

## Polished Price Differential Is A Damper Despite Good Demand

Demand is good – particularly from domestic markets – and there are many buyers in the Mumbai diamond market. However, a consistent worry is the high price of rough, which is moving up in multiples of the relatively small increases in polished prices. This has led to a situation where polished buyers have refused to pay the much higher prices sought by manufacturers. The situation has generated a lot of caution among manufacturers, many of whom have not yet moved their production up to full capacity yet.

The detaining of several Indian diamond dealers in China and the pending outcome of their legal woes, has led to a marked slowing down in the movement of stars (-0.02 carat) and smaller goods. China has been a good market for small diamonds from India.

Exchange rate fluctuations have slowed down the movement of certified stones to some extent in the domestic market.

### Market data as of 10/02/10

SIZE / CTS. (SIEVE )	Current Demand	Demand In 2 Weeks	Current Availability	Availability In 2 Weeks	Price Change In 2 Weeks	Comments
-0.01 (-2 )	GOOD	↑	SHORTAGE	↔	↑ 2%-3%	Very good demand for \$100-\$350 whites. Fair demand for \$150-\$300 OWTTLC.
-0.02 (+2-6.5)	GOOD	↑	SHORTAGE	↔	↑ 2%-3%	Good demand for -\$350 whites. Fair demand for \$150-\$300 OWTTLC.
0.03-0.07 (+6.5-11)	VERYGOOD	↔	SHORTAGE	↔	↑ 2%-3%	Very good demand for -\$300 whites. Good demand for +\$300 whites. Fair demand for \$150-\$300 OWTTLC. Most required sieve is +8.
0.08-0.14 (+11-14)	GOOD	↔	SHORTAGE	↔	↑ 2%-3%	Very good demand for -\$400 whites. Good demand for +\$500 whites.
0.15-0.17 (+14-15.5)	GOOD	↔	SHORTAGE	↔	↑ 2%-3%	Very good demand for -\$450 whites. Good demand for +\$550 whites.
0.18-0.22	FAIR	↔	SHORTAGE	↔	↑ 2%-3%	Fair demand for +\$600 whites.
0.23-0.29	GOOD	↔	SHORTAGE	↔	↑ 2%-3%	Good demand for +\$700 whites.
0.30	GOOD	↔	SHORTAGE	↔	↑ 2%-3%	Good demand for I2/I3&VS+/J+.
0.50	VERYGOOD	↔	SHORTAGE	↔	↑ 2%-3%	Very good demand for SI+/J+. Good demand for I1-I3/J+.
0.75	GOOD	↔	SHORTAGE	↔	↑ 2%-3%	Good demand for VS+& I1-I3/ J+. Shortages for +0.80 cts.
1.00	VERYGOOD	↔	SHORTAGE	↔	↑ 3%-5%	Very good demand for VS+/ K+. Good demand for SI-12/K+.

2.00	GOOD	↑	SHORTAGE	↔	↑ 2%-3%	Good demand for VS2+/ G-J.
+3.00	FAIR	↑	FAIR	↔	↑ 2%-3%	Fair demand for 3.00cts VVS-VS/ G-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**.