

Press Release: Diamond Trade Slow Ahead of Holidays



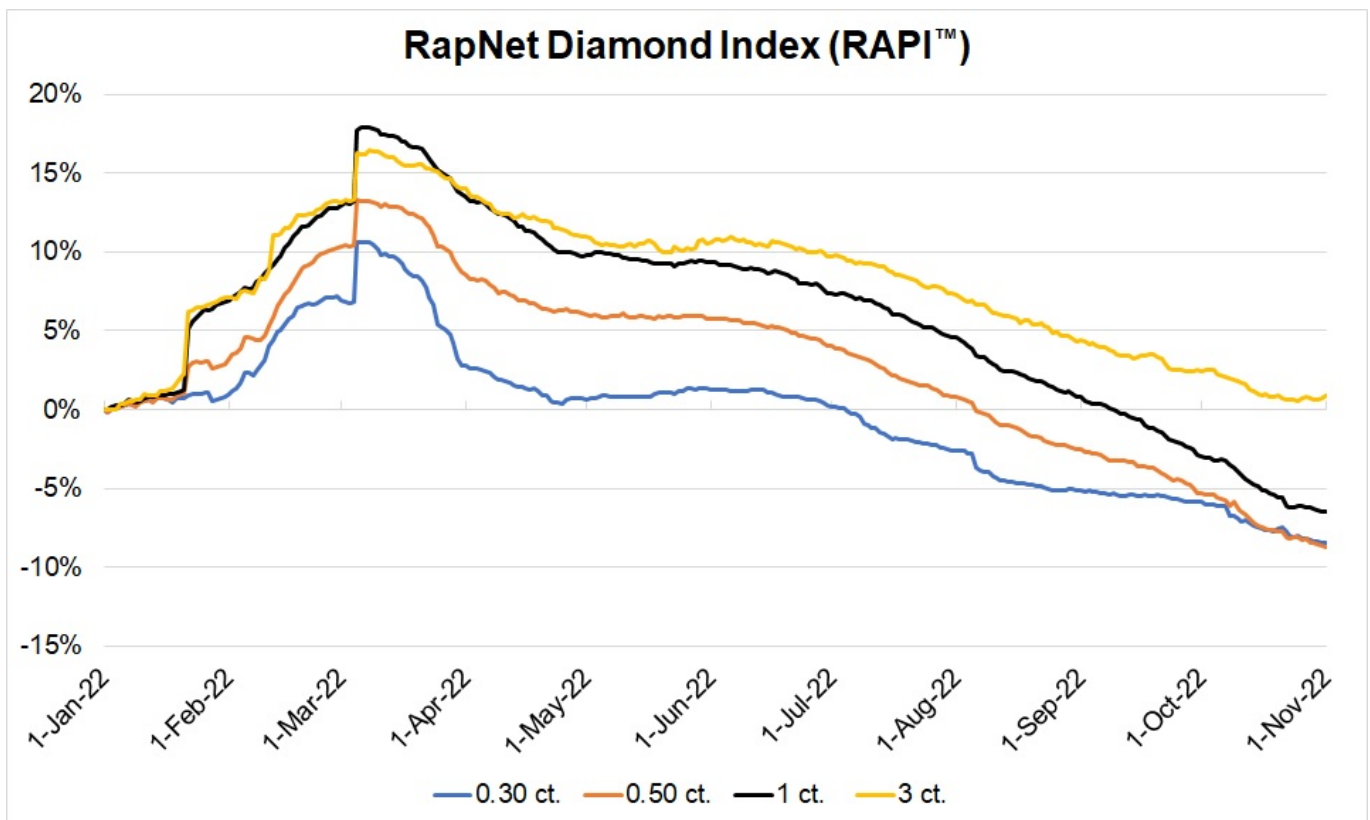
1ct. RAPI -3.6% in October

RAPAPORT PRESS RELEASE, November 2, 2022, Las Vegas... Diamond trading was cautious in October as demand softened. Dealers lacked the urgency to buy, anticipating further price drops. The Jewish holidays and India's Diwali festival also slowed business. US jewelers remain optimistic for the upcoming holiday season despite high inflation and economic declines.

The RapNet Diamond Index (RAPI™) for 1-carat diamonds slid 3.6% in October and has fallen 6.5% since the beginning of the year.

RapNet Diamond Index (RAPI™)			
	October	Year to date Jan. 1 to Nov. 1	Year on year Nov. 1, 2021, to Nov. 1, 2022
RAPI 0.30 ct.	-2.8%	-8.5%	-6.9%
RAPI 0.50 ct.	-3.6%	-8.7%	-7.1%
RAPI 1 ct.	-3.6%	-6.5%	-0.6%
RAPI 3 ct.	-1.5%	0.9%	11.1%

© Copyright 2022 by Rapaport USA Inc.



Polished inventory remains high. The volume of diamonds on RapNet has hit record levels above 1.8 million stones. Manufacturers refrained from rough buying ahead of Diwali, which began October 24, and factories have closed for two to three weeks for the festival. De Beers eased purchasing terms at its October 31 sight by allowing sightholders to sell back 20% of their rough allocations above 1 carat instead of the usual 10%. Petra Diamonds also noted weakness in 1- to 5-carat goods.

Restraint in the rough market reflects caution in polished, where stones below 0.18

carats are selling better than 1 carat and larger. Indian suppliers raised discounts of certified diamonds to bolster sales and raise liquidity before Diwali, but dealers were afraid to do business while prices continued to decline.

China and Hong Kong are showing signs of improvement after their respective governments eased Covid-19 restrictions. The US is supporting the industry with demand for bridal and high-end jewelry. Some retailers have been enticing buyers with promotions since early holiday shopping began in October. Consumers are seeking deals as inflation, rising interest rates and the volatile stock market squeeze discretionary spending.

There are mixed expectations for the holiday season. Economic uncertainty, the Ukraine war, the China slowdown and growth in lab-grown are affecting sentiment. However, brands are increasing investment in marketing, with Tiffany & Co., De Beers and the Natural Diamond Council hoping to boost peak season sales via partnerships with high-profile ambassadors Beyoncé, Lupita Nyong'o and Lily James, respectively.

Rapaport Media Contacts: media@diamonds.net

US: Sherri Hendricks +1-702-893-9400

International: Avital Engelberg +1-718-521-4976

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.diamonds.net.

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.diamonds.net

Image: A pair of round polished diamonds. (De Beers)