

Gemstone Forecaster

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Time to Update our High End Model Portfolio by Robert Genis

It's been 37 years since we first published our model portfolios in the newsletter. As in any market, things change. We updated the models in 2015. Here is a further refinement of our High End Model Portfolio to better reflect our current beliefs regarding the future of gemstone markets.

All of the stones in the High End Model Portfolio are difficult to find. Some almost impossible. These stones are ultra rare, valuable, and can be expensive.

Historical Portfolios

Funny I was thinking back to the rise in investment gem and diamond companies in the early 1980's. What were we primarily selling? D-IF white diamonds, Heated Thailand Rubies, Heated Ceylon Sapphires and Treated Colombian emeralds. Later, white diamonds changed to colored diamonds, and Burma became the most desired country of origin for ruby, and Burma and Kashmir for sapphires. The only original stone left in the high end portfolio is Colombian emerald.

High End Changes Deletions

Burma jade

We are deleting Burmese Jade from the High End Portfolio, because the Chinese market seems to consume all the good jade. Plus, they pay astronomical prices.

2022

Model Gem Portfolio

Updated High End Alexandrite, Brazilian or Russian

Neon Blue or Green Brazilian or Madagascar Paraiba Tourmaline

Ruby, Burma, Faceted and/or Star

Sapphire, Kashmir or Burma Faceted and/or Star

Fancy Diamond, Any Color but Blue or Pink Preferred

Emerald, Colombian no treatment

Burma Spinel, Red, Hot Pink or Flame Orange

Padparascha

Also deleting Padparascha sapphire. Although we love these stones, they were more desirable when Ceylon was the only source. We recommend collecting only Ceylon pads with AGL paper. The new finds in Africa have confused this market, as many labs cannot accurately distinguish country of origin. Some minor labs call stones Padparascha that are obviously not.

High End Changes

Alexandrite

The ideal Russian alexandrite changes from ruby red to emerald green; the same colors of the Czar's imperial military uniforms. How many of these perfect color change stones have we seen over the years? Only one that we remember. Obviously, these are few and far between. Brazilian alexes tend to have dramatic color changes. Although not ruby to emerald, they change from a pleasing Rhodolite garnet red to nice teal blue Sapphire colors. Production peaked in the 1980's and is now pretty much played out.

Paraiba

We have further delineated Paraiba tourmaline by adding Madagascar stones. After all, a fine Paraiba is a fine Paraiba, no matter where it comes from. This is probably true of all gemstones because exceptions exist. Look for neon blues and greens but expect high prices. Remember, low heat from the AGL is acceptable. High heat is not.

Ruby

Burma ruby remains one of our favorite gemstones even though these stones are presently embargoed. Burma rubies are always hard to obtain and the shifting political winds intermittently prohibit their import. They are practically impossible to obtain from Burma anymore due to the recent coup and Chinese buying everything they can at very high prices. A big thanks to the collectors who bought these 20 years ago and now provide some inventory to new collectors.

One of our favorite gems has always been star ruby. These were really in style during the Roaring 20's, and used to sell for more than faceted ruby. Today you can buy at a deep discount, so go for it if you can find a good one.

Sapphire

Blue sapphire remains exactly the same since the 2015 Portfolio. Kashmir sapphire is only found today when collectors are ready to sell, as the Kashmir mines have been depleted for over 100 years. At least there is still some small availability of Burma blue sapphire. However Burma sapphires are in the same position as Burma ruby - very difficult to buy new stones. Star sapphires are ultra desirable as well.

Colored Diamonds

Colored diamonds are the success story of the gem world. Many are up 10X since the 1980's. When the D-IF white diamond market crashed, collectors wisely moved into colored diamonds. In 1987, the Hancock .95 red sold for \$926,000 per carat. This sale turbocharged the colored diamond market and the race was on. Although there were short periods of sideways or down markets, the bull market remains in force for these rare diamonds. An ideal high end portfolio should contain some of these stones. Although we prefer pink or blue, any color is smart.

