

IDEEX

JULY 2017

MAGAZINE

DEEP BEAUTY OF
COLORED DIAMONDS
AT HEART OF
MEDITERRANEAN
CONFERENCE

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MUST TELL THE STORY OF
THE GOOD IT DOES

BAIN SEES LUXURY
SALES SET TO RISE BUT
CHALLENGES PERSIST

POLISHED DIAMOND
PRICES FLAT AGAIN IN
JUNE





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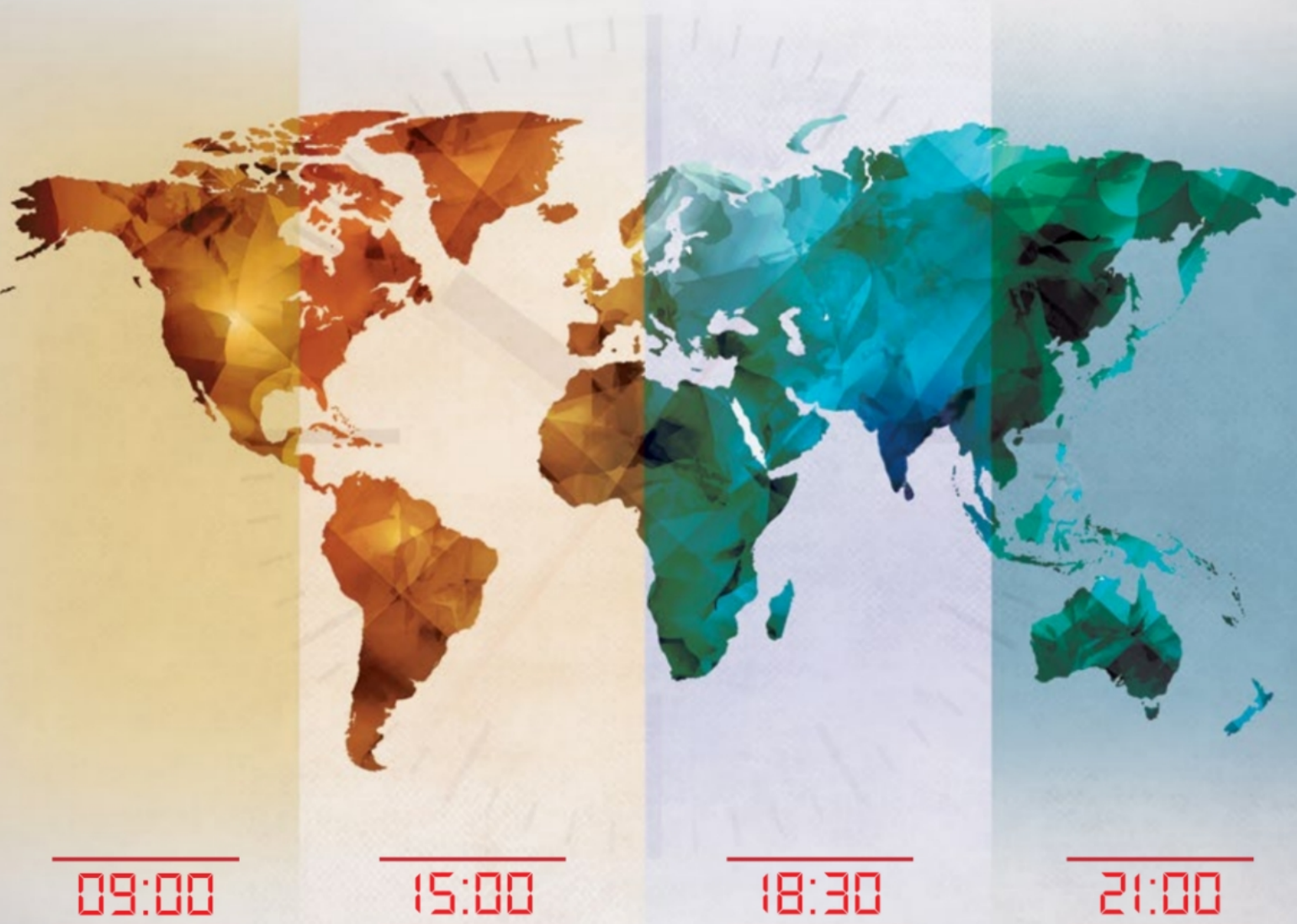
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▶ CONTENTS



» 10-12 EDITOR'S NOTE

ALBERT ROBINSON LOOKS AT A REPORT BY BAIN & CO WHICH SUGGESTS LUXURY SALES ARE SET TO RISE IN THE YEARS TO COME.

» 16-18 MEMO

THE DIAMOND INDUSTRY SIMPLY HAS TO FIND A WAY OF GETTING THE STORY OUT ABOUT THE GOOD THAT DIAMONDS DO FOR PEOPLE ACROSS THE WORLD.



LOOK FOR THE VIEW MORE BUTTONS TO SEE MORE OF THE COLLECTIONS

» 39-40 OUR TOP JEWELRY PICKS

» 46-47 JEWELRY BREAKS PRE-SALE ESTIMATES AT CHRISTIE'S NEW YORK AUCTION



» 14-15 MARKET SNAPSHOT

A QUICK GLANCE AT THE TRENDS OF THE PAST MONTH

» 26-37 FOCUS

ALBERT ROBINSON LOOKS AT HOW THE MEDITERRANEAN GEMMOLOGICAL CONFERENCE CARRIED OUT AN IN-DEPTH PROGRAM ON **COLORED** GEMSTONES AND THEIR APPEAL



» 53-56

POLISHED DIAMOND PRICES
INDEX IS FLAT IN JUNE



» 42-44
RETAIL NEWS

» 50-52
POLISHED NEWS

» 62-64
MINING NEWS

» 66-67 **PROFILE**
LARRY LEVIAN

58-60 GEMEWIZARD
THE SECRET ART OF PRE-SHAPING
PRECIOUS GEMSTONES

» 20-21
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BY ALBERT ROBINSON

EDITOR'S NOTE

Report Sees Luxury Sector Sales Rising - But Challenges Abound

Has the luxury market turned a corner, helped by a recovery in sales in mainland China and elsewhere? After decreasing by around one percent in 2016 – the first decline in seven years – the personal luxury goods market appears to be turning around, according to new research from the business consultancy Bain & Co.

The first quarter of this year has seen growth of around 4 percent – albeit aided by weak comparisons from the same period last year when acts of terror combined to batter sales. Nonetheless, Bain & Co forecasts a 2-4 percent growth rate for 2017,

and sales rising to €254 billion-€259 billion. Further afield, Bain expects luxury sales globally to reach \$290 billion within three years.

Growth this year has come about as a result of renewed appetite for luxury goods on the part of consumers in mainland China at home and on overseas trips. Chinese consumers account for one in three luxury purchases globally and will continue to comprise a major source of overseas tourist flows. A corruption crackdown over the past two years or so has had a noticeable impact on sales to Chinese buyers, but the increasing tendency for Chinese buyers to acquire luxury goods at home is seen driving growth of 6-8 percent this year for the mainland China market. Meanwhile, sharp declines in sales in Hong Kong and Macau in the past several years appear to have been curbed, although the situation remains fragile.

China continues to play a leading role in the global luxury market, writes Federica Levato, partner at Bain & Company. "The relevance of Chinese consumers, locally as well as abroad, will still be high in the market and will continue to deeply shape the industry in the coming years. The mainland China market is on a positive trend and we expect it to be maintained throughout this year, fuelled, among other factors, by the repatriation of local consumption," she commented. Apart from mainland



China, however, Bain predicts the Asian luxury market will shrink by 2 to 4 percent because of falling tourism numbers in Taiwan and Southeast Asia.

Encouragingly, recovery was witnessed in the European market in the fourth quarter; indeed Bain & Company characterized demand as “buoyant”. With Britain, France and Germany having suffered terror attacks over the past half year, however, it will be interesting to see if that trend can continue. Bain forecasts growth of 7 to 9 percent in luxury sales in Europe. Britain, in particular, following the collapse of sterling after the country voted to leave the EU a year ago, is seen as a bright spot.

A less bright spot is the United States, hit by the growing strength of the US dollar, political uncertainty and the problems affecting department stores which have traditionally served as the main sales channel for luxury brands but are being closed down in rising numbers. Bain forecasts luxury sales to decline by up to 2 percent this year in the US.

Away from geography, digital – not surprisingly – is continuing to see a great deal of action. Successful brands are those that have seriously invested in digital platforms and are engaging with a “millennial mindset”. This means putting money into online operations, talking directly to end consumers via social media, and adopting an omni-channel approach that combines e-commerce with physical stores. “Brands need to be customer obsessed and millennial minded,” said Levato, who co-authored the report. “Buying a luxury good now is not just walking into a store. It has become a journey of engagement through multiple touchpoints well before the point of sale.”

As the report states: “Consumers are asking for more innovation and more creativity. We are seeing a bigger gap between winners and losers, driven by the ability of brands to understand the way the consumers are changing.” That, in a nutshell, encapsulates the issue facing the retail sector in general, and the luxury sphere in particular.

