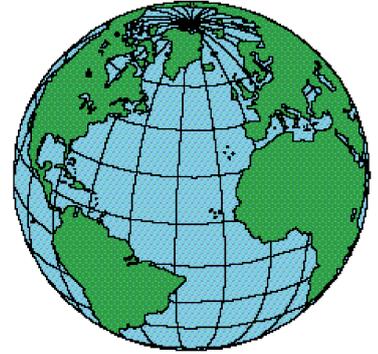


The Gemstone Forecaster



NGC, P. O. Box 42468, Tucson, AZ, 85733
1-800-458-6453 1-520-577-6222
E-mail: rgenis@preciousgemstones.com
Web: www.preciousgemstones.com/

Vol. 30 No. 4
Winter, 2012

TABLE OF CONTENTS

Burma Embargo Lifted...Except Gems?
Latest Auction News
Victoria's Secret \$2.5 Million Bra
Investment Gem News
Gem News
Gemstone Movies

Burma Embargo Lifted...Except Gems? by Robert G. Genis

On November 26, 2012, Secretary of State Clinton eased the sanctions on Burma. This was in response to significant reforms that have recently taken place at a rapid pace. Aung San Suu Kyi has gone from being under house arrest to becoming a leader of the opposition. Her party now controls 6.5% of the legislature.

Burma also released hundreds of political prisoners, halted press censorship and enacted a labor law that allows unions. They passed new foreign investment laws, established cease fire agreements with ten armed ethnic groups and have started a path to democracy with elections.

However, they did not waive the Tom Lantos Burmese JADE Act of 2008, which banned new jade and ruby from being imported into the US. According to the state Department release, the removal of sanctions "does not affect the existing prohibitions and restrictions on the importation of jadeite and rubies mined or extracted from Burma, and on articles of jewelry containing them. We are committed to working with the Government of Burma to address these concerns."

We are unsure if the embargo worked exactly as planned. A large part of Burmese decision to liberalize the country was due to international politics. The Burmese feel they must offer a balance to the Chinese, who are starting to dominate the country financially.

Who gains?

American companies like General Electric, MasterCard, Coca-Cola Company and PepsiCo have already signed deals. ConocoPhillips and Chevron Corporation look to capitalize on the country's oil and gas resources. Expect Apple stores to pop up also. In a nutshell, big US business gets a pass or an opportunity, depending upon your perspective.

Who loses?

The prime loser is the American consumer. Obviously, American gem associations do not have the political clout of say, Jeffery Immelt's General Electric. He is chairman of Obama's Council on Jobs and Competitiveness. This embargo means the amount or quantity of new Burma ruby and jade entering the market will remain practically nil. Less choice for Americans. Of course, this will probably mean prices will continue to rise for Burma ruby and Burma jade, as the law of supply and demand practically guarantees higher prices for the goods already here. No wonder Burmese rubies are breaking records at auctions.

The vast majority of the Burmese production is jade. Ever notice the Burmese Government auctions are about 95% jade? Where does the jade go? To China, not America. The ban seems almost a moot point.

It is unclear if this will effect the small Burmese miners and workers. Production of ruby is low anyway and buyers from China, Russia, Thailand, India and the Middle East have cash in hand ready to buy anything the country produces.

Summary

We have always believed this was misguided legislation. We are happy for the people of Burma and believe their lives will be improved by these new steps towards democratic freedom. From a gemstone perspective, if you have these goods, you are sitting pretty. If you are looking to buy, expect to pay more. Burma gemstones will always be king of the hill.

Latest Auction News

Despite the sluggish worldwide economy, auctions prices continue to escalate. Wealthy people around the world continue to find value in large, top quality diamonds and gemstones. EDITOR

Christie's Geneva

Christie's Magnificent Jewels sold over \$85 million worth of goods in November. The main stone was the 76 carat Archduke Diamond. The diamond was GIA graded as D-IF with a letter stating the diamond was from the Golconda region in India. It was bought by a telephone bidder for \$21.5 million.

Here are the other highlights:

- * A 30.07 Kashmir sapphire fetched over \$1.8 million.
- * A 60.44 Ceylon sapphire sold for over \$1.8 million.
- * An 18.86 Colombian emerald sold for over \$1.1 million.
- * A 70-carat unmounted rectangular-cut fancy vivid yellow diamond failed to sell. It had an estimate of \$3.1 million to \$5 million.

