



PURCHASING AND INVESTING IN NATURAL PINK DIAMONDS

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For centuries, pink diamonds have been regarded as some of the most sought after gems in the World. Throughout history, their beauty, coupled with their extreme rarity has made them a popular status symbol among the highest members of society. The diversity of pink diamond colors extends far beyond those referred to as “baby pink,” “bubble gum pink” or “hot pink.” There is a multitude of hues and tones available to satisfy any taste.

Recently, pink diamonds have begun to make their triumphant debut into mainstream fashion. As they find their way onto the necks and fingers of Hollywood’s biggest stars they are becoming increasingly more desirable to the general public.



Assortment of natural pink diamonds.

Quick Pink Diamond Facts:

- Changes in lighting environments dramatically affect the appearance of a pink diamond
- The famous *Darya-i-Nur* reportedly weighted over 175 carats
- Smaller pink diamonds (0.25-0.80cts) often yield the best values due to their higher saturation of color.
- The color in most pink diamonds is attributed to graining.

Although pink diamonds have been mined for centuries, very little information can be found on how to select and purchase the right pink diamond for your needs. The following articles are intended to help you get the most out of your pink diamond purchase.

Pink Diamonds: Past, Present & Future

Pink Diamonds have been mined from the earth for centuries. Some of the larger sources include regions in India, Brazil, Africa and Indonesia. The most well known and largest pink diamond producing mine is the Argyle mine located in Australia.

In 2000, from more than 25 million carats of rough mined from the Argyle Mines, fewer than 10,000 carats were pink diamonds. Of these, only 10% weighed more than 0.20 carats. (Gems & Gemology, Summer 2002) Since these colors occur

so rarely in nature, the amount of new pink diamonds that enter the marketplace is decreasing. Although they will continue to be offered to select diamond dealers at auctions



Arial of Argyle Mine

known as “tenders” for years to come, experts

doubt that there is any significant undiscovered pink diamond sources remaining.

As their popularity continues to grow, pink diamonds are becoming the centerpieces for modern jewelry designs. While they are more accessible to fashion-conscious consumers than ever before, the supply is still relatively limited.



The Full Spectrum of Natural Pink Diamonds

The actual cause of natural pink diamond color is still under speculation. Unlike other colored diamonds where coloration is caused by a trace element, (such as boron in blues) pink diamond color may be caused by internal blemishes known as *graining*. The term *pink* as it relates to diamond grading is used to describe colors in the hue range from reddish purple to orange. Differences in tone give a diamond its pink appearance, while saturation of color determines a color grade.

According to a 1998 study, the full spectrum of saturations and their overall occurrence in nature are listed below:

- Faint — 8%
- Light — 16%
- Fancy Light — 10%
- Fancy — 33%
- Fancy Intense — 19%
- Fancy Deep — 10%
- Fancy Vivid — 4%

On average, the most common grades assigned to pink diamonds are *fancy light*, *fancy* and *fancy intense*, meaning all other grades occur more rarely in nature. Faint pink diamonds may only have a slight hint

of pink, making them often indistinguishable from white diamonds, while vivid pink diamonds sometimes exhibit only a subtle tone difference from red diamonds.

As each pink diamond is cut from the rough in such a way to bring out the most color saturation, each pink diamond differs from one another. It is quite possible to find lighter and darker shades within each respective grade. For example, two pink diamonds could both receive a fancy pink grade from GIA, yet one may appear closer in color to that of a fancy light pink, and the other appear closer to a fancy intense. This subtle difference between the fancy scale with pink diamonds can have adverse affects on a price and it is therefore extremely important to view pink diamonds in person and compare color to one another.

Color Combinations

It is not uncommon for colored diamonds to have 1-2 secondary colors in addition to their main color. In pink diamonds, the most commonly occurring secondary color modifiers include purple, brown and orange. An example is a *brownish pink* diamond. While still a predominately pink (denoted by the word *pink* occurring after

the modifier), there can be observed subtle to noticeable shades of brown, giving the diamond a “warm” pink color.

Another beautiful combination is the *purplish pink*. The presence of purple throughout the diamond gives a sweet, vibrant color not often witnessed in pure pinks.

Pink diamonds with secondary colors will generally cost less than a similar pure pink. While budget does influence the amount of available options, the final decision on color should come down to a matter of personal preference. Each pink diamond in existence is the result of a rare and extraordinary phenomenon and is a treasure to own.



