

## Good Demand, Shortages Lift Polished Prices

There is very good demand in the Mumbai diamond market and prices are on the rise – primarily due to shortages. However, the overall performance of the market is much better than expected for the post Diwali season. Interestingly, while there are few overseas buyers to be seen in Mumbai right now, most of the current demand is for the domestic market and there is no perceptible lift for the Christmas season in the US and Europe as has traditionally been the case.

The shortages of goods are not likely to ease soon as manufacturers are not willing to buy rough at the prices now being quoted. Additionally, laid-off workers are hard to replace, with many old hands now unwilling to come back into the diamond industry and so many of the units that do want to boost production to higher levels are unable to do so.

### Market data as of 10/11/09

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%	Good demand for -\$300 whites.
-0.02 (+2-6.5)	GOOD	↔	SHORTAGE	↔	↑ 1%-2%	Good demand for -\$300 whites.
0.03-0.07 (+6.5-11)	VERYGOOD	↔	SHORTAGE	↔	↑ 2%-3%	Good demand for +\$100 whites.
0.08-0.14 (+11-14)	GOOD	↔	SHORTAGE	↔	↑ 1%-2%	Good demand for -\$350 whites.
0.15-0.17 (+14-15.5)	GOOD	↔	SHORTAGE	↔	↑ 1%-2%	Good demand for -\$350 whites.
0.18-0.22	FAIR	↑	SHORTAGE	↔	↔	Fair 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	↔	↑ 2%-3%	Very good demand for I1+/ K+.

2.00	FAIR	↑	SHORTAGE	↔	↔	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**.