Christie's Hong Kong

Christie's Magnificent Sale 2012 was held in late November. The sale generated over \$75 million with Asian private collectors representing 90% of the buyers. Hong Kong remains a powerful influence on gemstone prices.

Here are the highlights:

- * A Burma ruby necklace of 26 graduated rubies from 5.35-1.27 sold for over \$5 million.
- * A matched pair of 23.18 and 23.34 Colombian emeralds sold for \$4.2 million. The stones were graded by AGL as not treated. The stones were also accompanied by a Jewelfolio.
- * An earring with four Burma rubies weighing 5.05, 5.01, 2.11 and 2.03 sold for \$3.1 million.
- * A 15.99 Colombian emerald, AGL graded no treatment, fetched \$1.2 million.
- * A 19.53 Star Ruby sold for over \$1.2 million.
- * A 10.66 Kashmir sapphire sold for \$1.2 million. The AGL report stated no heat enhancement.
- * A 20.03 Burma sapphire sold for \$850,000 or \$42,000 per carat.
- * A matched pair of 15.12 and 15.10 Burma sapphires sold for almost \$800,000.

Sotheby's Geneva

Sotheby's completed its sale of Magnificent Jewels in November. The auction sold over \$81 million.

Here are the facts:

- * A 10.48 Fancy Deep Blue diamond sold for slightly over \$10.8 million or \$1 million per carat. The stone was graded by GIA with flawless clarity. It was purchased by Graff.
- * A matched pair of 11.46 and 11.64 Burma rubies sold for \$3.5 million. They were graded by Gubelin and did not look very red.
- * A 39 carat no heat Burma sapphire sold for almost \$3 million. The stone was graded by Gubelin. The estimate was \$317,000-\$422,000.
- * A 16.99 Kashmir sapphire graded by Gubelin sold for slightly over \$2 million. The estimate was \$792,750-\$1,374,100.
- * A 7.00 Burma ruby sold for slightly over \$1 million.
- * A 6.09 Burma ruby sold for \$865,000.

Christie's New York

Christie's Magnificent Jewels Sale was held on December 10. The sale generated over \$32 million.

Here are the main gems:

- * A 3.15 round GIA graded fancy reddish orange diamond, SI2 clarity, sold for slightly over \$2 million. It was estimated between \$700,000 and \$1.2 million.
- * A 6.18 AGL graded, no heat Burma ruby, sold for \$1.65 million, with an estimate of \$150,000-\$250,000.
- * A 8.91 Kashmir sapphire, no heat, AGL graded, sold for \$1.37 million after being estimated at \$250,000-\$350,000.

Victoria's Secret \$2.5 Million Bra

This year, Alessandra Ambrosio walked the runway wearing the Fantasy Bra, a \$2.5 million piece called the Floral Fantasy due to its flower-covered design. The 2012 Floral Fantasy Bra is constructed of 400 gemstones – rubies, diamonds, sapphires, and other gems. It was designed by for the second year in a row by New Jersey-based London Jewelers. The price tag last year is the first increase in many years from \$2.0 million to \$2.5 million. There has been a Fantasy Bra every year since 1996. No one has ever been sold and after the holidays, they are dismantled. Will someone ever buy one?

See it here:

<http://www.youtube.com/watch?v=sOysQnc8Rcc>

Investment Gem News
Investing in Diamonds: The Clear-Cut Truth
Wall Street Journal Blog
October 24, 2012
By Julie Steinberg

In the most-recent Weekend Investor cover story, we explored "alternative alternatives," investments that could fall under the collectibles category, such as classic cars, musical instruments and wine, comprising a small portion of one's portfolio.

Diamonds, which have seen sharp price moves in recent years, also fall under this category. Unlike gold and silver, they aren't traded on a public exchange. But their recent track record is strong enough to warrant some attention.

Between 1999 and 2010, white diamonds provided annualized real returns of 6.4%, and between 2003 and 2010 they returned 10%, according to an upcoming study by Luc Renneboog and Christophe Spaenjers, finance professors at Tilburg University in the Netherlands and HEC Paris, respectively. The professors explored only periods for which they had enough transactional data, Spaenjers says.

Between 1999 and 2010, colored diamonds returned an annualized 2.9%; between 2003 and 2010 they returned 5.5%, according to the professors' data.

