer sentiment and synthetic-diamond competition. The RAPI continued to downtrend during the first week of June.

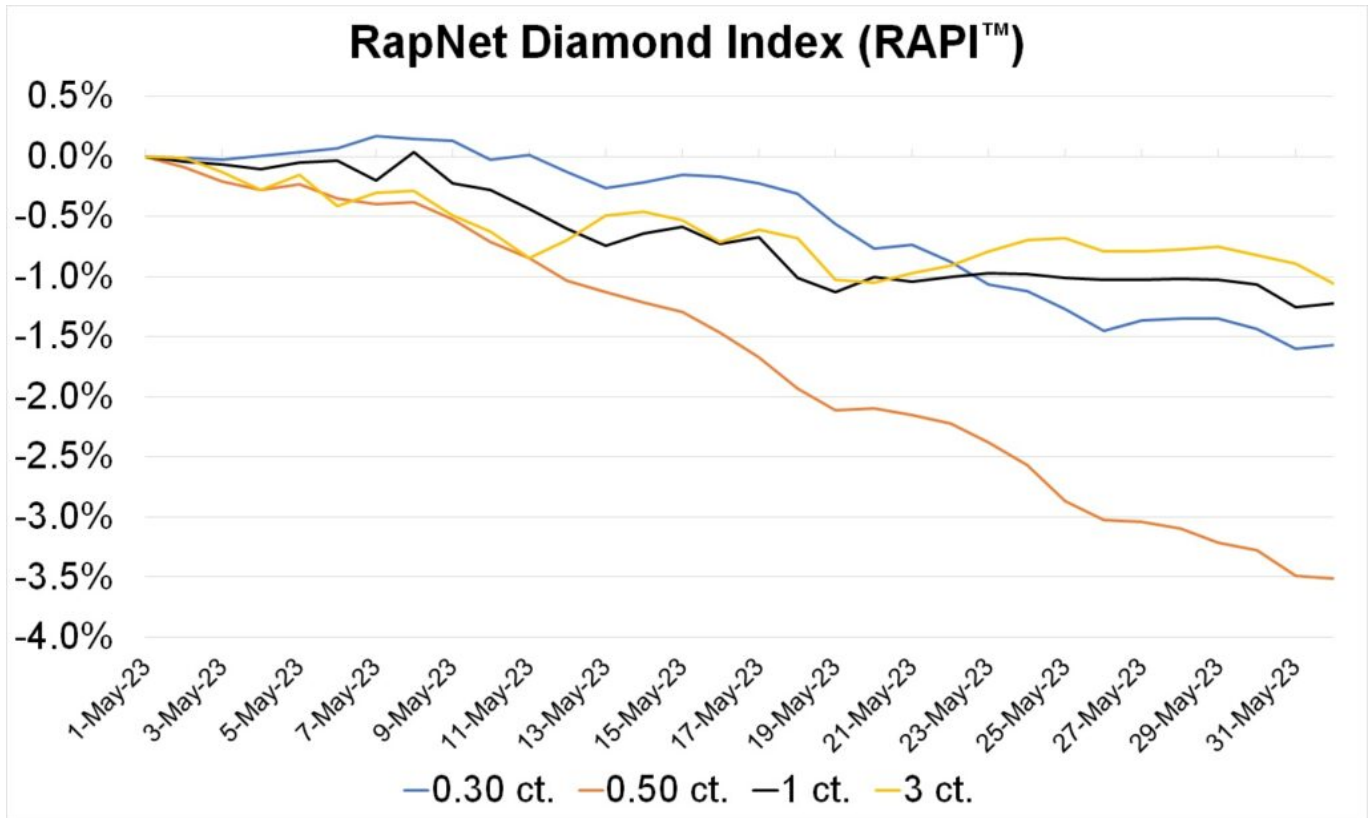
“There is concern about the state of the diamond market,” said Martin Rapaport, Chairman of the Rapaport Group. “Demand has declined from the highs of 2021-2022 as economic uncertainty has impacted buyer sentiment.”

RapNet Diamond Index (RAPI™)				
	Index	May	Year to Date <small>Jan. 1, 2023, to Jun. 1, 2023</small>	Year on Year <small>Jun. 1, 2022, to Jun. 1, 2023</small>
RAPI 0.30 ct.	1,584	-1.6%	6.9%	-2.5%
RAPI 0.50 ct.	2,484	-3.5%	-7.0%	-21.6%
RAPI 1 ct.	7,072	-1.2%	-6.2%	-23.4%
RAPI 3 ct.	23,801	-1.1%	-4.1%	-15.7%

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There is rising demand for lab-grown diamonds, affecting the SI2- to I2-clarity natural diamond range. But there has been a dramatic devaluation of lab-grown prices due to an oversupply.

Polished inventory remains high. The number of diamonds on RapNet rose 1.7% during May, coming to 1.78 million on June 1. The midstream is struggling to diminish inventories of lower- and commercial-quality diamonds.



Manufacturers have reduced polished production, and rough demand has declined. De Beers lowered prices at its June sight and enabled buybacks for more categories than in the past. It will likely offer more flexible supply terms in the second half of the year.

The Las Vegas shows did not change the market. US jewelers are buying what they need and are avoiding large inventory purchases. The high end is robust, supporting demand for large stones. Middle America is feeling the pinch of high inflation and rising interest rates, impacting orders for 1- to 3-carat diamonds.

“The market is being squeezed as consumer budgets tighten,” Rapaport said. “Still, America remains the strongest market for diamond jewelry. Companies that can adapt to shifting consumer habits are gaining market share and demonstrating the strength of the US market.”

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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: A polished diamond. (Shutterstock)