



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%
RAPI 1 ct.	-2.4%	-1.6%	-3.5%
RAPI 3 ct.	-0.5%	0.4%	-1.9%

Copyright © by Martin Rapaport

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 or email: specialreports@diamonds.net.

Rapaport Media Contacts: 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 has daily listings of over 1.16 million diamonds valued over \$7.4 billion and 13,523 members in 84 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 Magazine 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.

Martin Rapaport (Publisher) grants limited permission to use copyrighted data appearing in this press release in and in conjunction with journalistic copy, reporting or articles concerning diamond pricing and information in graph or data presentation format only. The following credit notice must appear alongside, underneath, or in close proximity to any use of the copyrighted data: "Used with permission of Rapaport USA, Inc. Copyright © Martin Rapaport. All rights reserved."