



PRESS RELEASE

Certified Polished Diamond Prices Soften in June RapNet Diamond Index (RAPI) for 1ct. -1.4% in 2Q 2014

PRESS RELEASE, July 2, 2014, New York ... Diamond markets were seasonally quiet in June and polished prices softened slightly. The JCK Las Vegas show signaled steady U.S. demand for commercial-quality diamonds, strong demand for inexpensive piqué diamonds and relatively weak demand for fine-quality and larger size stones. The June Hong Kong show disappointed diamond dealers and reflected a cautious Far East market.

The RapNet Diamond Index (RAPI™) for 1-carat certified polished diamonds fell 0.5 percent during June. RAPI for 0.30-carat diamonds rose 0.5 percent and RAPI for 0.5-carat diamonds increased 0.3 percent. RAPI for 3-carat diamonds declined 0.7 percent during the month.

RapNet Diamond Index (RAPI™)				
	June	2Q 2014	1H 2014	Y2Y (Changes at July 1)
RAPI 0.3 ct.	0.5%	-0.8%	7.7%	10.2%
RAPI 0.5 ct.	0.3%	0.2%	6.9%	6.2%
RAPI 1.0 ct.	-0.5%	-1.4%	0.9%	-3.2%
RAPI 3.0 ct.	-0.7%	-1.2%	0.9%	-2.8%

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Polished prices softened throughout the second quarter of 2014, as noted in the Rapaport Monthly Report – “2Q Slowdown.” Retail jewelers replenished their inventory in the first quarter after the Christmas and Chinese New Year seasons, and diamond buying has subsequently focused on filling specific orders during the second quarter. Delays at the Gemological Institute of America (GIA) have reduced the supply of lab-graded diamonds and prevented further price declines in the current weak market.

Profit margins remain tight for diamond manufacturers. Rough prices were stable in June and trading on the secondary market was steady. Despite liquidity concerns, rough demand is firm as manufacturers maintain steady operating levels at their factories.

The market is expected to remain quiet in July and August as dealers in Antwerp, New York and Ramat Gan take their annual summer vacations. Expectations have increased for the July India International Jewellery Show (IIJS) as sentiment in India’s domestic market has improved since the May election of a new government.

The third quarter is projected to be a difficult period for the diamond trade, as it has been in the past few years. At best, polished prices are expected to remain stable, which will put additional

pressure on manufacturers' profit margins and should influence a decline in rough demand. The challenge for the trade will be to improve profit margins in a slow but relatively stable market environment.

Read the attached Rapaport Monthly Report, "2Q Slowdown," 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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