

Fancy Color Diamonds

Grading, Records & Reds

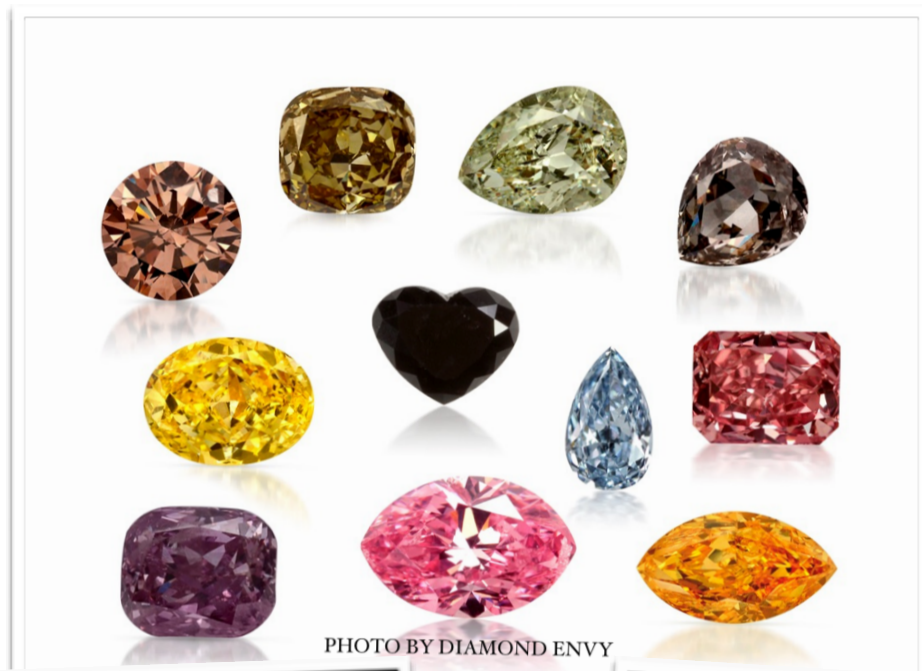


PHOTO BY DIAMOND ENVY



PHOTO BY RAIMON ROCKS



©GIA

Grading

99.99% of all diamonds sold worldwide are in the colorless to slightly tinted color range graded "D to Z" by the GIA - Gemological Institute of America. Only one in every 10,000 diamonds possesses enough color saturation to be referred to as a natural fancy color diamond. For this reason, natural fancy color diamonds are purchased almost exclusively for the intensity and distribution of the diamond's color. Criteria considered when purchasing a white or colorless diamond, such as cut proportions and clarity, are much less important when purchasing a natural fancy color diamond. Chart by GIA.

Color



D E F	G H I J	K L M	N O P Q R	S T U V W X Y Z
colorless	near colorless	faint	very light	light



PHOTO BY LEIBISH

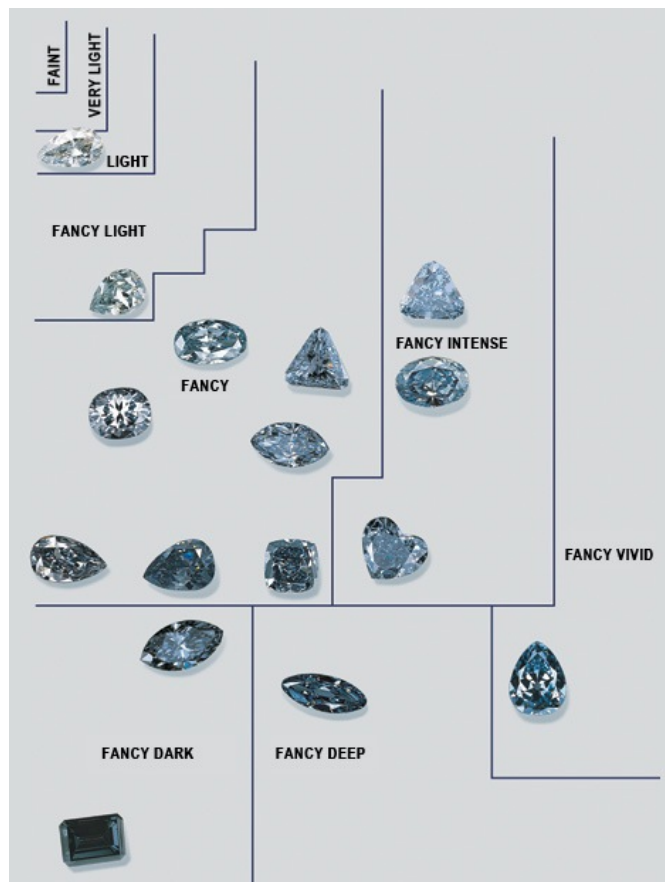
The 12 different main colors of Natural Fancy Colored Diamonds

