

Gemstone Forecaster

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Prices Soaring at Tucson Gem Shows

by Robert Genis



The Tucson Gem Shows are back. This year's shows reminded us of the pre-Covid gem days. Remember, there were no shows in 2021, and 40 shows in 2022. This year started with 50 gem shows and no masks. Tucson is now the largest gem show in the world. These shows bring in as much as \$150 million dollars. Over 65,000 visitors were expected and traffic was crazy near the shows. Restaurants and hotels were packed again. We saw vendors from Asia, South America, Africa Europe, and even China.

Many dealers said they had their best show ever. We take that with a grain of salt, as they may just think it's bad business to say anything negative. Due to

skyrocketing prices, it's getting harder and harder to buy at any decent level at this show. Some whisper these shows have "gone retail" in price, chasing away many dealers looking for good buys. It's almost as if vendors are now pricing for retail rather than wholesale. Or this just represents the new pricing. And it isn't cheap!

The bottom line is prices are dramatically higher than last year. Some gem analysts we respect say fine gemstones are up at least 20-30%. One report from the recent Thai gem show said prices are up 80%! These increases are due to supply chain issues. Without new material, prices naturally escalate.

Paraiba Tourmaline



Paraiba or Paraiba Type Tourmaline remains a very difficult stone to obtain. Of course, the Brazilian and the Nigerian materials are impossible to obtain unless old collectors want to sell. You can forget new production. The same is now true of the Mozambique variety. We remember the Madagascar material was shunned when it came out. Of course, you could say the same about the Brazilian and Nigerian stones. It was a couple thousand dollars per carat and few wanted it, except the best blues. See the above image of the 7.88 Mozambique Paraiba tourmaline we saw at the show. The wholesale ask is now \$40,000 per carat. These prices are now rivaling the Brazilian material.

Cobalt Blue African spinel



We finally got our eyes on the new Mehenge Tanzania blue spinel. Our take on the material is it's not as electric blue and it is darkish compared

to the Luck Yen Vietnam material. Here is a 10.13 creme de la creme of the material. It is priced aggressively at \$50,000 per carat. Although only 1/2 the price of the Vietnam material, still not sure it makes sense to start any new material this high. Probably smarter to start lower and let dealers and collectors have a chance to buy the stones and fall in love with the material. Does it make sense these brand new stones are \$50,000 per carat and unheated 10 carat gem Burma sapphires are \$30,000 per carat? Think of the history and lore of Burma goods. I don't believe so.

Burma Goods

Let's talk about Burma stones. There were no Burmese dealer booths in Tucson, where you could go look through their inventories. There were some NY dealers who claimed to have Burmese goods, but their pricing is extremely aggressive. I did see 10-15 Burma rubies at one booth, but the stones were very dark in tone and we consider dark tone (AGL 90) inferior quality. We don't care if you have a lab cert calling the stone pigeon blood. Otherwise, you were looking at maybe one Burma gem here, one there.

Burma is finally easing their Covid restrictions similar to China. However, according to the State Department, Burma has the highest level 4 Red Color Travel advisory-Do Not Travel. Westerners are not flocking to Burma anytime soon. The Mogok miners are stuck between the Government Coup 2021 leaders and the rebel resistance. Can they search for gems or not? Who do they pay? This results in very little production and the few new goods are smuggled to China anyway. This is a classic case of strong demand coupled with a very limited supply, causing prices to rise. The only way to get top gems today at prices that are not insanely high is to rebuy from old collectors or estates.

Summary

We were happy to see the Tucson Gem Shows coming back to life. But prices were high, for whatever reason. Hopefully supply chain problems will ease and there will be a new hot stone next year. We will be there as always and continue the hunt! See next page a few more fun images from this year's shows.



Spinel Butterfly, Smithsonian collection



All ages enjoy the gem show!



