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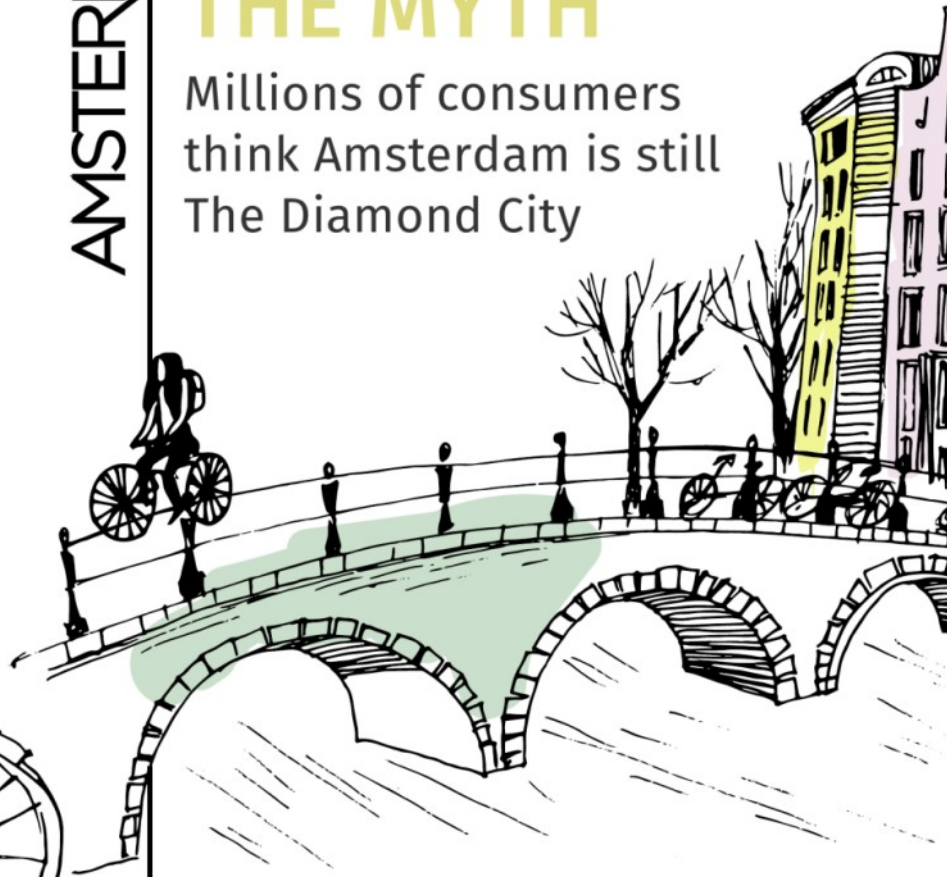
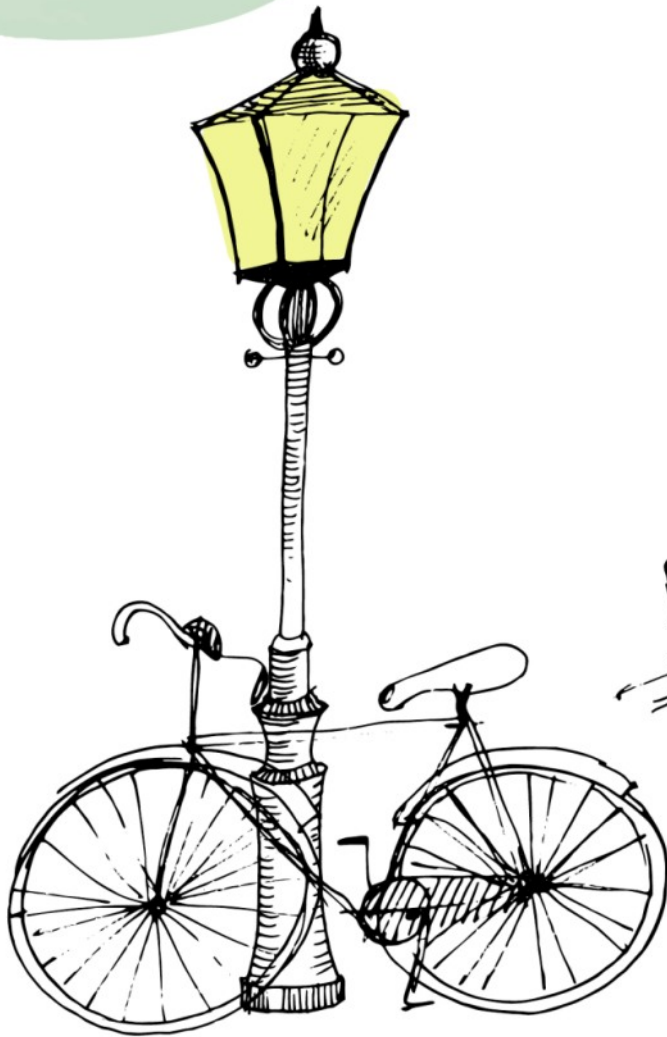
APRIL 19

MAGAZINE

AMSTERDAM

MARKETING THE MYTH

Millions of consumers
think Amsterdam is still
The Diamond City



Polished prices make
for a mediocre March

US jewelry industry
continues to disappoint

Basel revisited

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BY YA'AKOV ALMOR

EDITOR'S NOTE

Amsterdam - A Diamond City?

In mid-March, I traveled to my native Netherlands for a family gathering, and after that spent two days in Amsterdam, to collect material for the cover story of this April issue of IDEX Magazine.

Many, often older, Dutch natives like myself know and sometimes will use another moniker to designate the Dutch capital: Mokum, a corruption of the Hebrew word makom, which means "place." From the 19th century and until 1940, when a quarter of Mokum's population were Jews, a lot of Hebrew and Yiddish expressions and words became an integral part of the Dutch language.

Ever a popular tourist destination, today's travelers arriving to Amsterdam are told that the city is known by yet another name: The Diamond City. In the lobby of their hotels, for example, tourists will find leaflets and be given invitations to visit Gassan Diamonds or Coster Diamonds, and to take a tour of one of these diamond companies' factories and showrooms.



Really? Amsterdam – the Diamond City?

Indeed, Amsterdam once was the Diamond City. In 1940, it still had more than 6,000 diamond cutters and polishers. Sadly, less than 400 returned after World War II. The Nazi regime not only decimated Dutch Jewry, it also destroyed the Dutch diamond manufacturing industry.

Together, Gassan and Coster Diamonds annually meet and greet more than a million tourists, keeping the idea of Amsterdam as the Diamond City alive. Their marketing is aggressive, inventive, vertical and highly effective. As mentioned above, the magazine's cover story this month will tell you more.

My visit to these two companies once again impressed upon me that in our industry consumer marketing is the key to survival. If two companies can woo over one million consumers with their marketing messages, why is our global diamond industry and trade failing to grow its market share among this same group? After all, no matter what has been done during the past decades – and despite what has not been done – consumers have not been sufficiently wooed.

What struck me at Gassan and Coster is their fantastic storytelling. Both basically follow the same strategy of drawing visitors into the fascinating stories of their companies. By making visitors, ever so briefly, part of the story they tell, they create that moment



of identification and emotion that so often leads to the purchase of a diamond to commemorate that special moment.

My question is then: Why is storytelling not at the top of the list of each retail jeweler selling diamonds? Of course, we've all seen excellent private efforts of individual jewelers and laudable marketing campaigns of jewelry chains in marketing diamonds and diamond jewelry. But I have yet to see the newsletters and websites of jewelry associations, industry service providers, industry magazines and e-zines plastered with ads and banners advocating this strategy. Instead, we're being sidelined with stories about which lab-grown diamond (LGD) detector has a higher rating, what the growth percentage of the LGD market share is, and why natural is better than LGD. This is a waste of resources and a misdirection of funds, if you ask me.

Where are the stories? Why, for example, is a great initiative such as the Museum of Diamonds (MoD) not being promoted, supported and adopted by the Diamond Producers Association. The MoD (museumofdiamonds.org) is an online resource established by leaders of the diamond industry to serve as a single registry for the world's diamonds, and their stories. The more stories we make available, the better we can tell our own stories. After all, diamond storytelling has one single purpose: to make sure that the diamond and its (new) owner become connected emotionally, as their joint story is unique!