From left to right - Yellow, Pink, Blue, Green, Orange, Brown, Violet, Gray, Purple, Red, Fancy Black, and Fancy White

Fancy color diamonds are graded in three ways. The first factor considered is the stone's basic hue, such as pink, yellow, blue, green, etc. The second is the diamond's intensity. Both color characteristics form the basis for determining a fancy color diamond's value. Usually, the more intense the color, the rarer and more expensive the diamond will be. For example, a fancy light blue diamond costs less than a fancy vivid blue diamond of equal size, shape and clarity.

GIA, the international standard setter for fancy color diamonds uses nine categories to grade the intensity of natural fancy colors. Chart by GIA.

1. Faint
2. Very Light
3. Light
4. Fancy Light
5. Fancy
6. Fancy Dark
7. Fancy Intense
8. Fancy Deep
9. Fancy Vivid



The final factor in grading natural fancy color diamonds is clarity. Fancy colored diamonds are typically far more included than D-Z color range diamonds. I1 to SI1 clarity is typical for many fancy color diamonds, VS2 to VS1 clarity is considered excellent, VVS2 to Flawless examples are exceptional and considered extremely rare.

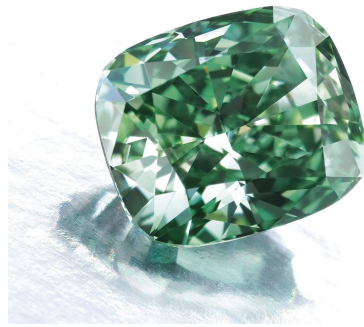
Auction Records

The international market for natural fancy colored diamonds was relatively small and quiet until April 28th, 1987 when Christie's New York auction sold the *Hancock Red*, a round-cut I1 clarity Fancy Purplish-Red diamond weighing 0.95-carats for a new world record price of nearly \$1M per carat. After this benchmark-setting sale, high-end jewelers, collectors and investors around the world began to wake up to the rarity, beauty and desirability of owning natural fancy color diamonds, and as a consequence demand and prices began to soar.

Over the past decade we have seen many new auction price records set for fancy color diamonds. When Forbes and Bloomberg began reporting auction results for fancy color diamonds, the rich and famous really started paying attention. "A five-carat Fancy Yellow diamond increased in value by 180 percent from 2001 to 2011... compare that to Berkshire Hathaway stock, which increased by 52 percent for that 10-year period and Coca Cola, which grew 42.5 percent." Forbes, January 2012.



The 100.09-carat "*Graff Vivid Yellow*", VS2 clarity diamond set a new world record for a fancy vivid yellow diamond when it sold for US\$16.3M or \$162,850 per carat at Sotheby's Geneva auction on April 25th, 2014. Photo by Sotheby's.



Auctioned at Sotheby's Magnificent Jewels sale in Geneva on November 17th, 2009, this gorgeous and rare 2.52-carat Fancy Vivid Green diamond is the largest Fancy Vivid Green diamond ever to have appeared at auction, selling for \$3.1M or \$1.23M per carat. Photo by Sotheby's.

Harry Winston purchased the largest known flawless Fancy Vivid Blue diamond in the world for nearly \$23.8M at Christie's May 14, 2014 Geneva Magnificent Jewels sale. The nearly \$1.8M per-carat price paid for this 13.22-carat gem set, at that time, a new world record for a blue diamond.



