

Gemstone Forecaster

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Tucson Gem (No) Show 2021

by Robert Genis

Due to the Covid pandemic, all of the gem shows were canceled in Tucson this year. This is the first time the show has not gone on since 1955. It was pretty strange being able to eat at any restaurant without a reservation. Hotels were sparsely occupied and house rentals were back to their normal lower prices. Traffic was eerily quiet. A few out of town dealers had special trunk shows. They were open for shopping by appointment only with curbside pick-up, and for private/group classes.

Finance

With all the major shows canceling in January and February, 2021, the Tucson economy missed out on serious tax revenue. That includes about \$13M in sales taxes the shows usually bring in.

The most recent economic impact study in 2018 tabulated \$131M in direct benefits to Tucson. Some say it got up to \$150M in 2020.

Tucson Government

Gem dealers have always been upset with the burdensome rules and regulations the Tucson local government places on these shows. Many dealers want to move the show to Phoenix just to show them. Several such initiatives have been started but never seem to get off the ground. These shows and dealers hadn't seen anything until they saw the pages and pages of

rules and regulations the Tucson leaders put out for the gem shows during the pandemic. They basically made the shows not profitable for the dealers. We find it amusing the leaders of Tucson Government are now whining about the shows not coming and how much they are hurt financially. You can't just make up insane rules without consequences. Hopefully, the Tucson Government has a new found respect for the shows. But we doubt it.

Spring Shows?

More than 20 gem show events were postponed for 10 weeks in the hopes the pandemic will be better under control by April. These shows are set to return between April 7 through 25. The new dates were chosen to not conflict with Easter, yet to occur before temperatures get too hot for outside shows. The larger shows with the high end collector goods will not be returning in April. The lower end goods and crystals will represent the bulk of these shows. Due to the warmer weather and increased vaccines, everyone is hoping that Arizona and specifically Tucson Covid numbers will continue to improve and the shows will go on. Gem show organizers hope that by April "travel restrictions may well be eased and life will start returning to normal." With the new Covid mutations from Brazil and South Africa, this may

be wishful thinking. Flying internationally has become more challenging with requirements for negative Covid testing to enter the US, and proof of vaccination for some European countries. Travel vaccines are likely coming to the US as well. Therefore, we expect international involvement to be minimal, if any. Sadly, the future of some of those upcoming gem shows depends on international travel, including buyers and sellers who may travel from Mexico, Canada, Brazil, Europe and Asia.

Here are the shows (at press time) who say they are coming to Tucson. Be sure to check the show's web site or social media to confirm:

- 1801 Oracle — Mineral Village Show (April 7 – 25)
- 22nd Street Show (April 8 – 25)
- African Art Village (April 8 - 26)
- Arizona Independent Warehouse Show (exact April dates TBD)
- The Big Gem Show (April 10 – 24)
- Fine Minerals International (exact April dates TBD)
- G&LW Tucson Gem Show/Gem Mall (April 10 – 18)
- G&LW Tucson Gem Show/Holidome (April 10 – 18)
- GIGM Red Lion Gem & Mineral Show (April 9 – 24)
- GIGM Motel 6 Gem & Mineral Show (April 9 – 24)
- GIGM Quality Inn Gem & Mineral Show (April 9 – 24)
- JG&M Expo at Michigan Street (April 8 – 25)
- JG&M Expo at Simpson Street (April 8 – 25)
- JOGS Tucson Gem & Jewelry Show (exact April dates TBD)
- Kino Gem & Mineral Show (April 8 – TBD)
- Main Avenue Fossil & Mineral Show (April 8 – 25)
- Miners Co-op Rock Show (exact April dates TBD)
- Mineral City Show (April 9 – 24)
- Mineral & Fossil Marketplace (exact April dates TBD)
- Pueblo Gem & Mineral Show (April 8 – 25)
- Top Gem 1820 Oracle Show (exact April dates TBD)
- Tucson Showplace (April 9 – 24)

In Sum

Atlanta recently had a gem show in early March without issues. They simply took your temperature at the door and everyone wore masks. The next show to watch is the Las Vegas Show. Although primarily a jewelry show, they have a small section for gemstone dealers. Surprisingly, the gem market kept rolling during Covid-19. Some speculate people with available funds from the rising stock market continued to buy gems through web sites and social media. After all, money built up without travel and expensive dinners at restaurants allowed many individuals to invest/collect in gems and jewelry. As one jewelry designer told me, "I have recently built the most expensive pieces ever during Covid. The money is burning a hole in my clients' pockets."

