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THE COLORED DIAMOND ANALYST

Volume 2, No. 25
October 2020

WHY THE SUPER-RICH ARE INVESTING IN DIAMONDS AND RARE GEMSTONES DURING THE LOCKDOWN

Amid economic uncertainty, the super-rich are looking to ultra-rare precious gemstones as a 'safe' store for their wealth. Fine jewellery sales have done well to weather the coronavirus crisis, mainly due to lockdown proposals and demand for precious pieces as a wealth accumulation alternative to a volatile stock market!

And at the high end of the market, **collectors are acquiring rare gemstones – sometimes seeing them as a safer store house than the volatile stock market or property markets.** Uncertainty in the stock market is definitely playing a role in their buying decision. And the Covid 19 experience has



14.82 carat Fancy Vivid Orange Colored Diamond
Courtesy: Christie's

given more fuel for thought! It is simply another reason why those in the market want to make this investment. Investors are looking right now at a flight to Quality.

With demand outstripping supply from New York to London to Hong Kong for Jewelry, Gemstones, Colored Diamonds and Watches, investment continues to come into the market at anywhere from a few thousand dollars to tens of millions. No one knows the financial toll of the Covid situation and whether there will be more lockdowns to affect economic stability, but investors are not waiting to find out. They are allocating funds



Collection of sapphire rings

now into Hard Assets for protection and growth. **Stock Market volatility is here to stay for the short to medium term according to various analysts in large banks around the world. With uncertainty looming, safety and security have become considerably more important for those looking for a safe haven!**

Christies and Sotheby's auction houses continue to see strong demand for Jewelry, Colored Diamond and Gemstones in 2020 even without live In House Auctions. The Online Auction Market has been booming and investors are bidding up prices in all areas.

HIGH-JEWELRY SALES ARE BOOMING AT CHRISTIE'S AND SOTHEBY'S – HERE'S WHAT'S SELLING

Robb Report, Carol Besler



Kashmir sapphire and diamond ring
Courtesy: Christies

Buyers aren't scaling back on expensive jewelry amid the ongoing global Covid-19 crisis. Auction sales of high-ticket jewels are booming, thanks in part to online previews and a surge in availability of rare pieces. "We were stressed going into the live auction in Geneva, because we knew it would determine the market gains going forward", says Christie's jewelry specialist Marie-Cecile Cisamolo. It was a great recent auction, totalling over \$42 million, with over 80% of lots sold. Basically, what is selling is high-quality gems and signed pieces in good condition. The market is there. Clients are there. Cisamolo says she's seeing more exceptional pieces coming to market partly due to some clients taking a step back due to the virus and questioning whether or not they will ever wear certain pieces again.

The live July 2020 sale in Geneva, which totaled \$42,505,669, included a

ring by Reza with an internally flawless fancy-blue diamond and a clear diamond, each approximately 5.3 carats, for \$9,254,595.

Another internally flawless diamond, weighing 100.85 carats, sold for \$5,946,070, and a diamond and fancy-yellow diamond bracelet by Cartier sold for \$2,559,900. Christie's also sold a 28-carat diamond in an online auction in June for \$2,115,000 – a record price, at the time, for any jewel sold in an online auction.

Fine emeralds and sapphires are also selling well, particularly rare untreated specimens from Colombia or Burma. Christie's sold a ring set with a 29.54-carat Colombian emerald for \$1,796,700 at its July sale in Geneva, along with a ring set with a rare, Kashmir sapphire weighing 12.44 carats for \$1,160,700. Another ring, by Cartier, set with a 52.20-carat Ceylon sapphire, sold for \$766,380.



Reza Internally Flawless 5.37-carat diamond and a 5.34-carat Fancy Blue diamond ring
Courtesy: Christies



5.29 carat Fancy Blue/Grey diamond ring
Courtesy: Sotheby's

Sotheby's jewelry sales are also booming at the high end. At its Geneva sale in July, it sold a fancy-grey/blue diamond ring for CHF 2,060,000 (about \$2,251,400) and a fancy pink diamond ring for CHF 2,840,000 (about \$3,104,000). At a Hong Kong sale in July, it sold a pair of black and white earrings for \$2,345,000, and several multi-million-dollar diamonds in online sales.

Sotheby's Magnificent Jewels sale in July totaled \$56 million, the highest valued jewelry sale worldwide this year, including two exceptional fancy vivid diamonds, a blue and a pink selling for \$10.5 million and \$8 million respectively, attesting to the strong demand for top quality jewels – like great art, they endure. They've also had great success with quality designer pieces as well as vintage jewels in great condition.