From left to right. Top row: Fancy Intense Purplish pink, fancy vivid pink, fancy deep pink. Middle row: Fancy pink, fancy light pink, faint pink. Bottom row: Brown-pink, light brownish pink, brownish orangy pink, pink-purple

Pricing of Pink Diamonds

Unlike with white diamonds there is no price list that determines the value of a pink diamond. Since each stone is uniquely different, pricing will almost always fall within a range associated with its color scale but not always the same as a similar stone.

The following chart describes average wholesale price ranges to give you an idea what type of the current market prices.

Lighter pink diamonds with multiple colors make up the lower end of the spectrum and heavier saturated pure pinks demand higher prices.

Vivid	\$150,000-\$200,000/ct
Deep	\$120,000-200,000/ct
Intense	\$70,000-\$150,000/ct
Fancy	\$35,000-\$80,000/ct
Light	\$10,000-\$30,000/ct
Faint	\$5,000-\$15,000/ct

Avg. wholesale pricing per carat for a one carat pink diamond

Factors that influence pricing:

- Color Saturation and Intensity
- Rarity of Color or Size
- Presence and Intensity of Secondary Color Modifiers Such as Brown, Orange or Purple
- Cut
- Carat Size
- Clarity



Clearly Your Choice—Color, Clarity or Size?

While each of the Four C's of Diamond Buying applies to fancies, is very important to base purchase decisions on color first, and clarity last. Size, hue and intensity determine the ultimate value of a pink diamond. While the majority of all pinks have a clarity grade of SI, even I clarity goods are often *eye-clean*, with inclusions invisible to the naked eye. On average, pink diamonds with hues closer towards red have a lower clarity grading than to those closer to orange. (Gems &

Gemology, Summer 2002), Based on this fact, pink diamonds that have a strong saturation of color and a VS or higher clarity demand a premium in price.

The misconception is that pink diamonds are simply unattainable to most consumers. For a savvy investor, selecting a smaller intense pink is a smart alternative to a larger light pink for the same price. Not only are these diamonds worth more per carat than a larger pink of weaker

saturation, but their more vibrant color more than makes up for the loss of carat size.



The diamonds shown in this photograph can be purchased for the same price. Although one is larger, the smaller diamond has a more intense color which gives it a higher value

Pink Diamonds as an Investment

The amount of new pink diamonds mined from the earth is dwindling. The relatively short supply, coupled with an increasing demand means significant price increases in the near future. As of lately, diamond dealers have begun to increase their stock of pink diamonds in anticipation of further price increases.

Since their incorporation into the jewelry industry in the late seventies, the value of a pink diamond has nearly doubled every five years. Since this time, we have seen inflation, recessions and other economic factors that influence most investment vehicles. However, a pink diamond has

never decreased in value and there has been virtually no consumer demand to drive the price up. Now that we are seeing a more widespread use of these diamonds in jewelry fashions, those currently purchasing a premium pink diamond avoid future increases in price and maximize resale profits.

In general, the most demand is for 1-2 carat pink diamonds, making this size in fancy or intense pink an excellent investment opportunity. If budget is a factor, we recommend purchasing intense or vivid pinks diamonds in smaller sizes (0.25-0.80cts) as a close alternative.

Investment Tips:

- *Pure pinks with a heavy saturation of color have the most long-term value*
- *1-1.5 carat pink diamonds have the highest demands*
- *Purchasing at wholesale prices ensures a bigger ROI when reselling*
- *Certified pink diamonds carry more weight in the marketplace than do non-certified*

Mounting Makes a World of Difference

The way a pink diamond appears loose is not always how it appears mounted. In most cases, light leaving the pavilion of a loose stone reduces the chance for potentially stronger color saturation. Therefore, each diamond requires personal consideration when setting to most effectively bring out the hidden quali-

ties within. Certain techniques used by jewelers familiar with fancy colored diamonds can be employed to work wonders on a loose stone. It is important to use the right type of metals when creating a pink diamond ring. Using rose gold prongs or bezels can dramatically enhance the natural color by reflecting a pink tone back towards the eye. Platinum and white gold shanks are also recommended, as they do not detract from the diamond's color the way yellow gold does. Selecting between solitaire, 3-stone or pavé can have an effect on how the size of the pink diamond appears.

sure that your jeweler is familiar with setting fancies before purchasing. If not, you may not be taking full advantage of all the diamond has to offer.

Mounting Tips/Techniques:

- *Rose gold prongs or bezels can enhance the natural pink color*
- *Enclosed basket settings reduce the amount of light that leaves the diamond, giving the appearance of more color saturation*
- *Offsetting your pink diamond with smaller side diamonds makes the center stone appear larger*



Fancy Light pink in Rose gold and pavé shows like a fancy pink

Since there is a large difference between manufacturing rings using colored diamonds as opposed to white diamonds, be