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STELLAR SALES

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The Geneva auctions this spring have once again achieved healthy results, despite a global climate of political and economic uncertainty, sending a positive signal to a concerned international jewelry market.

“Both Sotheby’s and Christie’s have done better than the current market situation. The results that they brought, the prices that they achieved and the total figures show that the entire market is getting better, even though it is not always obvious and auction results demand a careful and informed analysis,” noted Eric Valdieu of Valdieu Fine Arts and former head of Christie’s jewelry department in Geneva. While colored diamonds and colored gemstones did well, the white diamond market was on the soft side, with prices struggling on some levels. The F, G and H, VVS or VS diamonds were seeing stronger prices than the D, E, F and G flawless as there is more demand in the market for the former, which are still high quality, but a better value for the money.

Both sales attracted international dealers, who participated in the very active bidding. The presence of private buyers seemed reduced compared to previous sales, although the great number of anonymous bids coming online and from the phones make this data hard to assess for anyone but the auction houses.

Sotheby’s

At the Mandarin Oriental in Geneva, Sotheby’s inaugurated their new sale location offering 331 lots spread over a three-session sale, which garnered a grand total of \$151,546,458 and an even more impressive sold-by-lot value of 90.4 percent. Sotheby’s November 2016 Geneva sale had totaled \$136,428,215 from 341 lots offered, while their May 2016 sale registered a record total of \$175,097,419 from 488 lots offered.

“It is a new world record for a pair of earrings at auction,” said David Bennett, chairman Switzerland and worldwide chairman of Sotheby’s international jewelry division, in a statement to the press shortly after the sale, referring to the much-publicized Apollo and Artemis diamond earrings, which were the first and second top lots of the evening. The extraordinary blue and pink pear-shaped diamonds were sold separately but purchased by the same anonymous phone buyer, who renamed the diamonds, “The Memory of Autumn Leaves” and “The Dream of Autumn Leaves”.



Dream diamonds, The Apollo and Artemis, now known as ‘The Memory of Autumn Leaves’ and ‘The Dream of Autumn Leaves’ respectively, set a new world record for \$57,425,478

Photo courtesy Sotheby’s

The two pear-shaped diamonds matched in everything but their color. The 14.54-carat, fancy vivid blue, internally flawless diamond fetched \$42,087,302 or \$2,894,588 per carat. The 16-carat, fancy intense pink, VVS2-clarity diamond sold for \$15,338,176 or \$958,636 per carat.

The third top-selling lot of the evening was a 7.04-carat, VS1, type Iia, fancy intense purplish pink diamond ring by Piaget, which sold to a private collector for \$13,245,750, or \$1,881,499 per carat. It set a new record for a fancy intense purplish pink diamond and a new record price-per-carat for the same category.

[Sotheby's top ten list of highest-selling lots featured exclusively colored diamonds](#) – the top five lots – and white diamonds, which registered prices between \$72,000 and \$120,000 per carat. The sale also had some extremely fine period and signed jewels, many of which sold well above estimates. An array of colored gemstones registered very high prices after fierce bidding.

“Our sale was very interesting because it was mostly from private collections,” stated Bennett. “We had lovely jewels and they all found a buyer, while casualties were very few and far apart. The sale was well curated, fresh to the market and attractively estimated; to me that is what auctions are all about. I don’t think the international trade would come to Geneva if it was otherwise.”

Christie's

The following day Christie's two-session sale totaled \$94,504,747, selling 233 out of the 264 lots on offer, representing a sold-by-lot value of 85 percent.

Christie's November 2016 sale had totaled \$97,117,588 from 217 lots offered, while their May 2016 sale had made \$148,639,176 from 285 lots offered.

“The sale took one hour longer than I thought it was going to take, because everything was selling for more than its estimate and taking time,” said Rahul Kadakia, international head of jewelry, Christie's. “If a sale goes late, it means it is making more money.”

The top lot of the evening was a 92.15-carat heart-shaped, D-flawless diamond. Mounted by Boehmer et Bassenge on a cultured pearl necklace dubbed “La Legende,” it was the largest heart-shaped diamond ever offered at auction. Bidding started in the room before an anonymous phone buyer entered the battle, eventually placing the winning bid. The total price of \$14,989,012, or \$163,000 per carat, set a new world auction record for a heart-shaped diamond.

The second top lot at Christie's was a Burmese oval-cut ruby of 15.03 carats, set in a diamond cluster ring. Bidding was an intense battle between a buyer seated at the front of the sale-room and two buyers bidding on the phone.

Sam Abram, of New York-based Siba Corporation, won the gem for \$12,942,775, or \$861,000 per carat. “This is the finest ruby I have seen at auction in decades and we are proud that it now belongs to The Siba Collection,” commented Abram after the sale.



A Burmese oval cut 'pigeon blood' red ruby ring, of 15.03 carats sold for \$12,942,775 million. Photo courtesy Christie's.