Emerald

As mentioned, Colombian emerald is the one stone that has remained in our High End Model Portfolio since the very beginning. The only difference has been what collector seeks today vs. the 1980's. Until relatively recently, all emeralds were assumed to be treated. This was totally acceptable to collectors. At some point, collectors changed and demanded only untreated emeralds. If you think about it, these same collectors demanded no treatment Ruby and Sapphire, so this was a logical shift. Emerald have experienced more sideways and down markets (due to treatment issues) than the Burma gems. However, once the market coalesced around the no treatment stones, prices have been in an uptrend.

Spinel

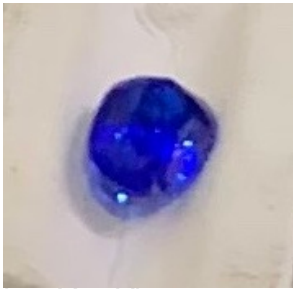
Once strictly a 'gem dealer' stone, recent high auction prices have moved this stone into the mainstream. We still prefer Burma spinel colors over the new African finds but this has increased spinel awareness and brought higher prices.

Summary

As a collector, you should buy the gems you love. Yes, and never forget-have fun!

Are African Cobalt Blue Spinel an Interesting Speculation?

By Robert Genis



Luc Yen Vietnam.



Mehenge Tanzania

Blue spinels generally come from Burma, Ceylon, and Africa. We do not believe we have ever seen a cobalt blue spinel from Burma. The main sources of cobalt blue gems have been Sri Lanka, Viet Nam, and now Tanzania. A small find of cobalt blue spinels was discovered last year in Tanzania and has now entered the market. The gold standard of cobalt blues is the rare vivid neon blue spinels from the Luc Yen district in northern Vietnam. One problem with the Viet Nam stones, however, is that they tend to be included, small, and pricey.

Brief Gemology

Violet to blue spinel can be colored by trace amounts of iron, and the vibrant blues owe their saturated color to trace amounts of cobalt. With a hardness of 8, spinel is one of the hardest gems around and often used in jewelry without worry.

Colors

The African cobalt blues are not as neon as the Viet Nam material. In the best cases, the African material can reach a vibrant electric color. (See images above). Much of the material is lighter and included. So look for vivid clean stones.

Comparison to Burma?

Generally the pinkish red spinels from Africa tend to be cleaner and larger than Burma red spinels. Maybe we have a cobalt blue spinel parallel?. We will have to wait and see what nature produces. There are rumors of 10 carat and larger cobalt blues; sizes unheard of in Burma gem red spinels.

Pricing

The traditional blue spinels have sold for a deep discount to the more desired red, pink and orange spinels. Cobalt blues are the exception. The two carat Viet Nam stone (image left) was at the Tucson Gem shows asking \$60,000 per carat in 2019. We saw a .85 in 2022 for \$10,000 per carat. We heard rumors a Sri Lankan cobalt is asking \$100,000 per carat. This is Paraiba territory. The new clean top gem one carat African material is \$5000 per carat plus.

Treatments

These cobalt blue spinels are not treated. Spinel cannot be heated or irradiated.

Conclusion

Buying brand newly discovered stones is often an interesting speculation. Think Paraiba tourmaline or Brazilian alex. They are a gamble because we never know how much material is really available. We do not recommend this stone to start a gem portfolio. However, if you already have a serious portfolio, this might be an interesting speculation and addition.

Gemstone News

Rare Gemstones: Rarest of the Rare Gemstones Ever Found!

Trending

By Saloni

Jul 11, 2022

Perhaps poorly translated, we edited this for clarity and brevity. Some good information here. However, we strongly disagree with Tanzanite. We stopped even tracking Tanzanite after decades of sideways to down prices. The only Tanzanite we recommend are untreated stones. Also, Ammonite? Looks like a bad opal to our eyes. Doesn't really fit with this group. ED

There are many rare gemstone species that are not well known like the major precious stones. Most individuals have never heard of these gems, let alone understand what they are. Assuming you're searching for something remarkable for your next jewelry buy, look at these staggering gemstones that you could never have speculated are rarer than the well known precious gemstones.

