



PRESS RELEASE

Diamond Prices Decline in June

RAPI for 1ct. Laboratory-Graded Diamonds -1.6% in 2Q

PRESS RELEASE, July 7, 2015, New York ... Diamond prices continued to soften in June with many categories trading at deep discounts to the Rapaport Price List. Markets were relatively quiet as U.S. demand after the JCK Las Vegas show was weaker than in previous years, and Far East demand remains cautious. Diamond manufacturers are under pressure and continue to lose money on their rough supply.

The RapNet Diamond Index (RAPI™) for 1-carat laboratory-graded diamonds fell 0.9 percent during June. RAPI for 0.30-carat diamonds declined 2.5 percent and RAPI for 0.50-carat diamonds dropped 2.6 percent. RAPI for 3-carat diamonds decreased 1.7 percent.

RAPI for 1-carat diamonds fell 1.6 percent during the second quarter of 2015 and on July 1, 2015 was down 15.3 percent from a year earlier.

RapNet Diamond Index (RAPI™)				
	June	2Q 2015	1H 2015	Y2Y (Changes at July 1)
RAPI 0.3 ct.	-2.5%	-6.2%	-10.6%	-25.8%
RAPI 0.5 ct.	-2.6%	-5.8%	-9.3%	-17.5%
RAPI 1.0 ct.	-0.9%	-1.6%	-0.3%	-15.3%
RAPI 3.0 ct.	-1.7%	-4.6%	-6.2%	-18.1%

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According to the Rapaport Monthly Report – July 2015, "Summer Heat Brings Price Pressure," the June Hong Kong show met the low expectations of the trade and sales reflected a cautious Far East market and weak dealer sentiment. Manufacturers' profit margins are being squeezed between stable rough diamond prices and declining polished. There is a shortage of fine-quality diamonds and selective buyers are paying firm prices for these goods to fill existing orders. However, there is a lot of excess inventory of lower-quality diamonds in the market and flexible inventory buyers are getting good deals.

Rough producers prefer to reduce supply rather than prices in the current weak market. Rough prices remained relatively stable in the second quarter after slipping an average 5 percent to 7 percent in the first three months of the year. De Beers rough sales fell by approximately 28 percent year on year to \$2.5 billion in the first half of 2015, according to Rapaport estimates.

Manufacturers are expected to further reduce their rough purchases in the coming months in an effort to shrink existing inventory and raise liquidity levels.

The Rapaport Group has today issued an important statement regarding Rapaport Diamond Specifications, the Rapaport Price List and current market conditions. For additional information see this [statement](#).

Read the attached Rapaport Monthly Report, "Summer Heat Brings Price Pressure," at www.diamonds.net/report or email: specialreports@diamonds.net.

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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 has daily listings of over 1.14 million diamonds valued over \$7 billion and 13,390 members in 86 countries.

About the Rapaport Group: The Rapaport Group is an international network of companies providing added value services that support the development of fair, transparent, efficient, and competitive diamond and jewelry markets. Established in 1978, the Rapaport Diamond Report is the primary source of diamond price and market information. Group activities include Rapaport Information Services providing research, analysis and news; RapNet – the world's largest diamond trading network; Rapaport Laboratory Services provides GIA gemological services in India, Belgium and Israel; and Rapaport Trading and Auction Services specializing in recycled diamonds and jewelry. The Group supports over 20,000 clients in 118 countries and employs 200 people with offices in New York, Las Vegas, Antwerp, Ramat Gan, Mumbai, Surat, Dubai and Hong Kong. Additional information is available at www.Diamonds.net.

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