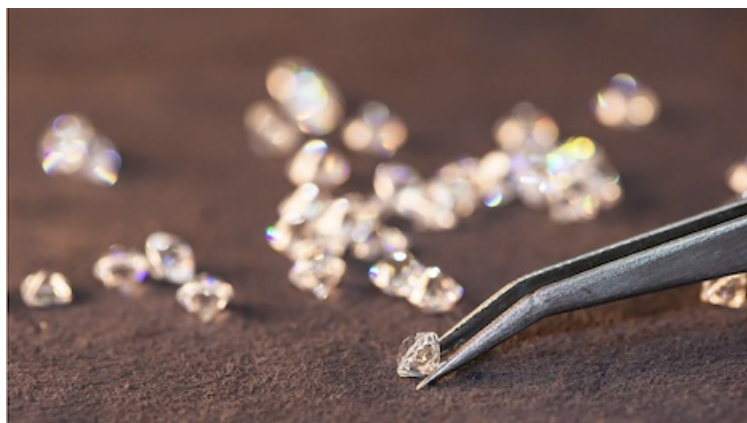


JEWELRY

Demand for diamonds drops in November over respective US, China issues

December 7, 2022



As a result of the economic crisis in the United States, and the health struggles China faces, the demand for diamonds declined last month. Image credit: Rapaport

By LUXURY DAILY NEWS SERVICE

Demand for diamonds declined last month as a result of the economic crisis in the United States and the health struggles that China faces.

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With the lower demand came lower prices, with the diamond market experiencing a back-up of inventory. The RapNet Diamond Index recorded the decline as being 3.1 percent in November.

With the holiday season commencing, sales in some areas are picking back up. Consumers have noticed the drop in prices, and many are finding the gems to be more accessible to them for gifting.

RapNet reports a 40 percent drop since April in 0.3-carat diamonds on its site, signaling the rise in affordability.

Ultimately, however, inventory is still extremely backed up at historic numbers.

This month, RapNet's inventory rose 8 percent in volume since last year, with the platform now holding 1.85 million diamonds.

Rough times

While diamonds are plummeting in price and sales, bargain versions of the gemstone are having a moment.

Due to the economic difficulties being experienced by popular diamond markets, more consumers are actually gaining access to the historically expensive gem. Shoppers in these markets have less financial flexibility, but the prices are dropping low enough to meet them in the middle.

This was especially clear on popular sales days, with U.S. online purchases alone growing 6 percent on Cyber Monday. National Retail Federation released data showing record-breaking numbers of shoppers showed up both in-person and virtually during the sales-heavy weekend.

Despite this rise in budget-diamond shoppers, stockers are refraining from filling their usual inventory counts, feeling cautious about the financial crisis at large.

The second-hand diamond sector is even experiencing the decline, with dealers such as De Beers relying on price-slashes both in-house and at auctions.

As the COVID-19 emergency worsens in China, diamond sales are falling accordingly. Meanwhile, Hong Kong, while improving, is losing tourism numbers, creating a difficult situation for the market there as well.

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