Extreme violet-blue shades of tanzanite can equal fine sapphire for a portion of the value – and it's a lot rarer stone! Occurring only in a little area of Tanzania, this assortment of zoisite has become very unmistakable.

After its discovery in 1967, it immediately rose in popularity, due to some degree to marketing by Tiffany and Co. This stone's areas of strength include blue, violet, or green-yellow, contingent upon the survey point. Jewel cutters orient these gems to highlight blue or violet tints.

However, practically all tanzanite goes through heat treatment from brown color to deliver its appealing blue shades, and this treatment creates a steady variety that makes this stone so attractive.

Burma Ruby

All rubies are rare, yet those from Myanmar (previously Burma) set the norm for quality and variety. They are additionally especially scarce. While rubies from Thailand contain moderately high iron substance which can bring about excessively dim reds with caramel or purplish colors, the topographical circumstances in Myanmar for the most part produce rubies with very little iron.

Subsequently, these jewels frequently accomplish more striking reds with a lot more grounded fluorescence than their Thai partners. In any case, a top-quality Thai ruby can match the best from Myanmar. With fine color nicknamed "pigeon blood," these red gems are consistently sought after.

Jadeite

Known for the brilliant electric green of magnificent jade, jadeite can really occur in many colors, including lavender, yellow, orange-red, blue, dark, and dull. Exceptionally valued in Chinese, Mayan, and Maori societies, this stone has a broad history of old stories.

Jadeite relies upon its clarity and surface color, with top-quality material having all the earmarks of being brimming with water, or like a drop of hued oil.

In any case, deciding the cost of a piece of jade includes more subjectivity than most gemstones. The imaginativeness of the piece assumes a vital part. There's a Chinese saying: "Gold has esteem; jade is significant."

Alexandrite

Found in the 1830's in Russia's Ural Mountains, alexandrite has exceptional variety. Because of measures of chromium in the gem structure, this stone seems emerald green to peacock blue in sunshine however ruby red to purple under radiant light.

At that point, Imperial Russia's colors – red and green – were in style. Consequently, it's no big surprise that the Russian privileged sought this stone. Named after Czar Alexander, this assortment of chrysoberyl is a rare stone.

However the discovery of alexandrite in Brazil and a couple of different areas has extended this gem's accessibility, it stays among the rarest stones. A cutting edge June birthstone, alexandrite remains well known and is frequently used in jewelry.

Paraíba Tourmaline

The brilliantly immersed blue-green tints of Paraíba tourmaline shocked the jewel world during the 1980s. Its revelation in the Brazilian province of Paraíba prodded a surge of miners and diggers into the area. The per carat cost of these gems rose rapidly and keeps on escalating.

Be that as it may, Brazil isn't the main wellspring of these neon stones. Comparable land conditions created these copper-bearing gems in Mozambique and Nigeria. In any case, this tourmaline assortment stays among the rarest gems.

Ammolite

In 1981, the World Jewelry Confederation (CIBJO) pronounced ammolite another natural gem. Happening in restricted areas in the Rocky Mountains, this jewel material is a lot rarer than many precious stones. Ammolite is made of the aragonite shells of marine mollusks in excess of 65 million years of age, which show splendid, glowing tones.

Any shade of the rainbow, or even the whole rainbow, may show up in a solitary example. The worth of these novel stones increases incrementally for rare varieties, The more extraordinary glow and play of colors, the more valuable.

Kashmir Sapphire

Delicate, smooth, soaked blue color portray Kashmir sapphires. These gems contain extremely fine patches of rutile that create this delicate look.

The mines that once delivered them high in the Himalayas dried up during the 1930s. Subsequently, the cost of these incredibly scarce stones ascends ever higher. While few will at any point have the honor of seeing one of these gems, galleries have some in their show cases. They're definitely worth a visit.

Conclusion

All things considered, there are various gemstones and minerals on our planet earth which are without a doubt extremely rare, many of which are not known well by the public.