“La Legende” - A 92.15-carat heart-shaped, D-flawless diamond mounted on a cultured pearl necklace. Photo courtesy Christie's.

Marc Boghossian of Geneva-based Bomare SA, summed up the sales at both auction houses. [“The prices achieved for gem-quality colored stones and colored diamonds were higher than at previous auctions in Geneva, because there continues to be great demand while the supply is very, very limited for such high-quality items.](#) Sotheby's presented a genuine sale with authentic pieces coming from privates, while Christie's had a smaller selection, which seemed more targeted toward certain needs or demands from the market.”

Editor Note: This article appeared in the Daily Telegraph newspaper in the United Kingdom on November 8th, 2014. The relevance of this article today is the chronological history of pricing for a 1 carat Fancy Pink diamond. In 2002 the average cost of a Fancy Pink was about \$13,000. In 2014, the cost was \$78,000 and in 2017, pricing is about \$160,000. Prices are continuing to increase exponentially, having risen by double over the past 3 years!

Prices for Fancy Intense and rare Fancy Deep Pink colored diamonds can be double the price of a Fancy Pink in 1 carat plus sizes.

RARE PINK DIAMONDS ARE ‘SAFE HAVEN’ FOR SUPER-RICH

By Rebecca Burn-Callander, Daily Telegraph Newspaper / United Kingdom

Rare pink diamonds from the Argyle mine in Australia are being bought up by high net worths across the world. High net worth individuals across the globe are ploughing their millions into rare coloured diamonds as a stable, “safe haven” asset class. People are loving them as an alternative investment,” said Neil Duttson. Founder of Duttson Rocks, a high end diamond dealer that supplies stones to celebrities, Premiership footballers and investment bankers. “It’s a tangible, moveable asset, so you can carry your wealth in your pocket or on your finger.”

Pink diamonds in particular have increased in value over the past decade. In 2002, the average cost per carat of a 1 carat Fancy pink diamond stood at \$13,000, according to Duttson. In 2014 it topped \$78,000. The value of fancy light pink diamonds has increased by an average of 20 percent year-on-year for the past five years.” Pink diamonds from the Argyle mine in Australia are in high demand. The mine’s owner Rio Tinto, has announced plans to close the site in 2021, driving up the price of the gems.

“My business has gone mad with pink diamonds,” said Duttson. “They are being hoovered up, especially by the Chinese. I’m meeting with some City boys on Monday and instead of buying a new house in Provence, they’re putting their wealth into coloured diamonds.” One client has even put his children’s entire inheritance into the coloured gems. “He spent \$4.5 million in one go,” said Duttson. “It’s where he plans to store his wealth.”

According to Barclays Wealth’s latest report on investment trends, 26 percent of the bank’s wealthy clients in the UK are holding more “treasure” assets today than five years ago. Precious jewelry is by far the most



The Graff Pink diamond was sold by Sotheby’s Geneva for \$46 million in November 2010

popular treasure asset type for wealthy individuals across all countries, with 70 percent of global respondents investing in this asset, followed by fine art and antiques.

There is only one coloured diamond for every ten-thousand colourless, diamond specialist De Beers has found.



A selection of pink diamonds from the Argyle Pink Diamond Tender

WHERE IS THE TOP

In 1987, just before the first pink diamonds from Australia's Argyle mine came to market. Pink diamonds were the most expensive colored diamonds in the marketplace. At that time, the majority of Pinks came from the legendary Golconda mine in India, Brazil and South Africa.

In conjunction with the new supply of Pinks from Australia coming to market, the South African Premier mine went offline. It was the main source of Blue Diamonds in the world. It has since reopened with some, but very little production coming to market. A 1 carat Fancy Blue diamond currently sells for about \$400,000 per carat. Fancy Intense and Fancy Deep Blue diamonds can fetch over \$1 million per carat in larger sizes!

It is our position that when Argyle closes and the supply of new Pink rough diminishes, Pink diamonds will once again begin their ascending to the top of the colored diamond food chain. They will once again become the most expensive Fancy Colored Diamond (next to Red) in the marketplace! Blue diamonds will not drop in price! As demand continues to increase for these rare naturally occurring works of art, matching the \$400,000 per carat price of Fancy Blue does not seem out of the realm of possibility.



WHERE IS THE BEST CURRENT OPPORTUNITY

For the average individual interested in serious Wealth Accumulation the most strategic opportunity for Pink diamond ownership at the entry level is in sizes between .50 and .75 / carats. The more modest sizes are only a fraction of the prices of a 1 carat Pink, yet they have closely mimicked the average return of their larger counterparts. All Pink diamonds, no matter what the size are rare in nature and therefore rare commercially. Both have excellent liquidity when held to maturity. One could agree that the smaller Pinks have a larger demand market simply because more people can afford them! From time to time. Premier Diamond gains access to Pink diamonds of all saturation levels. If Pink is on your radar screen, give us a call so we can discuss options that are suitable for your wealth accumulation needs.



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