Newly named "*The Winston Blue*," this blue diamond joins the 101.73-carat "*Winston Legacy*" D Flawless diamond, also purchased by Harry Winston at Christie's Geneva jewelry auction over a year ago illustrating just how much dealers continue to be strong players for important diamonds coming up for auction. Photo by Christie's.

The per-carat record for any predominantly pink diamond is held by 8.41-carat pear-shape Internally Flawless Fancy Vivid Purple-Pink diamond sold as part of Sotheby's Magnificent Jewels and Jadeite Autumn Sale on October 7, 2014 in Hong Kong. This gem sold for a record \$17.77M or \$2.1M per carat.



On Nov. 11, 2015, a 16.08-carat cushion-shaped fancy vivid pink diamond sold for more than \$28.5 million setting a new auction record for any vivid pink diamond at Christie's Geneva Magnificent Jewels sale. The new owner is Hong Kong billionaire Joseph Lau who re-named the diamond "*Sweet Josephine*" after his seven-year-old daughter. Photo by Christie's.

Former World Record Holder



"The Orange" was the centerpiece of Christie's November 12, 2013 sale in Geneva. This stunning 14.82-carat, VS1 clarity Fancy Vivid Orange diamond, fetched \$35.5M and was, at that time the new fancy color diamond price-per-carat world auction record holder at \$2.4M per carat. Photo by Christie's.

New World Record Holder

On Nov. 11, 2015, a 12.03-carat Fancy Vivid Blue flawless cushion-cut diamond named "*The Blue Moon*" fetched \$4.02M per-carat at the Sotheby's Geneva auction, setting a new benchmark per-carat price for any diamond topping by \$700,000 the per-carat record set just one year ago.

The new owner is Hong Kong billionaire Joseph Lau who re-named the diamond after his seven-year-old daughter, Josephine. "*The Blue Moon of Josephine*" achieved a final selling price of \$48.4M, also setting a record for the most expensive jewel ever, sold topping the celebrated *Graff Pink* which fetched \$46 million at Sotheby's Geneva in 2010. Photo by Sotheby's.



Fancy Reds

Highly saturated diamonds, ranging in the orangey red to red to purplish red hues are considered to be the rarest of all fancy colored diamonds. In 1956 the GIA first described a natural fancy colored diamond as purplish red. Since then, very, very few have been graded with predominantly red descriptions putting all fancy red diamonds in a class of their own. When the GIA system for grading fancy color diamonds is used, the depth of color (the combination of tone and saturation) required to be classified as red is an extremely rare occurrence.

When the color is strong in saturation but lighter tone, GIA grades the color as fancy intense, fancy deep or fancy vivid pink. Diamonds which are predominantly red can fall into four hue ranges; purple-red, purplish red, red or orangey red. The hues represented range from a cool purple red to a warm orangey red. The vast majority of diamonds described by the GIA as predominantly red have been purplish-red.



The Hancock Red - 0.95-carat
Fancy Purplish-Red, I1 Clarity
Photo by Tino Hammid © GIA

American diamond collector, Warren Hancock purchased this relatively small diamond in 1956 for a retail price of \$13,500. After his passing, this 0.95-carat I1 clarity Fancy Purplish-Red diamond was sold by his heirs at a Christie's auction and achieved a price seven times the previous world record price ever to be paid for a fancy color diamond. The buyer, a Swiss diamond dealer, opened the world's eyes to the beauty, rarity and value of natural fancy colored diamonds ushering in an unprecedented period of record setting prices which continues unabated to this day.

According to the American Museum of Natural History in New York, "Red diamonds are the rarest among colored diamonds". So, just how rare are natural fancy red diamonds? Gemologists believe that there are fewer than 100 in existence and most of these weigh less than one-half carat, with only four GIA verified to be larger than 2.00-carats. Red diamonds are so rare that GIA records show over a 30 year period from 1957 to 1987 there was no mention of a GIA lab report issued for a diamond with "red" as the only descriptive term.

In its 30 year history, the Argyle Pink Diamonds Tender has offered only 13 Fancy Red diamonds for sale with only three being larger than 1.00-carat, and the largest was a 1.56-carat round gem named the "*Argyle Phoenix*".



