

RESEARCH

Fancy blue diamond demand up 4.8pc from year-ago period

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Fancy intense blue diamond ring by Tiffany & Co.

By STAFF REPORTS

The price of blue diamonds increased by 1.7 percent in the first quarter of 2016, according to a new report by the Fancy Color Research Foundation.

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While blue diamonds saw positive growth, yellow fancy diamond pricing declined by 1.8 percent, driven by stones in the 1 to 3 carat range, as well as pink diamonds benefiting from a slight increase of 0.3 percent. Understanding the fluctuation in pricing structures of colored diamonds can assist jewelers in planning and also may sway investors toward blue stones rather than traditional white diamonds as an asset.

The FCRF works to empower fancy color diamond sellers by improving consumer experience through information. As a nonprofit, FCRF provides color diamond sellers with fact-based support by tracking supply, pricing trends and codes of fair-trade transparency.

Singin' the blues

Overall the fancy color diamond category remained unchanged for the period. Comparatively, white diamond prices saw mixed results for the first quarter of 2015. According to the RAPI, the white diamond category saw 0.5-carat and 1-carat pricing growing by 5.2 percent and 1.4 percent, respectively, while 3-carat stones declined by 2.9 percent.

For fancy color diamonds, the strongest performing in Q1 2016 were the fancy intense blue and fancy vivid blue stones across carat sizes. Also, performing well for the quarter were fancy vivid pink of 5-carats or more.



Tiffany & Co. yellow diamond rings

Fancy yellow stones, especially smaller carats, saw the most decline in price for the category. This decline mirrors that of the first three quarters of 2015, but is a departure from Q4 2015, when yellow diamond prices increased by 1.1 percent.

Year-over-year, the Fancy Color Diamond Index rose 0.6 percent, with fancy blue and fancy pink up 4.8 percent and 1.7 percent, respectively, whereas fancy yellow dropped 3.3 percent. Similar to Q4 2015, across colors, the fancy intense and the fancy vivid diamonds saw the most robust price increases, which were offset by a decline in stones classified as fancy.

Despite a slowing demand in China, the white diamond industry's revenue value chain grew by 4 percent in 2014 and the first half of 2015, according to a new report by Bain & Company.

"The Global Diamond Industry 2015: Growth perspectives amid short-term challenges" report examines major developments in the diamond industry's value chain with a focus on the reasons behind a drop in rough and polished diamond prices and slowing economic growth. By comparing 2014 results to the 2015 market, those in the diamond industry most notably high-end jewelers can gauge expectations for recovery in a climate that has seen uncertain demand and price cuts ([see story](#)).

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