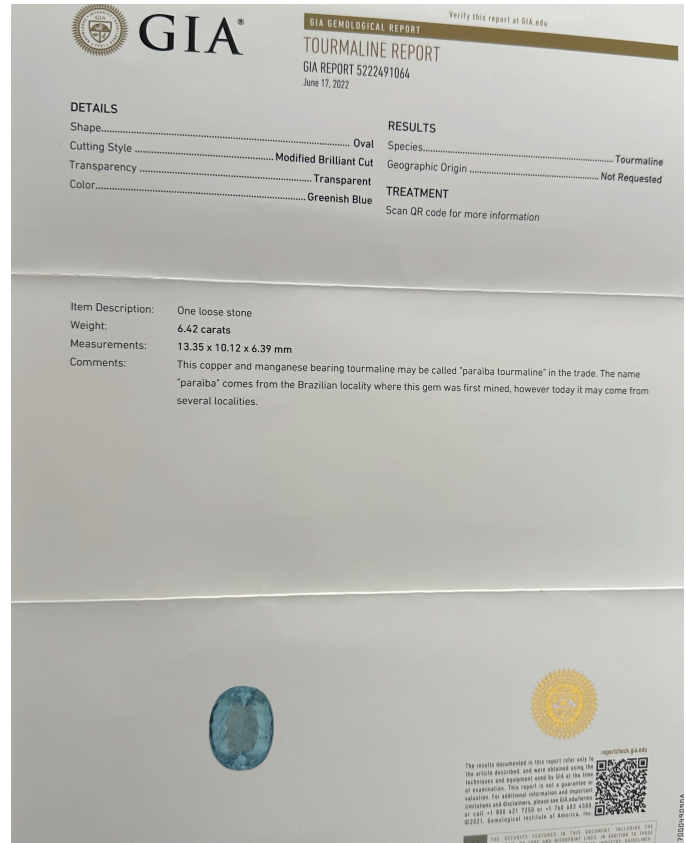
Best gem dealer sign ever

AGL Saves Another Client By Robert Genis



Here is a 6.42 Mozambique Greenish Blue Paraiba tourmaline I was interested in buying at the Tucson Gem Show. Although slightly windowed, it had a bright electric color and was eye clean. The gem was accompanied by a June 17, 2022 GIA Gemological Report stating the stone was a "paraiba tourmaline". If you QR code the stone, the GIA treatment statement says: "Color origin cannot currently be determined." The GIA also states, "Many gemstones are routinely treated by different methods to improve the color or appearance and irradiation cannot be detected. A wide range of gem materials may be subjected to low temperature heat treatment to improve or change the color of the stone. It is possible for the heating process to occur naturally when the gemstone is in the earth. To determine if the heating was done by man vs. nature may be difficult if not impossible".

What do I take from this report? The stone is probably heated. What is obviously missing is any data about whether the stone is clarity enhanced or not. This is vital information in today's gem markets. Maybe 20 years ago it was not. However, the vacuum pressure technology and fillers have advanced dramatically and many gemstones are now clarity enhanced to improve the appearance of a gemstone and to increase the value. I find it inexcusable the GIA does not even check this vital component of high end collector gems today.




What is a gem dealer supposed to do? I sent the stone to AGL for a new and hopefully more complete grading report.

Guess what happened?


The AGL Prestige Gemstone Report stated the 6.42 is a natural Green-Blue Mozambique Paraiba-type tourmaline. The AGL called the gem low heat. Also, the stone is clarity enhanced, minor degree. In the comments the AGL document states, "Natural tourmaline may be clarity enhanced to reduce the visibility of fissures." The stability of this type of enhancement is Very Good to Good. This does not sound good since the low heat color stability is excellent. I informed the lab I could not sell this stone with the clarity enhancement comment. They know this from my years of rejecting these types of treatments, especially in emerald. They suggested we clean the stone with acetone for 72 hours and resubmit the stone. The stone was returned to the original dealer who proceeded to acetone the gems. See AGL document Page 5.

The Prestige Gemstone Report™ American Gemological Laboratories™ AGL



Images do not accurately portray size or color.

