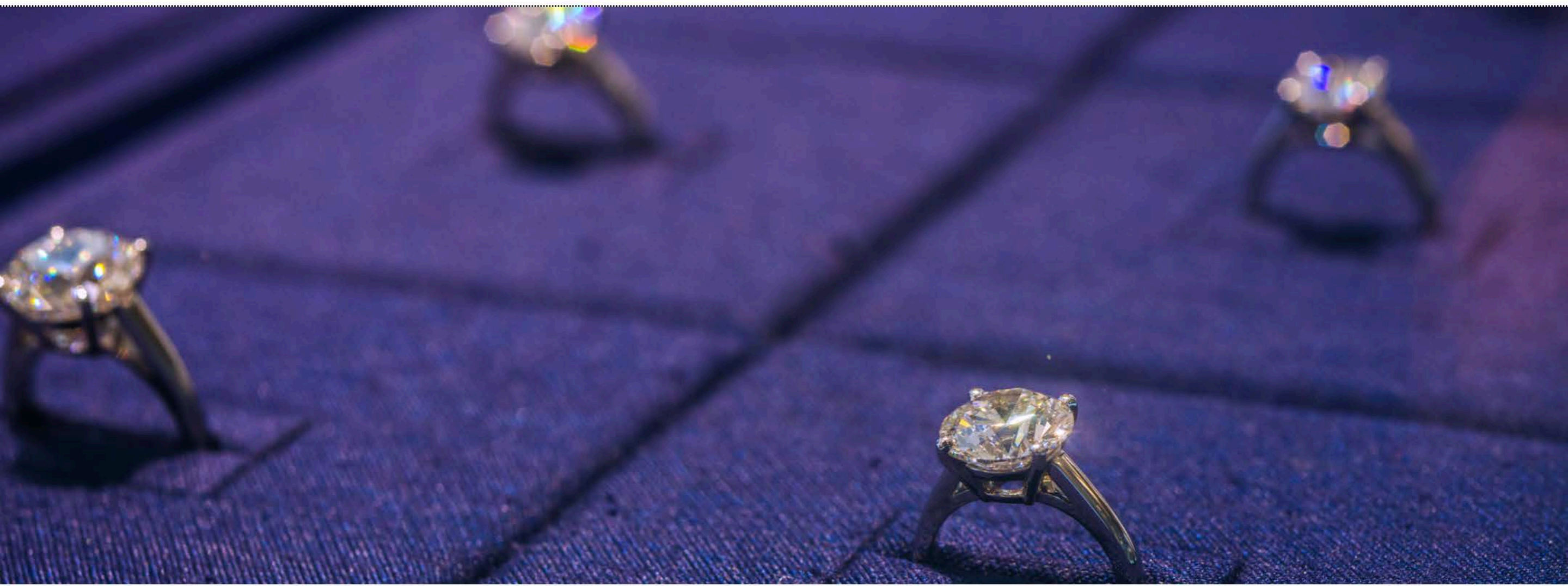


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De Beers Edges Up Diamond Prices Again Amid Record Demand

By Thomas Biesheuvel

May 17, 2018, 10:11 AM EDT

- ▶ Producer is said to raise prices for third straight sale
- ▶ Global diamond jewelry consumption rose 2 percent last year

