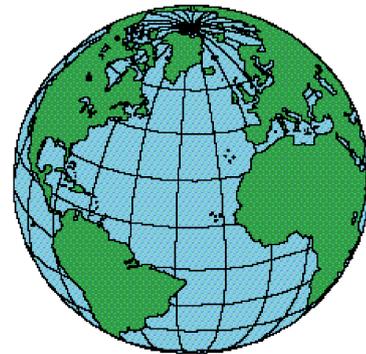


# The Gemstone Forecaster



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## TABLE OF CONTENTS

Is Privacy Disappearing in Gems?

AGL \$3000 JewelFolio Review

Auction News

Investment Gem News

Gem News

\*\*\*\*\*

## Is Privacy Disappearing in Gems?

by Robert G. Genis

Why do people collect or invest in gems? Some buy stones and hope to sell them for a profit down the road. Other people simply fall in love with gemstones and cannot get enough. Many view gems as an alternative currency hedge, just like gold and silver. A portion buy gemstones because they are private.

If you need a private, portable, non-detectable asset, gems are an excellent vehicle. Presently, opening a gemstone or diamond account requires no paperwork. Gemstone and diamond transactions are not individually reported to governmental agencies. Naturally, we do recommend consulting a professional tax advisor for your personal reporting requirements.

Also, you can store your gems secretly in a bank vault or other secure location without informing anyone. You control the privacy of your goods. With gemstones, you presently have confidentiality of ownership. Is this about to change?

## FINCEN

The U.S. Treasury Department's Financial Crimes Enforcement Network (FINCEN) wants to require many new institutions to collect and verify information on all customer accounts. Treasury wants financial institutions to understand who owns or controls an account and keep detailed records so that law-enforcement officials can access at will. It is unclear if this means new accounts or old accounts, too. If adopted, you might have to give all your vital information when opening a gemstone account.

Presently, banks verify data on accounts they deem high risk. Banks and other financial institutions already file reports on suspicious activity and transactions over \$10,000 under the Bank Secrecy Act.

The new rule could undergo considerable change before it takes effect next year and but it requires securities dealers, mutual funds, and futures/commodities brokers to abide by the new, tougher vetting requirements. They want to extend the rules to mortgage lenders, casinos and gemstone dealers. If this becomes law, the government might have access to your name and address plus everything you own.

## Nevada Recluse

Hear about the recluse who died recently in Carson City? He had \$200 in the bank and at least \$7 million in gold buried around his house and garage. No one suspected or knew he had this much gold, except his gold dealer. He had not worked since 1968. He had under 200k in stock accounts. He lived in a 1200 square foot house with orange shag carpeting. Obviously, he valued privacy and hard assets.

## Drones/Facial Recognition Software

It's extremely likely that drones will be used extensively by law enforcement by 2015. They will be everywhere and anywhere. Of course, drones include night vision and can "see through walls." Coupled with the new FBI \$1 billion face recognition software recently launched, the future will be a scary place from a privacy standpoint. Would this new technology have caught the Nevada hoarder burying his gold?

## Summary

Financial freedom and privacy are disappearing in America on a daily basis. Right now, gemstones and diamonds remain one the few private investment vehicles. Based upon trends, don't look for this to continue. For those of you who desire to bury some of your goods (gold, silver, diamonds and colored gems), we recommend you start now....before the drones!

## **AGL \$3000 JewelFolio Review**

by Robert Genis

Chris Smith of AGL has created a 41 page, glossy hard bound book for important gemstones. Why only for important gemstones? The price is a cool \$3000. If you are talking about a six or seven figure gemstone, the price is negligible and something every collector or connoisseur would want. This is top quality production and is filled with high quality color photographs and charts.

Let's briefly go through the JewelFolio. Please keep in mind the JewelFolio was done for a 38.71 Unheated Burma sapphire. Of course, the information in the JewelFolio would be different for another species.

### **Introduction**

A photo of the actual gemstone is superimposed on a map of Burma from 1838. It goes on to discuss how rare a 3 carat unheated Burma is, the fact a 10-20 carat is exponentially rarer and a 38 carat is ultra-rare. The 38.71 is described as bright blue, high clarity and large size, which makes the stone exceptional.

