

# THE DIAMOND BULLETIN



**Bi- annual Newsletter from Prins & Prins**

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Editor Dr Petré Prins

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BEST  
WISHES  
FOR THE  
FESTIVE SEASON AND NEW YEAR

From All at *Prins & Prins*

## EDITORIAL - boom times again

While the world wobbles on the edge of an economic wasteland Auction Houses are selling diamonds at record prices while gold trades at historic highs. Once again these two commodities have proven their worth in times of political and economic unrest. And many traders are talking of another “Hard Asset” boom - similar to the one that occurred in 1978-1981.

Unfortunately few of today’s diamond and gold merchants were around in the early eighties. They have not lived through the

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devastating effect which the collapse of that hard asset boom had on the gold and diamond industries - for decades to follow. Let us hope the current “boom” will have a soft landing.

The dramatic increase in the price of gold, which nearly doubled in 18 months, has made gold jewellery extremely expensive and with the tightening of economic belts the sale of fine jewellery has taken a back seat in most countries. The ultra-rich and those investors who need to park their funds somewhere, are driving the price of gold and diamonds sky high, while the man in the street, who also want a piece of the action is sacrificing quality and buying down – 5ct gold/ silver jewellery and brown spotted diamonds are still selling. But will it ever be a good investment ?

On the other hand jewellery should be bought for the emotional and aesthetic pleasure it provides. If an item is well made with quality gold, platinum and diamonds whose price increases over time, it offers an extra benefit , over and above the pleasure it has provided.

## MARKET REPORT

**AT** the recent Las Vegas Jewellery fair and Conference diamond traders were upbeat as buyers were stocking up for their Far Eastern clients. The robust growth in the economies of China and India has driven the fast and sharp prices increases we have seen this year. The slowdown in the production of rough diamonds in 2008/09 has resulted in a near empty pipeline and the price of rough is outstripping the price of polished goods. Cutters are finding it difficult to make any kind of profit. Jewellery manufactures worldwide, except those in eastern countries whose cost structures are on a different planet, are struggling to survive. Locally the retail sector is going through a torrid time as consumers are tightening belts and buy necessities before luxuries.



Recently, some of the largest jewellery manufacturers in South Africa were forced to hand over their business to banks, as they could not compete with imported jewellery which now probably accounts for more than 80% of all jewellery sold in South Africa. Gone are the much heralded goal of our government; that by adding value to our precious metals and diamonds ( as promoted in their beneficiation guidelines) jobs can be created and poverty alleviated. After all, our constitution says that the riches of the soil belong to all. What a pity then that our labour force in the cutting of diamonds and the beneficiation of precious metals has shrunk to less than 40% of what it was a few years ago - a shrinking local market yes, but also due to the draconic regulations and BEE requirements that have been issued in the past few years. More than half of our cutters and goldsmith are either jobless or work in Botswana or Mauritius. One wonders why?

# The Prins & Prins Diamond Price Index

This index reflects the **average rand** value for the top 25 categories of certified, well proportioned one carat round brilliant cut diamonds. It is based on information supplied by local diamond dealers and the most widely used international price list distributed from 47th Street, New York.



YEAR:	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
INDEX	202	207	210	235	58	276	325	365	352	497	582	730	810
YEAR:	2003	2004	2005	2006	2007	2008	2009	2010	2011				
INDEX	580	603	650	650	670	900	850	840	955				

2011	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
INDEX	850	860	870	878	890	950	950	980	1005	1010	1100	1125

## DIAMOND PRICE INCREASE: 1 CARAT / D / FLAWLESS / ROUND BRILLIANT US\$ 1960 - 2011



What other commodity has shown such a steady increase in value over such a long period ?

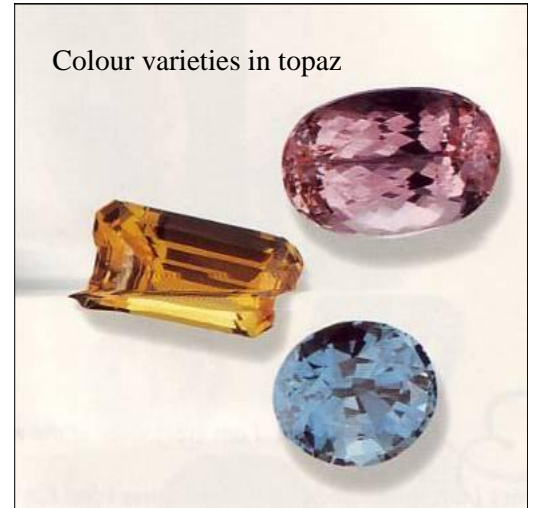
# GEMS A - Z

## TOPAZ

Topaz is an aluminum silicate containing some fluorine and hydroxyl. Although topaz comes in many colours, blue is the most popular. All colours of topaz are accepted as the birthstone for November.