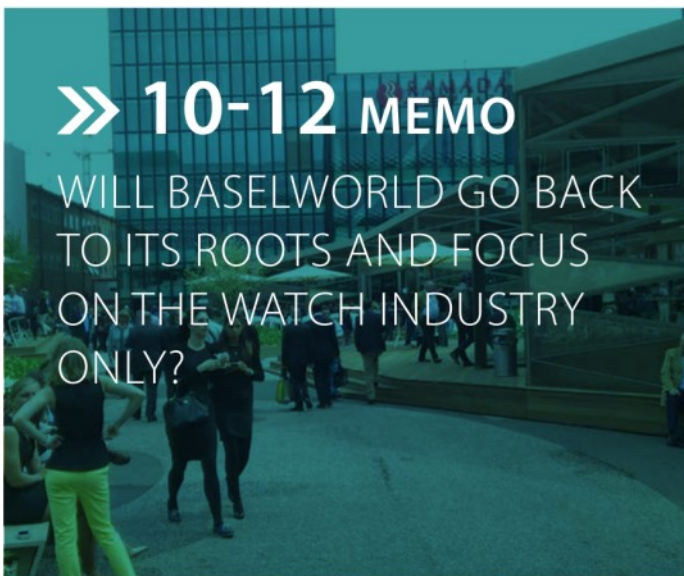
TALK TO US

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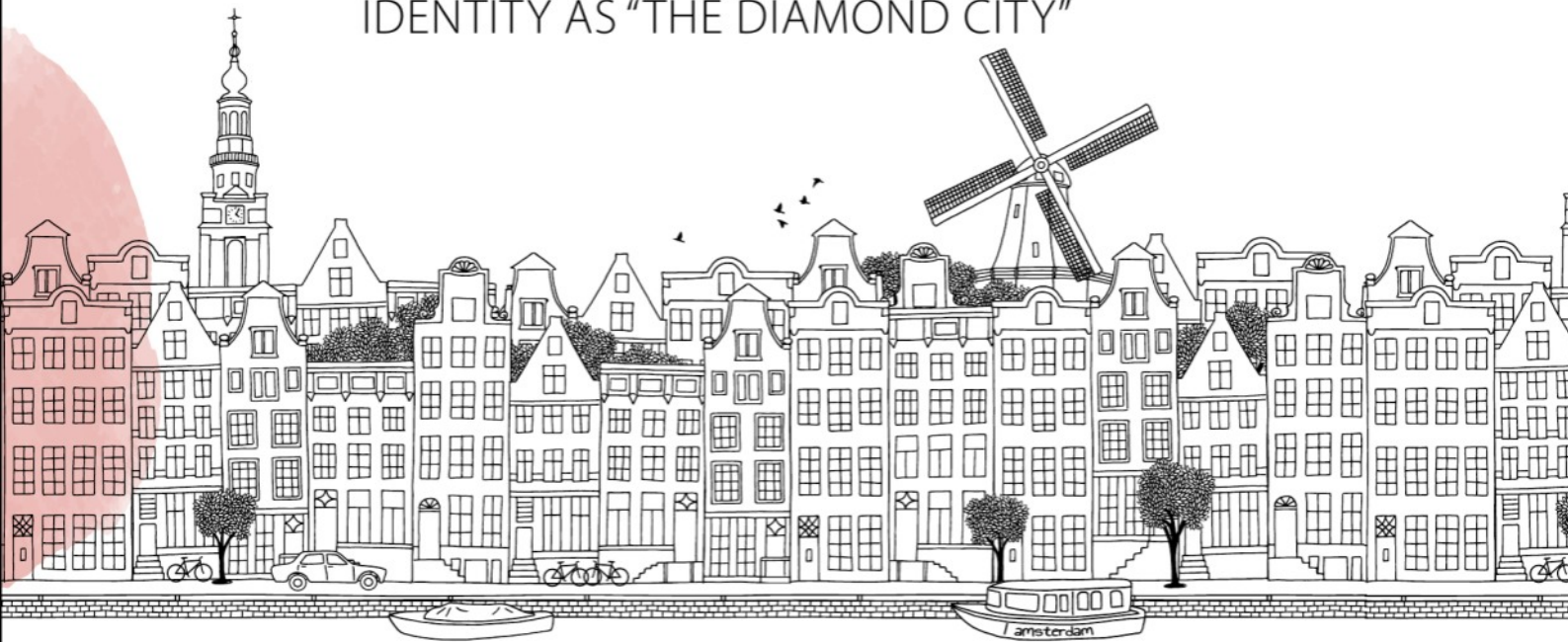


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ADVERTISERS' LIST



YA'AKOV ALMOR

MEMO

Basel revisited

“Are you going to Basel?” was a question many of my colleagues in the international gem and jewelry industry had asked me during the past few weeks. I wrote this “at Baselttime,” while on a plane flying over the Swiss Alps on my way home from a family event in my native Netherlands. In earlier years, I would have been landing soon in Zurich, to then pick up a car and drive to that charming, beautiful city on the Rhine. I am not going this year. In fact, I haven’t gone there since 2013, since the show has

lost so many of its iconic diamond, gemstone and jewelry exhibitors.

Truth be told, I loved going to Basel, that is, BaselWorld -- that unique fair that has been held since 1917, steadfastly, uninterruptedly, even during WWII. This exclusive annual watch fair ultimately evolved over time into Europe’s leading watch and jewelry fair, and into a must-attend event for European, North American and Asian buyers. Until it wasn’t anymore.

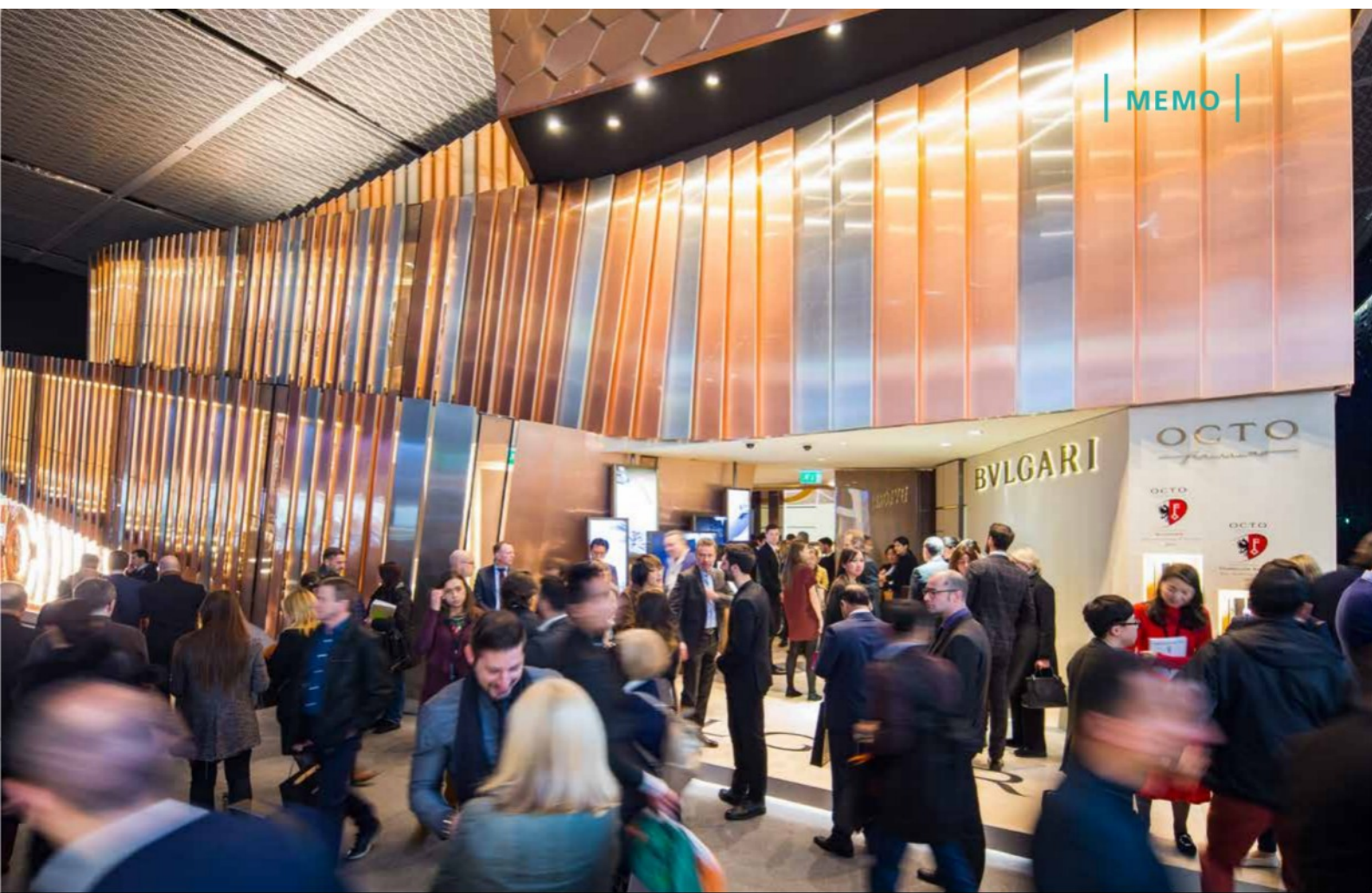


Photo courtesy Baselworld

Going to Basel was a real treat because of the quality and variety of the gem and jewelry exhibitors and the stories they generated, because of the excellent networking, and, because of the unparalleled level of services the fair used to offer to accredited journalists.

Most members of the trade don't know this, but BaselWorld used to value its press corps highly and treat its members very well. I'd been doing Basel since the late 1980s and can testify that colleagues in the trade

press used to joke that the fair should lower the level of comfort a few notches (rest assured, they have), so as to guarantee that journalists would leave the press room and go and do what they are supposed to do -- roam the halls, interview exhibitors and visitors, and get their stories posted.

The last time I attended -- five years ago -- some 3,600 journalists had registered. Thank heavens, not all of them showed up at the same time in the press center. BaselWorld's

press and media center was top notch. I always found a desk to work at, the Wi-Fi was great, and they knew a journalist's drug: good coffee. One wonders how many thousands of cups of brew have been filled by those coffee machines lined up in the press "recovery room."

What I cared for less was the commute. At the time, my client had allocated me a €150 a day for lodging and food. This meant that I was effectively not only banished from Basel but was forced to look far and wide for a hotel. Luckily, I had jumped through these hoops before, so the car was rented and the hotel room booked at a lovely place an hour's drive away, some ten miles south of Colmar in France's Alsace. That left me with about €40 for dinner. Yes, I found a solution, but it did make attending Basel a huge effort.

Buyers, on the other hand, especially those coming from overseas often didn't know the show very well and did not have many options.

In those years, negative experiences were reported across the board. Let me illustrate this with the comments of a prestigious American buyer, as reported to me by an exhibitor who at the time absorbed his buyer's laments:

"It took us more than an hour at the Basel/Mulhouse airport to get through customs. Then we were taken for a \$300 taxi ride to Basel, only to arrive at a \$750/night hotel room – a room I would not pay \$50 for if it were a motel room in the USA." The buyer assured us, "This is the last time they will see me in Basel."

Those were the bad days. Fast forward to 2019; BaselWorld has changed. A lot. The fair's exhibitor base is now at about half the size it was five years ago. The show, finally, is under new management. Clearly, the new team will have to work hard to rid itself of all the negative baggage and re-invent the fair.

Will BaselWorld go back to its roots and focus on the watch industry only? Or will management try to bring back those iconic, important and diverse diamond, gem and jewelry firms that made Basel so special, but who left the show, in despair, in recent years?

Let's hear it from Basel!

TALK TO US





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MARKETSNAPSHOT

Lately, the major economic newspapers and services have been writing about the troubles of the diamond mining industry. This is exemplified by a recent article about the future of Canada's diamond mines by Bloomberg's Thomas Biesheuvel and Danielle Bochove. The chief reasons they quoted for the current problems are the too low prices being paid for the bulk of the Canadian mines' (and for that matter, the majority of all mines') production; multi-faceted troubles in India, the world's largest diamond manufacturing hub; and the threat of synthetic diamonds.

As reported throughout the past month on IDEX Online, smaller producers of rough in Africa, Canada

and elsewhere have been reporting losses. While most of them were successful in reaching production targets and quality levels, the prices generated for their smaller goods are continuing to fall, making for very unhappy management and investors.



In Belgium, Eurostar Diamond Traders, one of the world's largest diamond conglomerates has been declared bankrupt. Earlier this month, Antwerp's Business Court determined that the company no longer had any tradable assets. Eurostar's chief creditors are ABN AMRO, Standard Chartered, KBC and Bank of India.



