

■ SPECIAL REPORT ■

SHINING BRIGHT

A GOOD TIME TO INVEST IN PINK, BLUE OR YELLOW DIAMONDS?

Fancy coloured diamonds in distinctive shapes are capturing investors’ interest, with yellow stones front and centre at Haute Couture Week, and Rio Tinto announcing a new Beyond Rare Tender, writes **Francesca Fearon**



Carla Bruni wears the Glitter Fever set, part of the Midnight Sun collection from Messika. Photos: Handouts

There was a moment in Westminster Abbey just before Charles III’s coronation when South African opera singer Pretty Yende performed an aria wearing a suite of canary-yellow diamonds by Graff to complement her yellow gown.

Fast-forward two months to Haute Couture Week in Paris – when all the major jewellers present their new collections – and Graff’s Paris flagship boutique was bursting with yet more yellow stones. The Sunrise collection brought together an incredible selection of rare yellow diamonds including a 30.28-carat fancy intense yellow diamond with the sunniest hue, set in a yellow and white diamond pendant.

“[Laurence] Graff was loving yellow diamonds at a time when everyone else was only looking at white – he started collecting the best yellow,” says design director Anne-Eva Geffroy. Graff began his collection in 1974 with the historic Star of Bombay yellow diamond. “They bring so much joy,” she adds. “Now we’re quite famous for our yellow diamonds, and they’re becoming very fashionable.”



Graff 30.28-carat fancy intense yellow diamond pendant with yellow and white diamonds, from the Sunrise collection. The brand was ahead of its time in championing the yellow stones since the 70s

ultra-rare diamond had been cut into a cushion shape and was awaiting a client to choose its setting. The price? Just shy of HK\$94 million.

De Beers’ Metamorphosis collection is notable for several exceptional diamonds aside from the orange, including a 10.28-carat fancy vivid orange-yellow diamond and an extremely rare fancy intense pinkish-purple diamond ring. “We’re seeing increased interest in coloured diamonds – especially in distinctive shapes,” says Céline Assimon, CEO of De Beers Jewellers, who mentions one client who requested very specific proportions for her pear-shaped earrings, which De Beers was able to accommodate.

“High jewellery is still an investment category, like couture or art. There is value in the design and craftsmanship but also in the materials used, which should be the finest – the best of the best. It’s a constant in how this category has grown over time, catering to a discerning clientele,” she adds.

All high jewellery can be considered a form of investment, with prices for these one-of-a-kind designs starting at around HK\$1.5 million. When you take into consideration a highly sought-after, rare, vividly coloured diamond, then “investment” takes on a whole new meaning. This is where the smart money is – even banks invest in these geological rarities.

The value of natural-coloured diamonds rose 77 per cent between 2010 and 2019 according to the Israel-based Fancy Color Research Foundation (FCRF). Fancy pink diamonds led the index during the decade, increasing in value by 116 per cent, while the value of fancy yellow and fancy blue diamonds rose by 21 per cent and 81 per cent respectively.

The steep rise in the value of pink diamonds seen in the last decade is partly attributable to Chinese buyers entering the market. “The year 2010 marked a landmark in this segment,” says Miri Chen, CEO of FCRF.

“Since then, prices have steadily increased year after year due to unprecedented demand for fancy coloured diamonds from the Chinese market. It’s believed that a third of fancy coloured diamond buyers worldwide are Chinese.”

In Hong Kong, Ronald Abram has noticed how blue and pink diamonds have long been desirable among his discerning clientele – “owing to their collectability”, says the brand’s director, Jonathan Abram.

The company’s collections feature a couple of beautiful fancy vivid blue diamond rings and an impressive 10.24-carat fancy intense purple-pink diamond ring.

Among other fancy coloured diamonds, Abram highlights how yellow diamonds have maintained their popularity in Hong Kong for more than 40 years. The jeweller has established such a strong market for yellow diamonds that they are now the brand’s bestselling stones after white diamonds.

However, Abram has noticed a rise in interest over the past couple of years due to their increasing value: “Collectors in our region tend to make acquisitions as prices increase, resulting in a commensurate growth in appetite for these diamonds,” he says.

Chen observes that fancy yellow diamonds have been a good investment because there are more buyers who can afford them compared to pink or blue diamonds. “The fact that most high-end brands are building jewellery collections with fancy yellow diamonds helps maintain their price stability,” she adds.

Naturally, fancy coloured diamonds are coveted not solely for their scarcity but also for their quality, size and beauty. The

more intense the colour, the greater the value.

A flawless 15.10-carat De Beers fancy vivid blue diamond sold at Sotheby’s Hong Kong last year for HK\$451 million, while the 10.57-carat Eternal Pink, the most vivid pink diamond ever to come to auction, sold at Sotheby’s New York in June for HK\$271.44 million. These stones are of course of supreme quality as well as size, and therefore beyond rare. They also offer a valuable indication of public sentiment, which jewellers look to – although private transactions play an important role in valuing a stone.

Pascal Mouawad, co-guardian with his brothers of the Mouawad diamond dynasty, shares Abram’s view on yellow diamonds. “Fancy vivid yellow diamonds are becoming rarer and so are really holding their value,” he says, noting that Mouawad’s Hong Kong clients are always looking for masterpieces: flawless, classical in style and set in smaller pieces, such as rings or earrings – unlike their Middle Eastern clientele, who tend to buy large necklace sets. “[East] Asians appreciate quality rather than size,” the jeweller observes.

Mouawad’s father – a royal jeweller and watchmaker to the Saudi Arabian royal family during the oil boom of the 1970s and 80s – was a famous collector of significant and exceptional diamonds, giving the family a deep insight into the stones’ investment potential and

collectability. Interestingly, Mouawad has noticed that the market for blue and pink diamonds has gone a bit soft – “but this means it’s a good time to invest as the market will come back”, he says.

Compared to the steep rises in value seen in the first half of last decade, prices of fancy coloured diamonds



Summer ring from De Beers’ Metamorphosis collection

have slowed. But as Harsh Maheshwari, executive director of Kunming Diamonds, a leading trading house in polished natural-coloured diamonds based in Hong Kong, points out: “The market for colour is maturing but not peaking yet.” He therefore remains bullish about the situation.

Kunming Diamonds has a particular affection for pink diamonds, which mostly come from Africa and Brazil, but especially the small yet highly collectable and exceedingly pretty pink, purple and red



Ronald Abram 3.88-carat emerald-cut fancy vivid blue diamond ring

diamonds from the Argyle mine of Western Australia, which closed in late 2020.

Kunming secured much of the last tender from the mine, but there is huge excitement as Rio Tinto (owner of the mine, which produces Argyle Pink Diamonds) announced in October a special new Beyond Rare tender to the diamond industry. These diamonds are the most intensely coloured, but they are also very small – less than half a carat in size – and will eventually filter into prestigious jewellery collections.

While Chinese clients are generally not shy about looking for investment possibilities in these rarities of nature, the big jewellery houses would be reluctant to admit that some jewellery in which they have invested a great deal of creativity and craftsmanship might be bought simply for investment, to be resold at a later date.

However, in these uncertain times, even the super-wealthy are making decisions with one eye on the future.

FRIENDSHIPS BEYOND DISTANCE



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