

Diamond Prices Pressured by Financial Market Slump

RAPI for 1ct. Laboratory-Graded Diamonds -0.9% in August

PRESS RELEASE, September 9, 2015, New York ... Diamond prices softened in August and sentiment weakened as the slump in financial markets is expected to reduce discretionary spending. Dealer trading was quiet with Belgium closed for vacation and liquidity tight in India. Cash buyers in New York and Israel are looking for good deals, waiting for lower prices and filling specific orders. No one is buying for inventory.

The RapNet Diamond Index (RAPI™) for 1-carat laboratory-graded diamonds fell 0.9 percent during August. RAPI for 0.30-carat diamonds declined 1.7 percent, while RAPI for 0.50-carat diamonds dropped 1.9 percent. RAPI for 3-carat diamonds slipped 1.5 percent during the month.

RAPI for 1-carat diamonds fell 3.7 percent during the first eight months of the year and was down by 12.9 percent from one year ago on September 1.

RapNet Diamond Index (RAPI™)			
	August	YTD January 1 - September 1	Y2Y Changes at September 1
RAPI 0.30 ct.	-1.7%	-17.7%	-29.0%
RAPI 0.50 ct.	-1.9%	-15.2%	-21.5%
RAPI 1 ct.	-0.9%	-3.7%	-12.9%
RAPI 3 ct.	-1.5%	-9.2%	-17.5%

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According to the Rapaport Monthly Report – September 2015, diamond jewelry demand is lagging as China's economic growth slows. The recent stock market plunge and yuan currency devaluation has reduced consumer wealth ahead of the October Golden Week holiday. U.S. consumer confidence has also softened amid financial market volatility. Expectations are low for the September Hong Kong show as Far East demand is specific and inventory levels remain high.

Diamond manufacturers are maintaining low polished production levels and rough demand remains weak. Manufacturers continue to refuse high-priced rough diamonds despite an estimated 10 percent cut in De Beers prices in August. While rough production is projected to rise in 2015, mining companies have reduced supply and prefer to raise their inventory levels rather than significantly lower prices.

“Rough prices are still too high and manufacturers are unprofitable. Rough prices should drop an additional 20 percent in order to enable reasonable profit for manufacturers and dealers,” said Martin Rapaport, Chairman of the Rapaport Group.

Read the attached Rapaport Monthly Report 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. of the 10 best priced diamonds, for the top 25 quality round diamonds (D-H, IF-VS2, RapSpec-A3 and better) offered for sale on RapNet – Rapaport Diamond Trading Network. The RAPI is provided for various sizes. www.RapNet.com has daily listings of over 1.4 million diamonds valued at more than \$8.65 billion.

About the Rapaport Group: The Rapaport Group is an international network of companies providing added value services that support the development of fair, transparent, competitive and efficient diamond and jewelry markets. Established in 1978, the Rapaport Price List is the primary source of diamond price and market information. Group activities include Rapaport Information Services, Rapaport Magazine, and Diamonds.net, 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 220 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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