### **Blue Of Heaven**

This section gives a brief history of blue sapphire and its symbolism.

### **Burma: A Land of Legendary Gems**

A rich description of Burma with beautiful photographs of the countryside, temples and people.

### **Mining In Burma**

A brief history of mining in Burma. Despite many attempts to bring mechanized mining to Burma over the last two centuries, much of the mining today is still accomplished by rudimentary methods of the past.

### **Most Royal of Blue**

An interesting brief history of blue sapphires. Burma sapphires were once thought of as inferior, dark gemstones. It wasn't until 1955, when mineralogist J. Coggin Brown corrected the record by stating the dark blue sapphires were from Thailand not Burma.

### **Geology: When Two Continents Collide**

A geological discussion of what happened to the earth during the preceding 4 billion years to create the perfect conditions so gem ruby and sapphire is found in the Mogok Valley.

### **Inclusions of Burma Sapphire**

Some of the best microphotography close-ups of typical Burma sapphire inclusions you will ever see.

### **The Sapphire Family**

A generic discussion of all the colors of sapphires.

### **Characteristics of Your Sapphire**

Importantly, provenance or Country of Origin is highlighted and superimposed over a photo of Burma and a map of Mogok. This is AGL's way of emphatically verifying to the stone is from Burma. The next page is the full Prestige Gem Report, reproduced in full color.

### **Your Burma Sapphire**

The next section is a verbal description about the stone submitted. The far right side of the grading report is also highlighted. With this specific gemstone, it states the gemstone is a unique rarity because of its outstanding quality, size and provenance.

The JewelFolio also goes through a brief explanation of the grading system, explaining the color grade, clarity, the fact the stone is not treated, plus the stone's cut/finish. Finally, the stone is given a Total Quality Integration Rating (TQIR) grade. The TQIR of Excellent is one of the highest and most prestigious classifications from AGL. In summary, all this information concludes the stone is very rare.

### **Unique Feature of Your Burma Sapphire**

This section discusses the unique inclusions of the stone and why these clues give the AGL the confidence to call the gem Burma and no heat. Of course, these inclusions can only be seen under high magnification with fiber optic light. They cannot be seen with the unaided eye. These classic inclusions allow the gem to be re-identified at any time.

### **Ultra-Violet, Visible, Near Infrared Spectroscopy**

A brief discussion of light absorption. The gem was viewed through a spectrometer. The Burma sapphire image is superimposed on a color chart where it possesses dominant absorption. This is critical information in determining country of origin and often treatment.

### **Infrared Spectroscopy**

By shooting an infrared light through the gemstone, information provides further scientific evidence the gem is not heated.

### **Energy Dispersive X-Ray Fluorescence Spectroscopy**

Chemical analysis gives further evidence the sapphire is Burmese.

### **Conclusion**

This report contains the most in-depth analysis and descriptions of a gem I have ever seen.

Originally produced by the AGTA lab, Chris Smith bought the rights went AGTA closed its doors. Nice move Smith. If you have a high end gemstone and you would like AGL's gold standard report, the JewelFolio is it!

## **Auction News**

### **Sotheby's New York**

Sotheby's just completed its sale of important jewels, which achieved a total of over \$16 million and was 79% sold by lot. The main piece was a 5.08, round fancy light pink diamond, VVS2, that sold for more than twice its high presale estimate at \$1.4 million or \$280,807 per carat.

A 3.09 fancy intense orangy-pink diamond, VS1, pear sold for \$770,500 or \$249,353 per carat. The presale estimate was \$350,000-\$450,000. A 13.22 Kashmir sapphire and diamond ring sold for \$578,500. The presale estimate was \$350-\$450,000. The gem had an AGL stating Kashmir, no heat.

A 13.12 Burma sapphire with a presale estimate of \$270,000-\$300,000 did not sell. The gem did not have an AGL grading report.

A 11.20 Colombian emerald sold for \$206,500. The AGL Report stated Classic Colombian with insignificant clarity enhancement.