Burma Gems During Recent Coup by Robert Genis

Please note this is a fast moving story. It's only up to date until April 1, 2021. ED

As if Burma didn't have enough problems. Burma collectors have been dealing with low inventory of goods due to the natural depletion of mining these stones for centuries. The previous Burma Ban made these stones even harder to obtain. Suddenly Covid-19 hit and all travel between Burma and the rest of the world stopped. Now we have a military coup taking over one of the most promising fledgling democracies. Arrests and murders of the protestors continue to escalate. Neither side appears to want to give an inch. Martial law has been declared. The military claims Suu Kyi's NLD party's landslide victory in the elections last November was the result of voter fraud.

The Coup

In early February, the military arrested de-facto civilian leader Aung San Suu Kyi and other top officials, sparking outrage in Burma and condemnation from abroad. Mass anti-coup protests are happening across the country, with tens of thousands gathering in the capital despite police roadblocks and an internet blackout. Burma analysts were aware of the fracture between civilian leader Suu Kyi and the military

but assumed officials would be too concerned with the ongoing coronavirus pandemic and economic troubles to stage a coup.

The coup brought the 10-year experiment with partial democracy to a crashing halt. These are the biggest protests in Burma since the 2007 Saffron Revolution that helped bring a transition to democracy. Demonstrators chanted slogans such as: 'We don't want military dictatorship! We want democracy!'. Many of the early images came from Facebook live. Thai protestors were in the street in support of the Burmese people, not the military.

Online calls to protest have prompted bold displays of defiance, including the nightly deafening noise of people banging pots and pans. This practice traditionally is used in Burma to drive out evil spirits. Doctors and nurses are threatening to shut down the medical system in response to the coup.

Aung San Suu Kyi

Soon after the coup, the military searched Suu Kyi's house. Guess what they found? Six Walkie-Talkies with a probable range of 20 miles. Myanmar authorities filed criminal charges and said they were illegally imported. Suu Kyi was charged for breaching an import-export law and faces as many as three years in prison if convicted. The military is pretty creative to make up this obviously trumped up charge. She has also been charged with breaking Covid protocol and corruption with accepting gold bars illegally.

Three Finger Salute



The protestors in the street raise their hands in a three-fingered salute as an act of defiance. The gesture is a symbol of resistance inspired by the Hunger Games movies. In the film series, the salute is a protest against people living under a brutal totalitarian government that severely restricts their rights. The salute was first taken up by Thai protestors opposing a 2014 military coup and has been a noticeable feature of pro-democracy demonstrations in the country ever since, including mass rallies last year. Sympathetic protestors in Thailand and Japan are protesting against the military takeover.

US Sanctions

Treasury Secretary Janet L. Yellen said, "The Feb. 1 coup was a direct assault on Burma's transition to democracy and the rule of law. The Treasury Department stands with the people of Burma—and we are doing what we must to help them in their effort to secure freedom and democracy. We are also prepared to take additional action should Burma's military not change course. If there is more violence against peaceful protestors, the Burmese military will find that today's sanctions are just the first."

Following the military coup in Burma, the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) has placed sanctions on three Burmese gem companies:

- 1- Myanmar Ruby Enterprise,
- 2- Myanmar Imperial Jade Co.
- 3- Cancri (Gems and Jewellery) Co.

The US stated these are "wholly owned subsidiaries of a conglomerate owned or controlled by" the country's military. This appears an attempt to target the specific owners of gem production in Burma owned by the military. The 2008 JADE Act by Bush was heavily criticized for harming the poor people who made a living off of the gem trade.

Specifically, the Treasury Department said, "They do not target the economy or people of Burma, and we have gone to great lengths to ensure we do not add to the humanitarian plight of the Burmese people."

The Biden administration has imposed sanctions on 10 current and retired top-ranking leaders in Burma's military.

Here are the sanctioned individuals:

- Commander-in-Chief of the Burmese military forces Min Aung Hlaing
- Deputy Commander-in-Chief of the Burmese military forces Soe Win
- First Vice President and retired Lieutenant General Myint Swe
- Lieutenant General Sein Win
- Lieutenant General Soe Htut
- Lieutenant General Ye Aung
- General Mya Tun Oo, appointed Minister of Defense
- Admiral Tin Aung San, appointed as Minister for Transport and Communications
- Lieutenant General Ye Win Oo, appointed Joint Secretary of the SAC
- Lieutenant General Aung Lin Dwe, appointed Secretary of the SAC

In late March, the US Department of the Treasury blacklisted Myanmar Economic Corporation (MEC) and Myanmar Economic Holdings Ltd (MEHL) to further squeeze the financial assets of the Burma military.