By contrast, according to the study, global stocks returned an annualized minus-0.1% between 1999 and 2010, and global bonds returned 3.3% during that period.

Longer-term data on diamond performance doesn't exist, though Spaenjers says there was a boom and bust in the late 1970s and early 1980s, followed by slightly increasing prices until the late 1990s.

One-carat diamond prices have had two big busts since 2006, according to the RapNet Diamond Index, or RAPI, which represents the average asking prices on RapNet-Rapaport Diamond Trading Network: once after the financial crisis and again after July 2011.

Because prices are still low compared with recent peaks, now could be a good time to invest, says Martin Rapaport, chairman of the Rapaport Group, an international diamond company based in New York, though he warns the short-term market is "choppy." In the longer term, increasing interest from Chinese and Indian middle classes, coupled with the relatively fixed number of diamond mines, could push prices higher, he says.

You can purchase loose diamonds yourself at an auction or through a wholesale distributor. If you do, you should work with an appraiser, jeweler or broker who knows the business and the quality and value of the stones, says Rapaport.

Investors can also work with a wealth manager. Eli Butnaru, CEO of Mora Wealth Management USA in Miami, has put clients in a fund solely dedicated to investing in rare colored diamonds. Clients pay fees of

2% and 20%, and the entire investment comprises only 1% to 3% of their portfolios, he says.

One downside: the opaque nature of the industry. There isn't an established mechanism to immediately know the price of a diamond, says Andrew Feldman, a financial adviser who recently obtained a patent to create an exchange-traded fund for diamonds.

Are Diamonds and Precious Stones an Investment?

Hayahalom, issue 206

November 11, 2112

by Avner Sofiov

Diamond and precious stone manufacturer, Avner Sofiov, was invited to lecture at the first gemological symposium held by the European Federation of Gemological Laboratories in late January in Paris. Avner Sofiov, former president of the Precious Stones Exchange, presented the 300 symposium participants with his views on the question of whether diamonds and precious stones should be considered an investment.

Many years ago, I was sitting in a Paris restaurant with the personal advisor of the late president of Egypt, Anwar Sadat - Professor Ahmed El Omar, who purchased rare and especially interesting stones from me and over the years became a friend. We spoke in English, and a woman came over to our table. She introduced herself as Mrs. Dueck, and told us she had heard my companion's Egyptian accent and wanted to tell us a story: "My husband and I had a very large underwear factory in Egypt. In 1967 we had to depart Nasser's Egypt empty-handed, leaving a great deal of property behind. Fortunately, I managed to take one extremely large diamond with me. It was thanks to that diamond that I was able to buy an apartment, care for my husband who became ill following the deportation and begin a new life - all that thanks to the diamond."

We have heard many moving stories about diamonds that saved the lives of Jews during the Second World War, because of their light weight and high value. And not only wars highlight the fact that the diamond has many more important qualities in addition to its exceptional beauty. In global financial crises the advantage of diamonds as an asset is also revealed. For example, in 2008 we encountered a global economic crisis that led to a loss of public confidence in stocks, bonds, currency and banks. The citizens of the United States who had put aside money for "a rainy day" awoke one morning to find their savings had evaporated from the bank accounts they had so depended upon. Residents of handsome homes found themselves on the street. And not only individuals lost the solid capital from under their feet. Whole countries found themselves in trouble, at the brink of bankruptcy. The stock market became unclear and unstable, and confidence in currency and shares

was shaken. People took to the streets and rioted, presidents fell and the world found itself in a storm of change. At times like that, people seek valuables that they can keep in their pockets. Those who had invested in real estate lost 50 percent of their money. Those who had invested in NASDAQ also lost 50 percent. Those who had put their capital into the Lehmann Brothers' bank lost 100 percent. But those who had invested in diamonds are now getting their investment back and even making a profit.

In fact, crises always encourage diamond sales. We can still remember the period following the terrorist attack of September 11th, 2001 - we were concerned that the Americans, known for their love of spending, would refrain from Christmas shopping. However, as the holiday approached we were surprised to discover that the crowds grew and the cash registers kept ringing, and in the end we enjoyed a very strong Christmas season, indicating once again that in times of crisis, people turn to diamonds. In considering the appeal of diamonds as an investment, we should examine the present situation. The sources of rough are running out, there are no new sources on the horizon and it will take many years before any enter the diamond pipeline. Furthermore, along with a growing demand for the final product, which pushes prices up, new markets in India and China are also developing rapidly. In addition to being an asset that is accessible, easy to transport and holds its value, diamonds are also relatively inexpensive. For example, the price of a 1-carat diamond, color F, VS clarity is lower than that of a Chanel or Hermes bag. And while the luxury bag is not an investment and in fact will probably be given away or forgotten in the closet a year later, diamonds - as the famous slogan goes - are forever. They are passed from one generation to the next or sold for the original price paid or higher.