The auction was notable because collectors worldwide bid on the goods.

### **Sotheby's Hong Kong**

Sotheby's announced the Magnificent Jewels and Jadeite Autumn Sale 2012 will be held on October 9 at the Hong Kong Convention and Exhibition Center.

Here are the highlights:

\* A 9.01 round, unheated Mogok Burma ruby.

\* A 8 carat unheated Kashmir sapphire.

\* A pair of 30.26 and 30.09 Colombian Emerald Drop and Diamond Pendant Earrings from Van Cleef & Arpels.

\* Numerous Jadeite pieces, including the "Magnolia", a jade piece that looks like a blooming magnolia.

## **Investment Gem News**

**Stores of wealth: Investors go for something more tangible**

**Financial Times**

**September 7, 2012**

**By Claire Adler**

Inflation beaters: with stock markets volatile, investors are showing interest in commodities seen as having absolute value, including collectables such as diamonds

A recent report by Barclays found that, in the current zero interest rate environment, investors are showing mounting interest in collectables.

Greg B Davies, head of behavioural finance at Barclays says: "A desire for tangibility and familiarity is encouraging investors to increase the proportion of

their wealth that is given to treasure such as precious metals, jewellery, wine and coin collections. This indicates that they perceive this as a more stable source of value."

Meanwhile, with Bain & Company forecasting that demand for diamonds will outstrip supply by 2020, the market for investment diamonds is about to play an increasingly influential role in the diamond industry – even if not everyone is comfortable with the idea.

Ya'akov Almor, an industry consultant, comments: "The concept of investment diamonds is an admission that rare, high quality diamonds are a commodity. This counters many of the industry's traditional marketing messages, which have centred on romance and mystery. But there's no denying it. Investors will join the most influential players in the diamond market."

The prospect of mines running dry, combined with robust returns on diamonds of more than one carat and mounting demand from China and India, are generating much talk about investment diamonds, which are largely viewed as the most portable form of wealth there is.

It takes 10 years and several billion dollars to turn the discovery of a kimberlite pipe into a profitable, working diamond mine and no significant discoveries have been made in more than 20 years.

Encouragement also comes in the form of repeated record-busting sales of the largest stones in auction rooms, even during times of recession.

At Sotheby's in May, the Beau Sancy, a 34.98 carat diamond that passed through the royal families of France, England and Prussia, fetched \$9.7m, almost five times its pre-sale estimate, after a frenzied battle between five bidders that lasted just eight minutes.

Christophe Spaenjers, assistant professor of finance at HEC Paris, says white diamonds sold at Sotheby's and Christie's beat inflation by more than 6 per cent between 1999 and 2010 – outperforming equities and bonds, but underperforming gold. However, he points out it is difficult to predict which diamonds will hold their value over time and which lose value.

"Given diamonds are a luxury, even if financial turmoil makes investors think about diamonds as an alternative asset that can have a positive affect on prices, it also makes households less wealthy – which can adversely affect diamond prices," he says.

Jewellers, including Fabergé, Steinmetz and Nourbel & Le Cavalier are upbeat about the future of investment diamonds.

"Three years ago, I sold a three carat D flawless diamond for £125,000. Today I'd have to ask nearly double," says Charlie Pragnell, managing director of Pragnell's, one of England's most distinguished jewellers.

The fact that diamonds can be worn and enjoyed might appear to be the best hedge against the risk that any investment brings. Yet some investors are now putting their money in diamonds without the benefit of direct

access to the actual stones or jewellery.

Georges Karam, Nourbel & Le Cavalier co-founder, sells high-quality loose diamonds at wholesale prices to private and institutional investors round the world.

Diamond Capital Fund requires a minimum investment of \$75,000 and trades one- to five-carat diamonds. In the past decade, diamonds of this weight have appreciated in value by 8.2 per cent a year, while investments in the FTSE 100 yielded an average return of 0.7 per cent.

Luxembourg-based Elite Advisers launched the Divine Jewels Fund in 2011, offering the opportunity to invest in a collection of diamonds, precious stones and antique jewellery valued at more than \$14m.