What this means for Burma Gems

It has been reported to us recently that Chinese dealers have been in Mogok filming Burmese goods live. They beam the stones' images back to Chinese buyers via social media. Yes, the Chinese are buying these stones before they ever really enter the international market. Although we doubt this is occurring right now because the gem workers are demonstrating against the military, this is a bad omen for the rest of the world's insatiable appetite for these fine gems. What have we learned from all the sanctions previously imposed by Western Governments? Well, not only have requirements for customs paperwork increased, but these sanctions have driven the Burmese closer to these Chinese buyers, who have never supported sanctions, and who see Burma as a client-state anyway. The two C's-Covid and Coup, will do nothing but make these stones rarer, more difficult to obtain, and more expensive. As with Brazilian Paraiba and Kashmir sapphires, which are no longer readily available from their source, collectors will probably be forced to rebuy these stones from other collectors if they want them in their holdings.

**Gübelin's New Grading Report
By Robert Genis**

photo credit Gübelin

Gübelin has launched its first rating system for colored gems. Until now, Gübelin reports would only indicate whether a stone was treated or not, its country of origin and an undefined color description such as pigeon blood red. Not really helpful to the collector or consumer.

The new system looks at three factors: quality, rarity, and salience. Similar to collectible wine or rare coins, the gem stone is then scored on a 75-100 scale.

The stated goal is help consumers buy stones on-line with this report.

Rating aspects

The Gübelin Gemstone Rating combines three parts to determine the final score: quality, rarity and salience. We know quality is the most important, rarity second, and salience last. We do not know what percentage each part encompasses.

Quality covers the main visual characteristics of the gemstone, such as of color, clarity, and transparency, as well as cut and brilliance.

Rarity considers the relative availability of this type of gem in the market. It includes the gemstone variety, its size and the absence or presence of treatments.

Saliency addresses the extent of exceptionality and attractiveness of a gemstone beyond the objective characteristics of the quality category. It is best seen as the gemstone's capability to stick out of the crowd. This is obviously the most subjective part of the system

The assessed characteristics yield an overall rating on a scale of 75 to 100 Gübelin Points.

Here is how the rating system works:

“exceptional” (97.5-100 points)

“outstanding” (95.0-97.4 points)

“excellent” (92.5-94.9 points)

“superior” (90.0-92.4 points)

“fine” (85.0-89.9 points)

“good” (80.0-84.9 points)

“fair” (75.0-79.9 points)

Obviously, like in school, you want a 90 or above.

Quality

We have absolutely no data or scales to try and interpret the quality part of this system. How does the quality part work? Does color represent 70% of this grade or 50%? How much is clarity? Transparency? Brilliance? Cut? Finish? We are in the dark about this. This seems like poor marketing and a misunderstanding of the function of grading. Does GIA diamond grading give you a quantifiable scale to compare diamonds against other diamonds? Yes they do. Does AGL? In 1977, (AGL) became the first colored stone laboratory in the world to quantify colored stones in a linear, comparative manner. We have seen many colored gem labs and grading systems come and go over the years, but never one with an unknown simple number as the final grade. Not well thought out, in our opinion.

Rarity

How can rarity be a major part of the grade? Exactly how is this defined given the fact much of mining is done secretly in third world countries. It's a mystery to us why you would make this a part of your grading system? The most obvious reason is gem supply can fluctuate dramatically. As example, Russian demantoid was always one of the rarest stones in the world. As rare as Russian Alexandrite. Suddenly, you had big deposits found in Africa and relatively new finds in Russia. All things being equal, your grading system would have to dramatically change the grade of this new material. Events like these would make your document obsolete.

Salience

While we are at it, let's make the system more subjective by adding salience. A term we have never heard used about a gemstone. We are not certain what they mean, but they seem to imply this part of the grade is for stones that do not grade very high in the other categories but have something special about them. For example, high marks in salience will make a Kashmir blue sapphire grade more accurately. While it might get a low clarity grade in Quality due to strong zoning and dichroism, that exact velvety or silky characteristic is actually desirable in Kashmirs. So salience would balance that out. Still not sure why this couldn't be dealt with in the Quality section? Seems overly complicated.