The name topaz may come from the Greek word *topazos* meaning “to seek”, or perhaps from the Sanskrit word *tapas* meaning “yellow fire”. The most sought-after topaz has a reddish yellow colour, often referred to as Imperial topaz.

It is mined on all continents with Brazil, USA, Mexico, and Sri Lanka being the main producers. The original Imperial topaz comes from Brazil.



### Qualities

Topaz is normally devoid of inclusions that can be seen with the naked eye and occurs in very large sizes. The largest recorded faceted topaz weighs more than 40 000cts. Its colour can vary from colourless (called silver topaz), light blue, golden yellow, orange-yellow, brown, red, light green and pink.

### Value

Fine quality blue topaz (1-5cts) can be priced from US\$3-5/ct. Under 20cts, the maximum price could be US\$20/ct, whereas larger gems are much cheaper. Above 50cts the price falls to US\$2-5/ct. Extra-fine quality golden topazes can fetch up to US\$150/ct. When it has a red overtone and labeled as imperial, the price could jump to US\$500/ct. Good Imperials can still be bought for about US\$200/ct. Irradiated blue topaz is plentiful and vary in price, around a few dollar per carat.

### Enhancement

Certain colourless topazes can be irradiated and heated to produce different shades of blue. Light coloured blues are called Swiss blue. Moderately dark blues are called American blue or sky blue while the darker ones are referred to as London blue.

A recent method by which trace elements are diffused into the topaz crystal structure produces beautiful intense green topaz. Its trade name is evergreen topaz.

### Care and cleaning

Topaz is quite hard (H=8) and can withstand scratches better than most coloured gems, including emerald and quartz. However, it has a “perfect” basal cleavage along which the gem will split if incorrect pressure is applied. Gem setters must therefore be careful when setting a topaz. They should know that gem cutters normally position the cleavage direction at a 10-15 degree angle to the table facet.

## Tortoise shell

The shell of the hawksbill sea turtle is softened and laminated under heat and pressure to produce a semi-transparent to translucent organic material that is carved into hair accessories, buttons and ornaments. It became very popular in Victorian times. It has a mottled texture and is normally of a yellow to brown colour. A black and white variety also exists.

The Hawksbill turtle is an endangered species and supplies of tortoiseshell are limited. Brazil, West Indies, Indian and Pacific oceans are the main sources.



Tortoise shell jewellery. Photo: GIA

Tortoiseshell is often dyed into other colours and frequently imitated by plastic material.

### Identification

Numerous spherical particles can be seen with magnification and when touched by a hot needle, a burning hair smell will be obvious. Plastic imitations will smell and feel like plastic.

### Care and cleaning

Avoid ultrasonic and steam cleaning. Wash with a cloth in warm soapy water. Boiling water will soften the item and/or darken the colour.

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## WITCHES AND GEMSTONES

In ancient times it was believed that witches use gemstones to aid communication with the spirit world, to make forecasts and to cast spells. They may have worn the gem as a ring, a pendant, a necklace or even earrings or simply carried a collection in a purse. It was generally believed (many do so even today) that gemstones held power and energy and can be used for a variety of purposes such as healing, protection and to ward off evil. It was also believed that gemstones could stimulate crop growth, inspire fertility and even indicate the outcome of battles.



A witch would have chosen her gemstones carefully on a daily basis. Before she leaves the house she will decide what gemstone to wear. Maybe an [amethyst](#) ring to increase her psychic abilities, maybe a [moonstone](#) if a full moon is due that evening.

[Amber](#) was thought to offer a magical light for the dead as they progress through the underworld. This stone may appease the ghosts who visit you on Halloween and help them to find their way back!

[Andalusite](#) was used to aid communication with the dead and is an aid to receive their messages. This stone will definitely be used by Witches on Halloween.