The world of diamonds in 2012 is completely different to the world of diamonds in 2002, for example, and all the more so to that of 1992, not to mention 1982. The dynamics are remarkable. In the past, it was possible to sell anything when the market was good, but today some things sell and others don't. Today's diamond world is one of items and niches, each with its own fate and luck. Therefore, if a diamantaire has a great deal of merchandise, he can not be sure it will sell, because they might not be the right goods, that is to say, those in demand in the current market. And if not every stone is suitable for sale, it is all the more true that not every stone is suitable for investment. A melee is not the same as a blue stone. Both are diamonds, but they are two different entities. One of the lecturers at the gemological symposium told us, for instance, that in 2007 a fancy intense blue, 6.5-carat diamond was sold in France for 2.7 million Euros. Today it is worth three times as much. The stone she described is rare and therefore a fitting item for investment. The value of

special diamonds, such as blues or pinks, is constantly rising.

The idea of purchasing diamonds for investment is gaining force. In recent months we have seen the appearance of companies that offer diamond investment, an innovation that indicates the adaptation of their investment portfolios to the new situation. In a piece entitled "Diamonds: A Safe Investment," the French magazine Bilan reported that leading investment advisors at a meeting in Geneva displayed lively interest in diamonds as an investment. The conference participants agreed that 2012 is a good year for investing in tangible assets. Diamonds, according to the article, are worth 14 thousand times more than gold: a gram of gold costs 57 dollars, and a gram of diamond costs 725,000 dollars. The article reported that Michel Tamisier, founder of the Geneva-based consultancy, Elite Advisers, which originally invested in wine and watches, has also opened a diamond-investment fund, Divine Jewels, offering its customers a potential 10-percent profit a year.

The American Harry Winston brand - which has already demonstrated its long-range vision by positioning itself along the entire value chain in the diamond industry, from rough production (the Canadian Diavik Mine) to sale of diamond jewelry in an American retail chain - has established a fund for polished diamond investment in cooperation with Diamond Asset Advisors. The fund transfers diamonds on consignment to Harry Winston, which sets them in the jewelry and watches it sells in the marketplace. A very large diamond investment fund has also been established in Dubai, focusing on the special diamond market. And these are just some of the examples.

Investors today have some very interesting options. On the public, open side there is the Internet, offering a high level of access to detailed information as well as stones from all corners of the world. On the especially interesting exclusive side, there are auctions, which are an interesting platform for buying special diamonds. In both, the buyer needs knowledge in the area of treatments and imitations, a cautious approach for correct identification of stones by consulting the websites of the gemological laboratories and checking the match between the stone and the certificate, and careful study of the field of auctions and how to make the right purchases. In the 21st century, the diamond is no longer an anonymous item. Every stone has a full identity, allowing the bank to buy and sell it with full confidence in its clear-cut identity. At any rate, it can be assumed that in such a fragile world as ours today, where people are seeking to diversify their investment portfolios, diamonds provide a fitting channel.

PureFunds brand set to debut in fourth quarter with flagship diamond and gemstone ETF

EFT Strategy

September 26, 2012

By Simon Smith, CFA

FactorShares has filed with the US Securities and Exchange Commission to launch three new exchange-traded funds (ETFs) under the soon-to-be-launched PureFunds brand.

PureFunds brand set to debut in fourth quarter with flagship diamond and gemstone ETF

The planned PureFunds ISE Diamond/Gemstone ETF (GEMS) should appeal to investors looking for hard assets as a potential safe haven from the degradation of fiat currencies.

The new funds will include a specialist diamond and gemstone ETF, the first ever to hold shares of companies exclusively engaged in the precious stones industry.

The funds are expected to launch in the fourth quarter of this year.

Commenting on what is likely to become the brand's flagship product, Paul Zimnisky, co-founder and CEO of PureFunds, said: "The PureFunds ISE Diamond/Gemstone ETF aims to track the supply/demand cycles of the rough and polished precious stone industry."