News from the US retail market was also discouraging, as reflected in the performance of the American jewelry market. The end-of-year figures for 2018 were dismal, and in January 2019, US jewelry sales were down more than five percent compared to the previous year.

Analysts noted there is an increased risk of an upcoming economic recession in the US. A good percentage of the economy's growth seen in 2018 was a byproduct of expected tax cuts, many of which did not materialize. Credit conditions are tightening as American banks increased interest rates on credit card plans and reduced the limits on card loans.

METAL PRICES IN MARCH US\$ PER OUNCE

*Prices as of 29.3.19

Source: Dailymetalprice.com



Palladium 1400 (-10%)
 Platinum 850 (3%)
 Gold 1291.15 (-3%)
 Silver 15.1 (-5%)

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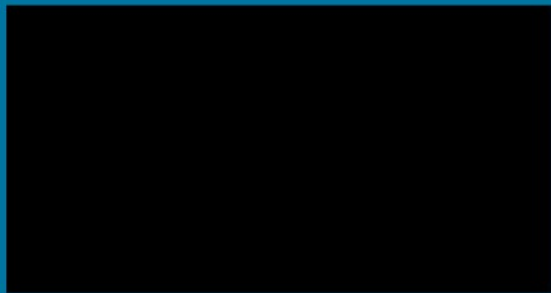
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GET STARTED



ROUNDS | APRIL 2019

PRICEREPORT

In general, for rounds March was all about reversing the trends of February, when the market dared a little, only to be whistled back a month later.

There was little movement in goods up to two carats. Prices of larger sizes, in higher clarities, lost the gains they had made in the previous month. Clearly, the rounds market, across the board, is a market in waiting.

ROUNDS 1.00-1.24													01-MAR-19
	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	SI3	I1	I2	I3		
D	204	162	143	115	104	80	68	60	49	32	18		
E	158	136	113	102	90	77	63	56	46	28	16		
F	123	114	105	98	84	74	62	55	43	27	16		
G	104	96	89	85	80	71	59	52	40	27	16		
H	84	83	82	78	73	66	54	49	37	24	15		
I	69	68	65	64	61	58	50	45	36	21	15		
J	58	57	56	53	52	49	45	40	31	16	14		
K	50	48	46	44	43	40	38	33	28	16	14		
L	45	44	42	40	39	35	33	30	26	16	13		
M	41	39	37	34	31	28	27	26	24	16	12		
N	39	38	36	33	26	24	22	19	16	15	12		

ROUNDS 1.00-1.24 CARATS
 E-H / VS1-SI2 UP 2-3.5%

ROUNDS 2.00-2.99													01-MAR-19
	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	SI3	I1	I2	I3		
D	487	374	310	265	195	157	120	88	71	43	21		
E	327	283	259	237	182	146	113	86	62	36	18		
F	285	262	222	202	173	134	105	82	58	35	16		
G	224	211	185	163	146	125	95	79	56	29	16		
H	179	166	152	142	127	111	93	76	56	27	16		
I	130	129	120	114	107	97	84	70	53	26	15		
J	109	101	93	89	85	84	74	63	50	24	15		
K	88	82	80	74	73	67	58	53	46	16	15		
L	82	74	70	62	59	53	50	44	34	16	14		
M	68	66	63	58	50	48	42	37	29	16	14		
N	61	60	59	57	47	42	36	30	27	16	13		

ROUNDS 2.00-2.99 CARATS
 D-I / VS1-SI2 UP 1-3.5%
 H-I, L-N / IF-VS1 DOWN 2.5-3.5%

ROUNDS 3.00-3.99													01-MAR-19
	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	SI3	I1	I2	I3		
D	909	621	536	452	328	234	168	99	81	48	23		
E	590	518	438	373	307	213	161	98	80	45	20		
F	486	436	365	308	289	187	145	94	76	40	20		
G	378	342	309	279	226	178	128	92	71	37	19		
H	263	243	233	223	189	142	123	88	70	36	19		
I	207	197	187	168	156	122	108	81	61	34	19		
J	166	157	155	141	125	113	98	70	56	29	18		
K	138	133	127	118	103	92	79	66	54	23	17		
L	108	103	102	92	84	70	65	56	47	22	17		
M	86	84	83	81	72	62	54	45	37	22	16		
N	71	68	63	59	48	47	44	40	33	21	16		

ROUNDS 3.00-3.99 CARATS
 D-L / VVS1-VVS2 DOWN 2.5-3.5%





FANCIES | APRIL 2019

PRICEREPORT

Prices of small fancies, under half a carat in both top and commercial colors made a come-back from last month's downturn, and in some categories continued to rise gradually. At the same time, fancies in high colors and mid-range clarities from 1.5 ct. to three carats performed well, with prices rising to four percent.

FANCIES 0.18-0.22												01-MAR-19
	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	SI3	I1	I2	I3	
D	17.0	15.0	14.5	13.5	12.0	10.0	8.0	7.0	6.0	5.0	4.0	
E	14.0	13.0	12.5	12.0	11.5	8.0	7.5	6.0	5.5	4.5	3.5	
F	11.5	11.0	10.5	10.0	9.5	7.5	7.0	5.5	5.5	4.5	3.5	
G	11.0	10.5	9.5	9.0	8.0	7.0	6.0	5.0	5.0	4.0	3.5	
H	10.5	9.5	9.0	8.5	7.5	6.0	5.5	4.5	4.5	3.5	3.0	
I	10.0	9.0	8.5	8.0	7.0	5.5	5.0	4.0	4.0	3.5	3.0	
J	9.5	8.5	7.5	6.0	5.5	4.5	4.0	3.5	3.5	3.0	2.5	
K	7.0	6.0	5.5	5.0	4.5	4.0	3.5	3.0	3.0	3.0	2.5	
L	5.5	5.0	4.5	4.0	3.5	3.0	2.5	2.0	2.0	2.0	2.0	
M	5.0	4.5	4.0	3.5	3.0	2.5	2.0	1.5	1.5	1.5	1.5	
N	4.5	4.0	3.5	3.0	2.5	2.0	1.5	1.0	1.0	1.0	1.0	

FANCIES 0.18-0.22 CARATS

F-J / IF-VS1 **UP 4.5-6%**

FANCIES 1.50-1.99												01-MAR-19
	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	SI3	I1	I2	I3	
D	229	194	171	125	113	101	88	70	56	34	19	
E	184	170	136	117	110	98	83	67	49	29	15	
F	162	144	130	112	106	95	82	62	44	25	12	
G	137	126	110	97	94	86	76	61	44	24	11	
H	106	100	90	83	80	76	65	58	41	22	11	
I	86	82	75	72	71	66	56	50	38	21	10	
J	75	66	63	62	59	54	49	46	34	15	10	
K	59	52	51	50	49	44	41	34	26	14	10	
L	46	44	42	38	34	33	32	28	21	14	10	
M	37	35	34	32	29	27	25	22	19	13	10	
N	33	32	30	29	27	23	21	20	15	13	9	

FANCIES 1.50-1.99 CARATS

D-J / VS1-SI2 **UP 3-3.5%**
 D-I / IF-VVS2 **DOWN 2.5-3.5%**

FANCIES 2.00-2.99												01-MAR-19
	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	SI3	I1	I2	I3	
D	352	290	254	208	173	142	109	77	60	34	19	
E	290	239	220	182	160	135	107	72	54	29	15	
F	242	207	194	162	152	130	106	69	44	25	12	
G	182	169	161	137	133	115	97	66	44	24	11	
H	146	131	123	112	107	96	85	60	44	23	11	
I	122	110	101	91	87	86	81	57	41	22	11	
J	90	84	78	77	76	73	64	52	35	21	10	
K	64	63	62	61	60	59	53	42	29	16	10	
L	54	53	52	49	48	46	38	31	23	15	10	
M	49	48	47	42	41	37	29	24	20	14	10	
N	43	41	38	36	30	28	26	22	19	13	9	

FANCIES 2.00-2.99 CARATS

D-J, VS1-SI2 **UP 2.5-3.5%**
 D-I / VVS1-SVS1 **DOWN 2.5-3.5%**



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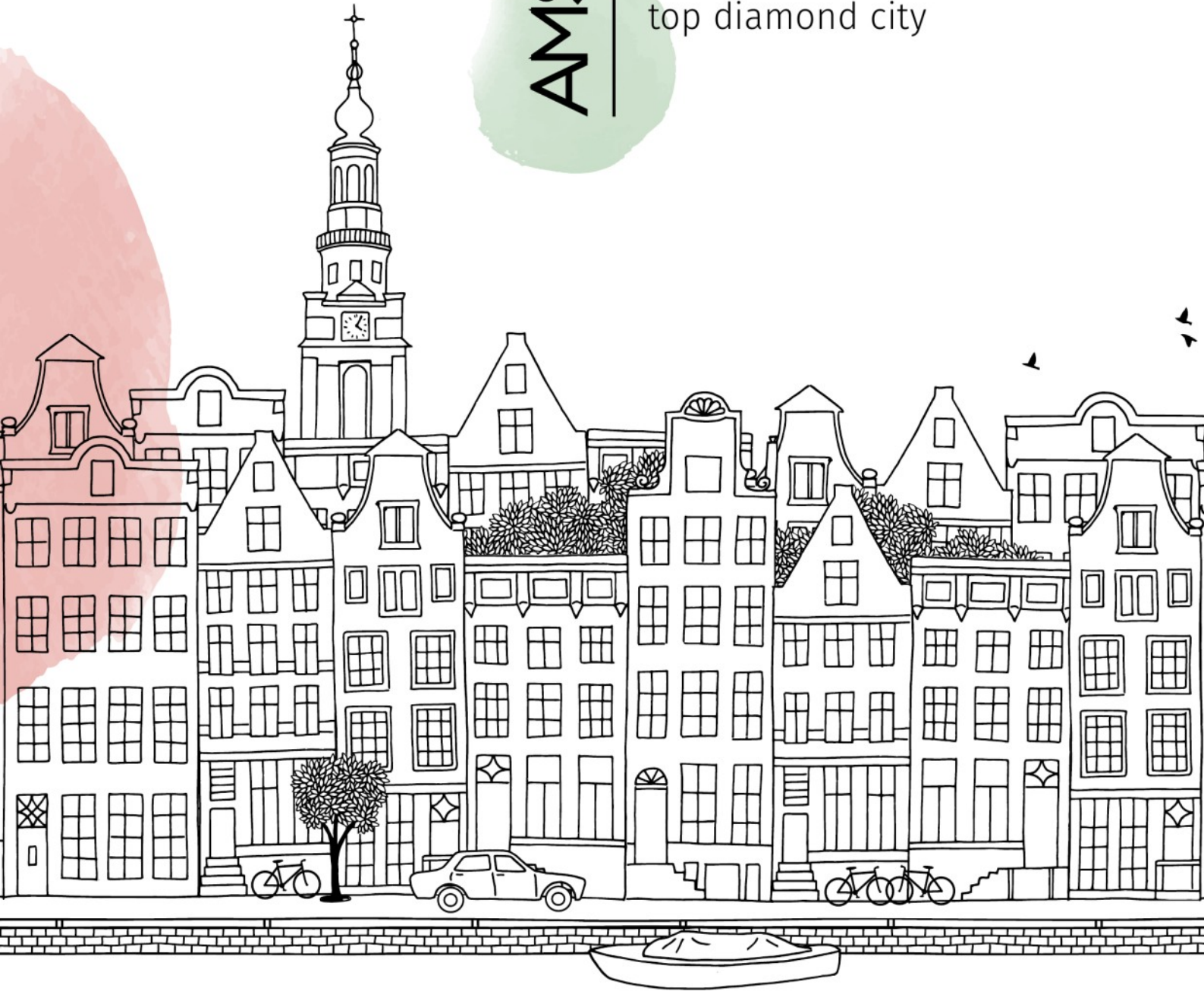