Accu-Vu™ Imaging:



Comments:
This diagram is an example and does not represent the actual facet arrangement of the item described.

General Report Comments:

Document No: 8091384 Validation Date: 14 February 2023

Identification

Mineral Type: Natural Tourmaline Transparency: Transparent
 Variety: Paraiba-Type Color Description: Green - Blue


Carat Weight: 6.42 cts Shape: Oval
 Measurements: 13.32 x 10.12 x 6.38 mm Cutting Style: Modified Brilliant Cut

Comments: Paraiba-Type is a term/color variety applied by the AGL to the copper-bearing variety of elbaite tourmaline, which was first discovered in the Paraíba state of Brazil, but may have originated from a different source.

Origin

Provenance: Mozambique

Comments: Based on available geological information, it is the opinion of the Laboratory that the origin of this material would be classified as Mozambique.



Enhancement

Standard: See comments Additional: Clarity
 Stability Index: Color Stability: Excellent Degree: Minor

Comments: This color variety of tourmaline is commonly the result of a relatively low temperature heating process. Natural Tourmaline may be clarity enhanced to reduce the visibility of fissures. The stability of this type of enhancement is Very Good to Good.

Enhancement Stability Index: 1 2 3 4 5 6 7 8 9 10

Degree of Clarity Enhancement & Relative Rarity: None Slight Minor Moderate Strong None

M. Chaiyapaksa *Christine F. Smith*
 Mineralogist/Geologist, Senior Gemologist Director, F. Smith President

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About Us

American Gemological Laboratories™
 America's first and most highly respected origin lab.

Founded in 1977,
 AGL is an internationally recognized gemstone testing facility, specializing in comprehensive colored stone analyses.

AGL has the distinction of being the first laboratory in the United States to issue Country-of-Origin reports. Our company and its principals have a long tradition of research into the detection of and reporting on gem identification and classification, gemstone treatments and provenance determinations.

Our staff is composed of experts in the field of gemstone testing and reporting. Our findings reflect the latest knowledge and analytical techniques to ensure the highest standards are applied on every stone we test.

AGL's testing and reporting methodology provide you with unsurpassed quality and reliability. We are committed to providing the highest level of service and reporting that our clients and the industry have come to expect from the AGL.

As you can see from the following image, the 6.42 Paraiba tourmaline now has a major inclusion in the table of the stone. It's now obvious why someone along the line decided to clarity enhance the stone. Pretty hard to sell with this inclusion. Worth a great deal more money if the inclusion is gone. I told the dealer my clients were not interested in this stone at any price now.

What does this say about the GIA Grading Report? Yes, the GIA is fast compared to the AGL, yes, the GIA is less expensive than the AGL, but maybe you get what you pay for? I find this lack of good information extremely unprofessional if not potentially a legal liability for the non-disclosure to collectors and investors. The purpose of grading should not be to help dealers sell stones. The purpose of labs should be to give ALL the information to the final client so they can make a rational decision on all of the important factors that make up the value of the gemstone. Regrettably, few labs succeed in this prime mission. Remember these stones are very valuable and the client has the right to know. If you have any Paraiba or Paraiba type tourmalines with GIA only grading reports, we strongly advise you submit the

stones to AGL for a clarity check. Caveat emptor.



Bing AI Gem Investing Article

by Robert Genis

Artificial intelligence and Chat GPT systems are all the rage these days. Although many argue it's not ready for prime time and some users have gotten the AI to say some scary things, we thought it would be interesting to try to get Bing to write an article about investing in precious gems. Please note the current AI models often make mistakes, as their basic knowledge database is the internet, which is rife with incorrect information.