Zimnisky added: "The demand for diamonds and other gemstones has substantially increased over the past years as global investors look for hard assets as a potential safe haven from the degradation of fiat currency."

The funds filed for are:

PureFunds ISE Diamond/Gemstone ETF (GEMS)

PureFunds ISE Mining Service ETF (MSXX)

PureFunds ISE Junior Silver (Small Cap Miners/Explorers) ETF (SILJ)

The PureFunds ISE Diamond/Gemstone ETF will track the ISE Gemstone Index. This index is designed to reflect the performance of companies involved in the gemstone industry, including companies that produce, explore, and sell gemstones. The index is generally comprised of 20-30 securities and was created and is maintained by ISE Indexes. As of July 24, 2012, the index had 26 constituents, of which 23 were non-US; major holdings included Petra Diamonds, Harry Winston Diamond Corporation and Chow Tai Fook Jewellery Group.

The PureFunds ISE Mining Service ETF will track the ISE Mining Services Index. This index is designed to reflect the performance of companies that manufacture, lease, sell and provide equipment, consulting or other services to the mining and mineral exploration and extraction industry. The index is generally comprised of 30-40 securities and was created and is maintained by ISE Indexes. As of July

24, 2012, the index had 31 constituents, 28 of which were based outside of the US; major holdings included Mineral Resources, China Coal Energy Company and Joy Global.

PureFunds ISE Junior Silver (Small Cap Miners/Explorers) ETF will track the ISE Junior Silver Index. This index is designed to reflect the performance of small-capitalisation companies involved in the silver industry, including companies that mine, explore and refine silver. The index is generally comprised of 20-30 securities and was created and is maintained by ISE Indexes. As of July 24, 2012, the index had 28 constituents, 23 of which were non-US; major holdings included Endeavour Silver Corp., Fortuna Silver Mines. and McEwen Mining.

Zimnisky said the "mining service and silver explorer funds were also designed to leverage the increasing demand for hard assets like gold and silver."

The three funds have been filed to trade on the NYSE Arca (anticipated for Q4) and will come with an annual expense ratio of 0.69%.

PureFunds is not alone in anticipating demand for a diamond-based ETF product. IndexIQ, a leader in smart beta ETFs, recently filed paperwork with the SEC to market the IQ Physical Diamond Shares, a physically-backed commodities ETF holding diamonds, while GemShares, a Chicago-based financial firm, is hoping to secure a US patent for its process of turning physical diamonds into tradable ETF securities.

Gem News

Next Marilyn Sought to Sell Emeralds Over Diamonds: Commodities

Bloomberg News

November 01, 2012

By Thomas Biesheuvel

Colored gemstone fantasy for decades. Emeralds have not increased 10 -fold in last 3 years. Get your facts straight. EDITOR

Ian Harebottle is searching for a global celebrity to do for emeralds what Marilyn Monroe and Audrey Hepburn did for diamonds.

The chief executive officer of Gemfields Plc (GEM), the biggest producer of the green stones, said he wants "to bring in an A- lister to be the face of emeralds," mirroring what the actresses did in past decades that helped then-monopoly producer De Beers sell diamonds as symbols of lasting love. Clear gems still dominate today's \$21 billion precious stone industry.

Rarer than diamonds yet cheaper, emeralds are gaining among consumers. At current growth rates they may take more than 20 percent of their competitor's market share within two decades, according to the trade group the International Diamond Manufacturers Association. Gemfields' share price has

gained 78 percent this year.

"Sometimes rarity is not an asset," Harebottle said in an interview. "You need the volumes of supply, which is what we're doing."

Harebottle's strategy, from buying African ruby and emerald mines to leveraging iconic names, is supported by Brian Gilbertson, ex-CEO of the world's largest miner, BHP Billiton Ltd. (BHP) Gilbertson heads an investment fund that licensed the Faberge brand name to London-based Gemfields and bought a controlling stake in 2007. His son, Sean, is on the board.

High-quality emerald prices increased more than 10-fold in the past three years, out pacing a 21 percent gain in diamonds, according to calculations based on Gemfields and WWW International Diamond Consultants Ltd. data. Still the red, green and blue stones comprise just 10 percent of global gem sales and lack standardized pricing.