Jan Maarten Asscher, scion of an illustrious European diamond dynasty and Mark Walker, an industry stalwart will soon launch a diamond asset fund, Pink Iguana, specialising in trading certificated polished diamonds of a third of a carat and above.

Meanwhile, Antwerp based diamond industry consultancy European Quality Circle will soon launch a diamond investment fund, also run by industry insiders.

Waldman Diamond Investments works with wealth management firms and brokers targeting investors interested in high-quality diamonds of a carat or more. Via its online portal, investors can resell their diamonds to others on an open marketplace without having to discount them by selling to a diamond wholesaler or jewellery retailer.

Waldman holds its investors' diamonds in high-security, segregated bank safes in Hong Kong, Israel and New York and also arranges insurance, shipping and storage. Alex Waldman, chief executive of Waldman Diamond Company, says: "Clients either take ownership of the physical stone or use the services we offer that make our investment diamonds as close as possible to other financial instruments."

André Valéry Bordes, chief executive of Academy & Finance of Geneva, a wealth management conference company, thinks the diamond investment market is ready for its next step. "Investing in diamonds, each of which is different, can only be achieved successfully through companies and frameworks that specialise in this particular asset. We plan to bring major players in the diamond investment market together to present their operations to private investors, brokerage firms and bankers, so they can integrate diamonds into their clients' investment portfolios."

**Diamond ETFs Would Allow Investment In Precious Gems Seeking Alpha  
August 29, 2012  
By Tom Lydon**

Diamonds are widely used as decorative jewelry, but now, the exchange traded fund industry seeks to commoditize diamonds and allow more people to efficiently price the precious gems and invest in them.

Considering the rising popularity of commodity ETFs, like the SPDR Gold Trust (GLD), which has \$68.9 billion in assets under management, fund providers are toying with the idea of launching diamond-backed ETFs to satiate the growing demand for alternative investment assets.

Fund providers, like GemShares and IndexIQ, are planning physically-backed diamond ETFs to help fill the investment void.

GemShares seeks to create a benchmark basket of diamonds based on similar cut, color, clarity and carat size. The IndexIQ Physical Diamond Trust would create a "fungible" basket of one carat diamonds divided into different subcategories.

In comparing diamonds to gold as an investment asset, both have high aesthetic value, are easy to transport and are limited natural resources, reports Bob Pisani for CNBC.

However, unlike gold, diamonds are not homogeneous - they come in color, clarity, cut and carat size have diminished value based on size and do not trade in a spot market.

If diamonds were commoditized, the market would make diamond pricing more transparent, and it would bring in more investors as the investment class provides another hedge against inflation.

Currently, people like Martin Rapaport of the Rapaport Price List have helped promote greater transparency in diamond pricing. Rapaport plans to create a type of diamond depositary receipt to help investors buy and sell diamonds as a security without taking physical delivery.

**Could diamonds soon rival precious metals as an investment option?**

**Mining.com**

**September 10, 2012**

**by Marc Howe**

The emergence of diamond hedge funds and ETF's could see precious gems usurp gold and silver's place in the spot light as safe harbor investments.

The Financial Times writes that the SEC is currently reviewing New York's IndexIQ's push for the first diamond-backed exchange-traded fund, while Harry Winston (NYSE:HWD), the world's largest listed diamond company, is working on a \$250m fund in collaboration with a Swiss asset manager Diamond Asset Advisors for the purchase of wholesale diamonds for vault storage.

Peter Laib, chairman of Diamond Asset Advisors, touts the appeal of diamonds as less volatile investment options which are resistant to speculation or short

selling, and claims the fund could provide annual returns as high as 12%. collaboration with Burma as a Diamonds have risen along a stunning trajectory over the past decade, with one-carat diamonds gaining 88.9% and three-carat diamond surging 238%.

Laib imputes the price surges to supply constraints, with few mines expected to come on line in the next ten years.

Another factor is the depletion of diamond inventories sold off by De Beers to deal with debt following its privatization in 2001. The De Beers sales put pressure on prices, yet following the exhaustion of stockpiles prices have steadily gained.