TALK TO US



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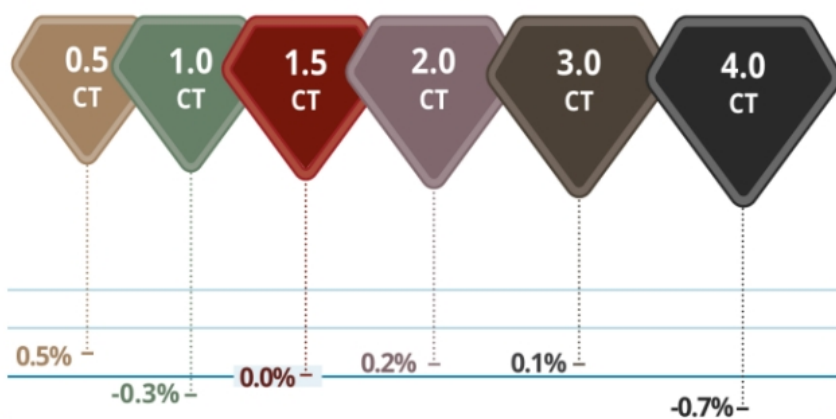
MARKET SNAPSHOT



POLISHED DIAMONDS

IN JUNE, THE IDEX POLISHED DIAMOND PRICE INDEX WAS AGAIN FLAT FOLLOWING A SIMILAR READING IN MAY.

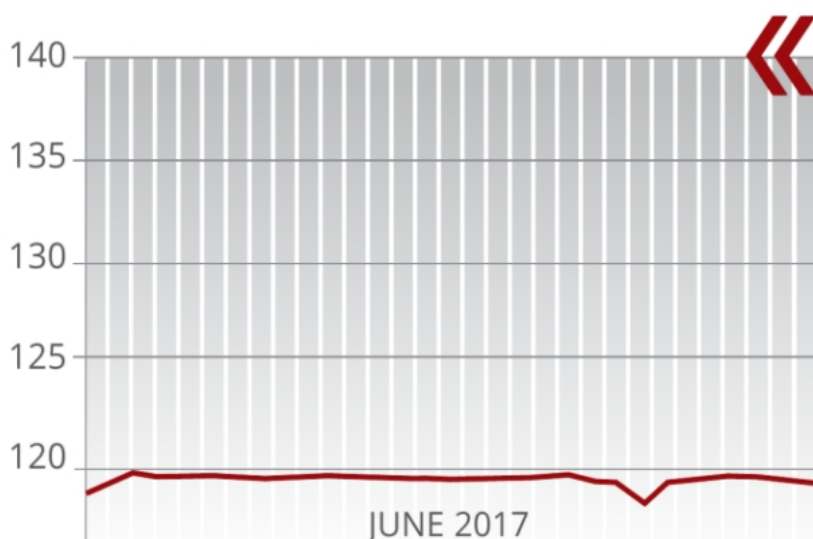
ON A MONTH-TO-MONTH BASIS, GLOBAL POLISHED DIAMOND PRICES IN JUNE SAW AN **INCREASE OF 0.05 PERCENT** OVER MAY.



ON A MONTH-TO-MONTH BASIS – COMPARING PRICES DURING JUNE 2017 TO MAY 2017 – THERE WERE **THREE RISING CATEGORIES** AND **TWO DECLINERS**, WITH ONE CATEGORY – 1.5-CARAT STONES – STANDING STILL.

POLISHED DIAMONDS DAILY INDEX

THE INDEX BEGAN THE MONTH AT **119.24** AND ENDED AT **119.21**.



METAL PRICES IN JUNE US\$ PER OUNCE


*Prices as of 30.06.17
Source: Amark.com



Palladium 844.0 (+2.8%)
Platinum 923.0 (+3.3%)
Gold 1,241 (+2.3%)
Silver 16.61 (+0.5%)

ROUGH DIAMONDS

THE MARKET IS SLOWING DOWN AS WE HEAD INTO THE TRADITIONALLY QUIETER SUMMER MONTHS. REPORTS FROM THE MAJOR DIAMOND TRADING CENTERS SUGGEST THAT ACTIVITY IS STABLE. REPORTS FROM THE JCK SHOW IN LAS VEGAS SUGGESTED THAT FOOT TRAFFIC WAS LOWER THAN IN PREVIOUS YEARS, BUT THAT THE BUYERS WHO DID ATTEND WERE MORE SERIOUS. SIMILAR REPORTS WERE HEARD AT THE JUNE HONG KONG GEMS AND JEWELLERY FAIR. DE BEERS REPORTED THE SALE OF **\$530 MILLION** OF ROUGH GOODS IN JUNE, DESPITE INDUSTRY PLAYERS' COMMENTS THAT ROUGH DIAMONDS ARE PRICED MUCH TOO HIGHLY AND WHICH ARE NOT ENABLING THEM TO MAKE A PROFIT. THE COMPANY RAISED PRICES SLIGHTLY IN SOME CATEGORIES. THE VALUE OF THE JUNE SIGHT WAS **7 PERCENT BELOW THE \$564 MILLION** DE BEERS SOLD AT LAST YEAR'S FIFTH SIGHT.



BY ALBERT ROBINSON

MEMO

Vital Mission For The Industry: Telling The Story Of The Good Diamonds Do

Diamonds do a great deal of good. Of that there can be no doubt, but do the end-consumers know it?

I can't claim to have carried out any scientific polling of the public, but purely based on conversations with family, friends, acquaintances and strangers over the course of many years, the answer is fairly clear: they don't. It's been said many times before, but it deserves to be repeated, that the diamond industry does not do enough to

inform consumers about the benefit that diamonds bring to families across the globe.

And that leaves the playing field empty for some companies in the lab-grown sector, for example, to claim that natural mined diamonds are somehow destructive: that's to say they cause environmental damage, they lead to conflicts and are mined using slave labor. Without a response from the mined, natural diamond industry, the unknowing consumer is left with little choice but to believe such claims.




They do not know of the widespread corporate social responsibility projects that are put in place by many diamond mining firms in order to minimize the impact of mining. Monitoring the environment – air, water and land – to check that toxic elements are not present. Planting a wide range of flora and fauna to resuscitate the land. Schools, clinics and other much-needed infrastructure.

And then there are jobs and income. Across Africa, diamond mining

provides an income for many scores of thousands of families. In India, as many as 1,000,000 people are estimated to be employed in the diamond, gems and jewelry industry. Impossible to know exactly how many families those one million workers support, but clearly it is a significant number.

Then there are the many thousands of people involved in one way or another in the other main centers – Antwerp, Ramat Gan, New York, Hong Kong





and many other places – making a livelihood and paying taxes. There's the knock-on effect for countless other businesses enjoying the impact of being located close to diamond bourses – from cafes and restaurants to copy shops and convenience stores and many more besides. The economic activity created is practically impossible to calculate, but it is clearly enormous.

And then there are organizations, such as the Diamond Empowerment Fund, which works to support initiatives that develop and empower people in diamond communities worldwide by providing education and skills training for young people to enable them to lead a better life. Similarly, the Diamond Development Initiative works to transform artisanal mining into a source of sustainable development by bringing the largely unregulated and informal artisanal mining sector into the formal economy in ways that benefit miners, their communities, regional and national economies, and the diamond and jewelry industry.

And what about the Kimberley Process? How many consumers know that the diamond trade is so serious about regulating itself that it pushed for the creation of the KP and that

government and civil society groups are equally involved in making KP decisions?

Let us not kid ourselves; the diamond industry is not some sort of philanthropic organization. Of course firms aim to make a profit, that's what businesses do. Otherwise, they may just as well close down and move on to something else. But the business is a highly self-regulated trade with an extraordinary number of people who care deeply about its reputation and doing the right thing.

I am not quite sure how, but the industry simply has to get that message out. Perhaps it could be part of the remit of the Diamond Producers Association which is working so hard to attract the Millennials market to diamond jewelry. After all, it's precisely the Millennials who are asking those hard-hitting questions about how the industry operates and whether we are being fair to the environment and to diamond miners.



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ROUNDS | JULY 2017



PRICEREPORT

As has been seen over the past several months, there was relatively little movement in prices of round goods overall in June. There were declines of 1-3 percent in 0.45-0.49 stones in E-G colors in VS1-I1 clarities, and increases in 3.00-3.99 carat goods in D-F colors in IF clarities.