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AMSTERDAM

MARKETING THE MYTH

Millions of consumers believe
Amsterdam is still Europe's
top diamond city



By Ya'akov Almor





Last year, Harry Berg, curator of Amsterdam's Jewish Historical Museum, walked me through the museum's exhibition halls at a brisk pace. Neither of us had much time, and Berg intended to show me the few artifacts that the museum on display that relate to the history of the diamond industry and trade in the city. There was a polishing unit from the 1950s with some diamond manufacturing tools, as well as an interactive display that showed a little of the industry's history. The museum, Berg shared, has hundreds of other diamond industry-related items in storage and in its archives. There is also a multitude of information available, both in the museum as well as in the municipal city archives, about the pivotal role that Amsterdam's large Jewish community has played in the diamond profession there since the 16th century. However, an authoritative, all-encompassing history still needs to be written.

But all that is history. In 1940, Amsterdam counted more than 6,000 diamond cutters and polishers. Sadly, less than 400 returned after World War II. The murderous Nazi regime not only decimated Dutch Jewry, it also destroyed the Dutch diamond manufacturing industry.

Today, Amsterdam, the city where the modern diamond industry struck its first roots more

than 400 years ago, is no longer significant as a diamond trading center, nor in diamond manufacturing. Its bourse, which is the second oldest diamond exchange in the world, is small, and many of its 100-odd members are retailers. Any Dutch diamantaire will tell you that Antwerp is now the world's undisputed diamond hub.

So, how is it that consumers around the world think that Amsterdam is still the world's diamond capital?

IT'S THE MARKETING!

Because of marketing. That single word sums it all up, but the story behind it is fascinating.

Two Dutch diamond companies are currently responsible for the marketing message of "Amsterdam – City of Diamonds" to millions of consumers worldwide. They are Royal Coster Diamonds and Gassan Diamonds. While both companies have deep historical roots in Amsterdam's diamond industry and trade, they now concentrate exclusively on marketing diamonds and diamond jewelry to the millions of tourists who visit Amsterdam.

There is no escaping the marketing message these companies transmit. Thanks to them, Amsterdam is painted as the world's diamond capital in invitations, brochures, flyers, billboards and ads, and online. In short, the message that Amsterdam is the city of diamonds is everywhere.



“Two Dutch diamond companies are currently responsible for the marketing message of “Amsterdam – City of Diamonds” to millions of consumers worldwide. They are Royal Coster Diamonds and Gassan Diamonds.”

Diamond Polisher at Gassan Diamonds HQ

“At Coster and Gassan, incoming tourist groups are given a detailed tour of the “factory,” which is in fact a showroom where a handful of diamond cutters cut and polish or repair individual stones.”

“Since the 1960s, we have spent huge efforts and resources in getting the message out, and we use a wide variety of marketing methods and advertising tools in order to bring tourists to our polishing plant and to our museum and showrooms,” said Ronald Coster, Chief Marketing Officer of Coster Diamonds, during my visit to the company’s premises.

Luck also enters into it. Coster’s current location is ideal. The company occupies four interconnected patrician villas right across the street from the Stedelijk (City) Museum and the Van Gogh Museum, and adjacent to the Dutch capital’s Museum Plaza. Many years ago, Coster had to move out of their original premises in Amsterdam’s original diamond district due to major city renovations, and they were offered this prime location in its place. “It’s just great for tourist traffic,” Coster says.

Gassan Diamonds also has a great location. Back in the heyday of Amsterdam’s diamond industry, the firm’s majestic building housed a huge diamond polishing plant, built and owned by the Boas diamond company, where during the late 19th and early 20th century the polishing wheels were powered by steam engines. The cutters are long gone, but the landmark building remains on one of Amsterdam major waterways and gets a lot of tourist traffic from the hundreds of canal boats that moor alongside its quay, located at the back of its building. In front of the building, a huge courtyard offers parking to luxury VIP cars, as well to many tour buses that enter the company’s gates every day.

But getting the tourists into their buildings is just the culmination of the process. “Different from, for instance, a decade ago, when groups made up the bulk of our visitor profile, these

days individual high-net-worth (HNW) visitors make up about half of our visitor numbers,” says Diletta de Luca, Gassan’s public relations manager. “For them, it is all about the unique experience, and we make sure that is what they get: VIP treatment, with a private pick-up from their hotel – for example, Hotel de L’Europe or the Amstel Hotel – in a nice livery car. Once they have arrived, they are greeted with champagne and an offer to have their jewelry cleaned. They then get an individual tour of Gassan Diamonds, during which they are immersed in our company’s history, lore and tradition.”

To sustain that story and history, lots of work is required. “We operate a pretty large network to get tourists to come and visit us. Of course, group tourism remains an important segment. The Chinese still travel in groups, and that demands meticulous preparation,” De Luca explains.

“We are in constant touch with incoming tour operators, as well as with cruise companies that have Amsterdam as a regular stop. In addition, the company’s management visits luxury travel fairs, for example, in Russia and also in the Far East. We want HNW tourists to know about us before they come to Europe!”

At Coster and Gassan, incoming tourist groups are given a detailed tour of the “factory,” which is in fact a showroom where a handful of diamond cutters cut and polish or repair individual stones. Once the tourists have been inducted into the secrets of the world of diamonds and are inspired by its storytelling, they are introduced to the jewelry showrooms located elsewhere on the premises.

Gassan employs a large group of guides and sales representatives who speak some 30 languages. As such, Brazilian tourists are welcomed in Portuguese, Russians in Russian and Chinese tourists in Mandarin or Cantonese. Coster Diamonds works in a similar fashion. Having members on staff who speak a tour group’s language gives these firms much greater advantages than just the ability to offer them a guided tour in their mother tongue. Because the guides are familiar with the tourists’ background and culture, they know what aspects of the tour to focus on, and precisely which products will appeal most to these potential consumers, Coster noted.

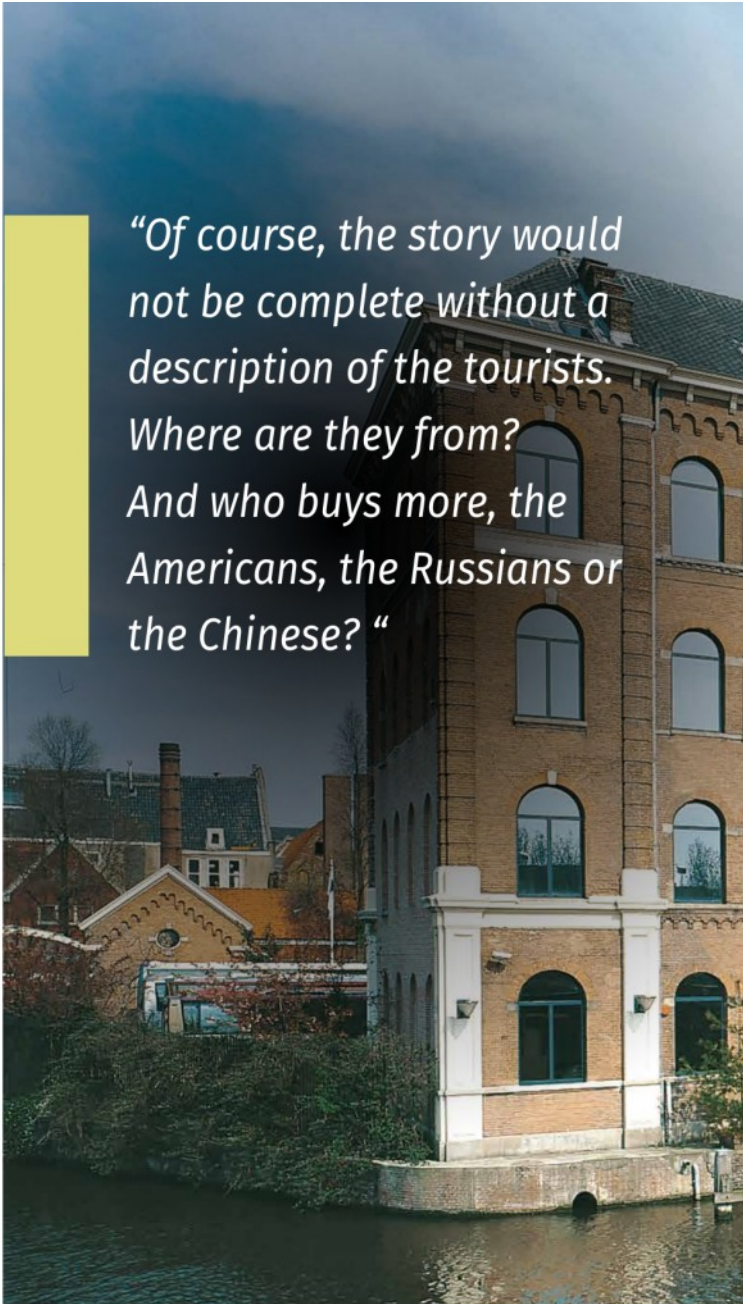


A few years ago, Coster Diamonds added an extra dimension to the diamond experience. The company turned one of its four villas into a museum, dubbing it the Amsterdam Diamond Museum (www.diamantmuseumamsterdam.nl). While it has been set up by a private company and is small, this museum offers a concise but interesting overview of the geological origin of diamonds, mining, and the history of diamond manufacturing and trading in Amsterdam in the past four centuries. Coster, personified by Robert Tamara, the museum's chief curator, has – in my view – done a terrific job and created another small jewel. “The museum has given our company yet another dimension,” Tamara said. “Through it, we seek to pay tribute to our city's past and the rich diamond history Amsterdam can draw on, as well as its present.”