Despite a diamond market which "is now liquid and transparent" following the decline of erstwhile monopoly power De Beers, there are still major impediments to the emergence of diamonds as a safe harbor investment option on par with silver or gold.

These include the fact that diamonds are individual gemstones and lack the fluid fungibility of precious metals. Each diamond is a unique object with different facts and a varying price, which makes it difficult to apply indexed values to diamonds as whole.

### **Warning Sign for the Economy: An Indicator With a History of Calling Major Turns Why "Easy Street" may soon face a bunch of sinkholes**

**Elliottwave.com**

**August 20, 2012**

**By Bob Stokes**

*A contrarian view of the luxury boom. You can subscribe to their newsletter free at Elliottwave.com.*  
EDITOR

During the Gilded Age, "Diamond" Jim Brady earned his fortune selling railroad equipment. In turn he became known for indulging in the good life.

He went around with actress Lillian Russell on his arm; he frequented the racetrack; he dined at Delmonico's in New York City, where his gargantuan appetite was on display. The upscale restaurant's proprietor reportedly called Brady "the best 25 customers I ever had."

Regarding his nickname:

"Brady had a special fondness for diamonds, but his passion extended to all sorts of precious stones. "My pets," he would call them. He wore a watch worth \$9,000 in his day (about \$190,000 today), and in the handle of an umbrella he had set a jewel worth \$1,500. His garter clasps, his suspender buckles, and even his underwear were ornamented with jewels. His collection revealed the amazing total of 12,000 diamonds. The most amazing single piece was a 35-carat emerald surrounded by six 14-carat diamonds, the whole made

into the ring of his emerald set and valued in his day at \$20,000 (about \$420,000 today).

One night he would be resplendent in diamonds, the next in rubies, the next in emeralds. ... He did not dress flashily, but he was always in the forefront of fashion. A partial list of his outfits at his death included 30 winter and spring overcoats, 42 hats, 16 cutaway suits, 71 pairs of shoes, 26 summer suits, 50 pairs of gloves and 18 belts."

**New York Times, Aug. 19, 2012**

Not all the well-to-do of Brady's day were so extravagant, but the "Gilded Age" didn't earn its name through the virtue of modesty. Lavish lifestyles were as much the rule as the exception.

That said: The over-the-top extravagance ran into a brick wall, called The Panic of 1893. Similar episodes have happened before and since.

Porters and ladies' maids were splurging on their own carriages just before the bursting of the South Sea Bubble. And luxury spending went into high-gear during the 1920s, just before the Great Depression.

Excess consumption has been around in one form or another for a long time. And that includes today.

Despite a weak economic rebound since the 2007-2009 financial crisis, the demand for luxury is strong.

Luxury real estate is reaching new heights. Developers are betting big on residential skyscrapers, building them at record-breaking heights—with record price tags to match. Changing the skyline in New York, London and Dallas, the tallest new residences will stretch over 90 stories, with at least one penthouse asking over \$100 million.

**Wall Street Journal, Aug. 17**

Affluent shoppers shrugged off anxiety about the global economy that cast a pall over the luxury sector in the spring.

**CNBC, Aug. 14**

Previous economic cycles show that an aggressive quest for luxury arrives late in the cycle. That was the case leading up to the 2007-2009 financial crisis. The August 2007 Elliott Wave Financial Forecast noted: The boom in luxury goods is no secret...There are many signs that the latest binge is a final blow-off in luxury spending.

And the Dec. 2007 Financial Forecast observed: History shows that every mania is accompanied by a fever for luxury goods.

In the months after those issues published, the economy tanked and hasn't yet recovered. And now, luxury spending is back.

Can the fragile economy handle another severe downturn?

## **In Times Of Crisis, Diamonds Can Be An Investor's Best Friend Indeed a girl's best friend**

**DIE WELT/Worldcrunch**

**By Horst Peter Wickel**

**September 24, 2012**

*Although it is true rough diamonds have almost always risen in the last 50 years, that only gives the reader part of the story. White diamonds peaked in the early 1980's and then fell 70-80%. EDITOR*

BERLIN - She was an icon of glamour and beauty. But Marilyn Monroe also knew how to appreciate the timeless value of compressed carbon. When she sang "Diamonds are a Girl's Best Friend," she was offering a not-so-subtle investor tip to bank on the precious stones.