Burma Gem News

Myanmar Gems Boss Arrested for Alleged Resistance Support By The Irrawaddy August, 25 2022

More problems in the gem business in Burma. Most are stuck in a bad situation between the Junta and the Rebels, and often must pay both sides. This is an impossible dilemma, doesn't help production, and also dramatically increases prices. ED

Myanmar's regime recently arrested a gems merchant for allegedly supporting the civilian National Unity Government (NUG) and seized his assets. Gems and jewelry traders are viewing it as a threat to the entire industry.

U Kyaw Thura is the vice-chair of the Myanmar Gems and Jewelry Entrepreneurs Association and owns the Myanmar Thura Gems Company, a leading jade mining company and the only privately owned firm owned by a member of the majority Bamar ethnic group among the companies at the jade-mining hub in Hpakant, Kachin State. The sector is dominated by Chinese traders and junta cronies.

His possessions, including land, buildings, machinery and 193 tons of raw jade, estimated to be worth nearly 12 billion kyats, were sealed off.

The regime is trying to discourage business owners from financially supporting strikers that have refused to work for the regime and any group linked to the NUG, which the junta has labeled terrorist organizations.

A trader from Mandalay said: "Many business owners are afraid of both sides [regime and the NUG] and feel insecure. We have to pay cash if requested by either side. If it continues this way, the economy will only get worse. What happened [to U Kyaw Thura] is a threat to the entire gems and jewelry business."

Another gems dealer from Mandalay said: "The arrest of U Kyaw Thura and seizure of his property has rocked gems merchants. He is the key figure in the efforts to manufacture finished jewelry so it impacts the entire industry."

U Kyaw Thura was detained at his house in Chanayethazan Township, Mandalay, on August 17 for allegedly financially supporting the NUG and resistance groups in Kachin and Chin states and Magwe and Sagaing regions, as well as strikers, according to the regime.

Within three days of his arrest, his property, including houses, company offices and workshops in Naypyitaw, Mandalay and Myitkyina and Hpakant in Kachin State, were sealed off.

U Kyaw Thura is apolitical and his friends were shocked by his arrest, said a fellow gems merchant.

"He is one of the few successful Bamar business owners. His position is clear. He focuses on the development of the gems industry no matter who is in power. I never heard him speak about politics. As he has risen from humble beginnings, he treats everyone with respect. No one can believe this has happened to him," he said.

U Kyaw Thura was detained following the interrogation of U Min Thu Aung, a driver at Myanmar Thura Gems, according to junta spokesman Major General Zaw Min Tun. The driver was also accused of funding the resistance.

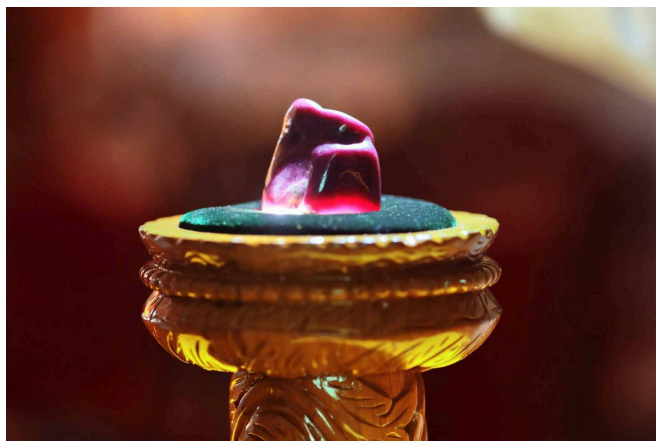
According to the junta report, U Kyaw Thura had provided over 600 million kyats, US\$10,000 and 19,000 yuan to protesters, strikers, the NUG and the resistance. The regime said a pistol and bullets were found at his firm's compound in Namaphyit village in Hpakant.

A Hpakant source said: “You will find many guns in Hpakant. It was not found in U Kyaw Thura’s house in the compound but an employee’s room. The employee admitted it is his gun. Men like Ko Kyaw Thura do not need to keep guns. He is a likable man and lives in a guarded compound.”