Of course, the story would not be complete without a description of the tourists. Where are they from? And who buys more, the Americans, the Russians or the Chinese?

Both de Luca and Coster agree that South Americans are becoming an important sector. But China and Russia, after an extended lull, are coming back. “HNW Americans continue to constitute an important target audience,” de Luca said. “They continue to travel, and spend,” she says. “The Chinese are also coming back,” Coster notes.

What is different from a few years ago is the level of preparedness and knowledge these travelers come with. “A Chinese tourist may pull out his phone and show you a photo of a diamond jewel. He already knows what she wants and has the cash to buy it,” Coster says.



“Of course, the story would not be complete without a description of the tourists. Where are they from? And who buys more, the Americans, the Russians or the Chinese? “

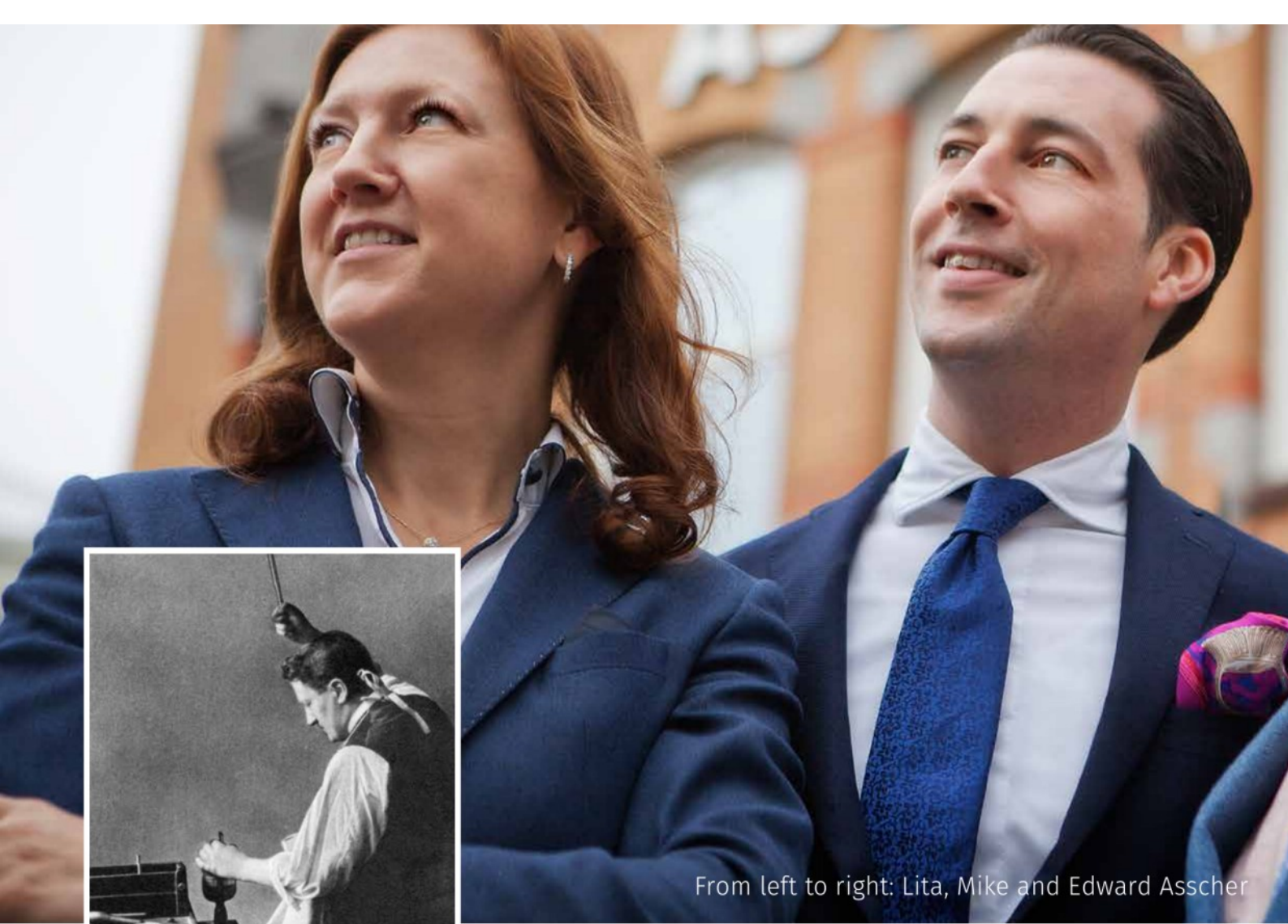
“You were wondering how we and, for that matter, our friends at Gassan, succeed in sustaining Amsterdam's identity as the “Diamond City? It is because of the city's history and our storytelling that we succeed in preserving that identity. When we bring a couple in on a VIP tour, they get the whole story of our family's 179 years in the diamond industry and trade. We make sure they come to identify with that story and that upon leaving, they want to take some of that experience and



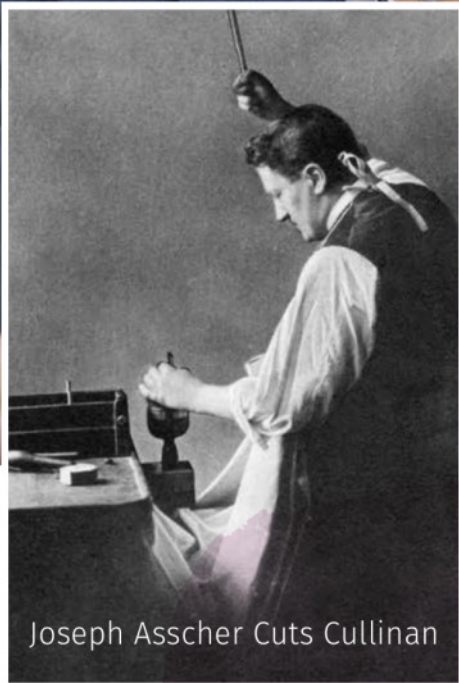
Gassan Diamonds HQ

feeling with them. We like to see that happen by wrapping a nice piece of diamond jewelry for them to take with!” Coster explained. “Does it matter that we’re not really the Diamond City anymore? We know it, the visitors also know it, but after we have invited them into our story – it is now part of their story too! Clearly, the myth of Amsterdam’s continuation as a diamond center is strongly supported by our families’ indisputably rich and fascinating past.”





From left to right: Lita, Mike and Edward Asscher



Joseph Asscher Cuts Cullinan

AMSTERDAM SIX GENERATIONS OF ASSCHERS



Contrary to the Gassan or Coster companies, Royal Asscher Diamond is a B2B venture. Therefore, its doors remain closed to consumers, or visiting tourists for that matter. Headquartered in Amsterdam's south, close to the Amstel River, the company operates retail stores in Amsterdam and in Tokyo.

Founded in 1854, the Asscher diamond firm has made the annals of diamond history many times. The story best remembered is that of Joseph Asscher and the famous Cullinan Diamond, which was found in 1905.

King Edward VII invited the brothers Abraham and Joseph Asscher to London to decide what could be done with the Cullinan, the hugest rough diamond ever to be found to this day. As legend has it, in 1908, when Joseph Asscher attempted to cleave the stone, he did so in front of a public audience. His first attempt broke his blade, while the stone remained intact. He promptly dismissed the crowd and began working on a new design for larger tools to do the job. One week later, armed with new tools and in the presence of only a witnessing notary, he successfully cleaved the stone as planned. He reportedly fainted immediately afterward.

Mike and Lita Asscher are the sixth generation of Asschers to operate the Royal Asscher Diamond Company. Their father, Edward Asscher, is well known, not only because he leads one of the world's best recognized diamond companies, but also for the numerous industry organizations he has headed and left his mark on.

In the trade, Royal Asscher's signature cut – the inimitable, patent-protected Royal Asscher® Cut – has made Asscher a household word in the global jewelry business. The Royal Asscher® Cut is considered to be one of the most beautiful diamond cuts ever created.



Asscher's store in Japan

▶ RETAILRENDEZVOUS



OPAL OPTIONS

Believed by some to enhance confidence, spontaneity, creativity and an interest in the arts, opals have been worn for centuries. Complementing flickers of color in classic settings, **Jeffrey Bilgore LLC** has a broad appeal to those women with a taste for color. From an alluring 4.41 ct. Lightning Ridge Australian oval black opal in a four-prong setting, to a 7.71 ct. gem Australian boulder opal ring, with diamonds, set in platinum glam, Bilgore creates a statement for every style and special occasion.



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DIAMOND DELIGHTS

Inspired by the exceptional beauty of a custom wedding gown, **Harry Winston's** new Bridal Couture Collection presents six unique diamond engagement rings that pay homage to the breathtaking artistry of the world's greatest bridal ateliers. Shown are two rings. One is set with two 1.51 carat marquise diamonds, and 35 round diamonds weighing a total of 0.52 carats. The other platinum ring is set with a 5.70 carat pear-shaped diamond, and with 113 round diamonds weighing a total of 0.72 carats.