The most valuable diamond in the 2014 Argyle collection is the "*Argyle Cardinal*" pictured above, a spectacular 1.21-carat radiant-cut Fancy Red diamond. Photo by Rio Tinto Diamonds. A 1.92-carat, rectangular-cut, un-named diamond sold for \$3.2M setting a price-per-carat auction record (at that time) for a Fancy Red diamond of \$1.7M at Christie's Magnificent Jewels Geneva Sale on May 15, 2013.

On an interesting note, according to the *Rapaport Diamond Report*, a 10.00-carat + D Flawless diamond will sell for approximately 8 X the price of a 1.00 to 1.99-carat D Flawless. If you apply this price-to-weight guideline to Fancy Red diamonds, the numbers quickly become astronomical.

The Red Record Holder



A heart-shaped SI2 clarity Fancy Red diamond ring by Moussaieff set a new world auction record at Christie's Hong Kong on November 25th, 2014. The 2.09-carat ring sold for nearly \$5.1M, or \$2.44M per carat to a private Asian investor.

"Colored stones and colored diamonds were keenly sought by private collectors and members of the international trade at Christie's Hong Kong," said Vickie Sek, deputy chairman of Christie's Asia and director of Christie's jewelry and jadeite department. "One of the finest red diamonds ever offered for sale achieved a world record price of over \$2.4 million per carat. It is also the most expensive red diamond ever sold at auction." Photo by Christie's.

There are only eleven documented GIA graded Fancy Red diamonds (verifiable in the public domain) over 1.00-carats. Of these, four are graded Fancy Purplish-Red.

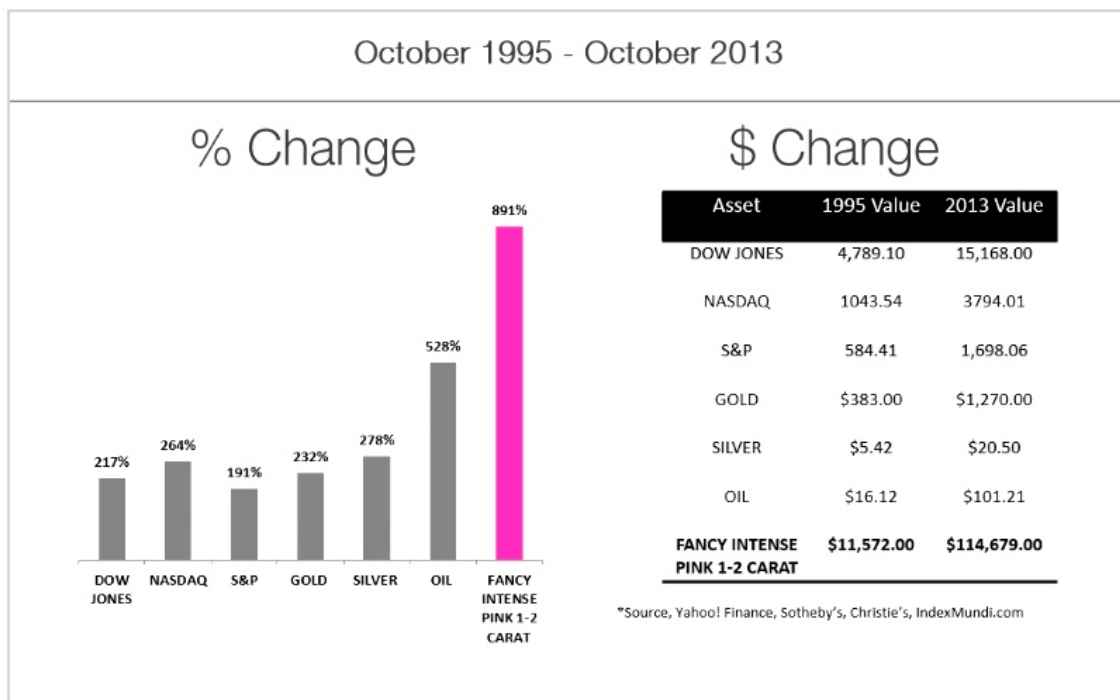
1. *The Moussaieff Red*, 5.11-carat trilliant-cut Fancy Red
2. *The Fancoldi Red*, 3.16-carat round brilliant-cut Fancy Purplish-Red
3. *The Graff Purplish-Red*, 2.26-carat modified octagonal-cut Fancy Purplish-Red
4. *The Raj Red*, 2.23-carat Fancy Red
5. Unnamed 2.09-carat heart-shaped Fancy Red; see 2014 auction record above
6. Unnamed 1.92-carat radiant-cut Fancy Red; see 2013 auction record above
7. Unnamed 1.70-carat octagonal-cut Fancy Purplish-Red
8. Unnamed 1.59-carat modified rectangular-cut Fancy Purplish-Red
9. *The Argyle Phoenix*, 1.56-carat oval-cut Fancy Red
10. *The Argyle Cardinal*, 1.21-carat radiant-cut Fancy Red
11. Unnamed Red, 1.05-carat oval-cut Fancy Red