Conclusion

We get the impression this new grading was created by committee. Rather than one person's baby, all the lab members had their say in the final product. That's why it's so convoluted.

This is from Gübelin's web site

"However, it is in the nature of any such rating to contain an element of subjectivity and vagueness leading to a limited repeatability of the result. Also, certain parameters shift and drift over time, and demands to adjust rating parameters such as the rarity from time to time. This also affects the consistency of the rating result. It is also important to understand that the rating system is not exhaustive, and does not include all parameters that influence the commercial value of a gemstone. Hence, the Gübelin Gemstone Rating is not suitable to directly deduce buying or selling prices."

In other words, the document is not reproducible and cannot be used to determine buying and selling prices. What is the purpose? We just don't believe clients will be able to accurately buy stones on-line without color/tone, clarity etc. Imagine buying a gem that is simply a 75?

To check it out, submit stones to Gübelin all year and get this new document for free. Think we will stick with AGL, which is reproducible at a rate of plus or minus 1/2 grade 95% of the time.

We would prefer if the rarity and salience parts of this grading report were totally dropped. Please show us some scales (like GIA and AGL) for the actual grading of the gemstones. At that point, we would likely reconsider.

Latest Gem News

The Jewel of Germany: The Dresden Green Diamond

OurCommunityNow

by Sandy Allen

February 23, 2021



GIA.edu

Green diamonds are among the most valuable and rare gems in the world.

The Dresden Green Diamond, also known as the Dresden Green, is a 41-carat natural green gemstone. It probably originated in the Kollur mine in India sometime before 1722. Said to be flawless, it's a rare Type 11a with a clarity of VS1. It's the largest and one of the rarest and most valuable diamonds in the world.

Green diamonds range in color from light mint and apple to vivid grass green. The Dresden Green features evenly distributed color and is the crown jewel of its collection the Green Vault at Dresden Castle.

Interestingly enough, it gets that beautiful apple green color from natural exposure to radioactive materials during its formation. Irradiation of diamonds can cause changes in color, and this particular event created a stunning sparkler that's been believed to be a symbol of good luck and fortune for centuries.

Named after Dresden, the state capital of Saxony, Germany, the diamond is set in what's called a hat ornament, which was designed by Franz Michael Diespach, along with elements by André Jacques Pallard. Blending Rococo and Neoclassical styles, it features two intertwining diamond-covered ribbons. The "bow" element at the top has a clasp on the back. A large antique-cut diamond sits at the center front of the bow. The Dresden Green Diamond descends down.

Dresden Green Timeline:

1742 – It was acquired by King Augustus III of Poland from a Dutch merchant at the Leipzig Fair. He commissioned the court jeweler, Johann Friedrich Dinglinger, to make it into a badge of the Order of the Golden Fleece (an extremely important chivalric order in Europe at the time).

1746 – Augustus had the badge dismantled and the green diamond put into a different setting. This second badge was commissioned from a Geneva goldsmith, André Jacques Pallard. Along with the green diamond, it included the Saxon White diamond (about 49 carats). Both remained in this second badge for about 20 years.

1763 – The Dresden Green was passed on to his 13-year-old grandson, Friedrich Augustus.

1768 – Friedrich Augustus commissioned Franz Michael Deispach to transform it into a more fashionable piece. It became part of an ornate, and very valuable, hat ornament surrounded by two large and 411 medium and small diamonds. It's still in this setting today.

1945 – It was in Moscow for about a decade following World War II.

1958 – The piece was returned to Germany to a rebuilt Green Vault at Dresden Castle.

2000 – Jewelry firm Harry Winston had it on display at their flagship NYC store. It then went to the Smithsonian in Washington, D.C., where it was displayed alongside the Hope Diamond (considered to be a "sister piece" due to similarity in size) at the Harry Winston pavilion.

2019 – The Dresden Green Diamond was on display at the Metropolitan Museum of Art in NYC in November 2019, so it was saved from the jewelry heist at the Green Vault Museum that took place November 25, 2019.