ROUNDS 0.30-0.39											01-JULY-17		
	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	SI3	I1	I2	I3		
D	37.0	29.5	26.0	24.5	23.0	21.5	18.5	17.0	14.0	12.0	8.0		
E	28.0	26.0	23.5	23.0	22.0	20.0	17.0	16.0	13.5	11.0	7.5		
F	25.0	24.5	23.0	22.0	21.5	19.5	16.5	15.5	13.0	10.5	6.5		
G	23.5	23.0	22.5	21.5	20.5	18.5	16.0	14.0	12.0	10.0	6.5		
H	23.0	22.5	21.0	20.5	19.5	17.5	15.5	13.0	11.0	8.0	6.5		
I	20.0	19.5	19.0	18.5	16.5	15.0	13.0	11.5	10.0	8.0	6.0		
J	18.5	17.0	16.0	15.5	15.0	14.0	12.5	11.0	9.0	7.0	5.5		
K	17.5	16.5	15.5	14.5	13.0	12.5	11.0	10.0	8.0	6.5	5.0		
L	15.0	14.5	14.0	13.0	12.0	11.5	10.0	8.5	7.5	6.0	4.5		
M	13.5	13.0	12.5	11.5	11.0	10.0	9.0	7.0	6.0	4.5	3.5		
N	13.0	12.5	12.0	11.0	10.0	7.5	6.5	6.0	5.0	4.0	3.0		

ROUNDS 0.30-0.39 CARATS
 **K-L / VS1-VS2 UP 3%**
 **D / VS1-SI1 DOWN 2%**

ROUNDS 0.45-0.49											01-JULY-17		
	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	SI3	I1	I2	I3		
D	50.0	42.5	35.5	32.0	28.5	25.5	24.5	23.5	21.0	16.5	11.5		
E	40.5	38.0	31.5	29.5	26.0	24.0	23.5	21.5	17.5	11.5	10.5		
F	36.5	34.5	30.0	27.5	25.0	23.5	23.0	19.5	16.0	10.5	8.0		
G	33.0	30.0	27.5	25.0	24.5	22.5	20.0	18.0	15.0	10.5	8.0		
H	29.0	25.5	24.5	24.0	22.5	20.0	17.5	15.5	14.0	10.0	7.5		
I	25.0	22.5	21.0	20.0	19.0	18.0	16.5	15.0	14.0	8.0	7.5		
J	21.5	21.0	20.0	17.5	17.0	16.5	15.5	14.5	13.0	8.0	6.5		
K	19.0	18.5	17.5	17.0	16.5	15.5	14.5	14.0	10.0	7.5	6.0		
L	18.0	16.5	16.0	15.0	14.5	13.5	13.0	11.5	9.0	6.5	5.5		
M	16.5	16.0	15.0	14.0	13.5	12.0	11.0	10.0	8.0	6.5	5.0		
N	15.0	14.0	13.5	13.0	12.5	11.0	10.5	9.0	8.0	6.5	5.0		

ROUNDS 0.45-0.49 CARATS
 **K / VVS2 UP 2%**
 **E-G / VS1-VS2 DOWN 1-3%**

ROUNDS 1.00-1.24											01-JULY-17		
	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	SI3	I1	I2	I3		
D	204	162	143	115	104	82	68	58	48	32	18		
E	158	140	113	105	93	79	65	56	45	28	16		
F	123	118	108	98	87	76	64	55	43	27	16		
G	107	99	92	88	80	73	61	52	40	27	16		
H	84	81	80	78	73	66	56	50	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	45	43	40	38	33	28	16	14		
L	45	44	43	41	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	23	19	16	15	12		

ROUNDS 1.00-1.24 CARATS
 **G-H / VS1 UP 1-3%**
 **D / VS2-SI2 DOWN 2%**





FANCIES | JULY 2017

PRICEREPORT

Fancy diamonds saw even fewer price movements than did round goods, particularly for items of half a carat and below. Diamonds in the 0.50-0.69-carat category in G-I, VVS1-VS1 goods showed declines of 1-3 percent, while 3.00-3.99 carat stones in G-H colors, IF-VVS1 clarities increased by up to 3 percent.

FANCIES 0.18-0.22												01-JULY-17
	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	SI3	I1	I2	I3	
D	17.0	15.0	14.0	13.5	12.5	10.5	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	12.0	11.5	11.0	10.5	10.0	7.5	7.0	5.5	5.5	4.5	3.5	
G	11.5	10.5	10.0	9.5	8.0	7.0	6.0	5.0	5.0	4.0	3.5	
H	11.0	10.0	9.5	9.0	7.5	6.0	5.5	4.5	4.5	3.5	3.0	
I	10.5	9.5	9.0	8.0	7.0	5.5	5.0	4.0	4.0	3.5	3.0	
J	10.0	9.0	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

- D / VS2-SI1 UP 4-5%
- D / VVS2 DOWN 3%

FANCIES 0.50-0.69												01-JULY-17
	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	SI3	I1	I2	I3	
D	67.5	56.5	46.5	41.0	39.0	33.0	28.0	25.0	19.5	15.5	9.5	
E	54.5	49.5	42.0	38.0	35.5	30.0	26.0	21.5	18.0	12.0	7.5	
F	49.5	43.5	38.0	35.5	33.5	29.0	25.0	20.5	17.0	11.5	6.5	
G	42.0	38.0	34.5	33.0	30.0	28.0	23.5	19.5	16.5	11.0	6.5	
H	37.5	34.5	32.0	30.5	28.0	25.0	22.5	18.0	15.0	10.5	6.5	
I	34.0	30.5	27.0	26.5	26.0	23.5	20.0	16.5	13.5	8.0	6.0	
J	24.5	24.0	23.5	23.0	22.0	21.0	19.5	15.0	13.0	7.0	5.5	
K	20.5	20.0	19.0	18.0	17.0	16.5	14.0	13.0	10.5	6.0	4.5	
L	18.5	16.5	15.5	15.0	13.0	12.5	11.5	8.0	6.0	4.5	4.0	
M	18.0	16.0	13.5	12.5	11.0	10.5	8.0	7.5	5.5	4.5	3.5	
N	16.0	13.5	12.5	10.5	9.5	7.5	7.0	6.5	5.0	4.5	3.5	

FANCIES 0.50-0.69 CARATS

- E / I1 UP 2%
- G-I / VVS1-SI1 DOWN 1-3%

FANCIES 1.00-1.24												01-JULY-17
	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	SI3	I1	I2	I3	
D	164	139	110	91	81	72	60	47	37	25	15	
E	131	115	100	83	79	69	59	44	35	23	14	
F	113	97	83	81	75	67	58	43	34	22	12	
G	88	81	77	73	70	64	54	42	31	21	11	
H	77	66	63	60	59	54	51	37	30	19	10	
I	63	61	56	52	51	50	45	34	28	16	10	
J	53	51	46	44	43	42	37	31	25	13	10	
K	43	41	37	36	35	32	31	27	21	13	9	
L	33	32	30	29	27	26	25	22	16	13	9	
M	23	22	21	20	19	18	15	14	14	11	8	
N	22	20	19	18	17	15	14	11	10	9	8	

FANCIES 1.00-1.24 CARATS

- E-F / VS2-SI1 UP 1-2%
- D-E / SI2 DOWN 3%



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MEDITERRANEAN GEM AND JEWELRY CONFERENCE FOCUSES ON IDENTIFICATION AND GRADING OF **COLORED** DIAMONDS





BY ALBERT ROBINSON



The prominence of colored diamonds on the world gem stage was one of the reasons that it was the main theme of the third annual Mediterranean Gem and Jewelry Conference, which this year took place in Syracuse, Sicily, from May 12 to 14. It provided participants, some of whom rarely, if ever, deal with colored diamonds, the opportunity to delve into the characteristics of this colorful section of the market, along with the additional topic of fluorescence.

As several participants commented during the sessions and networking events, colored diamonds are usually featured in the media only when an extraordinary stone breaks an auction record. These diamonds, of course, are but a tiny part of the overall colored diamond market, however they bring a great deal of attention to the general public even though they are far removed from the diamonds that buyers generally acquire.

The conference was organized by IGL (Greece) and CGL-GRS (Canada) in conjunction with Certiline (Italy) and supported by the National Association of Jewelry Appraisers (NAJA), MAGI (Italy/Finland), JAW (UK), Martin Steinbach (Germany), NCJV (Australia), Eickhorst (Germany) and Gemetrix (Australia), while the major partner was ALROSA - the world's leading Russian diamond mining company. Italian companies IGI, Antora, Tech Servizi and Love Bond Diamonds were sponsors.

For obvious reasons, the conference had a noticeably European flavor, and stood out for that reason. As one of the organizers, Branko Deljanin of CGL-GRS, pointed out: "In the diamond industry, we are all used to attending events – whether tradeshows or conferences – in the major markets of the United States and Asia, particularly Hong Kong. Our aim, though, is to create a smaller, more intimate, event that is easier to reach for Europe-based industry players and in a pleasant setting. There were representatives from Austria, Australia, Belgium, Canada, Dubai, France, Germany, Greece, Italy, Ireland, the Netherlands, Poland, Russia, Slovakia, Spain, Serbia, Switzerland, Thailand, UK and USA."

The 2017 conference followed the success of previous MGJ conferences held in Athens in 2015, and Valencia, Spain, last year. The conference attracted some of the world's top independent lab gemologists, appraisers, gem experts, dealers and jewelers. The conferences are held with the goal of providing and discussing information on the latest developments in the global gem and jewelry industries. This aim included an exhaustive review of colored diamonds, as well as workshops on how to grade and identify their origin of color.

