



## PRESS RELEASE

### Certified 1ct. Polished Diamond Prices -2.4% in July

PRESS RELEASE, August 5, 2014, New York ... Certified polished diamond prices fell during July. Diamond manufacturing margins remained under pressure as polished trading was seasonably quiet and prices softened, while rough prices stayed high.

The RapNet Diamond Index (RAPI) for 1-carat certified polished diamonds fell 2.4 percent during July. RAPI for 0.30-carat diamonds declined 1.3 percent, while RAPI for 0.50-carat diamonds rose 0.3 percent. RAPI for 3-carat diamonds fell 0.5 percent during the month.

RapNet Diamond Index (RAPI™)			
	July 2014	YTD (Jan. 1, 2014 - Aug. 1, 2014)	Y2Y (Changes at Aug. 1)
RAPI 0.30 ct.	-1.3%	6.3%	13.0%
RAPI 0.50 ct.	0.3%	7.1%	9.8%
<b>RAPI 1 ct.</b>	<b>-2.4%</b>	<b>-1.6%</b>	<b>-3.5%</b>
RAPI 3 ct.	-0.5%	0.4%	-1.9%

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According to the Rapaport Monthly Report – “Sluggish Trading,” there is steady U.S. and Far East demand for below 1-carat, G-M, SI-I2, commercial-quality diamonds. Demand for 0.30- to 0.50-carat, G-M, VS2-I2 diamonds remains strong with reported shortages in the market. Many New York and Antwerp-based dealers took their summer vacations during the month, which further reduced trading volumes. Some Indian cutters reduced 1-carat and larger prices due to weak demand, oversupply and to boost cash flows.

The India International Jewellery Show (IIJS) was weak for diamond suppliers but signaled stable Indian domestic jewelry demand and improving sentiment ahead of the October Diwali season that begins on October 23. Still, liquidity is tight among manufacturers as the majority of buyers are looking to fill existing orders rather than build inventory. There is also a lot of inventory stuck in the pipeline as mining companies maintained steady production in the second quarter, and there is a large backlog of diamonds that are being graded at the Gemological Institute of America (GIA), particularly for goods below 1-carat.

While polished markets remain sluggish, rough trading was robust in July. Rough prices from mining companies rose approximately 2 percent and goods were selling for mid-single-digit premiums on the secondary market. Manufacturers are buying rough in order to have their polished inventories ready before the Diwali break.

Polished suppliers are hoping polished prices will rise sufficiently enough during the holiday season to justify current high rough price levels. However, buyers are expected to remain

cautious at least until the Hong Kong Jewellery and Gem Fair, scheduled to take place from September 15 - 21, which they hope will boost trading ahead of the fourth quarter holiday shopping season.

Read the attached Rapaport Monthly Report, "Sluggish Trading," at [www.diamonds.net/report](http://www.diamonds.net/report) or email: [specialreports@diamonds.net](mailto:specialreports@diamonds.net).

Rapaport Media Contacts: [media@diamonds.net](mailto:media@diamonds.net)

U.S.: Sherri Hendricks +1-702-893-9400;

International: Lisa Miller +1-718-521-4976;

Mumbai: Manisha Mehta +91-97699-30065

**About the Rapaport RapNet Diamond Index (RAPI™):** The RAPI is based on the average asking price in hundred \$/ct. for the top 25 quality 1 ct. round diamonds (D-H, IF-VS2, RapSpec-2 and better) with GIA grading reports offered for sale on RapNet – Rapaport Diamond Trading Network. The RAPI is provided for various sizes. [www.RAPNET.com](http://www.RAPNET.com) has daily listings of over 1.16 million diamonds valued over \$7.4 billion and 13,523 members in 84 countries.

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