A 0.9 carat round diamond that's internally flawless and of rare white color would cost about \$7,000, according to online retailer Blue Nile. A round emerald with "excellent clarity" of the same size would cost about \$3,500, according to Africa Gems, an online retailer of the stones. Gemfields' market value increased to about 140 million pounds (\$225 million) this year as prices increased for its Zambian output. That's where it owns 75 percent of the Kagem emerald mine, the world's largest. It also has 75 percent of the Montepuez ruby field in Mozambique. The biggest investor is the Rox unit of Pallinghurst Resources Ltd., a Guernsey, U.K.-based fund that invests in natural resources whose chairman is Gilbertson. Rox owns 63 percent of Gemfields.

The company lacks the heft of the 20th century De Beers model, in which a single firm mined, marketed and largely controlled wholesale prices. Colored stones are a fragmented industry that's largely supplied by individual miners -- sometimes parents and children -- across about 10 countries.

At the same time it has benefited from singer and clothing purveyor Jessica Simpson, actress Halle Berry and the Duchess of Cambridge receiving engagement rings containing colored stones.

Global imports of rough emeralds, rubies and sapphires totaled about \$2.2 billion in 2011, according to the United Nation's Comtrade data. Rough diamond sales totaled about \$18.9 billion, according to BMO Capital Markets research.

"During the past three years, these other gemstone categories have taken away yet another half percent from our market share, of our display space, of our sales in the jewelry retail shops," Moti Ganz, president of the diamond manufacturers group, said in a speech at the World Diamond Congress on Oct. 15.

De Beers dropped so-called generic marketing of the stones when its monopoly was ended after losing a 10-year legal battle with the U.S. over price-fixing in 2004.

Polished diamond prices have declined for five straight quarters as Asian purchases slowed and the euro region

debt crisis eroded demand, according to PolishedPrices.com data. Rough, or uncut, prices have fallen for the past two quarters and are heading for the first annual decline since 2008 after rising by more than 20 percent in each of the past three years.

The colored gem market was about equal in size with the diamond industry in the 1940s. Generic marketing is where participants buy advertising that benefits them all -- such as the "Got Milk" campaign in the U.S. for the dairy industry.

De Beers, the world's biggest producer, created the industry and developed the "Diamonds are Forever" tagline that was voted as the best slogan of the 20th century by Advertising Age. Monroe's recording of "Diamonds are a Girl's Best Friend" and Hepburn's "Breakfast at Tiffany's" film helped cement an allure in consumers' minds, spurring a boom in demand and prices that were underpinned by cartel.

Rainbow Brights: What You Need to Know About Colored Diamonds

Art+Auction

October 22, 2012

by Ettagale Blauer

Perfection in a diamond is measured precisely by its carats, clarity, cut, and color — the famous "four Cs." When it comes to colored diamonds, however, one must add intensity and purity of hue. The matrix of these qualities is used to determine a stone's value. While the possible combinations are virtually infinite, the official vocabulary used to describe and certify these gems is not, and two dissimilar-looking diamonds can bear the same grade. Consumers need to educate themselves so they can be sure they're not "buying paper." (As Henri Barguirdjian, president and CEO of Graff Diamonds USA, says, "A little knowledge is dangerous.") Here's how to read between the lines.

Fine-quality colored diamonds are truly rare. A typical mine will produce one colored diamond for every 10,000 white or colorless stones, but only one large, fine, fancy colored diamond will be found for every million mined. Some colors are the result of trace elements or minerals — blue diamonds, for example, get their hue from boron, while nitrogen produces yellow diamonds. Green diamonds are exceedingly rare and the only kind to get their color from natural radiation in the earth. Pink is the result of a "deformation of the stone's internal structure," says John King, chief quality officer for the Gemological Institute of America (GIA), the dominant diamond-certifying laboratory in the United States. Cutters attempt to coax maximum color from the natural material, known as rough, and it's a delicate dance. According to King, "The orientation of the rough during polishing can make a difference in the internal reflections and refractions."

Colored diamonds rarely occur in unmodified tones;

that's why the purest pinks, yellows, and blues are considered the most valuable. Descriptive modifiers are applied according to the proportion of each color in the stone. For example, a diamond that combines yellow and orange tones might be described as yellowish-orange, yellow-orange, orange-yellow, or orangey-yellow, depending on the extent of the orange tint. The GIA uses 27 standard hue names as a guide to describing colors in diamonds, but recognizes that there are at least 270 variations when modifiers are factored in.