The 5.11-carat *Moussaieff Red*. Photo courtesy of William Goldberg Diamond Corp.

NOTE: "*The DeYoung Red*", 5.03-carat modified round brilliant-cut does not qualify as a fancy red diamond as GIA graded it Fancy Dark Reddish Brown. "*The Kazanjain Red*", a 5.05-carat emerald-cut is not listed as it has not been graded by the GIA.

Track Record



The price appreciation of Fancy Intense Pink Diamonds (1-2 ct) between the years 1995 - 2013 compared to other major investments



This graph by Leibish demonstrates an amazing 375% price appreciation in 0.50-carat, Fancy Intense Pink diamonds over the 10 year period between 2003 and 2013.

References

GIA: <http://www.gia.edu/fancycoloreddiamond-quality-factor>

GIA: <http://4csblog.gia.edu/2014/red-diamonds-rarest>

Forbes: <http://www.forbes.com/search/?q=fancy+color+diamonds>

Forbes: <http://www.forbes.com/sites/anthonydemarco/2015/11/11/48-4-million-for-blue-moon-diamond-eclipses-world-auction-record/>

Forbes: <http://www.forbes.com/sites/anthonydemarco/2012/01/23/a-guide-for-fancy-colored-diamonds/>

Bloomberg: <http://www.bloomberg.com/news/2014-05-15/blue-diamond-returns-auction-crown-to-christie-s-in-just-one-day.html>

ABC News: <http://abcnews.go.com/Business/photos/photos-precious-gems-17465746/image-rare-fancy-red-diamonds-24980765>

Smithsonian: <http://geogallery.si.edu/index.php/en/1007278/deyoung-red-diamond>

Museum of Natural History New York: <http://www.amnh.org/exhibitions/current-exhibitions/kazanjan-red-diamond>

Sotheby's: <http://www.sothebys.com/en.html>

Christie's: <http://www.christies.com>

Wikipedia: http://en.wikipedia.org/wiki/List_of_diamonds

http://en.wikipedia.org/wiki/Moussaieff_Red_Diamond

<http://naturalcolordiamonds.info/?page=colors>

<http://www.internetstones.com/de-young-red-diamond-famous-jewelry.html>

<http://martinbinders.tumblr.com/post/37791438710/exceedingly-rare-reddish-orange-diamond-fetches-2-09>

<http://www.thejewelleryeditor.com/2014/08/very-rare-argyle-cardinal-fancy-red-diamond-leads-the-rio-tinto-annual-tender-of-pink-gemstones/>

About the Author

Jeffery Bergman is an American precious gemstone dealer and gemologist with more than 40 years of broad-based experience in natural gemstones, diamonds and fine jewelry. Founder and director of Primagem in Thailand, Jeffery cut his first gemstone at the age of fourteen starting a lifelong career which has taken him to more than 60 countries, and every continent except Antarctica. He has been featured in many gem and jewelry periodicals and has appeared in interviews on the BBC, CNN, NBC, ABC and GEO. He has also been quoted in Time, USA Today, National Geographic, Gems & Gemology, Discovery Channel magazine and many other publications around the world. Jeffery is a regular guest speaker at GIA Gem Gatherings, gemological seminars, conferences and universities, and is a regular contributor to gemological publications.

Contact: jeffery@primagem.com

