



Colored Diamonds Continue to Defy Gravity

By [Aurora Gems Inc.](#) | Posted December 3, 2009

While the diamond business and the colored diamond business have been relatively soft this year, the sale of a 5 carat super pink for \$10.8 million is a sign that exceptional stones continue to be in strong demand worldwide with no ceiling in sight.

Under the circumstances of this particular sale, there appears to have been a bit of irrational exuberance as the diamond shattered the record for a pink diamond per carat price. (\$2.15 million per carat)

This could be the result of a few factors.

- The growing wealth of the Asian market, particularly in China, where fortunes are being made while other markets are feeling more conservative at this time.
- The value of the dollar is falling hard against other currencies thus making rare diamonds a more desirable hard asset against further declines.
- There were at least 2 private Asians who were intent on winning the stone and so they pushed the price past previous market values.
- There was great spin from Christie's that seemed to feed the story of the stone that must have added fuel to the bidders desire. For example, there was a lot of discussion about the fact the the stone was potentially flawless if re-cut. But the fact that the stone was 5.0 carats and a very good quality (vs1), and already as beautiful as it could be cut, there is no rational to recut the stone to flawless and go under 5 carats if you are not going to make it more beautiful. Why did Graff cut it to 5 carats and not make it flawless?

Any way you look at it, this is a good omen for the future of the diamond business and the confidence of wealthy, educated buyers, in the beauty, desirability and investment potential of rare natural colored diamonds.