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THE COLORED DIAMOND ANALYST

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PRICE RECORDS SHATTERED AT 2017 ARGYLE TENDER!

In the 33 year history of the Argyle Pink Diamond Tender, there have been fewer than 20 carats total of Fancy Red certified diamonds sold! During that 33 year period, Argyle produced about 25 million carats of rough diamonds per year. The great majority of these diamonds were industrial grade stones selling for perhaps \$100 per carat. Total production was in excess of 800 million carats – 800 million carats of rough diamonds to only 20 carats of Red diamonds!

The 2.11 carat Argyle Everglow Red Diamond was sold on October 11/17 to an unidentified buyer for in excess of \$8 million – a new world record price per carat for any diamond, eclipsing the \$4 million per carat paid for the 12.03 carat Blue Moon of Josephine!

The Argyle Pink Diamond Tender is an important indicator of price valuation for Pink diamonds from all countries of origin. A 1.50 carat Deep Pink and a 2.42 Fancy Purple Pink also brought new Argyle record prices for diamonds of their size and saturation. Perhaps of even greater importance, Pink diamonds of .50 carat to .75 carats showed more than significant double digit increases. As we get closer to the

announced mine closing by Rio Tinto in 2021, we anticipate continued significant price increases. Today is a good day to be a Pink diamond owner!



The 2.11-carat radiant-cut fancy red Argyle Everglow, the top lot of the 2017 Argyle Pink Diamonds Tender



The 5 "hero" diamonds from The 2017 Argyle Pink Diamonds Tender selected for their unique beauty. From left – Argyle Kalina, 1.50 carat oval shaped Fancy Deep Pink diamond; Argyle Avaline, 2.42 carat cushion shaped Fancy Purple-Pink diamond; Argyle Everglow, 2.11 carat radiant shaped Fancy Red diamond; Argyle Isla, 1.14 carat radiant shaped Fancy Red diamond; Argyle Liberte, 0.91 carat radiant shaped Fancy Deep Gray-Violet diamond

COLORED DIAMONDS, GEMS AND SIGNED PIECES DOMINATE THE AUCTION CIRCUIT FOR 2017

By Anthony DeMarco, Rapaport, October, 2017

It's been going on for so long now, it has practically become a given on the auction markets: Fancy-colored diamonds, colored gemstones and signed jewels are attracting the most interest and generating the biggest sales at major auction houses throughout the world.

Just a cursory look at auction results from Christie's and Sotheby's will show that fancy blue and pink diamonds are commanding the highest prices, regularly setting new world records. Pink and blue diamonds achieved the top five jewelry auction sales of all time and four of the top five sales for the first half of 2017.

Competition for the best colored diamonds is quite fierce, Burstein adds.

"Buyers have really well-trained eyes," he says. "To get top dollar, you need the top color."



\$30.8 million
Sunrise Ruby

The centerpiece of a Cartier ring, this 25.59-carat stone set a world record for a ruby at auction when it sold at Sotheby's Geneva in May 2015.

The Rare and The Storied



\$17.3 million

The Blue Belle of Asia

The cushion-shaped, 392.52-carat Ceylon sapphire sold at Christie's Geneva in November 2014. It is considered the world's fourth-largest faceted sapphire.

Gary Schuler, chairman of Sotheby's jewelry division for the Americas, says the auction house has also experienced widespread growth in all of its jewelry categories.

"There has certainly been a ravenous desire for the best of the best. People recognize great pieces of jewelry and gemstones and their true rarity. It's really driving the competition," he says. "Schuler also notes the importance of a good story, whether it involves priceless or affordable jewels. For example, he recounts, a few years ago, a simple pink and yellow gold bracelet with lapis lazuli by Cartier that once belonged to famed German actress Marlene Dietrich sold for \$200,000 – well above its \$30,000 high estimate – based on its story. It was a gift from her longtime friend, Erich Maria Remarque, author of "All Quiet on the Western Front".

"Dietrich's provenance helped, but it was this overwhelming desire of people to own a great, simple, beautiful, chic jewel with a story that goes with it," he says. "Those are the things that really drive the market these days."

Dull By Comparison?

As the demand for signed jewels and colored diamonds grows, sales of generic jewels – a significant part of major auctions – are struggling, Burstein says.

"There used to be a lot more room for more generic jewelry that looks good and is well-made, but now the appetite for that is significantly lower." Buyers want wealth and asset appreciation with top pieces and noteworthy stones!

The same sluggishness is true for colorless diamonds, which are still growing in value, but at a lackluster pace.

"The (overall) growth of colorless diamonds has not been tremendous in the last couple of years," Schuler says. "Where we do still see great interest is in white diamonds over 8 carats. Again, it's that rarity factor."

Burstein says demand for colorless diamonds has been consistent the past couple of years, and the market remains stable in some areas.



\$13.5 million
La Légende

This heart-shaped 92.15-carat D-flawless diamond by Boehmer et Bassenge sold at Christie's Geneva in May, setting a world auction record for a heart-shaped diamond.