Unlike flawless D-grade whites, when it comes to colored diamonds, intensity rather than absence of hue wins the prize. Along with describing a color, the GIA grades its saturation using the following nomenclature: faint, very light, light, fancy light, fancy, fancy dark, fancy intense, fancy deep, and fancy vivid. The last two designations were added in 1994 to reflect the broader range of shades coming to market. The array is widest for yellow diamonds, the most numerous type by far. And these differences are not just semantic. A stone's value can increase by as much as 25 percent for each notch it moves up on the saturation scale.

The color pink has universal appeal, and it has become the most sought-after color in the current market thanks to headline-grabbing prices, such as the \$46.3 million paid at Sotheby's Geneva in November 2010 by jeweler Laurence Graff for a 24.78-carat fancy vivid pink. Citing the 9-carat Clark Pink and the 12-carat Martian Pink that Christie's sold in Geneva and Hong Kong, respectively, last spring, Rahul Kadakia, head of jewelry for Christie's Americas, says, "Exceptional gems undoubtedly attract new collectors at the highest level." Interest is global: New buyers from the Middle East, Russia, and Asia are competing for the very few pink stones that come on the market each year, whether from estates or mines.

Outside of the stratosphere, prices are still highly dependent on the individual stone. A three-carat, high-clarity fancy yellow diamond without modifiers might be sold by a dealer for \$8,000 to \$9,000 per carat. The same color and clarity in a five-carat stone would command \$12,000 to \$14,000 per carat, says Elan Ben-David, of fancy colored diamond specialists Ishay Be David.

Even with two major pinks on the market right now — a 12.27 carat fancy pink, VVS1 clarity stone offered by M.S. Rau Antiques in partnership with 1stdibs, priced at \$7,850,000, and a 10.15-carat rock (est. \$HK18–23 million; \$2.3–3 million) to be offered at Sotheby's Hong Kong on the 9th of this month — large, fine-quality pink diamonds are extremely rare. At this level, the only guideline for price is the eagerness of the market.

- Expertise in cutting is crucial to all colored diamonds. Poor choices can lead to loss of some of the inherent color.

- As with colorless diamonds, clarity is judged by the number of inclusions, or flaws visible at 10-power magnification. Stones showing no inclusions whatsoever are rated flawless or internally flawless; the latter term

applies if there is minor surface damage. The next top grade is VVS1, followed by VVS2, both indicating minimal inclusions, and moves down the scale through VS1, VS2, SI1, SI2, I1, I2, and I3.

- Diamonds are classified by their carbon makeup as Type I or Type II, with sublevels for each. Almost all fine colored diamonds are type II, having no measurable nitrogen impurities, and are the result of higher pressure over a longer time period.

- Any stone with documentation dated prior to 1994 should be recertified before sale, as saturation ratings by the GIA have changed. In the past, a stone could be described as simply "blue," but today it might be "intense blue" or "vivid blue."

Gemstone Movies

Film Review: The Thieves.

Film Journal International

Oct 12, 2012

By Daniel Eagan

Since it opened in July, *The Thieves* has become Korea's highest-grossing domestic film to date. A clever take on caper movies, this casino heist has an appealing cast, tricky plotting, and strong, vivid action. While it doesn't break much new ground, it has enough tricks to keep viewers entertained.

A long opening sequence shows how a team lead by Popie steals an antique vase from a private art gallery. First the sexy Yenicall beguiles the gallery owner, then Popie (better translated as "Popeye") and his cohorts shoot a steel cable from an adjoining building. A diversion lets Yenicall climb down the cable into the gallery and steal the vase, leaving a cheap replica behind.

Pressured by cops and needing quick cash, Popie and his gang next head to Hong Kong, where they team up with local crooks in a plan to steal the legendary "Tear of the Sun" diamond from a casino in Macao. Joining Popie is the newly paroled Pepsee, a safecracker. She's paired with a rival Hong Kong safecracker, Julie. Also in the Hong Kong gang: Chen, one of the few people to have survived an encounter with gangster Wei Hong .