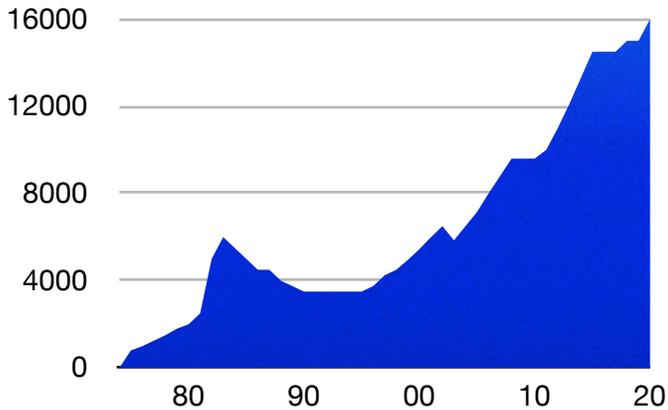
Today, the Dresden Green is on display in the historic Green Vault at Dresden Castle as part of the Saxon electors' jewelry collection. The Green Vault Museum, founded in 1723, contains the largest treasure collection in Europe.

In case you were wondering, the Green Vault Museum gets its name from its previously malachite green-painted column bases in its original rooms, not from the Dresden Green Diamond (though it would certainly be cool to think it did). The museum was originally the private collection of Augustus the Strong, ruler of Saxony.

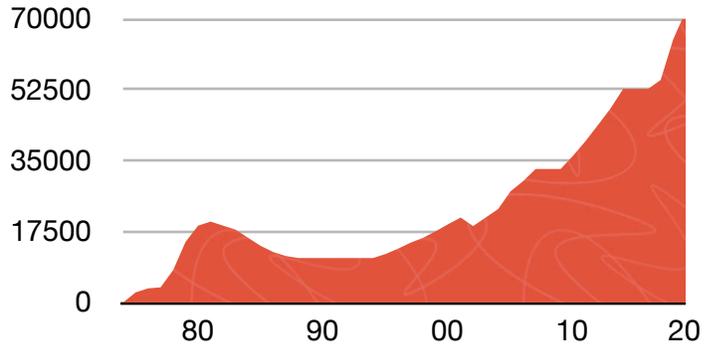
Retail Gemstone Prices (1975-2020)

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 2021 by NGC. Reproduction is strictly forbidden.

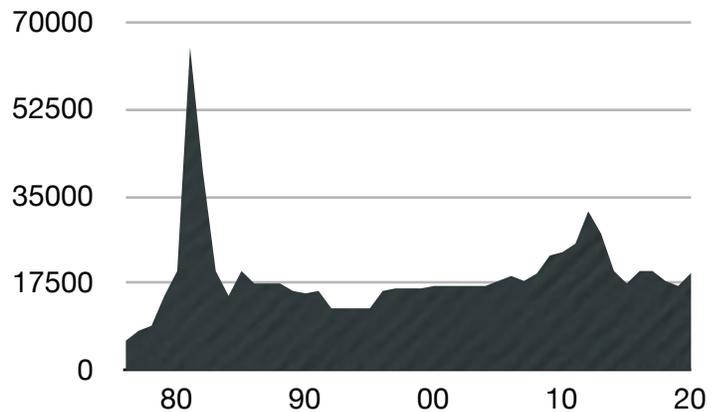
Burma Blue Sapp, 1ct, 2.5/75, LI, no heat



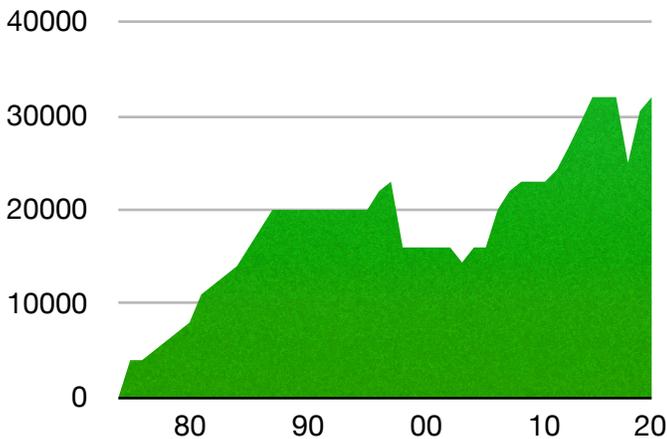
Mogok Burma Ruby, 1ct., 2.5/75, LI, No Heat