Call us impressed with this article. Not sure we could have done any better....especially in about 3 seconds time. We wonder if some of the material is from our web site or newsletters? Some arguments seem oddly familiar. Please note we edited this slightly for space and content. We will follow this new development closely. ED

Why You Should Invest in Precious Gemstones

by Bing

Precious gemstones are natural minerals that have been prized for their beauty, rarity, and durability for centuries. They include diamonds, rubies, sapphires, emeralds, and many others. But did you know that precious gemstones can also be a smart and lucrative investment option? Here are some of the benefits of investing in precious gemstones:

Stability: Precious gemstones are stable and secure because they can't be discarded or diminished. They protect against inflation by retaining their value, especially in turbulent periods. Unlike paper money or stocks, precious gemstones are not affected by political or economic crises. They are also portable and easy to store.

Liquidity: There is always the assurance that you have your money because precious stones can be redeemed instantly whenever cash is needed. Precious gemstones have a global market and demand, so you can sell them anywhere in the world at competitive prices. You can also use them as collateral for loans or other transactions.

Diversity: There are many types of precious gemstones to choose from, each with its own characteristics and appeal. You can diversify your portfolio by investing in different colors, shapes, sizes, and qualities of gemstones. You can also invest in different stages of the gemstone value chain, such as rough stones, cut stones, or jewelry pieces.

Appreciation: Precious gemstones appreciate over time because they are finite and non-renewable resources. The supply of natural gemstones is limited by geological factors and environmental regulations. The demand for natural gemstones is increasing due to population growth, rising incomes, fashion trends, and cultural preferences. This creates a favorable supply-demand balance that drives up the prices of precious gemstones over time.

Enjoyment: Investing in precious gemstones is not only profitable but also enjoyable. You can admire the beauty and craftsmanship of your gems while knowing that they are growing in value. You can also wear them as accessories or give them as gifts to your loved ones. Investing in precious gemstones allows you to express your personality and taste while making money.

AGL: One way to ensure that you get accurate and unbiased information about your precious gems is to have them graded independently by a reputable laboratory such as the American Gemological Lab (AGL) in New York. The AGL is one of the leading laboratories specializing in comprehensive analysis and identification of colored gemstones.

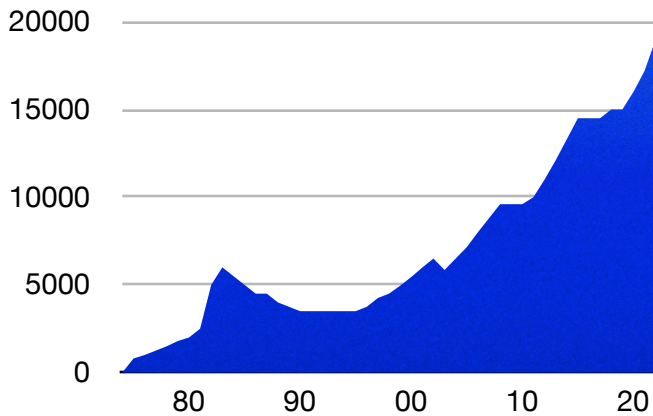
Conclusion

Investing in precious gems can be a rewarding and profitable venture, but it requires careful research and due diligence. One of the most important factors to consider is the quality and authenticity of the gems, which can be verified by reputable gemological laboratories such as AGL. AGL is the first laboratory in the world to quantify colored stones in a linear, comparative manner, and it offers a range of reports that provide detailed information on the origin, color, clarity, cut and enhancement of the gems. By

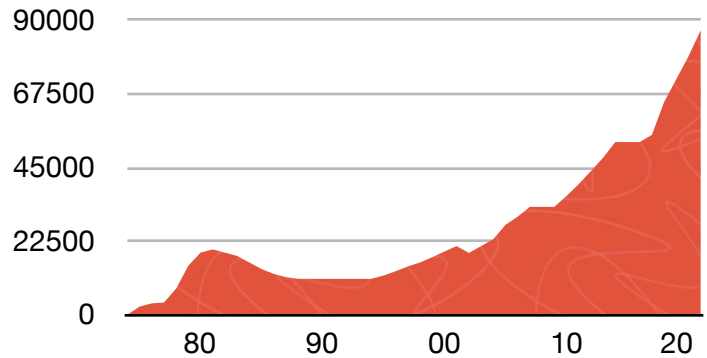
Retail Gemstone Prices (1975-2022)

These charts are prices per carat for GIA graded diamonds and AGL colored gems only. Prices represent retail prices encountered in the US markets. Wholesale prices are approximately a 50% discount to these colored gemstone prices. Diamond prices are approximately wholesale and any discounts are small. The only true price is what a knowledgeable buyer and seller agree to as a transaction price. No guarantees are made and no liabilities are assumed as to the accuracy or validity of these prices. Copyright 2023 by NGC. Reproduction is strictly forbidden.

