

Good Demand & An Elevated Mood In Indian Diamond Market

The Indian diamond market has shown strong movement in the post-Diwali period. So much so, there has been a dramatic shift in the general mood. Up until now, many players were just hanging on, wondering whether they ought to get out while they could. Now everyone wants to do business.

Demand has emerged for almost every category of goods from the lower clarities upwards. Previously, demand had centred mainly around VS+ goods. Many see this as a sign of a healthy market and feel it bodes well for the future.

However, shortages of goods are still the order of the day and according to many, this situation is unlikely to change for the next few months. Factories are still not anywhere near full capacity. One problem is that many of the artisans who had been laid off when the economic slowdown hit the industry, are now unwilling to return, preferring other jobs that they see as offering a more secure future. The other big issue is the non-availability of rough and the fact that what is available is not at prices that will ensure sustainable margins.

Market data as of 25/11/09

SIZE / CTS. (SIEVE)	Current Demand	Demand In 2 Weeks	Current Availability	Availability In 2 Weeks	Price Change In 2 Weeks	Comments
-0.01 (-2)	VERYGOOD	↔	SHORTAGE	↔	↑ 2%-3%	Very good demand for -\$200 whites. Good demand for +\$200 whites.
-0.02 (+2-6.5)	GOOD	↔	SHORTAGE	↔	↑ 1%-2%	Good demand for -\$250 whites.
0.03-0.07 (+6.5-11)	VERYGOOD	↔	SHORTAGE	↔	↑ 2%-3%	Very good demand for -\$250 whites. Good demand for +\$250 whites.
0.08-0.14 (+11-14)	GOOD	↔	SHORTAGE	↔	↑ 1%-2%	Very good demand for -\$350 whites. Good demand for +\$600 whites.
0.15-0.17 (+14-15.5)	GOOD	↔	SHORTAGE	↔	↑ 1%-2%	Very good demand for -\$350 whites. Good demand for +\$650 whites.
0.18-0.22	GOOD	↔	SHORTAGE	↔	↔	Good demand for +\$650 whites.
0.23-0.29	FAIR	↔	SHORTAGE	↔	↔	Fair demand for +\$750 whites.
0.30	GOOD	↔	SHORTAGE	↔	↑ 1%-2%	Good demand for I2/I3&VS+/J+.
0.50	GOOD	↔	SHORTAGE	↔	↑ 1%-2%	Good demand for I1+/I+.
0.75	GOOD	↔	SHORTAGE	↔	↑ 1%-2%	Good demand for I2-I3/ I+.

1.00	VERYGOOD	↔	SHORTAGE	↔	↑ 3%-4%	Very good demand for VS+/ J+. Good demand for SI-I2/K+.
2.00	FAIR	↑	SHORTAGE	↔	↑ 1%-2%	Fair demand for VS2+/ J+.
+3.00	FAIR	↔	FAIR	↔	↔	Fair demand for 3.00cts VS2+/ J+.

Key: ↑ ↔ ↓ Indicates change in status (increase, no change, decrease). Colored arrows indicate whether the change (or none) means goods will be easily **Available**, in **Fair** availability, or in **Shortage**.