

MARKET REPORT

Coloured Gemstone

A regular feature provided by R M Weare & Co

March / April saw the latest round of our stock buying with Alison and Faye heading off to the Far East for the coloured stones whilst Mark and Kerrie set off to India for the diamond stock. Those of you who have received our updates in the past will be all too aware that it's usual for some newsworthy event to occur on these trips, with previous outings having been beset by everything from Military coups to floods and dysentery. Well, unusually enough these two trips passed without incident even though Mark, thinking it could make for a good story had encouraged Kerrie to stroke a dog with a foaming mouth he's spotted and that drinking from roadside puddles would be fine if she was thirsty... Disappointingly neither action resulted in any adverse reaction.

Diamond Stock

It's not often we get caught out here at Weare's, but it seems we really had underestimated the demand for our diamonds over the Christmas period, even though our last diamond purchase in October was the largest we'd ever made. By the end of February diamond stock was really low, necessitating an unscheduled buying trip to India. The message about our diamond prices seems to have got around and people who wouldn't usually try us for diamonds were doing just that. We're delighted to see this has resulted in a doubling in our diamond sales over the last three years and of course a subsequent doubling in our buying requirement too.

Coloured Stones

Replenishing the coloured stone stock had long been planned with an extended trip taking in both Thailand and Hong Kong. Alison and Faye spent a busy two weeks visiting the cutters and brokers to source some really fine coloured stones. They employed their effective mix of feminine charm with a subtle hint of

aggression and hard headed stubbornness to secure good prices... a technique they honed here in the office to get things done by the fellas.

The Far East trips are of course our opportunity to replenish stock of the more commercial grade semi precious and precious stones but also chance to keep an eye out for any stones that are a particularly fine example of their type. We were pleased to find some really special examples in ruby, sapphire, tanzanite, emerald & tsavorite amongst others. After many years of working with stones, we still feel the same thrill and enthusiasm when we find these special pieces.

The prevalence of treated stones in recent years, particularly with regard to corundum has certainly made buyers nervous. Buyers, already wary of diffusion treated material are finding that markets

are now awash with glass filled corundum, particularly African ruby - the so called "Mutant Gems". Alison and Faye saw some particularly shocking examples of filled ruby material with examples that prior to treatment would have had little or no commercial value now selling at up to \$1000pct to the unwary. Problems with this material arise when it is exposed to acids or heat, both occurrences likely to happen when these stones, set in jewellery arrive in workshops for repairs & resizings. It has been reported that even relatively weak acids such as lemon juice have taken the polish from glass filled areas whilst stronger acids have completely dissolved the filling, returning the stone to its original mineral grade state.

This obviously makes buyers wary and stones that are certificated treatment free have become much more appealing and much more expensive, with a noticeable increase in the amount of unheated sapphire on offer. Having built up reliable sources, and with many years buying experience we are careful to ensure all our stones are rigorously checked, with most higher value items being submitted to the Thai gem lab before we commit to buy.

Buying good opal was still a tough job considering the marked contraction of the Australian opal industry in recent years. After much sorting (and much rejection) we came away with the cream of what was available and are able to offer most calibrated sizes in a variety of grades including fine quality. Larger free size top quality pieces are in stock with some nice Lightning Ridge examples.

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As the newly bought stock started to arrive back at the office, news was breaking of a disaster at Block B of the Mererani Tanzanite mines. Over 4 hours of torrential rain caused the flooding of eight pits resulting in the deaths of 75 miners. Mining has been suspended and rescuers are being hampered by poor conditions and equipment, with some bodies having to be recovered from 300 meters below ground through winding passages. A similar incident in 1998 claimed the lives of over 100 miners and the failure of an air compressor caused the death of forty miners 6

years ago. Temporary suspension of mining in the area after the 1998 disaster caused prices of fine tanzanite to almost double as demand far outran supply. There is some speculation that prices may increase as happened previously, however, the more structured production from block C should mean that supplies are less affected.

Sales of pink sapphire and tanzanite appear to have levelled off, whilst sales of the big four (diamond, emerald, ruby, and sapphire) have definitely increased in the last few months. There has also been a noticeable increase in the sales of large opals with fine quality pieces in demand.

In diamond, top spec' carat plus stones in brilliants and princess cuts have sold particularly well, we have also had many requests for treated blue and green diamonds.

In Sapphire, oval and octagonal 'Royal Ceylon' colours have been the most prominent sales, whilst in rubies, pairs of faceted rounds and princess cuts in 'blood reds' have been notable. Fine quality sapphire and rubies in 'Diamond Cut' qualities are proving very popular. Uniformity of cut and colour make it easy to make matched sets and to alternate with diamonds of the same size. The diamond cut material is available in sizes from 1.5 to 6mm. The precise cutting of this material commands a premium price but this is offset by the fact that the stones, for their given diameter do not carry any excess weight as can be the case with 'standard' cut examples.

In Emeralds 2.5 carat plus octagonal shapes are selling well in darker richer colours, whilst in small rounds there has been much demand for diamond proportioned grassy green stones in sizes up to 4mm. The strong traditional colours seem to be back in favour as the reign of the pastel shades diminishes.

Our experience so far seems to indicate that any slow down in gemstone demand seems only to be affecting the lower end commercial good with requests for quality stones rising quite noticeably. In particular demand for emerald has risen sharply over the last six months with fine Colombian and Brazilian material being particularly sought after.

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& Company Ltd**

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