While Myanmar produces some 90 percent of the world’s jade, the country only exports raw jade because of the lack of technology. Myanmar Thura Gems has been trying to manufacture finished jade domestically. A gem dealer from Mandalay said: “He pays for jade sculptors to learn in China. He sends young trainees to China to learn from Chinese jade sculptors. U Kyaw Thura is the first trader in Myanmar to develop finished jade products.” U Kyaw Thura has engaged in the jade industry for nearly three decades and employs over 5,000 staff.

Myanmar Junta Chief Perpetuates Predecessors’ Superstitious Obsession With Rubies

The Irrawaddy
July 11, 2022



Courtesy: The Irrawaddy

Burma gained independence from Britain in 1948. Gen. Ne Win staged a coup d’etat in 1962 and implemented the “Burmese Way to Socialism.” He revalued the currency in 45- and 90-kyat notes because Win thought nine was a lucky number. Burma has always been a mystical, magical country. ED

Successive military dictators since the previous military regime the State Law and Order Restoration Council (SLORC) have one thing in common—being superstitious and thick-headed.

The military leaders of the SLORC were crazy about white elephants, which are in fact Albino pachyderms, as well as rubies, which are traditionally associated with royalty and wealth in Myanmar. Historically, the status of a king was evaluated by the number of white elephants in his possession. Peculiarly enough, military generals took great pride in the discovery of white elephants and rubies during their rule, describing themselves as true heirs of kings.

Min Aung Hlaing is the latest military leader to inherit this peculiar vanity.

The junta broadcasters in their 8 p.m., July 7 newscasts reported about the “Tatmadaw’s [Myanmar military’s] donation of a 2,789.25 carat ruby to the State”, in which the military headed by Min Aung Hlaing handed over the ruby to the interim government led by State Administration Council (SAC) chairman and Prime Minister Min Aung Hlaing. In other words, Min Aung Hlaing handed the ruby over to himself.

According to Min Aung Hlaing, a young man who loves the country and Tatmadaw donated the ruby, which was handed down to him by his ancestors, to the Tatmadaw; the ruby was found to be a rare treasure unearthed from Mogok, Myanmar’s “Land of Rubies”, and therefore handed over to the State; and the young man will be rewarded duly.

The following day’s issues of junta newspapers featured huge pictures of the ruby, which was named after the SAC, or its Burmese acronym Na Sa Ka, on their front pages. The junta’s mouthpiece Myawaddy Daily even featured an editorial and an article which listed the astrological benefits of wearing a ruby, saying it brings the owner reputation and fame, commands authority and wards off evil.

The donation of a large ruby to the government is the second since the chairman of Htoo Group of Companies, arch-crony U Tay Za, who has close ties with former military dictator Than Shwe, in his capacity as the chairman of Myanmar Gems and Jewelry Entrepreneurs Association donated a 1,907 carat ruby to ex-general Thein Sein’s quasi-civilian government in 2013.

The junta media said that the ruby was thoroughly examined by gemologists and lapidaries and found to be beyond valuation and thus heavily guarded by state-level security before the news was officially released.

The craze for rubies was hatched by former military dictators Saw Maung, Than Shwe and ex-general Khin Nyunt.

A similar report about a priceless ruby was also featured in the Aug. 20, 1990 issue of the Working People's Daily two years after 1988 pro-democracy uprising. The front-page photo featured military chief Saw Maung, his deputy Than Shwe and military intelligence chief Khin Nyunt and a bunch of generals looking at the ruby, named after the SLORC, or its Burmese acronym Na Wa Ta.

The ruby was reportedly discovered in Mogok in early 1990. Its size is 43mm x 37mm x 33mm and the original weight is 504.5 carats; 496.5 carats after being polished.

To commemorate the discovery of the ruby, the then regime published 50-cent stamps commemorative of the 1991 jade and gems emporium with a photo of the ruby and also placed large-size replicas at a roundabout near Yangon Zoo, and at Dagon University in Yangon. Mockingly, people refer to those replicas as pieces of beef. Many regime-published books featured photos of the ruby printed on high-quality paper.