[Carnelian](#) was and still is a very religious gemstone. It was used by the Egyptian goddess Isis to protect the dead in their journey through the afterlife. Witches will use this stone to appease the evil spirits.

[Citrine](#) was used as a protective talisman against evil thoughts.  
Keep this one handy if you're feeling naughty.

[Spinel](#) can be used to identify those who possess supernatural powers. They will shake uncontrollably when approached with a hidden Spinel gemstone (Put one in your pocket the next time you're about to meet the boss and ask for a day off).

### ***A word of warning:***

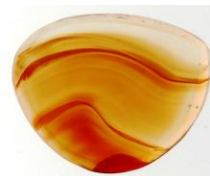
If all gemstones hold onto their individual energies it means that gemstones are not clean or totally fresh. They are holding energies from past owners who held and touched them before you.

Gemstones therefore have a real past and you should take care to cleanse all gemstones you receive thoroughly before using them. It follows therefore that a very old, ancient, or family heirloom gemstone should really be treasured. Who knows the powers and wisdom it possesses – thus believed witches of the past.

Be careful then, when on Halloween, you see a witch with a bag full of stones. You have been warned! (not seriously)



Amethyst and citrine



carnelian



I'll rather be inspired by beauty and a perfect design than a witch's whim.

# FINE JEWELLERY - FASHION OR FORTUNE ?

Some people believe that “jewellery is fashion”, while others say that jewellery, especially when of fine quality, should transcend fashion, should be forever. When looking at jewellery trends it is obvious that jewellery is indeed fashion as there had been distinct trends and dramatic changes in style over centuries.

Edwardians were wearing light lacy, garland style white gold and platinum jewels which gave way to the romantic animal and female forms of the Art Nouveau movement. This was followed by the geometric shapes of the Art deco period. After WWII big bold gold pieces with large coloured stones were popular while in the 1950's diamond clusters and cocktail rings were hot.

The 1960-70's saw whimsical designs, often with artistic lines. In the 1980's bold hollow gold, mabês and diamanté ala “Dallas and Dynasty” were worn and in the 1990's beads made a comeback, tennis bracelets and singular pendants and solitaire rings were favourites.

At the turn of the century technological advances produces micropavé and the halo setting that became popular in the past decade. Micropaved items were not durable as the minute stones fell out and had to be replaced at high cost - and today the trend is towards simpler lighter settings, surely influenced by the incredible rise in the price of precious metals.

Today's record price of gold and platinum means that those bulky, weighty pieces of the past, which are collecting dust or waiting for burglars, are now worth a fortune. The stones they contain can be reset into a lighter weight, fashionable, wearable, specially designed piece of jewellery - which need not cost a fortune as the excess gold could be traded in to pay for the manufacturing cost. Raid your wardrobe – remodel your gold and wear it again, as it should be.



Delicate Georgian Pendant



Art Nouveau Brooch



Art deco clip Brooch



Modern micro set rings with fancy colour diamond

# NEWS FROM PRINS & PRINS

\* **The first floor of Huguenot House still seeks a tenant.** The space (190 - 260m<sup>2</sup>) is available at R65/m<sup>2</sup> Contact : Riana at 021 422 1090.

- Dr Petre and Carina Prins have spend some time in Europe visiting jewellery fairs, and diamond conferences. During a few days in Pforzheim, the centre of jewellery manufacturing in Germany, and a visit to manufacturers in Berlin, they investigated the latest trends and manufacturing techniques. Dr Prins is currently writing a training manual for goldsmiths which may be used in future when a new apprenticeship system is introduced for the training of South African goldsmiths.
- Miss Sajeeda Dalvie has been awarded an internship from the Mining Qualifications Authority and is currently undergoing jewellery training at Prins & Prins.
- Our other intern, Miss Lisa Laubser , is doing extremely well. Her enthusiasm and skills are bound to make her a shining light in our industry.
- Mrs Janet Redelinghuys has left our employ and is currently working at a jewellery store in Canal Walk- we thank her for her services and wish her well in her new career.
- We welcome Mr Stéfan Doveton-Moore to the Prins & Prins family. He has 15 years experience in the jewellery industry and has accepted a new challenge at Prins & Prins as from 2 Jan 2012. An accomplished singer, organist and choir master are but a few of his exemplary attributes. We are privileged to have him on board.



***PRINS & PRINS DIAMONDS***  
***A Passion for Perfection***  
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