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BY YAAKOV ALMOR

IDEX Online Research



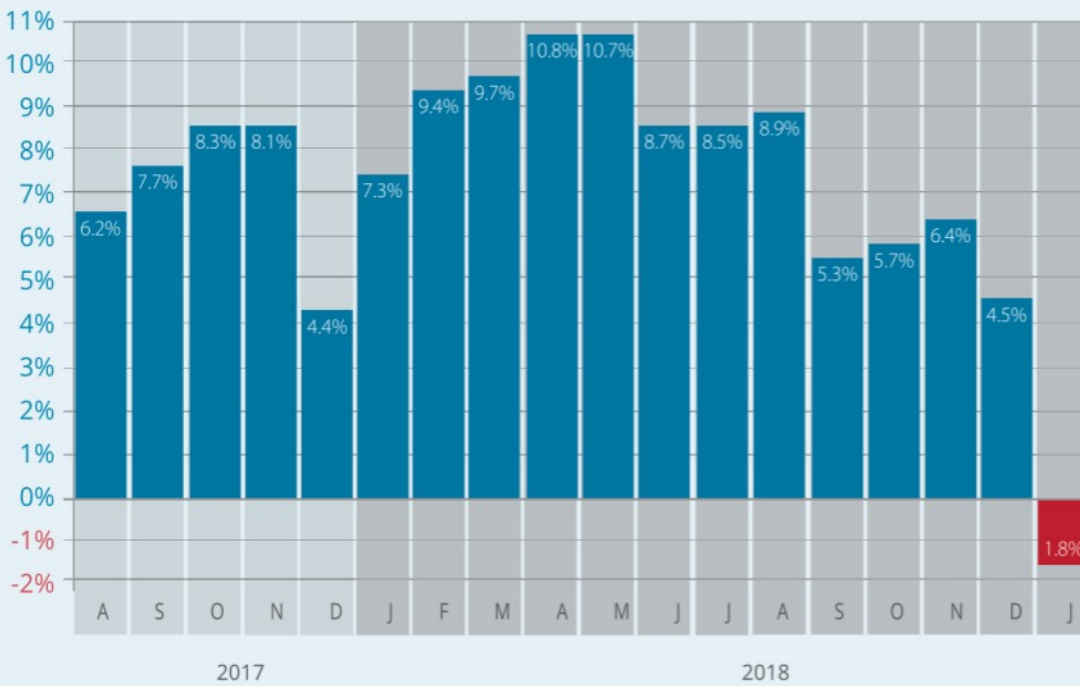
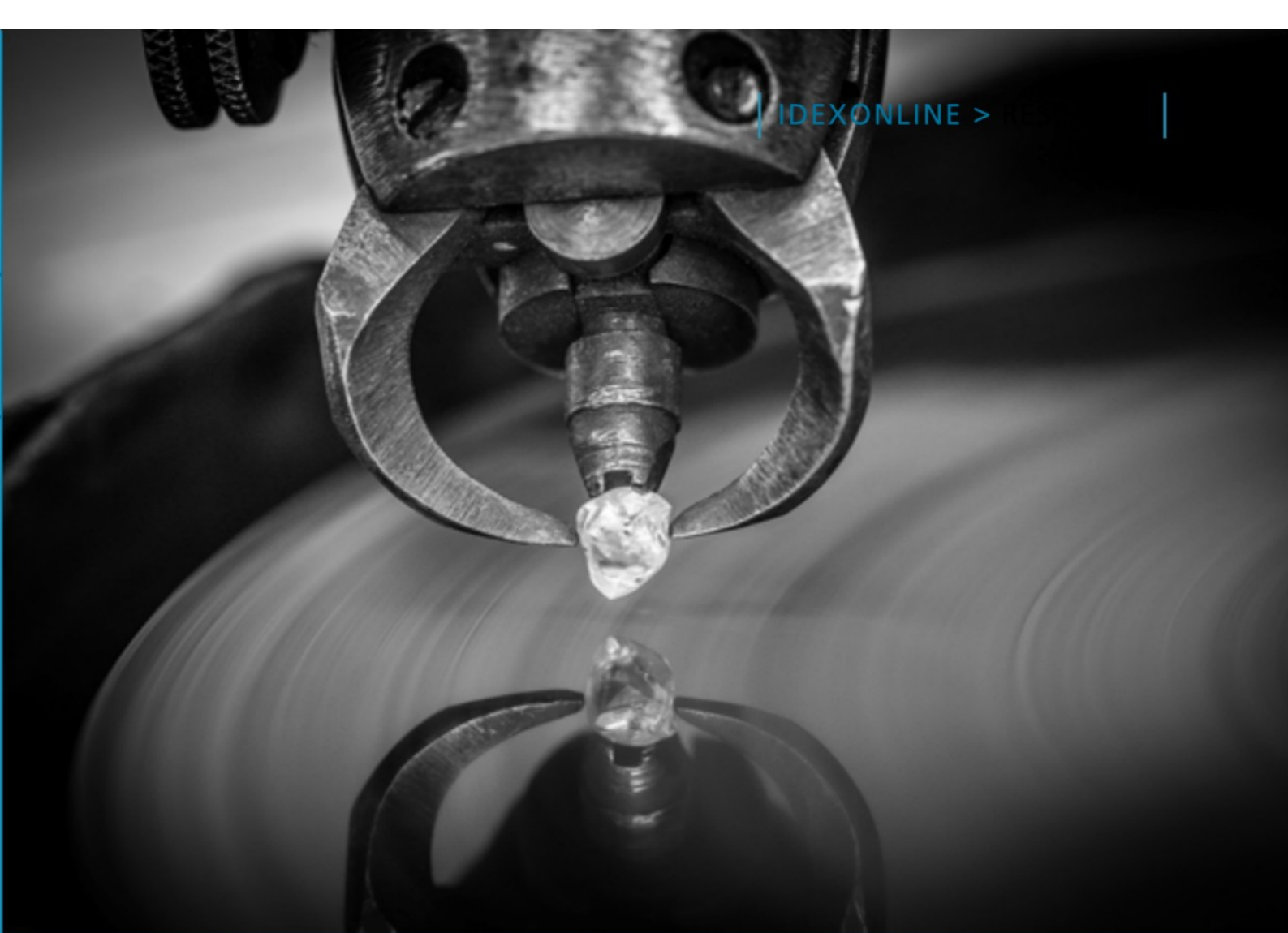
US
JEWELRY
SALES



US jewelry sales down in January as US economy is cooling

The news that retail sales [increased a meager 0.2 percent](#) in January came from a government report that was delayed by the partial federal shutdown earlier this year. That same report showed that sales had [tumbled 1.6 percent](#) in December 2018, constituting the largest drop since late 2009, when the US was exiting the 2007-09 recession. In its preliminary report, the government had reported a [1.2 percent decline](#) for December 2018. Clearly, the US economy's big engine – retail sales – is cooling.

While the last quarter of 2018 still generated positive sales results, in January, total sales of watches and jewelry were [down 1.8 percent](#) compared to the previous year.



US TOTAL
JEWELRY &
WATCH SALES
TRENDS
2017 - 2019

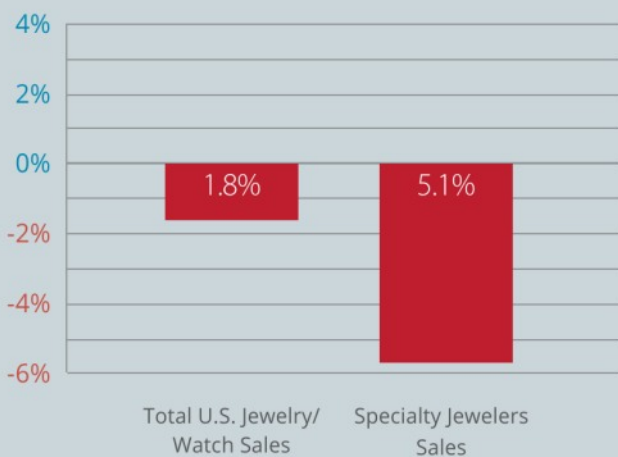
Source: US Dept.
of Commerce



SPECIALTY JEWELERS' SALES DISAPPOINT TOWARD YEAR-END

Specialty jewelers, so called by the US Bureau of Economic Analysis of the Commerce Department, are retail jewelers operating a single store or multiple stores. This sector still makes up almost half of the retail jewelry sector but keeps declining, albeit at a moderate pace. In January, these jewelers took one on the jaw as sales dropped more than five percent to only \$1.9 billion.

Total American jewelry sales posted a 1.8 percent decrease in January 2019. Looking at the sales results of the first months of 2018 when growth rates were in the high single percentages, it is clear retail jewelers will need to prepare themselves for a difficult 2019.

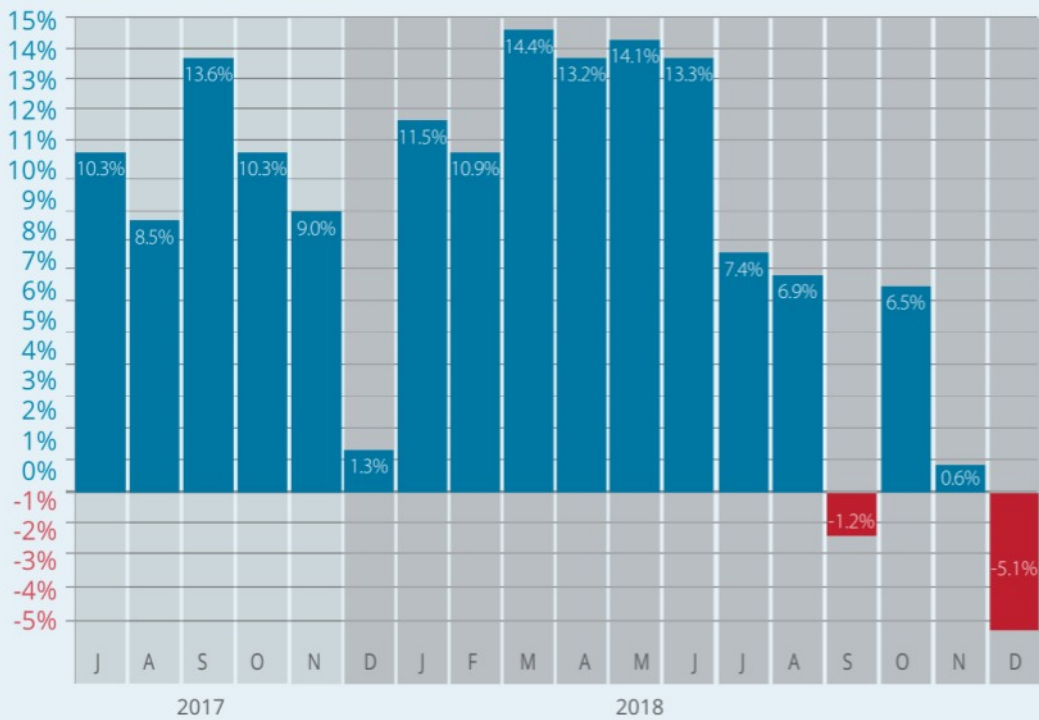


ESTIMATED U.S. JEWELRY AND WATCH SALES DEC. 2018

Source: US Dept. of Commerce

The graph above summarizes sales trends for specialty jewelers since the beginning of 2016. For American jewelers, sales grew strongly throughout most of 2017, and that year continued to remain robust for them with increases in excess of 10 percent in the first six months of 2018. The most important season that includes Thanksgiving, Christmas and New Year's, however, was disappointing.