Courtesy: The Irrawaddy

Then military spy chief Khin Nyunt boasted in his books about how his military intelligence officers took back the ruby from Thailand's Mae Sot to where it had been smuggled from Mogok. But Daw Soe Soe Tun, the owner of the ruby who was imprisoned for illegally selling it, said she bought it back from her buyers and handed it over to the regime.

Over time, the ruby has faded into obscurity, and its current whereabouts are unknown.

Military generals' craziness for rubies is reflected in the names of their businesses such as Ruby

Mart Shopping Mall, Red Ruby cigarettes and a new satellite town named Ruby.

Like his predecessors, Min Aung Hlaing now has a ruby named after his regime, and this one is much bigger than the previous regime's. To flatter Min Aung Hlaing, military mouthpiece Myawaddy Daily claimed that the ruby is unprecedented in its size and quality.

The question is whether the ruby will bring good fortune to the country. The answer is definitely no, as long as Min Aung Hlaing is still in power. Min Aung Hlaing may now be swelling with pride that the ruby was discovered because of his "hpoun"—power acquired through past acts of merit. If someone said successive military generals in Myanmar are superstitious and low IQ because of their peculiar notions, it would be hard to argue with them.

Gem Legal News

Auction house may be held responsible for millions in lost diamonds

Jeweler

By Samuel Ord

July 28, 2022

Sotheby's has gotten a lot of bad press lately. Be careful. ED

The lawsuit began in 2020 when M&L Financial, a financial services firm, alleged Sotheby's incorrectly released a collection of diamonds to an unnamed individual.

In April of 2019, Jona Rechnitz, owner of Jadelle Jewelry and Diamonds of Beverly Hills, provided 45 fancy color yellow diamonds to M&L Financial as security for a debt. Along with the exchange, Rechnitz and M&L Financial agreed the diamonds would not be further moved so Rechnitz could regain them at a later date.

According to the filing, Rechnitz and a representative from M&L Financial met in April of 2019 with Quig Bruning, Sotheby's senior vice president, and arranged for the diamonds to be appraised in New York.

It's alleged that Bruning listed both M&L Financial and Jadelle Jewelry as consignors for the appraisal, despite M&L Financial being the sole owner of the diamonds as a result of the debt arrangement.

Later that year, a representative from M&L Financial contacted Sotheby's seeking the outcome of the appraisal. The representative was informed that the diamonds had been released to an associate of Jadelles Jewelry.

M&L Financial states it has not been able to recover the diamonds since they were released by Sotheby's.

At a previous hearing, a lower court ruled that as Jadelles Jewelry was listed as a consignee, Sotheby's was correct to release the diamonds to the associate.

On 14 July however, the Court of Appeals in California disagreed with that ruling and cleared M&L Financial to levy breach of contract litigation against Sotheby's.

According to CNN Business, Jadelles Jewelry no longer has a website and is not contactable via phone. Owner Rechnitz could not be contacted for comment.

A spokesperson for Sotheby's told CNN the consignment was handled like any other.

"Sotheby's regards the allegations in the complaint as baseless and riddled with untruths and mischaracterizations," the spokesperson said.

"The person who retrieved the property was an authorized agent for Jadelles Jewelry. Consignors regularly instruct Sotheby's to release to an agent and here, upon pick-up, the agent provided the necessary identification as required. We will continue to vigorously defend this in court."

The case is further complicated by claims from M&L Financial that Sotheby's was recommended as an auction house due to a personal relationship between Rechnitz and Bruning. Sotheby's has denied the two held any connection beyond a business relationship.

Rechnitz, the owner of Jadelles Jewelry, has a colorful history. Prior to the launch of Jadelles Jewelry, he was the founder of real estate firm JSR Capital and a former employee of Lev Leviev's company Africa Israel Investments.

Rechnitz pleaded guilty to wire fraud in 2016 in a case that involved the alleged bribery of public and union officials. He was sentenced to five months in prison and a further five months of house arrest in a court in New York.

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