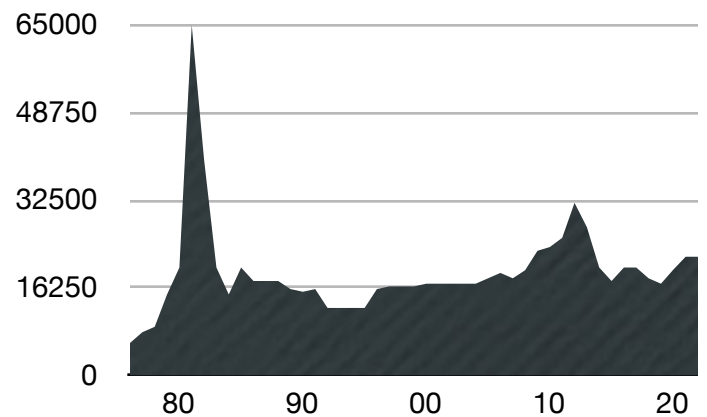
Burma Blue Sapp, 1ct, 2.5/75, LI, no heat



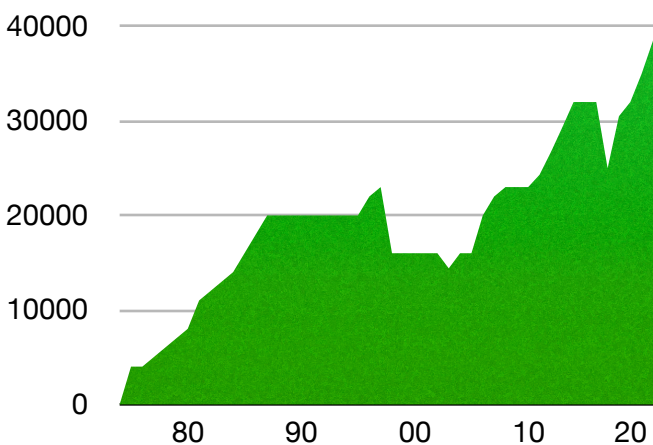
Mogok Burma Ruby, 1ct., 2.5/75, LI, No Heat