These days, with the euro crisis, investors are increasingly turning to people like Reinhard Paul, who knows all about gold and platinum, pearls and precious stones. But the favorite stone of this jeweler, whose store is on Kaiserstraße, Nuremberg's fanciest shopping street, is the diamond.

Since 1985 Paul has specialized in diamonds and colored gemstones, and he is the chairman of the Deutscher Diamant Club (German Diamond Club), an association of German jewelry retailers.

Paul considers jewelry made of skillfully cut and set diamonds an "accessory to the personality of the wearer, male or female." He points out that for many years they have found favor not only with American and European women but with wealthy men and women in China, India, and the Gulf states.

He has noted a particularly sharp increase in demand for diamonds "bought purely for their investment value" in the past few months. He believes that, along with precious metals like gold and platinum, gemstones like diamonds are also suitable as a capital investment, in the sense of securing capital long-term. According to Paul, the prices for even the smallest diamonds have soared over the past year.

A number of experts believe that prices will rise between 21% and 32% over the next five years. In 2012 alone, the sector has seen 7% growth. Paul recalls that in 1970, you could get a good-quality one-carat stone for \$4,000; today that same stone would cost you \$15,000, and if it were absolutely top-quality, you could double that figure.

### **A lot of value in a tiny package**

And indeed, investment advisors the world over have discovered the advantages of diamonds. They pack a lot of value into a very small space. As easily transportable items with a stable value, they constitute a nice emergency reserve. Unlike gold and platinum, the value of diamonds is not quoted on a daily basis. Diamond exchanges do not have official rates.

Anxious investors, looking at investments that are considered stable in these uncertain times and thinking

of buying diamonds, should, however, check out and heed the warnings of experts and consumer advocates. Many investors have had bad experiences investing in diamonds short-term, when they've tried to reconvert the jewelry quickly into cash.

If you get more than two-thirds of the original purchase price short-term for a jewel, you're doing very well in many cases, as VAT and profit margins can be a third of the price. But some diamonds are virtually unsellable. Reinhard Paul says he's observed many inferior-quality stones on the market.

Stiftung Warentest, a German consumer advocate group, warns inexperienced buyers with no diamond knowledge about potential losses. While they say that diamonds costing between 2,500 to 50,000 euros and up are a good crisis-proof investment with excellent long-term prospects, they are ill-suited to buying speculatively and short-term.

Also, scams in the diamond business are increasing. Buyers are constantly warned to avoid sellers who advertise or cold-call and sell ignorant victims expensive soldered diamonds with fancy-looking provenances and certificates. To gain trust, sellers offer a buy-back guarantee – but only if the diamond is returned exactly as purchased, which effectively means that a jewelry expert would be unable to ascertain its value, because an evaluation requires dismantling the jewelry to examine it thoroughly.

With diamonds, the "four Cs" determine value: Carat for weight, Clarity for purity, Color, and Cut. Color is the most important quality, and the major price determinant. Large stones are much rarer than small ones, and a single 5-carat stone will always be worth more than five 1-carat stones.

Over the last 50 years, prices for uncut diamonds have almost always risen, and experts expect they will continue to rise over the next five to 10 years. At the same time, reserves are dwindling, and pessimistic forecasts say that the supply of raw diamonds will be exhausted within the next 20 to 30 years.

In the opinion of Reinhard Paul, investors who see diamonds as a long-term investment are on the right track. Jewelry is never suitable for speculation, or for short-term investment, he says. Its primary function is to be worn. "The best returns are the day-to-day joys of fine jewelry-- that sparkle in the eyes of the wearer."