The conference started on May 12 with a pre-conference half-day Basic workshop 'Use of Handheld Spectroscope in the Testing of Gems and Colored Diamonds' with Claire Mitchell (Gem-A, UK) as instructor. Participants learned how to better use a handheld spectroscope, which can provide useful gem diagnostic results when used correctly with common to unusual gems, as well as colored (pink) diamonds.

On the same day, Branko Deljanin (CGL-GRS) and George Spyromilios (IGL) held an intermediate level workshop on screening and identification of small and melee synthetic diamonds, including those set in jewelry. "For first time at any workshop, 40 participants had a chance to learn how to screen and identify melee HPHT-grown and CVD-grown diamonds using combination of fluorescence (using a 'PL inspector'-mini UV lamp with magnifier) and pattern under cross polarized filters," said Deljanin.

The second day of the conference gave participants an opportunity to hear guest speakers talk about colored diamonds – their grading and valuation, as well as receiving scientific explanations of coloration in diamonds. Alan Bronstein, of Aurora Gems USA, recounted the story behind the creation of the 12.03-carat "Blue Moon" diamond from rough to polished which was sold for a world record \$48.4 million at Sotheby's in Geneva in 2015.



AS SEVERAL PARTICIPANTS COMMENTED DURING THE SESSIONS AND NETWORKING EVENTS, COLORED DIAMONDS ARE USUALLY FEATURED IN THE MEDIA ONLY WHEN AN EXTRAORDINARY STONE BREAKS AN AUCTION RECORD.





"Many people regard this stone as one of the most extraordinary blue diamonds found in recent decades, and it is certainly one of the most beautiful that I have ever seen," Bronstein told the audience, as he showed images of the Cullinan mine in South Africa where the blue gem was discovered.

Bronstein explained how Cora Diamonds bought the rough stone for more than \$26 million, and asked him to provide his

opinion on the diamond and how it should be cut. "The company took an incredible risk in buying the diamond for close to \$27 million, and I was called in to give an appraisal in case it broke on the wheel during the cutting process," he said. "The process led to the making of 30 plastic models in order to create the right shape and cut. I, along with many others, was asked to give my opinion on how the diamond could be cut. My vision for the diamond and how it should appear was the Hope Diamond in the Smithsonian Institute in Washington DC," he added.

Providing some science was HRD Antwerp's Chief Education Officer Dr. Katrien De Corte. Her presentation was entitled 'Type II diamonds: good, bad and rare'. Thomas Gelb spoke on color grading fancy color diamonds, explaining the terminologies and methods employed at GIA. He was followed by John Chapman on color grading of diamonds by instruments, who outlined the potential of technological solutions to face-up color grading, and then Branko Deljanin delivered a presentation on a new approach





ALAN BRONSTEIN, OF AURORA GEMS USA,
RECOUNTED THE STORY BEHIND THE CREATION
OF THE 12.03-CARAT “BLUE MOON” DIAMOND
FROM ROUGH TO THE POLISHED





to grading and certifying colored diamonds – provenance type. His CGL-GRS lab, in conjunction with GRS lab, has started to certify Argyle pink/blue diamonds in Hong Kong and New York based on a measurable “fingerprint”.

Kym Hughes, President of the National Council of Jewellery Valuers of Australia and the principal of Symmetry Jewellery Valuation Specialists, spoke about the valuation of colored diamonds for the trade and consumers with an emphasis on Argyle pink diamonds. With synthetic diamonds always an issue for the industry, Alexey Useinov, from TISNCM on behalf of ALROSA, unveiled the company’s new Diamond Inspector instrument for identification of polished diamonds (including natural diamonds, treated polished natural diamonds, polished diamond simulants and potential synthetic polished diamonds).

Illaria Adamo of the Italian Gemmological Institute spoke on the subject of Demantoid garnet: identification and origin determination, while Victor Tuzlukov and Alicia Vildolsa from Russia and Spain, respectively, talked about the evaluation of artistic cuts for a new generation of gemstones. Award-winning gem cutter Viktor Tuzlukov displayed his amazing collections of gems cut as works of art, while Larry French of the Gianmaria Buccellati Foundation, Italy, finished the oral presentations with a spectacular account of the jewelry pieces of the great Italian goldsmith and jeweler Buccellati.

Completing the second day of the conference was a roundtable discussion moderated by John Chapman on colored diamonds – describing and marketing, and the impact of fluorescence on identification and value of diamonds. A very frank discussion followed among six panelists and more than 70 participants sharing their views about colored diamond issues from grading, certificates and valuations.

On the topic of fluorescence, the consensus was that fluorescence could have a positive effect on colored and some colorless diamonds making them more attractive. A survey on fluorescence among participants indicated that more study is needed to better understand the impact of fluorescent diamonds on the color grade of near-colorless diamonds, and that these kinds of stones are unfairly penalized when possessing faint to medium fluorescence.

Branko Deljanin discussing fluorescence of diamonds along with Kym Hughes, Tom Gelb, Katrien De Corte, Alan Bronstein and Gail Brett Levine at a roundtable discussion moderated by John Chapman.

A poster put up by Dr. Brad Cann of De Beers Technologies revealed how the fluorescence color of CVD can indicate the temperature of annealing. Another poster by





ON THE TOPIC OF FLUORESCENCE, THE CONSENSUS WAS THAT FLUORESCENCE COULD HAVE A POSITIVE EFFECT ON COLORED AND SOME COLORLESS DIAMONDS, MAKING THEM MORE ATTRACTIVE.



Nick Del Re covered a spectroscope that couples to a smart phone to display a spectrum, while another by Clemens Schwarzingler covers new analytical techniques to separate turquoise from its imitations. German dealer Martin P. Steinbach presented his new book 'Asterism, Gems with a Star' based on many years of studying and selling star gems from around the world.

On the third day of the conference, a workshop was held on color grading fancy colored diamonds, with instructors Tom Gelb (NCDIA) and Branko Deljanin. Eickhorst and MAGI brought all standard and advanced instruments – VIS, FTIR and PL spectrometers – so participants had access to a 'full service lab' all day long.

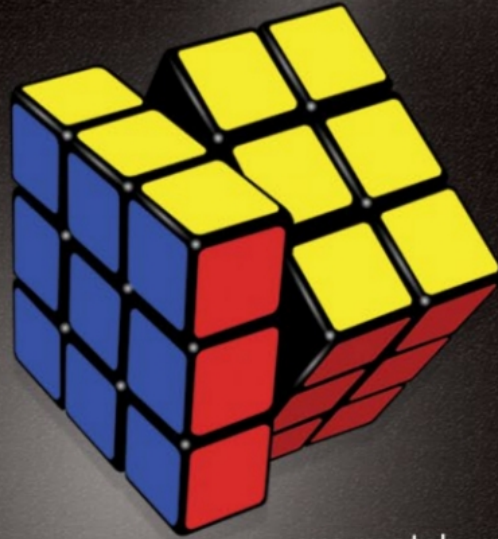
Participants used PL Inspectors to observe fluorescence reactions of different types of colored diamonds and to screen possible treated diamonds, while microscopes allowed inclusions to be examined. After testing and screening with standard instruments, a diamond in question could be tested for further determination of color origin with the advanced instruments available on-site by MAGI.

A record 40 participants were able to test what they had learned on samples from the collection of Hong Kong dealer Francis Errera, who provided the diamonds specifically for the course. These covered the spectrum, including a few rare purple, orange, "Chameleon" and blue diamonds.

The fourth edition of the conference will take place in Nice, France, in May 2018 with a program to be announced by September 2017.

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RETAILRENDEZVOUS



FINDING INSPIRATION ALL AROUND

Born into a family of jewelers in the countryside of Vicenza in Italy, **Laura Bicego** of Nanis Jewels says she has been breathing jewelry since the day she was born. She says that the **Cachemire** collection, one of many she has designed, was inspired by the sights and sounds of India, along with its colors, shapes, smells and tastes, which sharpen the senses. "Inspiration is everywhere. From the words of my favorite writer to the beautiful flower blossoming on my morning walk," she explains.



[VIEW MORE](#)



AUTHENTIC PASSION COMBINES WITH UNIQUE SHAPES

Designer **Dada Arrigoni** established her brand in Italy in 1985. She describes her work as "the manifestation of authentic passion for jewelry and fashion, merged in the designer's capability to create recognizable collections of unique shapes: universal appeal, out of traditional formality. The commitment to a continuous stylistic and technological research blends with the finest craftsmanship made in Italy."



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▶ RETAIL NEWS

FOREVERMARK REVEALS NEW PRODUCT CONCEPT CELEBRATING WOMEN, HOLIDAY CAMPAIGN

Forevermark revealed its new product concept, as well as plans for the 2017 holiday marketing campaign at its annual breakfast held at JCK LUXURY. The concept “celebrates the individual qualities and accomplishments of a woman, and the Q4 marketing campaign will drive customers in store with emotional, call-to-action advertising.”

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The DPA's new print advertisements



Forevermark celebrating women

DPA ANNOUNCES JUMP IN 2017 BUDGET, NEW CAMPAIGN

The Diamond Producers Association announced that its 2017 full-year marketing investment of \$57 million has been approved by its board.