The market began bouncing in the summer of 2018 and went flat toward the end of the year. In January 2019, jewelry sales were very disappointing.

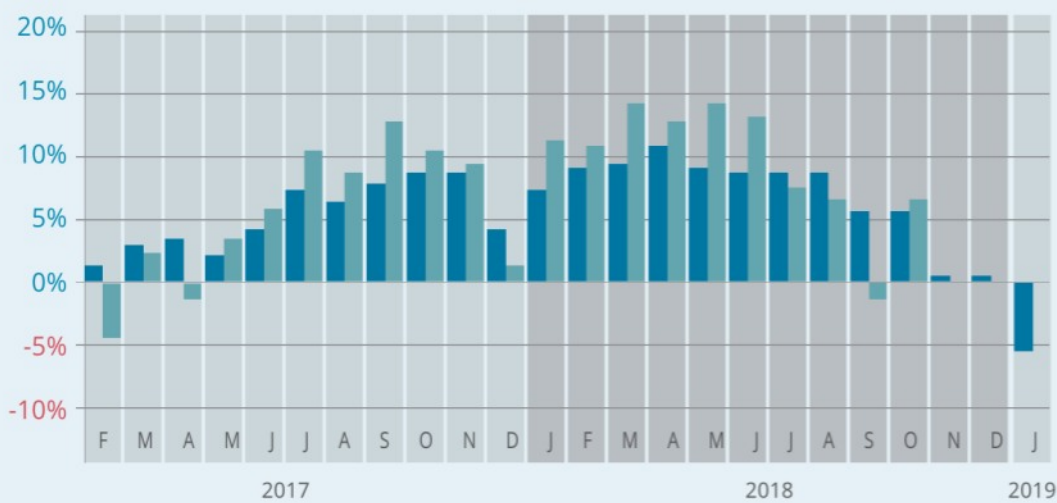


US SPECIALTY JEWELERS SALES TRENDS 2017-2018

Source: US Dept. of Commerce

SPECIALTY JEWELERS KEEP STRUGGLING

While throughout 2017 and 2018, Specialty jewelers kept pace with their counterparts, in January 2019, they underperformed. Specialty jewelers are most often the first retail jewelers to feel market trends, both positive and negative, as can be seen in the below graph.



US FINE JEWELRY & WATCH SALES TRENDS

TOTAL JEWELRY VS SPECIALTY JEWELS 2017-2019

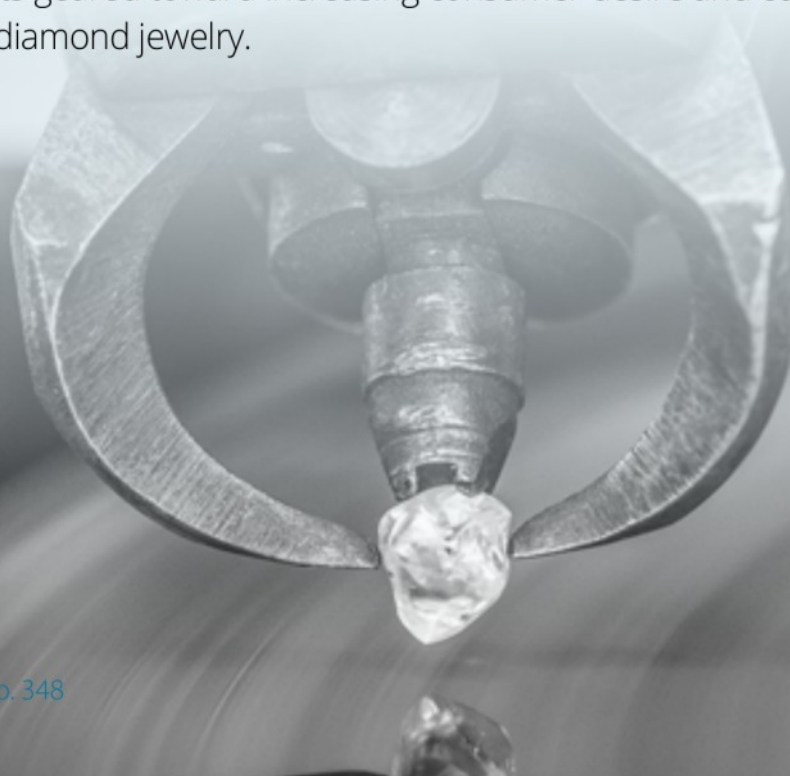
Source: US Dept. of Commerce

OUTLOOK

According to the US Department of Commerce's Census Bureau, in February 2019, retail sales **dropped 0.2 percent**, instead of the **0.3 rise** forecasted. The department said that households cutting back on purchases of furniture, clothing, food and electronics and appliances, as well as on building materials and gardening equipment were the chief reason for the decline. On the other hand, the Commerce Department revised its data for January, showing retail sales **increasing 0.7 percent** instead of **gaining 0.2 percent**, as previously reported. Economists polled by Reuters had forecast retail sales rising 0.3 percent in February. Retail sales in February **advanced 2.2 percent** from a year ago.

As reported in March, delays in processing tax refunds in the middle of the month of February "due to the prolonged government shut-down" created uncertainty. Reuters reported that tax refunds were smaller on average compared to previous years, following the revamping of the tax code in January 2018. Cold and wet weather could also have hurt sales.

Since the jewelry industry operates in a highly competitive environment, with other luxury product categories competing vigorously for the consumers' discretionary dollar, growth in the jewelry sector will only come through increased marketing efforts geared toward increasing consumer desire and confidence in diamonds and diamond jewelry.



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RETAIL NEWS



CORONET AWARDED GUINNESS WORLD RECORD WITH MOST DIAMONDS SET ON A WATCH

Aron Shum, principal of the Hong Kong-based Coronet company, established yet another Guinness World Record,

this time for a watch set with most diamonds. The feat was achieved during the recent BaselWorld fair.

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AGS ANNOUNCES 2019 CIRCLE OF DISTINCTION HONOREES

Katherine Bodoh, CEO, AGS:
“This year’s honorees are leaders who have taken risks, executed innovative strategies and best practices throughout their career, as well as, given their time and talent for the betterment of our industry.”

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WOMEN IN LUXURY CONFERENCE TO BE HELD IN NEW YORK ON MAY 9

Luxury Daily is organizing the third annual Women in Luxury 2019 conference on May 9 in New York. Under the header of Empowered Affluence, the event "is designed to reflect the expertise and smarts of women leaders in the luxury business."

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MJSA EXPO DRAWS BUYERS "IN A SPENDING MOOD"

Attendance was excellent, and people were in a spending mood" is how Dave Siminski, vice president of sales and marketing at United Precious Metal Refining in Alden, New York, described the atmosphere of the 2019 MJSA Expo, which ran March 10-12.

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BANK OF AMERICA: RETAIL SALES TO IMPROVE AFTER PAYMENT OF TAX REFUNDS

Following analysts' miscalculations on US market growth during the holiday season of 2018, a recent report issued by the Bank of America Corporation (BofA) that retail sales are about to rebound, was greeted with reservations.

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GIA'S NEW YORK JEWELRY CAREER FAIR ATTRACTS MANY HUNDREDS OF JOB SEEKERS

More than 450 students, GIA (Gemological Institute of America) alumni, job seekers and industry professionals connected with 56 companies looking to hire and 23 career coaches offering expert advice at GIA's New York Jewelry Career Fair in March.

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GRAFF SHOWCASED THREE FANCY VIVID YELLOW DIAMOND WATCHES IN BASEL

Graff Diamonds showcased three luxury watches, all set with fancy vivid yellow diamonds, at BaselWorld 2019. The "Round Graff Fancy Vivid Yellow Diamond watch" is set with 211 diamonds weighing 59.25 carats.

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POLISHED NEWS

CIBJO RELEASES SIMPLIFIED GUIDE TO RESPONSIBLE PRACTICES IN DIAMOND AND GEMSTONE TRADE

CIBJO, the World Jewellery Confederation, has released a simplified guide to ethical and responsible practices in the handling and trading of diamonds, colored gemstones, pearls and coral, and has made it available

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YOUNG DIAMANTAIRES GROUP HAS SUCCESSFUL MEETING IN HONG KONG

The Young Diamantaires group, an international networking group for young diamantaires, held a successful and well-attended get-together in Hong Kong during the HKTDC show in March. The Young Diamantaires group is an initiative by Rami Baron, Chair of Promotion Committee of the World Federation of Diamond Bourses (WFDB)

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DE TIJD: EUROSTAR DIAMOND TRADERS CLOSE TO BANKRUPTCY

Burdened with a bank debt of more than half a billion dollars, Eurostar Diamond Traders of Antwerp is close to bankruptcy, the Belgian daily De Tijd reported. ABN AMRO, Standard Chartered, as well as former accountants and former managers are among the creditors.

CIBJO's Do's & Don'ts



A brief guide to responsible trading
in diamonds, coloured gemstones,
pearls and corals.

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NAMIBIA WANTS TO BECOME HUB FOR DIAMOND POLISHING

The Namibian government is in talks with its eastern neighbor Botswana on the possibility of Namibia becoming a center of diamond polishing in an effort to promote regional industrial integration and development, Namibia's Mines and Energy Minister, Tom Alweendo was quoted.

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SOTHEBY'S TO AUCTION AN EXCEPTIONAL ROUND IN APRIL

This Spring, Sotheby's Magnificent Jewels and Jadeite auction in Hong Kong promises to deliver "a wealth of color and design through rare gems and intricately crafted jewels. The centre stage, however, will be occupied by a coloress, D-Flawless, Type IIa diamond of 88.22 carat.

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ZIMBABWE TO CUT DIAMONDS IN GABARONE

Zimbabwe has agreed with Botswana to start processing its diamonds at the Diamond Trading Company (DTC) in Gaborone. The agreement was reached during a high-level summit of the Zimbabwe-Botswana Bi-National Commission (BNC) in Harare in February.

