

Press Release: Diamond Trade Cautious Despite Positive Retail



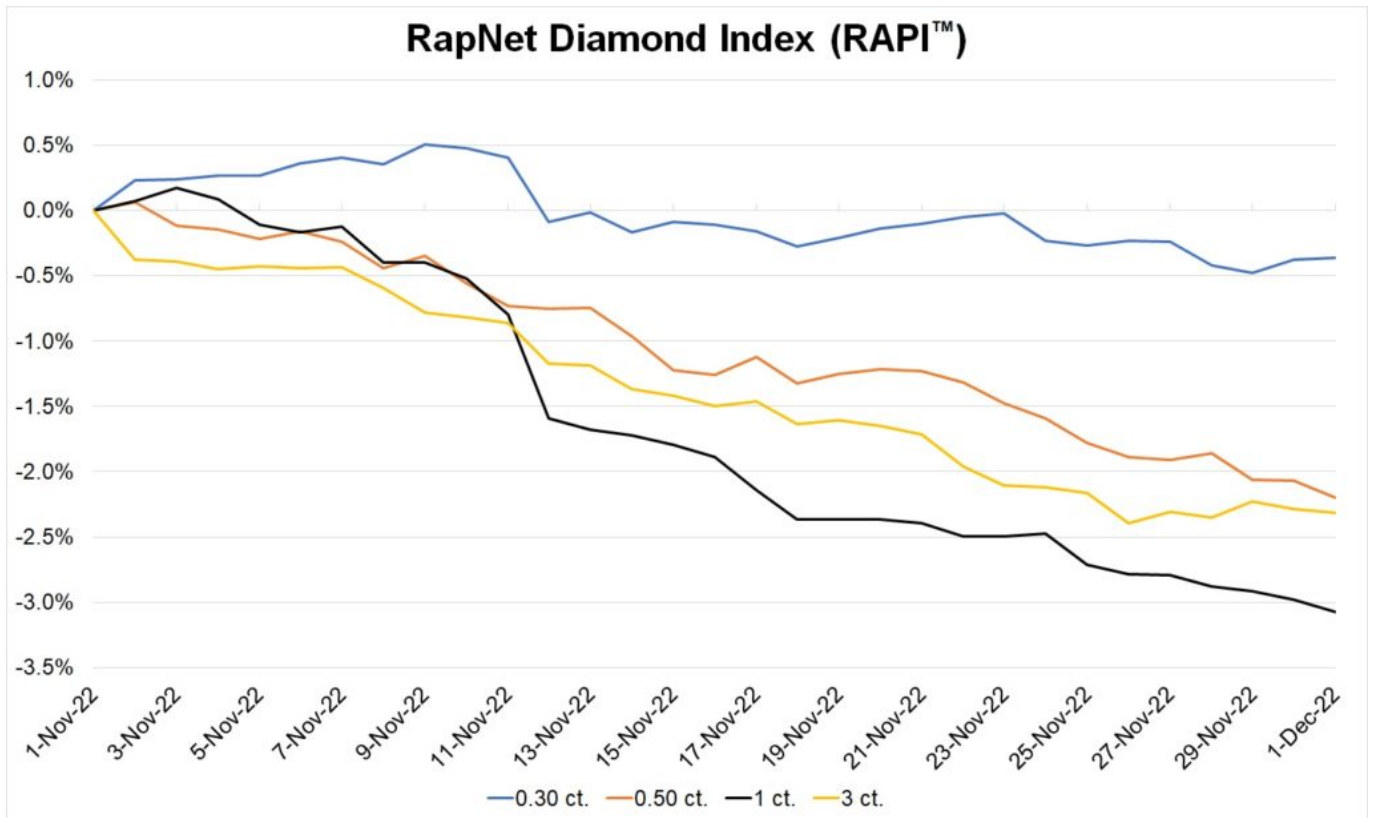
1ct. RAPI -3.1% in November

RAPAPORT PRESS RELEASE, December 6, 2022, Las Vegas.... Diamond prices declined in November. Demand weakened due to the slowdown in China and US economic caution, resulting in a buildup of midstream inventory. However, US retail sentiment was upbeat as the holiday season began.

The RapNet Diamond Index (RAPI™) for 1-carat polished fell 3.1% during the month.

RapNet Diamond Index (RAPI™)				
	Index	November	Year to date Jan. 1 to Dec. 1	Year on year Dec. 1, 2021, to Dec. 1, 2022
RAPI 0.30 ct.	1,466	-0.4%	-8.8%	-7.7%
RAPI 0.50 ct.	2,673	-2.2%	-10.7%	-9.5%
RAPI 1 ct.	7,653	-3.1%	-9.4%	-4.5%
RAPI 3 ct.	25,171	-2.3%	-1.4%	3.6%

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Some categories are stabilizing, spurring interest from buyers who believe prices may have bottomed out. The number of 0.30-carat diamonds on RapNet has decreased by approximately 40% since April 1, supporting price levels.

Overall polished inventory is at record highs. As of December 1, the total volume of diamonds on RapNet stood at 1.85 million stones — an 8% rise year on year.

Rough trading has slowed as manufacturers reduce polished production. De Beers goods are selling at discounts on the secondary market, and auction prices are declining. India's rough imports by volume fell 8% year on year in the third quarter and 55% in October, according to the latest data from the Gem & Jewellery Export Promotion Council (GJEPC).

The rough-market caution reflects weakness in polished demand. Jewelry sales in China declined in October-November amid renewed Covid-19 restrictions. While Hong Kong is seeing some improvement, the lack of tourist traffic is limiting its recovery.

US retailers are optimistic for the season. The National Retail Federation (NRF) reported record foot traffic and digital sales over Thanksgiving weekend. US e-commerce sales grew 6% on Cyber Monday, according to Adobe estimates.

Jewelers are nonetheless holding back from buying inventory, reflecting concern about economic developments. Strong memo demand is stimulating the dealer market as retailers seek ways to manage inventory efficiently.

Savvy store owners are enhancing the holiday shopping experience by improving their multi-channel sales platforms. Consumers have less money for discretionary spending than last year and are seeking bargains. But they're also ready to go out and shop again, and they want interactive buying experiences.

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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