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Signet launches latest conflict minerals report

DOMINION, JAMESALLEN.COM TO MARKET AND BRAND CANADAMARK DIAMONDS

R2Net, which owns JamesAllen.com, and Dominion Diamond Corporation have signed an agreement to market and brand CanadaMark® certified diamonds as part of a mine-to-consumer deal. JamesAllen.com is the fastest growing online retailer of engagement rings and loose diamonds, and Dominion is Canada's largest independent diamond producer, the sides said in a media statement.

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SIGNET JEWELERS SUBMITS FOURTH CONSECUTIVE CONFLICT MINERALS REPORT

Signet Jewelers Limited submitted its fourth consecutive Conflict Minerals Report to the US Securities Exchange Commission (SEC) in accordance with Section 1502 of the Dodd-Frank Act.

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Miner and e-tailer come together

DIAMOND INSIGHT



JUNE 2017

Record high US diamond jewelry sales figures, says report

JCK SHOW SEES LOWER FOOT TRAFFIC, BUYERS LOOKING FOR PARTICULAR GOODS

The JCK Show in Las Vegas saw generally lower foot traffic than in previous years and reduced business transactions, according to many participants.

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DE BEERS: US DIAMOND JEWELRY DEMAND HITS HIGH OF \$41 BILLION

Total diamond jewelry demand from US consumers increased 4.4 percent in 2016 to exceed \$40 billion for the first time, according to industry insight data published today by De Beers Group. While slower US GDP growth in the first quarter of 2017 is likely to have impacted diamond jewelry demand in the short term, the US has recorded five years of consecutive demand growth. US consumers now account for roughly half of all diamond jewelry purchases globally – a level not seen since before the financial crisis.

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Fewer visitors to JCK Show

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BY ALBERT ROBINSON

AUCTION

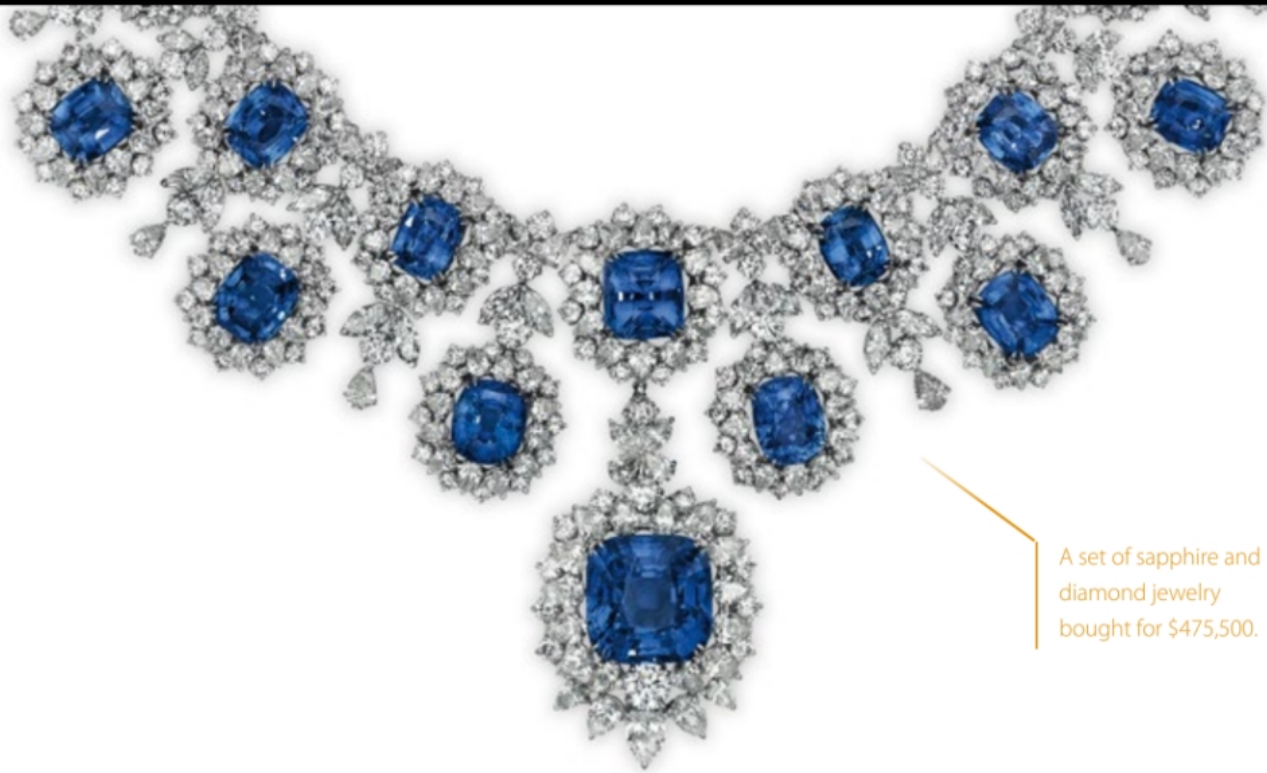
Exceptional jewelry items break pre-sale estimates at Christie's New York Magnificent Jewels auction



The Rockefeller emerald a rare and historic emerald and diamond ring, by Raymond Yard sold for \$5,511,500.



A rare colored diamond and diamond ring bought for \$1,267,500.



A set of sapphire and diamond jewelry bought for \$475,500.

Exceptional diamond jewelry items were on the block at a live auction of Magnificent Jewels which took place on June 20 at Christie's New York. The sale realized a total of \$26,126,500, with 83 percent sold by lot and 89 percent sold by value. Many items sold for above their pre-sale estimates.

The top lot of the sale was the Rockefeller Emerald, sold on behalf of a private American collector for \$5,511,500, which set a new world

auction record per carat of \$305,000, to famed jeweler Harry Winston.

The 18.04-carat octagonal, step-cut emerald ring flanked by diamonds sold at the top-end of its pre-sale estimate of \$4 million to \$6 million.

Harry Winston's Chief Financial Officer, Robert Scott, was bidding in Christie's Rockefeller Plaza saleroom with instructions from Harry Winston CEO Nayla Hayek to "bring this magnificent gem home at any price."



| AUCTION |

Following the sale, Nayla Hayek commented: "Harry Winston is immensely proud to own the finest emerald in the world which once belonged to one of America's most important dynasties."

Christie's said that strong results were achieved that were above pre-sale estimates for jewels from an important private collection of Louis Comfort Tiffany and Tiffany & Co. that had once been part of The Garden Museum Collection in Japan, including a green tourmaline, diamond and gold necklace, a nephrite, amethyst and sapphire necklace, and a multi-gem and vari-colored enamel pendant necklace featuring a large sapphire drop. Strong results were also realized from a group of Art Deco boxes and accessories from Cartier, including an exquisite coral, diamond and pearl tiara, by Cartier.

Tom Burstein, Christie's US Head of Jewelry, said: "The historic Rockefeller Emerald and museum-level collections of Louis Comfort Tiffany and Cartier objects, formed the core of what was a truly a Magnificent Jewels auction. The record prices achieved by the Rockefeller Emerald and Fancy Deep Grayish Bluish Green diamond

coupled with competitive bidding for signed jewelry underscores the strength in the market for pieces of the highest quality. Our jewelry team is proud to finish the first half on such a strong note and we look forward to the fall sales season."



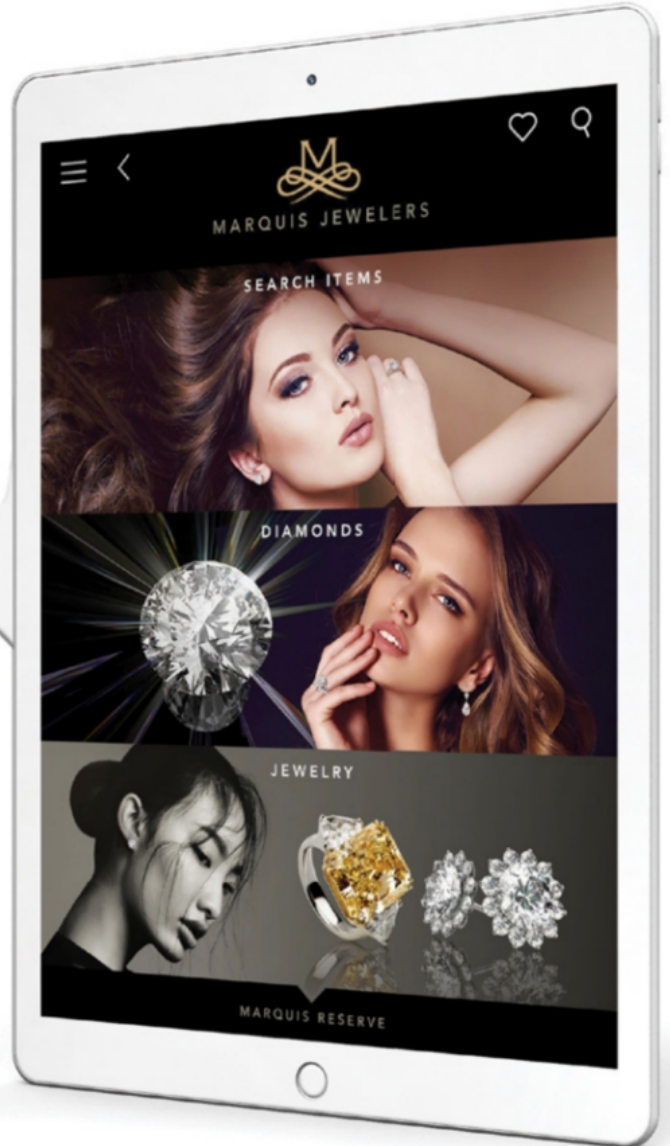
A pair of colored diamond and diamond ear pendants, by Bulgari for \$427,500.