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Sothebys 88.22 Carat Diamond

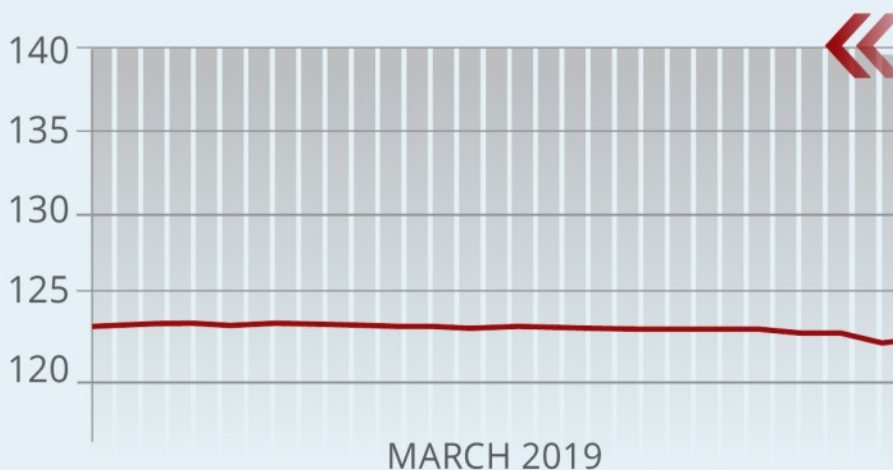
BY YA'AKOV ALMOR

POLISHED PRICES



Polished Diamond Price Index confirms March market is in waiting mode

Just like in the previous month, in March, the IDEX polished diamond price index showed very little activity. On a month-to-month basis, global polished diamond prices in March showed only a few changes compared to February 2019. However, year-over-year, the average price was, once again, slightly lower.



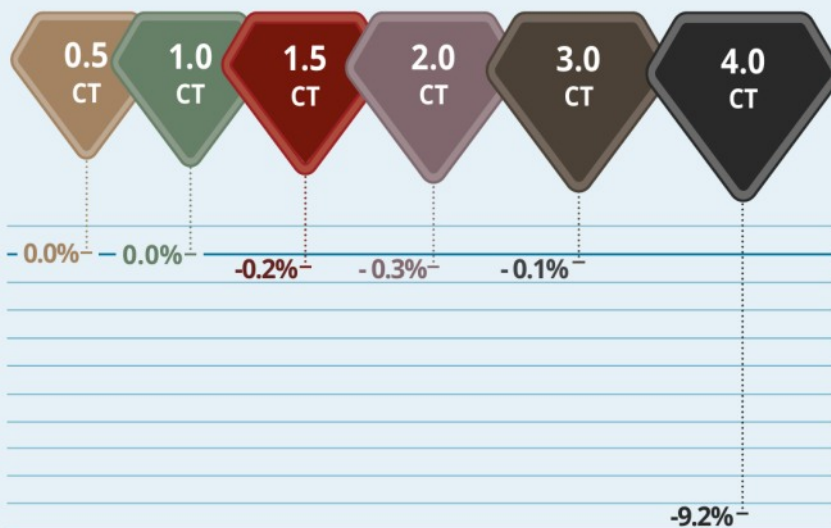
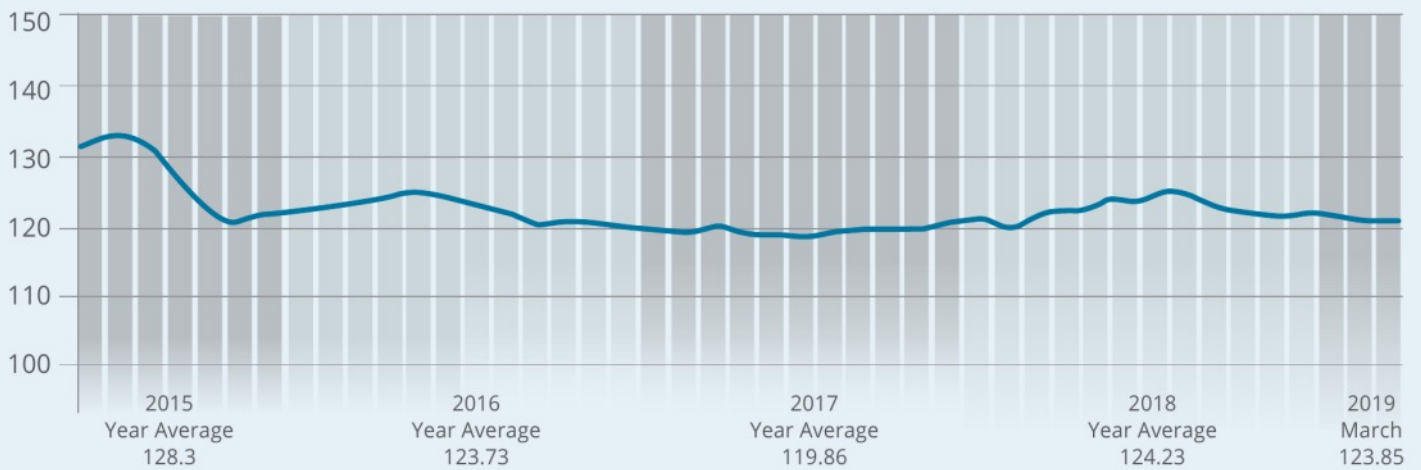
DAILY IDEX POLISHED DIAMOND PRICE INDEX

THE INDEX BEGAN THE MONTH AT **124.09** AND ENDED AT **123.88**.

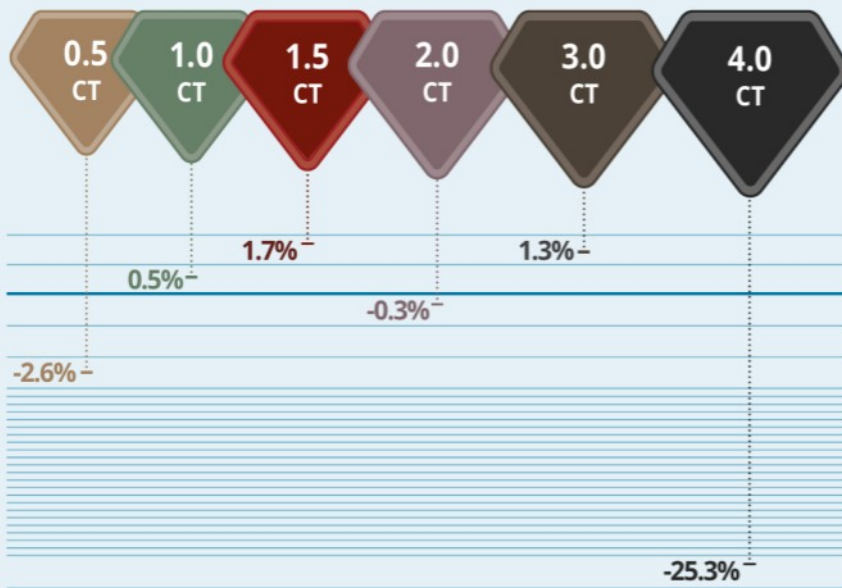


IDEX ONLINE POLISHED DIAMOND PRICE INDEX

With the positive market of early 2017 now a distant memory, it is clear the diamond industry and trade, throughout the supply pipeline, is looking at a downturn. In the rough market, across the board, junior producers as well as the few 'giants,' are not realizing the price points necessary for smaller goods – the bulk of their production and sales – and therefore are facing difficulties in financing their operations. Add to that the low prices paid for melees, and one has a recipe for long-term trouble.



ON A MONTH-TO-MONTH BASIS – COMPARING PRICES IN MARCH TO THOSE IN FEBRUARY, PRICES OF STONES UNDER TWO CARATS CONTINUED TO TREAD WATER WHILE IN THE CATEGORIES OVER TWO CARATS, PRICES DECLINED, AS CAN BE SEEN IN THE GRAPH.



MEANWHILE, ON A YEAR-OVER-YEAR BASIS, ONLY TWO CATEGORIES MADE PROGRESS, WHILE FOUR WEAKENED, ESPECIALLY FOUR-CARAT STONES WHICH DROPPED SHARPLY, AS CAN BE SEEN IN THE GRAPH TO THE LEFT.

OUTLOOK

There were clear signs, throughout the diamond supply pipeline, that the diamond market is subdued and uninspired. The last De Beers sight was rather small. ALROSA, in turn, reported decent rough sales but is looking for more growth in the polished diamond sector by implementing supply partnerships with companies such as Tiffany's and through auctions and tenders of polished goods.

In India, another surge of cheap polished melees was injected into the market, this time by manufacturers and dealers who need quick cash to repay bank loans. Reportedly, some categories of polished melees were disposed of at heavily discounted prices. In past, such news would have stayed under the radar, but in today's global village, the news did nothing to improve the market's mood.

At a time, while the retail sector is being told to look at lab-grown diamonds (LGDs) as a profitable new niche, very little is being done to help these same retailers promote diamonds to the consumer.



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MINING NEWS

DEBSWANA ANNOUNCES CUT 9 PROJECT, TO EXTEND JWANENG MINE-LIFE

The Debswana Diamond Company (Debswana), a 50/50 joint venture between the Government of the Republic of Botswana and De Beers Group, is launching its Cut-9 project, to extend the life of Jwaneng Mine to 2035.

[READ MORE >>](#)

CANADA'S NORTHERN TERRITORIES OFFER GREAT HOPES TO MINERS

Researchers of the Fraser Institute reported that for the first time in more than five years, all three territories in Canada's north are among the top 15 most attractive regions for mining investment worldwide. This includes areas that hold potential for investments in diamond mining.

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LUCAPA RECOVERS 83-CARAT DIAMOND FROM LESHOTO'S MOTHAE MINE

Lucapa has recovered an 83.9 carat diamond from Mothea mine in Lesotho. The large stone, the fourth 50+ carat diamond recovered from this mine to date, underlines its status as a regular source for large stones.



ALROSA REPORTS A PROFITABLE 2018, STRENGTHENS ITS PRESENCE IN THE US BY MAKING A DEAL WITH TIFFANY'S

Alrosa reported that its net profit had risen with some 15 percent to reach \$1.4 billion in 2018. The announcement followed earlier reports that the company's sales volume had dropped with eight percent compared to 2017.

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GEM DIAMONDS PUBLISHES RESULTS FOR 2018

Gem Diamonds, a leading global diamond producer of high value diamonds, published its financial results for 2018. The firm reported a revenue of \$267.3 million, compared to \$214.3 million in 2017. It recovered 126,875 carats from the Letseng mine, compared to 111,811 carats in 2017.

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BOTSWANA EXPECTS LOWER MINERAL REVENUES

Botswana expects mineral revenue for the 2019/20 fiscal year to drop due to a decline in royalty dividends. Eric Molale, Botswana's minister of mineral resources wrote in a paper "that global diamond demand was showing signs of slowing down."

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