Unfortunately, the diamond belongs to Wei's mistress. What's more, Macao Park, the mastermind behind the robbery, plans to sell the diamond back to Wei. Popie and Pepsee believe Macao double-crossed them during an earlier robbery, and may be seeking revenge against him. The Koreans don't trust any of the Hong Kong crooks; Chen seems to be focusing on an entirely different crime; and at least one member of the gang appears to be an undercover cop. The conflicts come to a boil right in the middle of the intricate robbery.

Like Steven Soderbergh's *Ocean's* films, a lot of the fun in *The Thieves* comes during the planning stages. Yenicall's efforts to seduce a floor manager go awry when it turns out he's gay; luckily, Zampano, the team's

muscle, is willing to pitch in to help steal his passkey. Director and co-writer Choi Dong-hoon handles the heist—which involves three safes and some split-second timing—adroitly. Where *The Thieves* really shines is in the crime's aftermath, as the crooks turn on one another with increasing violence. Choi waits until the last half-hour to unleash the film's best action, including a frenzied, three-way gunfight that ranges over and through a tenement apartment building.

Kim Yun-seok finds a good balance between his character's world-weary defensiveness and sneaky wiles; Lee Jung-jae is equally good in a difficult role as the suspicious Popie. And Hong Kong star Simon Yam is an old hand at this sort of film, turning in an effortlessly affable performance.

But it's the women who really shine here. Gianna Jun is dazzling as an acrobat and seducer, showing off a breezy sexuality that's both funny and intimidating. Kim Hye-soo is just as good as the betrayed Pepsee, especially during her safecracking scenes.

Some plot twists in *The Thieves* work better than others, particularly when Choi tries to wrap up loose ends in the film's final minutes. But if you're a fan of caper movies, *The Thieves* is unexpectedly satisfying.

Top 7 movies about mining

2012 Australian Mining

November 1, 2012

At Australian Mining we've put together a short list about some great movies about mining, or featuring mines.

Blood Diamond

A movie about the diamond trade in Africa, in particular the harsh conditions found on mines and the illegal, or 'blood diamond' trade.

While it focuses on a single diamond, it does show the harshness of illegal mining in Africa.

There will be blood

A great film about the rise of a turn of the century oil prospector in the US, and some of the double dealing the resources industry saw back in the early days. It highlights the big deals, the big men, and how companies, at this time, were driven by individuals rather than a board at the turn of the last century.

Moon

A bit of a different film, this is about a man mining on the moon. Not to give the plot away, it does show what mining in the future may be like, and how full automation and remote control has essentially removed most of the people from the work zone, requiring only one person to operate a massive mining operation.

Total Recall

There isn't too much we can say about this movie - Arnold Schwarzenegger, in a mining colony on Mars. Awesome film.

Diaros de Motocicleta

While this is about Che Guevara, it does highlight the state of mining in South America in the middle of last century, and the conditions miners faced, particularly at Chiquicamata. And how this directly led to his later actions, such as the overthrow of the Cuban government.

The Treasure of Sierra Madre

Humphrey Bogart mining for gold in central Mexico's Sierra Madre Mountains; and the line "there's gold in them there hills". A classic.

Red Dog

We thought you may have thought we forgot about this screen gem. A story about Red Dog, which showed the Pilbara in all its glory back in the days of Aussie mining before OH&S was taken seriously, and stubbies and thongs were considered appropriate.

The information provided in this newsletter has been derived from research and sources believed to be reliable. However, no guarantee is expressed or implied as to their validity. Opinions included herein are subject to change without notice. The gem market is speculative and unregulated. Certification does not eliminate all risks associated with the grading of gems. Recommendations are meant for those who are financially suited for the risks involved. Past performance is not a guarantee of future performance. Neither NGC nor The Gemstone Forecaster guarantee a profit or that losses may not be incurred as a result of following its recommendations. They may also hold positions in areas they recommend. Subscribers should not view this publication as investment advice, nor is it intended as an offer or solicitation with respect to the purchase or sale of any security.

Write: GFN
P. O. Box 42468
Tucson, AZ 85733

Call: 1-800-458-6453
(520) 577-6222

Name _____

Address _____

City _____

State _____ **Zip** _____

Phone (_____) _____

I like the Gemstone Forecaster.
Please send it to me for one year (four issues)
for \$49. Canadian orders send \$69 (US).
International orders send \$79.00 (US).

I have gems I want to liquidate. Enclosed
find copies of my AGL or GIA grading reports.

I want to put together a gem portfolio.
Please call for a no-obligation consultation.