A coral, diamond and pearl tiara by Cartier that was acquired for \$775,500 compared with a pre-sale estimate of \$200,000 - \$300,000



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POLISHED NEWS



The opening ceremony of the new tradeshow

INAUGURAL TGJTA THAI GEMS AND JEWELRY FAIR TAKES PLACE IN BANGKOK

The first edition of the Thai Gems and Jewelry Fair took place from June 15 to 18, with organizers saying there were 750 exhibitors. The event was organized by the Thai Gem and Jewelry Traders Association (TGJTA) with the cooperation of the Ministry of Tourism and Sports (MOTS), the Tourism Authority of Thailand (TAT), and AEC+6 industry associations.

[READ MORE >>>](#)



The IDI pavilion at the Hong Kong fair

MORE THAN 50 ISRAELI FIRMS TO EXHIBIT AT HONG KONG SHOW

The Israel Diamond Institute (IDI) will host 47 companies this year in its diamond pavilion at the June Hong Kong Jewellery & Gem Fair, which will take place from June 22-25 at the Hong Kong Convention & Exhibition Centre. In addition, six Israeli companies will be exhibiting in other locations throughout the show.

[READ MORE >>>](#)



ALROSA President Sergey Ivanov

ALROSA AND DMCC HEADS DISCUSS COOPERATION IN MOSCOW MEETING

ALROSA President Sergey Ivanov and Executive Chairman of the Dubai Multi Commodities Centre (DMCC) Ahmed Bin Sulayem agreed to enhance diamond trade cooperation. At a working meeting at ALROSA's headquarters in Moscow, Ivanov and Bin Sulayem discussed options for expanding ALROSA's trading activities at the Dubai Diamond Exchange, a trading platform within the Dubai Multi-Commodities Centre. The parties also agreed to step up the fight against undeclared synthetic (lab-grown) diamonds.

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STULLER INC ADDING SCREENING DEVICES TO DEAL WITH LAB-GROWN DIAMONDS

Jewelry-maker Stuller Inc is introducing additional screening measures at its facilities to deal with the rise in undisclosed lab-grown diamonds. This year, Stuller will add these new and improved screening devices to its newly established Diamond Lab, including the De Beers' PhosView[®], a self-contained screening device.

[READ MORE >>](#)



PhosView screening device

BELGIAN POLISHED DIAMOND EXPORTS EDGE UP IN MAY

Belgium's polished diamond exports edged up 1.4 percent on the year to \$1.12 billion in May, the Antwerp World Diamond Centre (AWDC) reported. However, polished exports in the first five months of this year were down 8.7 percent to almost \$5.01 billion.

[READ MORE >>](#)



The trading hall of the Antwerp Diamond Club



De Beers polished diamonds

IIDGR IN GRADING DEAL WITH JAPANESE BRIDAL JEWELRY RETAILER

De Beers' International Institute of Diamond Grading & Research (IIDGR) is partnering with what it says is one of Japan's leading bridal jewelry retailers, I-PRIMO, to provide polished diamond grading reports. "The reports will provide assurance to I-PRIMO customers that their diamonds meet the retailer's strict quality standards, backed by more than 100 years of De Beers Group diamond experience," De Beers said.

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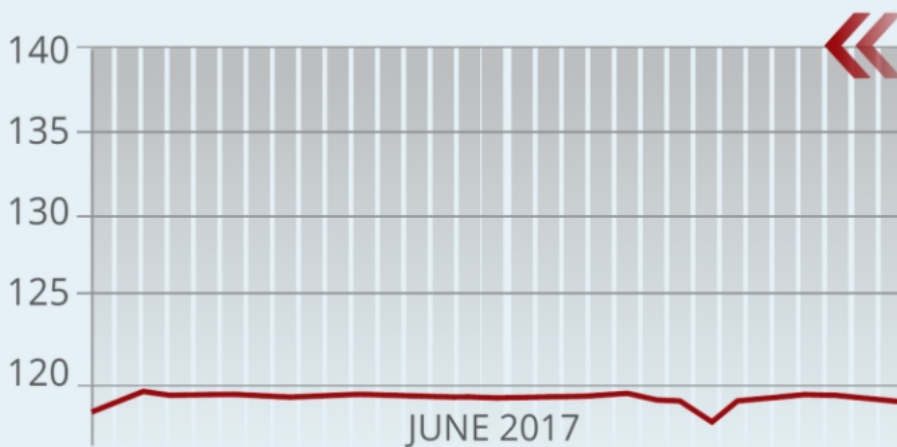
BY ALBERT ROBINSON

POLISHED PRICES



Polished Diamond Prices Flat in June

IN JUNE, THE IDEX POLISHED DIAMOND PRICE INDEX WAS AGAIN FLAT FOLLOWING A SIMILAR READING IN MAY. **THE INDEX BEGAN THE MONTH AT 119.24 AND ENDED AT 119.21.**



DAILY IDEX POLISHED DIAMOND PRICE INDEX

ON A MONTH-TO-MONTH BASIS, GLOBAL POLISHED DIAMOND PRICES IN JUNE SAW AN **INCREASE OF 0.05 PERCENT OVER MAY.**

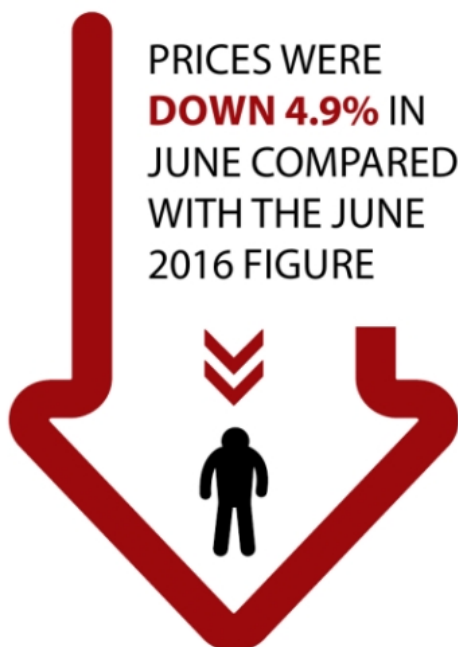
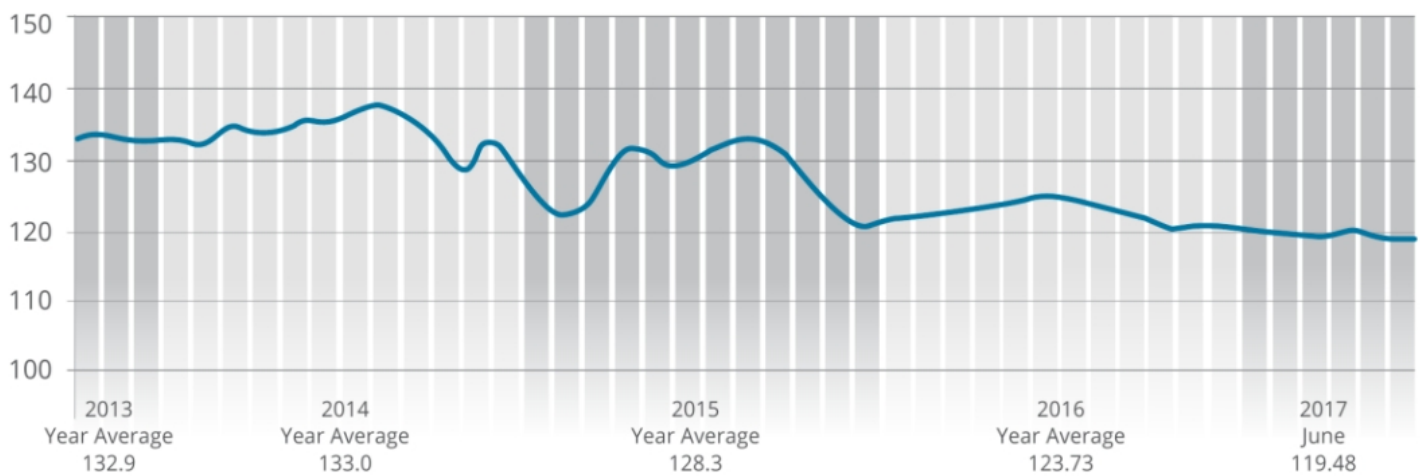


