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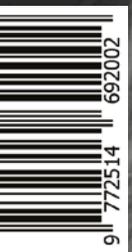
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A PILGRIMAGE AROUND THE BRITISH COASTLINE

PINK DIAMONDS

A STORY OF BEAUTY AND RARITY



Business

INVESTING IN PINK DIAMONDS

by Francesca Fearon

In these uncertain times investors are looking for safe havens for their money and diamonds might be a good place to start, especially pink ones, because the world's most reliable source of these pretty-coloured gemstones, the famous Argyle diamond mine in Australia, closed at the end of 2020.

For the past 37 years the vast Rio Tinto-owned mine has been producing 90 percent of the world's supply of this, one of the rarest most valuable gems on Earth. The very best of the diamonds, a mere 60 or so gemstones annually, of scintillating brilliance from sublime, purplish-tinged pinks to blue, an occasional violet and red - the rarest of all - are sold via sealed bid in the prestigious invitation-only annual tender to partner diamantaires like Kunming Diamonds in Hong Kong, Andre Messika in Israel and pink diamond specialist retailers like Calleija in Australia.

The remainder are sold to a carefully controlled global network of 35 "select ateliers" including Tiffany & Co in New York, Chow Tai Fook in Hong Kong and

Boodles in London, who work the fancy pink diamonds into their creations, which then bear the celebrated Argyle Pink Diamond brand name. Last year's auction was the penultimate offer, there will be one more in late 2021, and so for those who adore pink diamonds this is a pivotal moment.

These dazzling pink stones range from 1 carat to 2.5 carats and as Patrick Coppens, general manager of sales and marketing for Rio Tinto's diamond business, points out "People who buy one of Argyle's top-quality pink diamonds join one of the world's most exclusive clubs." The bidding can be very intense with the market recognising the "finiteness of supply and the rarity of Argyle pink diamonds." More than 865 million carats of rough diamonds have emerged from Argyle since production began, but only around 0.01 percent are pink rough diamonds that are subsequently cut and polished with varying yields. In fact, the number of high-quality cut and polished pink diamonds to go for tender since 1984 would barely fill two champagne flutes.

"What makes them so special," explains Tamara Moussaieff, the gemstone buyer for Bond Street diamond specialists Moussaieff, "is that the colour of Argyle diamonds is absolutely unique, in that it is more deeply saturated than diamonds from

other locations." Their hue and saturation have never been seen before in a diamond and is thought to be the result of very high temperatures and pressures over a long time where they are formed deep in the earth's mantle. "Because they are both pink and have a unique saturation, they are more desirable than any other diamonds of the same colour," adds Moussaieff whose family business was one of the first to buy these stones when the mine opened. Unsurprisingly, these rare pink gems have investor and heirloom appeal. As diamantaire André Messika points out, Argyle Pink Diamonds command the highest prices: "The percentage difference could be between 15-30 percent (to other pink diamonds) due to them coming from the Argyle mine."

Prices in the annual sealed bid auctions for Argyle Pink Diamonds have appreciated 500 percent since 2000. "Even in such unprecedented times, sale of these diamonds has not only been insulated, but the value has appreciated and are at an all-time high in demand," says Harsh Maheshwari, the executive director of gem merchants Kunming Diamonds who successfully bid last year for the 2.24 carat Argyle Eternity, the most valuable Fancy Vivid diamond in the tender's 37-year history, as well as several other signature stones and some of the Petite Suites (curated sets of miniature



Harry Winston's Pink Legacy - 18.96 carats.

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They are more desirable than any other diamonds

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rare red, pink, violet and blue diamonds). "Demand for these rare diamonds, generated by collectors, connoisseurs, the new rich that desire these miniature works of art, will continue to grow."

At retail, Boodles' director and gemstone buyer Jody Wainwright admits, "We tend to sell Argyle (pink diamonds) very quickly."