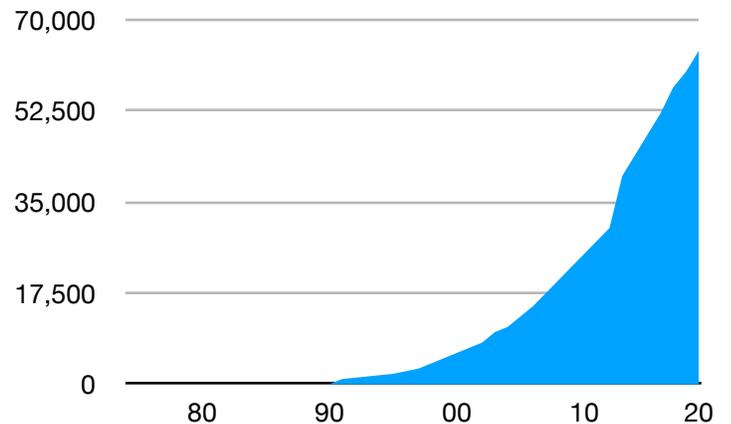
Diamond, 1ct., D-FL, Round



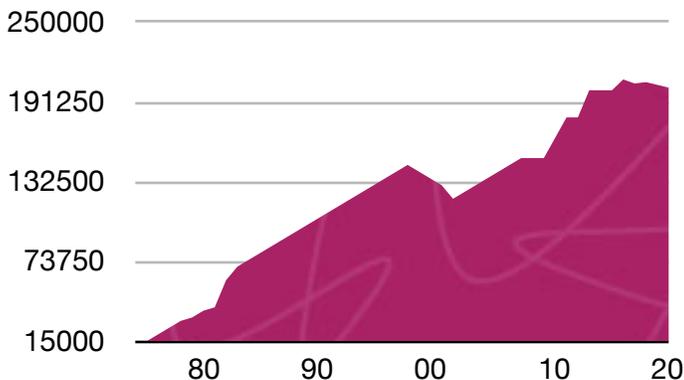
Colombian Emerald, 1ct, 2.5/75, LI, no treatment



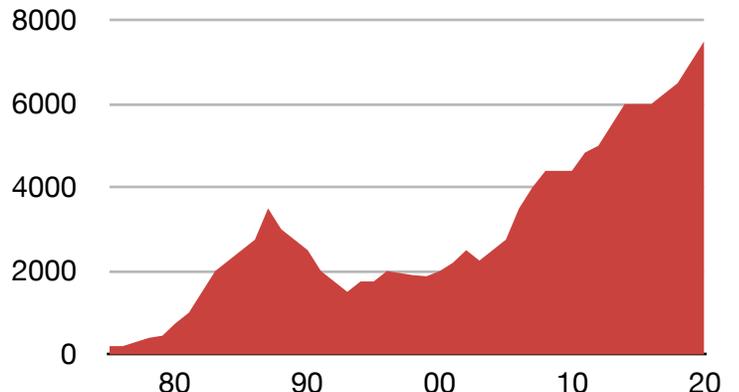
Brazil Paraiba, 1ct., Blue, LI, Low Heat



Fancy Intense Pink. 1ct., VS, Round



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



Gemstone Forecaster Prices (1975-2020)

Generally we visit the Tucson Gem Shows to see real prices in real time. Where else can you see all the gems on the world market at one place? Not this year. By talking to main source dealers, watching auction sales and monitoring gem dealer social media sites, we still feel comfortable updating these prices.

Diamond prices got hammered when Covid started. No one was thinking about diamonds in the beginning. However, last summer when Asia started opening up, people began to buy diamonds again. This continued and prices now are higher than pre-pandemic prices. D-IF diamonds rose to \$19,600 from \$17,700 in 2019. Interestingly, pink diamonds decreased 2%.

Colombian Emeralds remain quiet. Some collectors continue to search for no-treatment emeralds.

Obviously, all things Burma (ruby, sapphire and spinel) rose due to lack of supply. With the US, Europe and the Middle East closed because of Covid, the supply of new goods is essentially frozen. Brazilian Paraiba is still rising because of relentless demand and no supply for years.

One reason gems keep rising is many investor/collectors would rather have money in hard assets than money in banks with basically negative interest rates, after factoring in inflation.

Pink Burma Ruby sells for over \$18,000 per carat at Bonhams

This antique cushion ruby weighs approximately 1.95 and has rose cut diamonds weighing approximately .70ct. and mounted in platinum was recently sold on February 11, 2021. Although this stone is not vivid, stoplight or pigeon blood red, it is a pleasant pinkish red color. Many collectors desire this color. Not sure why the stone has no grading report? Sure looks Burma to our eyes from a distance. It was originally connected with the heirs of the Eastman Kodak Company.



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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