What's in store at the Geneva Auctions in November

At its Magnificent Jewels and Noble Jewels sale on November 15, Sotheby's Geneva will present the three following extraordinary rings:



"The Raj Pink"

The world's largest known fancy intense pink diamond at 37.30 carats, with VS1 clarity.

Estimate: \$20M - \$30M



Moussaieff fancy vivid blue diamond ring, weighing 7.41 carats, internally flawless.

Estimate: \$14M - \$18M



Property of a Countess

This fancy light pink diamond ring – weighing 33.63 carats, VVS1 clarity, type IIa – was purchased by Harry Winston circa 1970.

Estimate: \$8M - \$14M



As for Christie's, the star of the Geneva auction on November 14 is a giant diamond originating from the largest rough in Angolan history. "**The Art of De Grisogono**" is an emerald-cut, 163.41-carat stone that De Grisogono, a Swiss jeweler, cut and polished from the 404.20-carat rough. It will be the largest D-color, flawless diamond to appear at auction.

"Colorless diamonds had a good run in recent years, but in general have not been attracting the explosive prices their colorful siblings have earned," he comments, though "of course, there are exceptions." Buyers are becoming more selective, willing to pay more for better color and more carats, even if it means sacrificing clarity, he continues. They are also relying less on GIA reports and more on their own judgement of a stone's beauty.

"There's more of an eye toward connoisseurship, and less objectively to what is on a GIA report," he says. "I tell buyers, 'You don't wear a GIA report on your finger'... The stopping point where people are willing to sacrifice clarity is SI1."

Among colored stones, untreated high-quality pigeon blood Burmese rubies, Ceylon sapphires and Colombian emeralds fetch the highest prices, according to Burstein. Untreated gems have even greater value, he says. "Again, it's a matter of quality."

Access From Anywhere

Christie's and Sotheby's top sales locations are New York, Geneva and Hong Kong – and as one might expect, there are a few regional differences when it comes to the jewels sold in each city. Hong Kong sells top jadeite pieces that are attractive to the Asian market, for instance, while Geneva is known for its sales of royal provenance. Although the largest and most important auctions generally take place in Geneva, Schuler points out that thanks to digital technology, access to live auctions anywhere in the world has never been easier.

Jewelry sales are increasingly global, and regional differences are being absorbed into our worldwide marketplace.

"It really has turned into quite a global market," Schuler says. "Last year, I had buyers from over 60 different countries bidding in our salesroom in New York."

THE SCIENCE BEHIND THE SPARKLE

By Helen Czerski, Rapaport, August, 2017

The glitter of a cut diamond can provoke wonder, fascination, pride, love and a host of other reactions. But the scientific reasons for that brilliance are as scintillating as the rock itself.

Carbon is the fourth most common element in the universe, but only the tiniest fraction of those atoms have passed through the processes needed to lock them into the crystal fortress we call a diamond. Once they're in place, the structure is the crystal equivalent of the Eiffel Tower – a lightweight arrangement given strength by diagonal trusses, all built from a single type of atom. And while this lattice gives diamond many striking properties – for example, it's got the highest hardness and thermal conductivity of any natural material – the true spectacle occurs when you shine light on it.



Sparklings and light dispersion in a classic round brilliant cut diamond.
Courtesy: Shutterstock

Light In Motion

The speed of light is one of the fundamental constants of physics, well known as the fastest speed that anything can travel. But none of us, has ever seen light traveling at the speed of light, because as soon as it passes through something, it slows down just a bit. Even the air in our atmosphere slows down sunlight by about 00.03%. Water slows it down by 25%, and glass by 33%.

This is actually the only reason we can see glass at all – when a light beam crosses the line between air and glass, it swerves, and the larger the speed change, the greater the swerve. When we look at a wine glass, we don't "see" the glass at all. What we see is that light from behind the glass is in the wrong place – it's been deflected by the glass, so it doesn't match its surroundings. Instead of assuming that the world has gone wrong somehow, our brains know to interpret this as a transparent solid material that's distorting reality.

Nature's Superstar

It's through this distortion of visual reality that a diamond gets its shine. The stone's crystal lattice can slow down light by a staggering 59%, leaving it at only 41% of its full speed. Of course, the exact percentage depends on the light's color – it's 41.6% of full speed for red and 40.6% for violet. When light hits a diamond facet, the resulting swerve splits the light into colors and deflects it so strongly that it can bounce off the far side of the diamond before making its way back out to our eye, broadcasting the twinkling rainbow that characterizes these stones.

Almost nothing else can slow light this much – the only rivals are a handful of manufactured crystals. The diamond is nature's superstar when it comes to corraling light.

The real beauty of a diamond, then, is its' exceptional ability to make mundane white light from our surroundings, bend it, split it, and deliver it back to us with a deeper side of its character on show. The richness of the world is there all the time, but it takes a diamond to reveal its star quality.

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