The family-owned business was invited into the Argyle circle as one of its authorised retailers in 2014 and was so smitten by the hue that it adopted Argyle's pink as Boodles' signature colour. "We have grown to appreciate both the rarity and the genuine desire held for these precious diamonds," says Wainwright, who is always looking to acquire more for his clients. He agrees now is the time to invest, sales have been extremely strong because they are perceived as a good investment. Beauty giving birth to desire and rarity, speaking of limited supply are, he says, "the best formulas for increasing prices."

Their diminutive size, intense hue and consistent supply made the Argyle Pink Diamond incredibly appealing, however there are other less dependable sources like Russia, Brazil, South Africa and Angola, which have sporadically unearthed even bigger gemstones, but these are incredibly rare and wouldn't satisfy demand. For this reason, pink diamonds can make headline news at auctions. The Oppenheimer family sold at Christie's Geneva two years ago an 18.96-carat Fancy Vivid Pink of extraordinary purity for \$50.3 million, which was acquired by Harry Winston and renamed the Winston Pink Legacy.

By sweet serendipity, the carat size of the rectangular-cut diamond mirrors the birth year of the "king of diamonds", 1896, and its unveiling as a ring in February marked this 125th birthday. Even more spectacular was the \$71.2 million spent in 2017 by the Chow Tai Fook family at Sotheby's Hong Kong on a 59.60-carat oval Fancy Vivid Pink diamond renamed the CTF Pink Star. The 132.50-carat rough from which this diamond was cut, was mined by De Beers in South Africa in 1999 and is the largest pink diamond ever recorded.

Rather more accessibly priced, and wearable, is the sweet Fancy Pink diamond ring made by the jeweller Meister, circa 1968 that was recently auctioned for £838,750 by Bonhams, London, which has a strong track record with coloured diamonds; although even that exceeded pre-sale estimates. There was also a beautiful flawless pear-shaped 14.83-carat Russian Fancy Vivid Purple-pink diamond, named the Spirit of the Rose, auctioned at Sotheby's Geneva in November for US\$26.6 million, a world record for a purple-pink diamond. A diamond like this really is scarce: one percent of pink diamonds are larger than 10 carats and only 4 percent are graded as Fancy Vivid in colour. The gemstone was found in