PINK DIAMONDS



Arguably, there is no other Hard Asset that commands the attention of individuals interested in Wealth Accumulation and Asset Security than Pink Diamonds! Pink Diamonds are found only in a few countries of the world, South Africa, Brazil, and Australia. They are the rarest and most sought after of all colored diamonds.

Although countries such as South Africa and Brazil have produced large pinks (some as large as 75 carats) the great majority are under 1 carat. Colored Diamonds are usually pastel colored (referred to in the trade as Bubblegum). In fact, it was most unusual to find a deeply colored Pink, until the discovery of the Argyle mine in Australia in 1979. This new find of **Argyle Super Pinks** were smaller in overall size (1 carat+ is rare) but the color was unlike anything anyone had ever seen. Ranging from Intense to Deep and Vivid as well as Red, these stones immediately commanded the attention of the industry and began to establish record prices at auction.

THE ARGYLE DIAMOND MINE

ARGYLEPINKDIAMONDS.COM Argyle Diamond Mine Courtesy: Steve Scourfield / The West Australian



Never before, and never since, has there been a diamond mine that consistently produces rare pink diamonds like the Argyle Diamond Mine. Located in Perth, Western Australia. Discovered in 1979 and operational as a mine by 1985, Rio Tinto, the largest mining conglomerate in the world has mined the world's most exquisite natural colored gems at Argyle. Yet none are more rare or beguiling than the Argyle pink diamond. Prior to the 1980s, world production of pink diamonds had been sporadic and limited to a few international mines.

However, for the past 27 years, Argyle pink diamonds of a depth and range of color never seen before, have commanded the

world's attention since their discovery. **Argyle pink diamonds are rare; in fact, they are beyond rare and up to 100 times the price of equivalent white diamonds. Currently, the Argyle mine supplies approximately ninety percent of the worlds pink diamonds. Astonishingly, a whole year's worth of production of stones over half a carat would fit in the palm of your hand.**

They are highly sought after by investors, jewelers and their customers, celebrities, and diamond aficionados. They are prized by all who possess them and revered for their unique provenance, intrinsic beauty and extreme rarity. They are the Picasso's or the Van Gogh's of the Colored Diamond world!

SOTHEBY'S EXPECTS PINK TO FETCH UP TO \$38M

*By Rapaport News,
October 12, 2020*



The Spirit of the Rose Diamond
Courtesy: Sotheby's

Sotheby's will sell the largest vivid-purple-pink diamond ever to appear at auction, with expectations it could achieve up to \$38 million at a November sale.

The oval modified brilliant-cut, 14.83-carat, fancy-vivid-purple-pink, internally flawless, type I_{2a} stone is set to go under the hammer at the Magnificent Jewels and Noble Jewels auction in Geneva on November 11, Sotheby's said Monday. The company has given the piece a presale estimate of \$23 million to \$38 million.

"Pink diamonds, perhaps more than any other colored diamond, have captured the imagination of collectors for centuries, making up five out of the 10 most valuable diamonds ever sold at auction," said Benoit Repellin, head of the auction house's Geneva Magnificent Jewels auction. "These exceptional sales, all realized in the last decade, are a testament to the growing appreciation and awareness of the great scarcity of these natural treasures around the world, and with the supply of these beautiful stones becoming ever more limited, they are likely to continue to become even more prized."

Alrosa cut and polished the diamond from a 27.85-carat rough it unearthed at its Ebelyakh deposit in Yakutia in July 2017. The miner named the polished stone The Spirit of the Rose after the famous Russian ballet premiered by the Ballets Russes company in 1911, and called the rough Nijinsky, in honor of Vaslav Nijinsky, one of the ballet's principal dancers.

The Spirit of the Rose is one of the three-stone Spectacle collection Alrosa has dedicated to Russian ballet. The set also includes the Firebird, an Asscher-cut, 20.69-carat, fancy-vivid-yellow, VS1-clarity diamond, which Alrosa sold to Graff for an undisclosed amount in December. The miner is still manufacturing the third stone. Alrosa had originally expected to sell The Spirit of the Rose in November 2019, it said last year.

Sotheby's will exhibit The Spirit of the Rose in Hong Kong; Singapore; Taipei, Taiwan; and Geneva prior to the sale.



The Pink Star / Fancy Vivid Pink
Sold at auction April 4, 2017
\$71.2 Million U.S.



The Pink Promise / Fancy Intense Pink
Sold at auction November 28, 2017
\$31.861 Million U.S.



The Pink Legacy / Fancy Vivid Pink
Sold at auction November 13, 2018
\$50.375 Million U.S.