### **Gem News**

**The World's Largest Diamond And Other Record-Breaking Jewelry Moments**

**Forbes**

**August 12, 2012**

**by Anthony De Marco**

*An excellent article by my FaceBook friend. Some really interesting stories if you love gemstones and history. Good job, Buddy. EDITOR*

As the 2012 London Summer Olympics winds down, it got me thinking about some of the great moments in history as it pertains to jewelry, gemstones and precious metals. Wealth and power throughout time has often been measured in the ownership of the most valuable and desirable adornment. Often the stories of precious ornaments ran alongside the rise and fall of kingdoms. Below is just short listing of some of the milestone moments. Please feel free to add more.

**The Most Valuable Sale of Jewelry in Auction History.** “The Collection of Elizabeth Taylor” auction held at Christie’s New York in December 2011. Following a worldwide tour and a 10-day exhibition at Christie’s New York, the two-day sale of Ms. Taylor’s jewelry took in approximately \$137.2 million. The opening night jewelry sale (December 13) alone set seven world auction records for some of the most important jewels in the world, including:

**The World Auction Record for a Pearl Jewel.** “La Peregrina,” one of the most famous pearls in the world with a history that spans 500 years, on a necklace designed by Cartier for Taylor, sold for \$11.8 million. It is believed to have been found by an African slave on the coast of the isle of Santa Margarita in the Gulf of Panama in the mid-16th Century or as early as the 15th Century. This pear-shaped pearl of 203 grains in size—equivalent to 55 cts.—became part of the crown jewels of Spain. Prince Philip II of Spain gave it as a wedding gift to his wife, Mary Tudor of England. It was passed on to the Spanish queens Margarita and Isabel, who wore the pearl in 17th century portraits painted by Velázquez. Richard Burton famously purchased the pearl for Elizabeth Taylor at auction in 1969 for \$37,000 and gave the pearl to Taylor on Jan. 23, 1969. Inspired by a 16th century portrait of Mary Queen of Scots, who wore it as a pendant to a brooch, Taylor commissioned Cartier to design a new mount of matched natural pearls and rubies, designed by Al Durante.

**The World Auction Record for a Colorless Diamond Per Carat.** The Elizabeth Taylor Diamond (also known as the Burton-Taylor Diamond). The 33.19-carat Asscher-cut D color potentially flawless diamond sold for more than \$8.8 million, or \$265,697 per carat. Mounted on a ring, it was a gift from Richard Burton to Elizabeth Taylor. The most iconic of her cherished white diamonds, it became the ring Ms. Taylor wore almost every day.

**The World Auction Record for an Indian Jewel.** The heart-shaped Taj Mahal Diamond that sold for more than \$8.8 million. Inscribed with the name Nur Jahan, the wife of the Mughal Emperor Shah Jahangir, this heart-shaped diamond is believed to have been a gift from the ruler to his son, who became the great emperor Shah Jahan (1592-1666). At the age of 35, it is believed that

the young prince presented the diamond to his favorite and most beloved wife, Mumtaz-i-Mahal. The emperor’s grief at her death just four years later was legendary—in her memory he commissioned the majestic Taj Mahal. Richard Burton gave it to Ms. Taylor in 1972 for her 40th birthday.

**The World’s Largest Rough Diamond.** The 3,106-carat Cullinan diamond uncovered in 1905 by Frederick Wells at the Premier Mine in Pretoria, South Africa. Wells presented the diamond to Sir Thomas Cullinan, who owned the mine. Cullinan then sold the diamond to the Transvaal provincial government, which presented the stone to Britain’s King Edward VII. He entrusted the cutting of the Cullinan to Joseph Asscher, head of the Asscher Diamond Company of Amsterdam. Asscher studied the stone for six months before attempting the cut. Legend has it that on his first attempt, the steel blade broke, with no effect on the diamond. On the second attempt, the diamond shattered exactly as planned; Asscher then fainted from nervous exhaustion. Lita Asscher, president of Royal Asscher of America and sixth generation heir to the family business, says her family has their own spin on the story: “We always say that he did not faint. He drank too much champagne (after cutting the diamond) and then he fainted.”

