

Press Release: Diamond Trade Sees Cautious Start to 2023



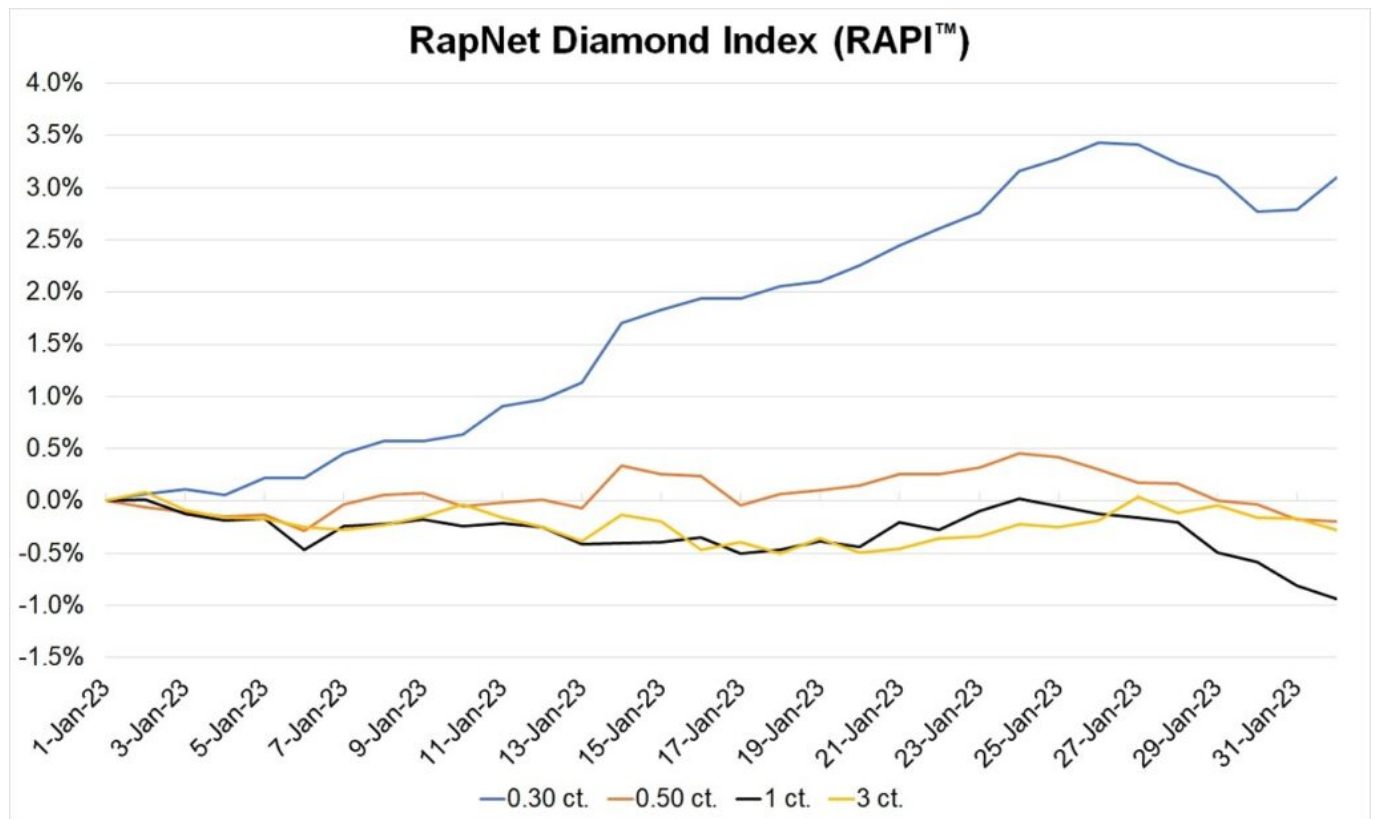
1ct. RAPI up -0.9% in January

RAPAPORT PRESS RELEASE, February 7, 2023, Las Vegas... Polished-diamond prices stabilized for much of January but declined in the final week as the industry assessed its prospects after the holiday season. Trading was slow amid lingering economic uncertainty, which was evident in weaker consumer sentiment and US jewelers' mixed results for November-December.

The RapNet Diamond Index (RAPI™) for 1-carat diamonds fell 0.9% in January and 17.3% year on year as of February 1. The 0.30-carat category bucked the trend as inventory levels dropped in that segment. Small stones were stable throughout the month.

RapNet Diamond Index (RAPI™)		
	January	Year on year Feb. 1, 2022, to Feb. 1, 2023
RAPI 0.30 ct.	3.1%	-5.7%
RAPI 0.50 ct.	-0.2%	-13.8%
RAPI 1 ct.	-0.9%	-17.3%
RAPI 3 ct.	-0.3%	-9.5%

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Retail jewelers gave varying reports about the holiday season. US independents were down about 9% in the fourth quarter, according to the Edge Retail Academy. Mastercard SpendingPulse reported a 5.4% decline in November-December sales.

Luxury jewelers did well. Richemont's jewelry maisons — Cartier, Van Cleef & Arpels, and Buccellati — saw fourth-quarter revenue rise 11%. Sales at LVMH's jewelry and

watch division, which includes Bulgari and Tiffany & Co., grew 7%.

The luxury houses expressed optimism about China after the country lifted its Covid-19 restrictions and sales reportedly improved during the Lunar New Year. The preceding lockdowns contributed to the drop in diamond trading last year.

Retailers held back from replenishing the holiday inventory they'd sold. Large quantities of goods are still available; the number of diamonds on RapNet as of February 1 was 20% higher than a year earlier. The volume of 0.30-carat stones fell 35%.

Manufacturers are keeping production low. Sightolders are waiting to make more significant rough purchases later in the year, De Beers reported. The miner reduced prices for larger rough and raised those of smaller goods at its January sight, which yielded just \$450 million.

The industry is biding its time; jewelers are not yet ready to build up inventory after the holidays. Trading is expected to remain cautious in the first half. While a recovery in China may boost demand for select polished categories, much will depend on US economic sentiment as the year progresses.

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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: Diamond engagement ring. (Shutterstock)