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IJS: Gold Jewelry a Hit, Diamonds Less So

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(IDEX Online News) – Demand for gold jewelry was high at the International India Jewellery Show, with consumers considering the price of gold low. At the same time, diamond traders reported demand for loose stones was limited to large items.

The halls of the show were packed nearly throughout the show with show organizers reporting a record number of visitors in addition to an increase in the number of exhibitors.

The large number of visitors translated into reportedly high interest in gold jewelry, specifically traditional designs. Bridal sets and religious artifacts were also in good demand.

Compared to the happy faces of gold jewelry traders, precious gem traders were less excited and loose diamond traders were somewhat gloomy.

Arriving with low expectations, diamond traders were not entirely surprised by the low demand at the IJS. Limited demand was seen for 1-3 carat rounds in H-L colors, VS-SI1 clarities. Some traders noted demand for fancy shape goods, mostly hearts, but also pear and some square shapes.

Diamond traders are facing a tough period globally in general, and in India in particular. A strong sense of uncertainty a year before the general elections, a weakening rupee, a sagging stock market and declining real estate market are translating into cautious purchasing behavior, one that is mainly driving Indian consumers to a safe harbor, namely gold.

Only one loose diamond wholesaler had a busy booth – Excel Overseas. The trader offered a guaranteed buyback program, paying 3 percent to buyers who sold back a diamond 12-13 months after the purchase.

Asked if they were not concerned about a decline in diamond prices, the company said that what they might lose in limited returns, they would gain in an increase in sales.