ON A YEAR-OVER-YEAR BASIS, THE AVERAGE PRICE IN JUNE SHOWED A **4.9-PERCENT DECREASE.**

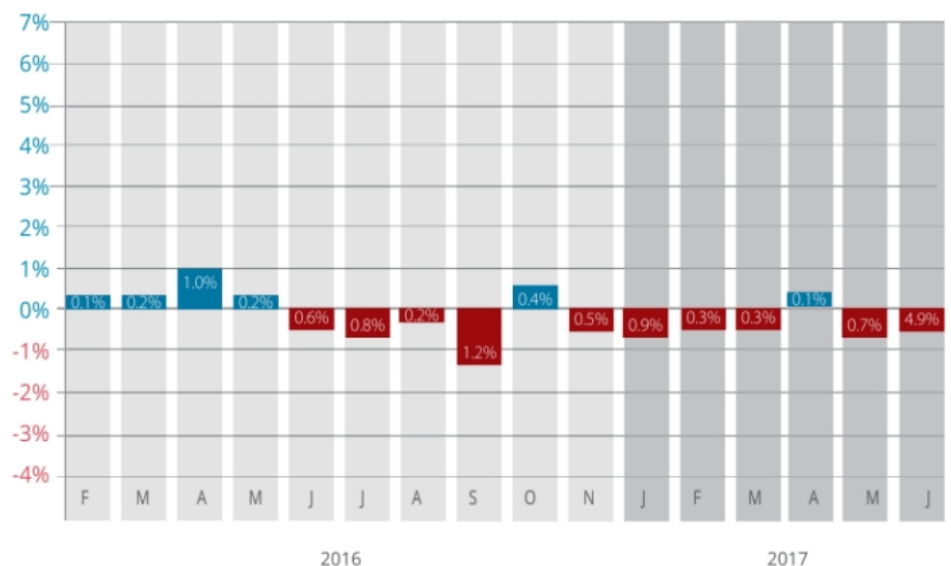
ON A MONTH-TO-MONTH BASIS – COMPARING PRICES DURING JUNE 2017 TO MAY 2017 – THERE WERE **THREE RISING CATEGORIES AND TWO DECLINERS**, WITH ONE CATEGORY – 1.5-CARAT STONES – STANDING STILL.

IDEX ONLINE POLISHED DIAMOND PRICE INDEX

POLISHED DIAMOND PRICES HAVE BEEN DECLINING SINCE THE MIDDLE OF LAST YEAR AND THAT CONTINUED TO BE THE CASE IN JUNE.

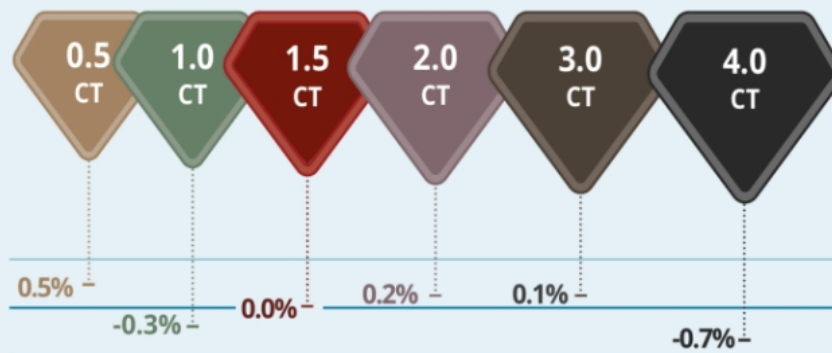


IDEX DIAMOND POLISHED PRICE TRENDS

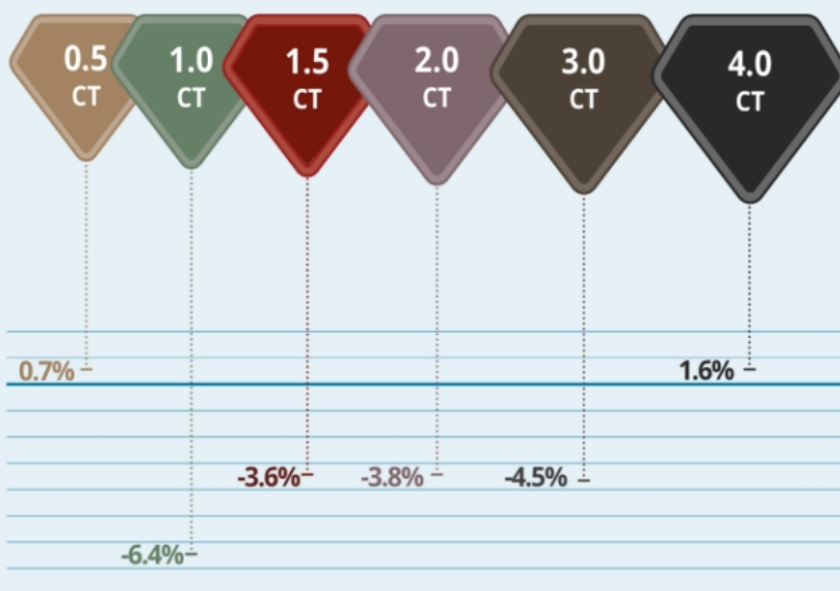


POLISHED PRICES

ON A MONTH-TO-MONTH BASIS – COMPARING PRICES DURING JUNE 2017 TO MAY 2017 – THERE WERE THREE RISING CATEGORIES AND TWO DECLINERS, WITH ONE CATEGORY – 1.5-CARAT STONES – STANDING STILL.



ON A YEAR-OVER-YEAR BASIS, THERE WERE FOUR DECLINERS AND TWO RISERS. WHILE THE 0.5-CARAT AND 4.0-CARAT CATEGORIES ROSE, ALL THE OTHERS DECLINED.



OUTLOOK

The market is slowing down as we head into the traditionally quieter summer months.

Reports from the major diamond trading centers suggest that activity is stable.

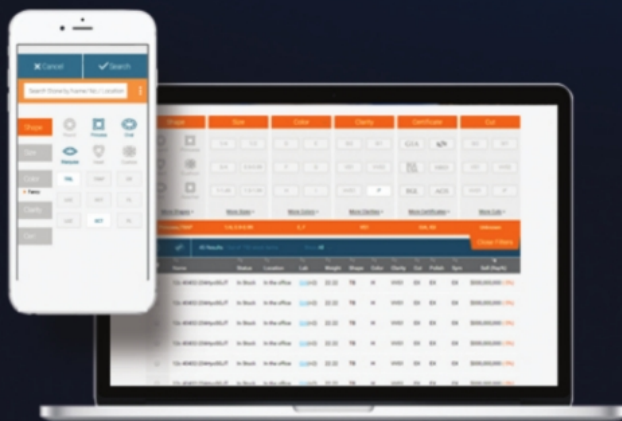
Reports from the JCK Show in Las Vegas suggested that foot traffic was lower than in previous years, but that the buyers who did attend were more serious.

Similar reports were heard at the June Hong Kong Gems and Jewellery Fair.

De Beers reported the sale of \$530 million of rough goods in June, despite industry players' comments that rough diamonds are priced much too highly and which are not enabling them to make a profit. The company raised prices slightly in some categories.

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BY MENAHEM SEVEDRMISH, FGA, D.LITT | EDITED BY FREDDY MANASSEH

GEMEWIZARD

Figure 2: The parcel of rough Tanzanite (Courtesy of Advanced Quality)

The Secret Art of Pre-Shaping

Since the dawn of history, men and women have realized that in order to expose the beauty of gems, it is essential to cut and polish them. Though some gem crystals look great in their natural form, cutting and polishing bring out the best in them, facilitating their setting in jewelry. But, it is really not that simple!

Cutting and faceting combine great depths of knowledge of the rough, its inclusions and color, and the effect that each of these factors has on the final beauty of the gem. Above all, each type of gem is different!

I am the president and CEO of my

company. Though we have several cutters here, nobody, and I mean nobody, could ever take from me the joy of pre-shaping the rough myself. This has been my hobby and my passion for the last four decades.

It all started decades ago, when my dear friend and mentor, Albert Mashiah, decided to teach me the art of cutting. Well, after six months into the making process, I had learned enough to turn the oddest shape of shattered glass into beautiful gem shapes, with correct proportions. Then came the amethyst rough and then, finally, the emeralds.

Emeralds, as you may all know, have inclusions looking like a garden (or jardin in French) within, some of them with very dense ones, indeed. Albert's emerald rough for teaching had jungles inside them! How on earth could one, under these circumstances, find a direction within the rough so as to display as little jardin as possible on the one hand and as much of the right color as possible, which occurs practically always in the wrong direction, on the other hand? Sometimes, the best color was observed through the C axis; sometimes, through the length of the crystal; and at times, at an angle. Six months later, I started doing well even in the eyes of Albert, who was a very meticulous teacher.

