

Diamond Trade ‘Optimistic’ for 2017

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Source: National Jeweler

New York--According to Rapaport, diamond dealers are echoing the same sentiment expressed by jewelers--they gotta feeling that this year is going to be a good, good year.

In its monthly report for December, the Rapaport Group stated that initial indications from the holiday season were “encouraging,” noting the increase in consumer confidence in December and the rising stock market.

Interviews conducted by *National Jeweler* with jewelers across the country Tuesday seemed to affirm the notion that the holiday season just past was indeed a merry one, with all who were interviewed reporting they had a strong holiday season.

A number of jewelers said it was their best Christmas-Hanukkah stretch in years, leaving them extremely bullish on 2017.

The Rapaport Group said diamond dealers are optimistic about U.S. demand for polished diamonds in 2017, with the expectation that President-elect Donald Trump is going to reduce taxes and create jobs--pledges that have both come under scrutiny--“largely expected to improve trading conditions.”

Polished diamond prices, meanwhile, softened in December and diamond trading was quiet, as is normally the case during the month.

The RapNet Diamond Index (RAPI) for 1- and 3-carat GIA-graded diamonds was down 1 percent in December, while the RAPI for 0.50-carat stones fell 2 percent.

The only size tracked by the index to show a gain, albeit very slight, was 0.30-carat stones, up less than 1 percent.

For the full year, prices finished down 8 percent for 3-carat diamonds, down 5 percent for 1-carat diamonds, down 1 percent for half-carat stones, and down 0.5 percent for diamonds that are 0.30 carats.

The Rapaport report again noted the impact that Indian demonetization, which pulled the widely used 500 and 1,000 rupee notes out of circulation, is having on demand for lower-quality and smaller rough and polished diamonds.

De Beers and Alrosa both made the same observation when releasing their last sales reports of the year in December.

As for rough diamond demand, the Rapaport Group report said after being seasonally slow in the fourth quarter, it is expected to pick up in the first quarter 2017.