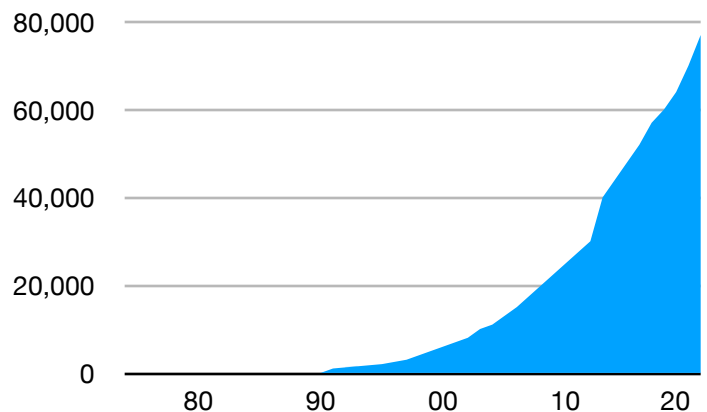
Diamond, 1ct., D-FL, Round



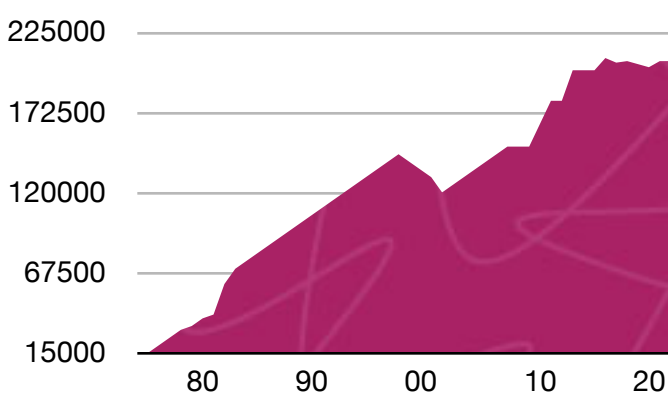
Colombian Emerald, 1ct, 2.5/75, LI, no treatment



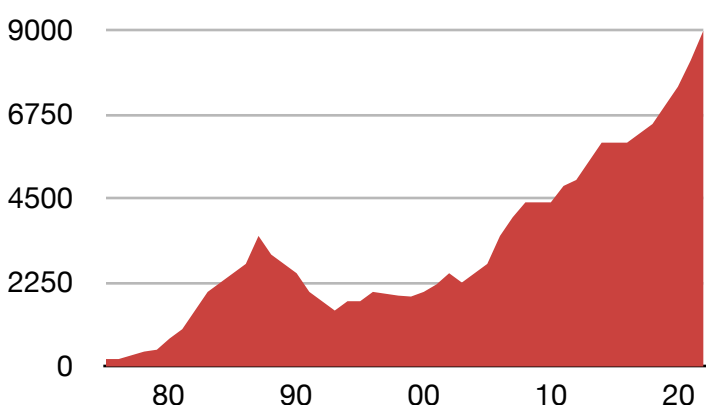
Brazil Paraiba, 1ct., Blue, LI, Low Heat



Fancy Intense Pink. 1ct., VS, Round



Burma Spinel, 1ct., Red 2.5/75, LI



choosing gems that have been graded by AGL, investors can ensure that they are getting the best value for their money and avoid potential pitfalls such as synthetic or treated stones. Precious gems are not only beautiful and durable, but also rare and limited in supply, which makes them attractive assets for long-term appreciation. As you can see, investing in precious gemstones has many advantages that make it a worthwhile option for anyone looking for a long-term and rewarding investment opportunity. However, investing in precious gemstones also requires some knowledge and experience to avoid pitfalls and scams. With proper knowledge and guidance from experts like AGL, investors can enjoy the benefits of owning these natural wonders.

Brief Analysis of Gemstone Forecaster Prices (1975-2022), See page 7

2021 was a usual year in that all gemstones and diamonds increased in price. 2022 was different. The link between top quality diamonds and high quality precious colored stones diverged. This is extremely unusual during an inflationary period. Generally, all diamonds and colored gemstones rise or fall together. For example, one carat top white diamonds saw losses up to 15%, although the D-IF was stable

at \$22,000 per carat. Other qualities fell as much as 20-30%. Colored diamonds remained stable except yellow diamonds. They were the exception and experienced 5% gains. Some large colored diamonds were pulled from auction last year because of no bids. The softness in diamonds might be due to recessionary fears or the increased acceptability of lab created diamonds. Many millennials question paying the price for real diamonds vs. lab diamonds, if no one can tell the difference? An excellent point.

Burma goods continued their ascent as no new goods have been mined in Burma (Burma ruby, Burma sapphire, Burma spinel) in the last three years. With US sanctions and the coup in Burma, don't expect this to change any time soon anyway.

No-treatment top Colombian emeralds have found a niche market with collectors. Clean untreated Colombian emeralds are in strong demand.

Brazilian or Mozambique Paraiba Tourmaline remains the "chosen one" of the colored gemstone world. These stones continue to skyrocket because of incessant demand and no supply. As mentioned before, even the Madagascar material is now played out.

Finally, Kashmir sapphires are practically nonexistent.

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.

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I want to put together a gem portfolio.