Then, instead of travelling to Africa and sourcing emeralds, I fell in love with tanzanite, both in rough and cut forms. I found myself studying in depth this crazy-looking rough. If I had thought that cutting emeralds was a tough job, tanzanite proved to me that I was totally naive! This gem's amazing pleochroism, from which each direction displays a different color, is very, very tricky to pre-shape and cut. I studied the rough using the renowned trial-and-error technique, and today, after four decades of pre-shaping, I can say with great confidence

that there are no two pieces of rough that are alike. Every parcel I cut teaches me something. The idea here is that you have to tilt each gem in such a way, that a table positioned just there would display the best combination of colors in the finished faceted gem. I must admit that at times I feel like an impressionist artist who works fast, and with every stroke of his paint brush, he exposes more of the picture.

I have devised a few methods to achieve this. I use a dichroscope to see which two dichroic colors appear, when I tilt the rough in all directions. Then, I try to examine the gem color using a torchlight, fiber optics and fluorescent light. But finally, what really works is experience and a bit of luck!! Every wrong decision may cost you lots of money and may result in an ugly gem, which would just sit in your inventory for ages – or what customers refer to as an "interesting" stone, meaning – not for me!

Now that you have an idea of what is involved in the art of pre-shaping (**Figure 1**), let me give you an example of an amazing fancy tanzanite parcel I pre-shaped recently, the tradeoffs during the process and the resulting gems.

The parcel included rough pieces of distorted crystal shapes of truly insane



colors, weighing between 30 and 100 carats per piece (**Figure 2**). Some pieces had small needle-like inclusions or “bread crumbs” near the surface, or small cracks, which had to be removed prior to reshaping. Furthermore, the color directions of each item had to be considered. The ones that displayed even the slightest glimpse of a pink, lavender, purple or green tint were chosen.

Focusing on color usually means that one ends up with smaller gems of more desirable colors. Thus, while normal pre-shaping would result in a 50 to 60 percent yield, depending on one’s skills, preferring certain color directions would usually result in a lower yield of, say, 40 to 50 percent. Therefore, the cost of pre-shaped rough may be double or more per carat than that of the original rough.

Additionally, when one takes into consideration a further 30 to 50 percent material loss from the pre-shaped item during cutting and polishing, one would end up with a total yield of 25 to 30 percent from the original rough item. A 100-carat rough may end up as a 25-carat faceted stone (!) upon completion, or in other words, your \$100-per-carat cost for your rough may turn out to be a \$400-per-carat cost for your faceted gem!

Any small change in the yield, due to various factors, such as the removal of inclusions, the odd shape of the rough, etc., greatly affects the cost. This tradeoff between a lower yield with a fine color, and a higher yield with a less desired color, is certainly not an easy decision to make. Not always should one aim for the better color. Now take a look at **Figure 3**, where a bunch of polished gems are presented.

Would anyone care to guess which gem came from which piece of rough? The transformation that took place from start to finish with such colors and such sparkle is truly remarkable. Based on the end results, it seems that I made the right choices along the way, don’t you think?

About Gemewizard®: Gemewizard® is a pioneer in the development of digital color-based systems, which provide solutions for professionals involved in the fancy color diamond, colored gemstone and jewelry industries, enabling the analysis, description, communication, pricing and trading of color in gems. The suite of products developed by Gemewizard® is based on the company’s groundbreaking color communication technology called GemaSquare™, which has been endorsed by GIA, and since 2006, has been incorporated into the GIA® curriculum.

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MINING NEWS

DOMINION REPORTS STRONG RISE IN OUTPUT IN FISCAL Q1

Dominion Diamond Corporation reported a 17-percent rise in carats recovered to 2.15 million carats in the first quarter of fiscal 2018 from 1.83 million carats a year before. This was largely due to production from the high-grade Misery Main pipe at the Ekati mine, with stable production at the Diavik mine for the three-month period ending April 30. A higher-value ore blend at Ekati continues to have positive impact on financial results, the firm said.

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ALROSA POSTS BIG JUMP IN MAY SALES, BUT JAN-MAY DOWN 5%

ALROSA posted a 33-percent jump on the year in rough and polished diamonds in May to \$472.1 million. Sales amounted to \$467.6 million.

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The Diavik mine in the Northwest Territories



ALROSA miners at work



Gem Diamonds CEO Clifford Elphick

DEBMARINE STARTS OPERATING NEW DIAMOND EXPLORATION VESSEL

The world's largest and most advanced diamond exploration and sampling vessel, the mv SS Nujoma, is ready to start exploring for diamond deposits in Namibian waters. The \$157 million vessel will enable Debmarine Namibia, a 50/50 joint venture between the government of Namibia and De Beers, to explore diamond deposits.

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GEM DIAMONDS RECOVERS TWO 100+ CARAT DIAMONDS FROM LETŠENG

Gem Diamonds Limited recovered a high-quality 104.73 carat, D-color Type IIa diamond and a 151.52 carat Type I yellow diamond from the Letšeng mine in Lesotho. The announcement followed the recovery in May of an exceptional 80.58 carat D-color Type IIa diamond and a 98.42 carat D-color Type IIa diamond, and a 114 carat D color Type IIa diamond in April.

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The mv SS Nujoma



The Gahcho Kue mine



Diamonds mined at the Tongo-Tonguma operation

MOUNTAIN PROVINCE DIAMONDS' HEAD PATRICK EVANS LEAVES


Mountain Province Diamonds Inc.'s President and Chief Executive Officer Patrick Evans left the firm at short notice in June, but will continue as a director and will facilitate the transitional period for his successor. The firm has recently started full production at its Gahcho Kue mine.

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STELLAR DIAMONDS SELLING ASSETS IN GUINEA FOR \$2 MILLION

Stellar Diamonds plc, the diamond development company focused on West Africa, is to sell its assets in Guinea to BDG Capital Limited for \$2,000,000 in cash. The money will be used to advance the development of the company's flagship Tongo-Tonguma mine development in Sierra Leone. Stellar has received \$250,000 cash (part of the consideration price) as an exclusivity fee.

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An illustration of a man in a tan shirt and green pants walking on a thin black line that represents a tightrope. He is holding a blue umbrella over his head. Several grey raindrops are falling around him. The background is white.

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LEVIAN'S OFFICERS

Name: Larry LeVian, Eddie LeVian and Moossa LeVian

Positions: Chairman, CEO & President

Company Name: Le Vian

Size of Business: Mid size, family owned

Years in Business: Jewelers to royalty in US since 1950

Business Philosophy: To be the company that compels every household to buy an item by Le Vian, the world's most beautiful and desirable jewelry.

PROFILE

WHAT SETS YOUR COMPANY APART FROM OTHERS IN THE INDUSTRY?

The love that we have for the industry is legendary. The family history spans from ancient royalty to today's red carpet events. The pivotal point of being chosen to guard the royal jewels in 1746 made us see ourselves as the guardian of the jewels in every generation, wanting to preserve gems that can only be found in one mine. The current generation of five brothers and sisters took the helm in 2000 and reinvented Le Vian as the trendsetting, celebrity-driven fashion house of fine jewelry, where we create 40,000 original new designs a year from pencil and paper drawings that tie into our annual trend forecast for the industry. Le Vian selects the top 5 percent of the gems and offers free certification and lifetime warranty and a full price buy back policy on all items at its shows.

WHAT ARE YOUR PLANS FOR YOUR BUSINESS IN THE FUTURE?

The Le Vian brand has always been known for gems and for color but has now become a major diamond house, successfully naming a diamond. The brand has extended to various categories of jewelry and timepieces over the last decade.

Future plans will take the Le Vian brand global and extend the brand to offer the lifestyle of Le Vian.

WHAT MAKES YOU MOST PROUD ABOUT YOUR COMPANY?

It makes us proud that as we have grown dramatically, having become the most recognizable brand of fine jewelry in America, we have remained a family business, deeply committed to our collectors, staunchly responsible in our sourcing and giving back 10 percent of our annual profits to charities.

WHAT IS THE MOST DIFFICULT BUSINESS DECISION YOU HAVE EVER HAD TO MAKE?

The most difficult decisions are always how to part ways with team members, since everyone is like family here.

WHAT IS THE BIGGEST RISK YOU HAVE EVER TAKEN?

The biggest risk we took was to consistently invest in branding efforts from 40 years ago when our annual sales were a mere fraction of what they are today, believing that the payback will be in the long term.

WHAT IS THE BEST PIECE OF ADVICE YOU HAVE EVER RECEIVED?

Live today like it is your last. Treat others as you wish to be treated.

WHAT IS YOUR BEST BUSINESS TIP?

Branding will go from 20 percent to 40 percent of fine jewelry sales by 2020. Our advice is that American businesses will have to invest in branding.

WHO OR WHAT OTHER BUSINESS OR BUSINESS PEOPLE INSPIRE YOU?

Chanel and Louis Vuitton.

IF YOU HAD ONLY ONE WORD TO DESCRIBE YOURSELF, WHAT WOULD IT BE?

Generous.

WHAT DO YOU MOST ENJOY ABOUT YOUR WORK?

We love what we do.

WHAT DO YOU DO TO RELAX?

Community work, travel, exercise.

WHAT WOULD BE YOUR DREAM JOB?

Working at Le Vian.

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