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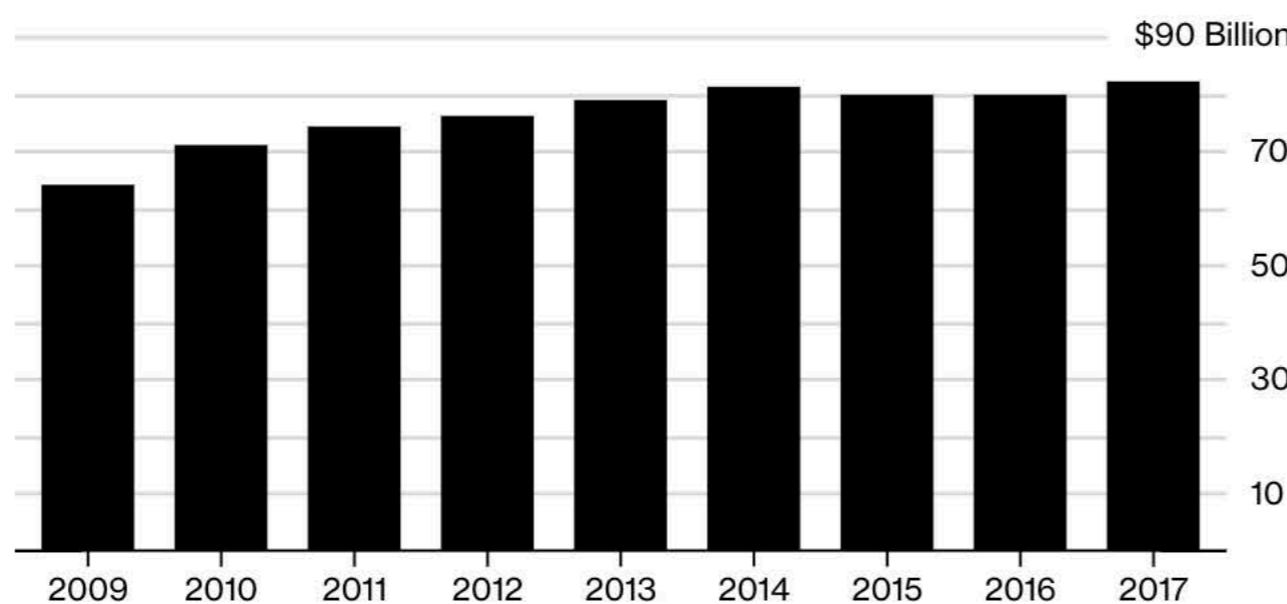
De Beers increased prices for the third straight time at its latest invitation-only diamond sale against a backdrop of record demand, according to people familiar with the matter.

The world's biggest diamond producer increased prices by nearly 1 percent, according to the people, who asked not to be identified because the prices are secret. While the gains are modest, they come on top of other recent increases. The two previous sales, known as sights, saw gains of 1 percent to 2 percent, according to the people.

While the latest sight is ongoing, total sales are likely to be \$530 million to \$550 million, the people said. The price gains weren't uniform, with steeper gains for good-quality stones bigger than 1 carat, the people said. Some smaller and lower-quality stones saw price cuts.

Diamond Demand Starts to Grow Again

■ Global diamond jewelry demand



Source: De Beers

The sale comes after De Beers announced that diamond jewelry demand rose to a record \$82 billion globally in 2017 after several years of stagnation. That was a 2 percent increase from a year earlier, with U.S. purchases growing 4 percent to \$43 billion. Consumption also grew in China. The company said demand remains positive this year.

“People around the world are spending more on diamond jewelry than ever before, and it’s encouraging to see consumers in the U.S., the world’s largest and most mature market, leading the way,” Chief Executive Officer Bruce Cleaver said in a statement.

Rough diamond prices rose to highest since July last month, while the margins for traders who sell De Beers’s stones in the secondary market are also improving, especially for larger stones. Rough prices have risen 3.4 percent so far this year, while polished stones have increased 4 percent, according to a report from analyst Paul Zimmisky this month.

De Beers sells diamonds at its private sights held 10 times a year at its offices in Botswana. The company sets the prices, and its handpicked customers, known as sightholders, are not able to negotiate.

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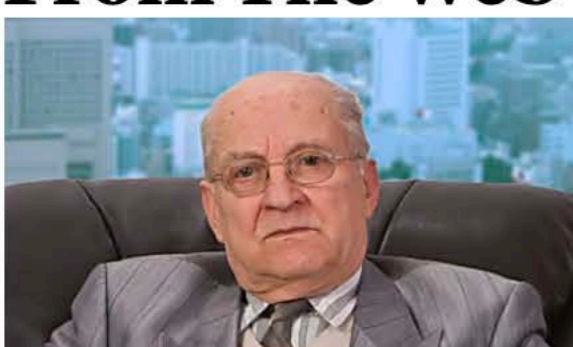
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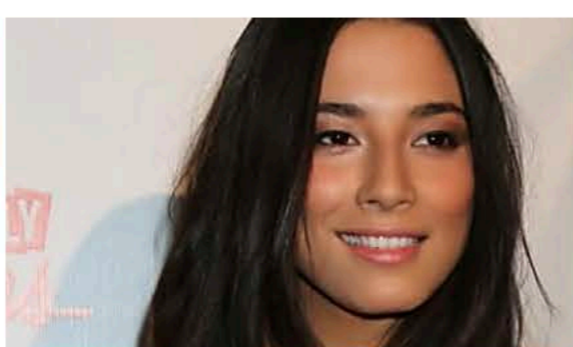
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