**The World’s Largest Cut Diamond.** The Cullinan was later cut into nine large stones and about 100 smaller ones. The largest stone is called the “Star of Africa I,” or “Cullinan I,” and at 530 carats, it is the largest-cut fine-quality colorless diamond in the world. The second largest stone, the “Star of Africa II” or “Cullinan II,” is 317 carats. Both of these stones, as well as the “Cullinan III,” are on display in the Tower of London with Britain’s other crown jewels; the Cullinan I is mounted in the British Sovereign’s Royal Scepter, while the Cullinan II sits in the Imperial State Crown. Cullinan I was the largest diamond in the world until 1987. The Golden Jubilee Diamond now has that honor. At 545.67 carats, it outweighs the Cullinan I by 15.37 carats. The yellow-brown diamond in a fire rose cushion cut was purchased from De Beers by a group led by Henry Ho of Thailand and given to Thai King Bhumibol Adulyadej in honor of his 50th coronation anniversary. It is now located in the Royal Thai Palace as part of the crown jewels.

**The World’s Best Story Attached to a Piece of Jewelry.** A Siberian aquamarine Fabergé brooch that Russian Tsar Nicholas II gave to princess Alix of Hesse as an engagement gift. I saw this piece at Wartski jewelry antique store in London, best known as the “royal warrant of appointment,” one of a handful of companies that supply goods and services to the British Royal Family. Geoffrey Munn, the store’s managing director Fabergé told the story behind the

brooch when I visited the store in June.

"In here we have a Fabergé brooch, a Siberian aquamarine surrounded by diamonds. That's all we knew for a while. It's an exemplary aquamarine and it's of extraordinary color. (women in the group gasp with amazement). I know, I know it's fabulous. (But) it's only the beginning of the trouble. Because this really is going to wreck you and you'll need a stiff drink afterwards. It's an exemplary aquamarine and it's a Siberian one and they don't really come in that color unless they do come from Siberia.... The story of this is really quite awe inspiring because the color blue in the lore of lapidary stones stands for love and then there's sort of the interlock of two lives with diamonds forever. And that's all we knew for a very long time until my colleague sent off the number to Russia and back came the provenance and it said that it was bought by the Supreme Autocrat of all the Russias—a pretty hot title—and there's a note beside it saying it was the engagement present from (Russian Tsar) Nicholas II to princess Alix of Hesse. And that is sort of stratospheric. But then what happens later is even more heartbreaking because when they were taken to prison in Siberia (during the Bolshevik Revolution), they went to a place called The House of Special Purpose—a very menacing title—and you know what happens next but this (the jewel) was with her just before she was taken to the basement and riddled with gunfire. It was confiscated and it isn't actually open to debate because it was a civil service theft and so they made an inventory of what they've taken from her and they photographed it on the table so you don't hear any fanciful stories. I think possibly that's as far as jewelry will ever take you."

**Most Diamonds Set on a Single Ring.** Could this be an object that will someday have a history of its own? The "Tsarevna Swan," a tall, highly stylized 18k white gold ring set a Guinness World Record for having the most cut diamonds on a ring: 2,525. It was unveiled in 2011 by the Lobortas Classic Jewellery House of Kiev, Ukraine. Regardless of whether this will capture the imagination of future generations of jewelry collectors, it is a great accomplishment.

**Celebrity Fashion & Style: Christian Louboutin - Shoes from Rubies? National Ledger August 28, 2012**

Christian Louboutin has revealed he was once asked to make a pair of shoes entirely from rubies. The prestigious shoe designer - who is loved by stars including Kate Moss and Madonna - said the most expensive footwear he's ever been asked to make was the extravagant pair for a customer. He said: "The most outrageous shoe that I had to do was a shoe where the person gave me stones - precious stones - and say that I could do anything with precious stones. "We're talking rubies. And so, I did a sandal. And it was just like a sandal with rubies. And in the drawing, I did the sole paved in rubies, which was all solid block of rubies. And the person looked at the drawing and said, 'It's perfect. It's very, very beautiful'. He added: "I said, 'Well, I just drew, you know, the stone on the sole. But actually, we shouldn't have them on the sole, because then you can't walk'. And the person said, 'Well, it's not a shoe to walk, anyway'. So the whole shoe was a block of ruby. And it actually was really, really, beautiful."

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