

Colored Diamonds Continue to Shine as Investment Vehicles

Colored diamonds are investment tools to have in a portfolio due to their rarity, demand and appreciation in value.

NEW YORK, UNITED STATES, October 20, 2021 /EINPresswire.com/ -- [Colored diamonds](#) are gems that form for millions of years in the ground. When they are recovered, they remain a nonrenewable resource, scarce, high in demand and appreciate in value over time – thus making them the ultimate investment vehicles.

The valuation of colored diamonds begins with their scarcity. Red Diamonds, for example, are rare to find such that “over a 30 year period from 1957 to 1987 there was no mention of a GIA lab report issued for a diamond with “red”,” reports GIA. One carat of any colored diamond is discovered for every 100,000 carats of colorless diamond found.

As rare as they are, few mines in the world produce colored diamonds. The Argyle mine that produced 90 percent of the world’s most expensive pink diamonds was closed in 2020. This closure increased the scarcity of colored diamonds around the world. As the scarcity increases the appreciation of these desired gems increases.

What also increases the appreciation or valuation is the demand due to emotional connection to colored diamonds. A customer sentiment survey by Bains and Company in 2020 reveals that “consumers in the US, China and India, 60% to 70% of respondents believe diamonds are an essential part of a marriage engagement.” The report further explains that 75 percent to 80 percent of these consumers plan to spend more or the same on diamond jewelry after the pandemic.

While consumers have access to buy colored diamonds on jewelry, ordinary investors may not



15.11 carat orangish yellow diamond sold at Alrosa’s “True Colors” auction in Hong Kong September 2018

have direct access. Many tenders are held in privacy and are only open to connected investors by invitations. This secrecy creates an allure of exceptionalism that ultimately adds to the valuation of colored diamonds.

In changing economic atmospheres, “colored diamonds appreciate even in turbulent times against the backdrop of instability of the world economy”, says Yuri Okoyemov, vice-president at Alrosa, the world’s largest diamond mining company by volume.

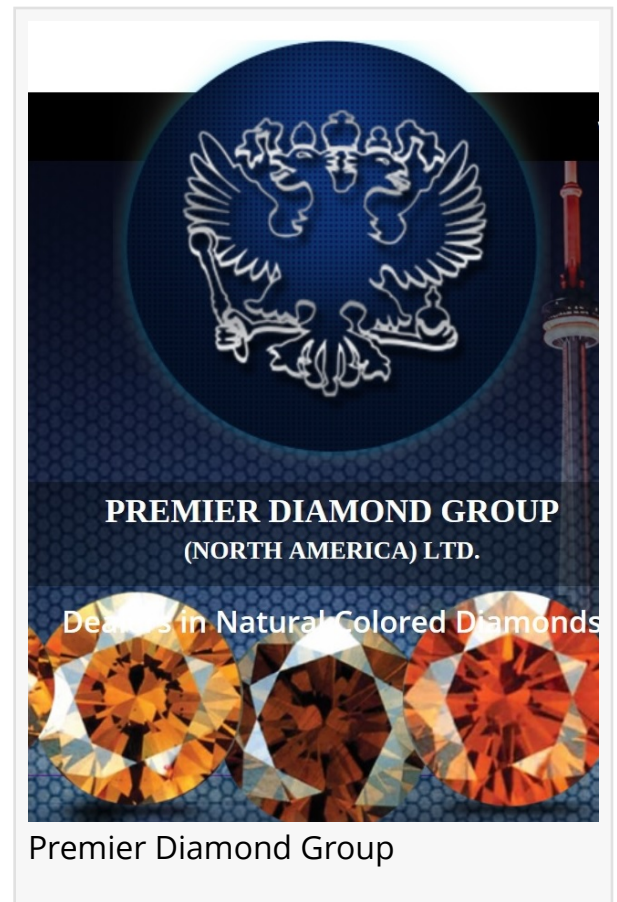
Tracked by Knight Frank as one of 10 luxury investment assets along with jewelry in general, art, wine, watches, and cars, the value of colored diamonds has appreciated 70% in the last decade or about 12% every year, according to The 2018 Knight Frank Luxury Investment Index.

In 2018, a 18.96-carat rectangular fancy vivid pink diamond, The Pink Legacy, fetched US \$50.4 million at Christie’s Geneva, setting a record price per carat for a pink diamond sold at auction, at US \$2.6 million. In 2017, The Pink Star, a 59.60-carat fancy vivid pink diamond fetched US \$71.2 million at a Sotheby’s auction in Hong Kong. It retained the title of most expensive pink diamond in the world. Also in 2017, Christie’s Hong Kong sold The Pink Promise, an oval-shaped, 14.93-carat fancy vivid pink diamond, for US \$32.5 million, or US \$2.2 million per carat.

In conclusion, colored diamonds as a vehicle for investment will shine because this hard investment asset is scarce, consumers have emotional connection to own or share as gifts. There are few mines to recover and put them into the market so as to meet the demand. As a result, the market value of available colored diamonds continue to appreciate.

This appreciation will continue in the future, hence making colored diamonds to shine as possible investment vehicles.

Like with any investment, it is the responsibility for the investor to seek expert advice or do some due diligence. There are vast resources on natural colored red diamonds available to the public. However, the President of [Premier Diamond Group](http://premierdiamondltd.com) (North America) Ltd, Mr. David Metcalfe is available for consultation. He is a pioneer in the branding of natural colored diamonds as a hedge against excessive market volatility brought about by speculation and government credit excesses. For more information, go <http://premierdiamondltd.com/contact-us/>.



About Premier Diamond Group (North America) Ltd

Premier Diamond Group specializes in the purchase and sale of natural colored diamonds for wealth accumulation and estate planning purposes. The firm holds membership in the International Colored Gemstone Association and the U.S. Chamber of Commerce.

For more information, go to <http://premierdiamondltd.com/>.

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