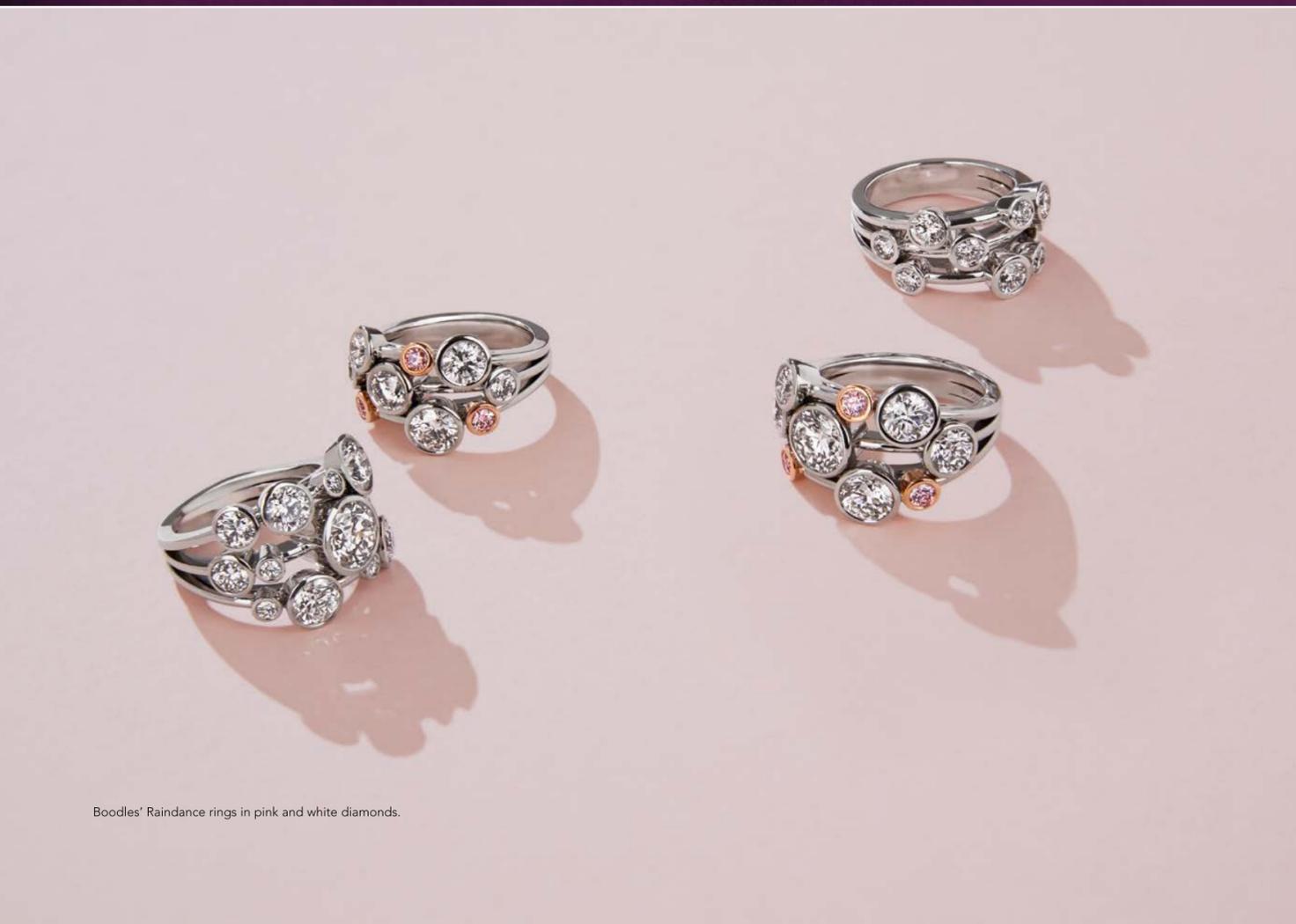


The Argyle Pink Diamonds Signature Tender, 2020 collection.

It is not surprising that the desirability of these pink diamonds has swelled so much...



Graff Lesotho Pink Diamond Ring.



Boodles' Raindance rings in pink and white diamonds.



The Spirit of the Rose - 4.83 carat pink diamond sold at Sotheby's.

northeast Russia in 2017 at the Alrosa mine, which is one of the world's biggest diamond mines.

This pink diamond and the 13.33-carat Fancy Vivid Purplish-pink rough bought by Graff from the Letseng mine in Lesotho in 2019 are exceptional stones. Founder and chairman of the jeweller, Laurence Graff was excited to reveal the rough, "This is the most vivid pink rough diamond I have ever seen, and is an exceptionally rare treasure," he says. He paid \$8.75 million for what is now named the Lesotho Pink which so far has yielded a gorgeous 5.63-carat pear-shaped rings.

Many pinks are set as rings, however, last November a pretty 19-carat Fancy Light Pink diamond was sold at Phillips in Hong Kong, set in a beautiful delicately coloured necklace inspired by Monet's gardens at Giverny. The transformable necklace, which

can also be worn as a bracelet and ring, was created by Chinese jewellery designer Feng-J and fetched US\$2.6 million.

Of course, for those who might have £3.2 million burning in their pocket there is Boodles' stunning pear-shaped 10.05-carat pink diamond cut from a rough stone that weighed almost 20 carats. It was found at the Williamson mine in Tanzania and has been set in a ring with white and Argyle pink diamonds. "It is the most precious stone in Boodles' history," says Jody Wainwright. More accessible are Boodles' sweet pink and white diamond Raindance rings from £40,000.

It is not surprising that the desirability of these pink diamonds has swelled so much, due to their beauty and rarity. The exhaustion of this last reliable source of vivid pink gemstones means demand has heightened and with it, prices, but it would be worth it

when there is the possibility that the Argyle mine may, in future, achieve legendary status akin to that of the Golconda diamonds from India's earliest gem mines.

- www.bonhams.com
- www.boodles.com
- www.graff.com
- www.harrywinston.com
- www.moussaieff-jewellers.com
- www.phillips.com
- www.sothebys.com