



PRICES KEEP CLIMBING UPWARD

Demand for diamonds remains solid even as the rising cost of buying them continues to dominate the market dynamic. By Joyce Kauf

Facing a pandemic and a war, wholesalers have become accustomed to adapting to market challenges. Yet finding goods at the right price ranks as their number-one concern.

NEW YORK: PRODUCT SHORTAGE

“Strong sales from 2021 have carried over to this year,” said Michael Moskovitz, a principal at New York-based wholesaler Robert Moskovitz Co. “Even with a quieter time at tax season and [the Jewish festival of] Passover, business has remained good.”

Moskovitz cited the scarcity of goods and the high prices of securing inventory as continual challenges. The company specializes in round and fancy promotional goods from 0.50 to 5 carats, both certified and non-certified. The recent production slowdown in India has affected the business, resulting in higher prices, he said.

“It used to be that people in the industry didn’t have the money to buy,” said Moskovitz, noting that the pandemic had changed the financial dynamics. “Dealers have a lot of money to spend now — that’s a good problem — but they’re not finding the goods, and if they do, they’re too expensive. And because everything sells right away, the process must be repeated, except the prices have increased again.”

The end customer has been willing to absorb these higher prices because they understand that this is occurring across the board in the economy. “Almost 90% of the goods we send out on call are sold,” reported Moskovitz, contrasting the situation with pre-pandemic days, when most were returned.

ATLANTA: SPECIAL STONES MOVING WELL

For Ronnie Agami, “2021 was fireworks over the Hudson on July 4. We thought it would be very challenging to match those sales in 2022. But month over month, we’re still above last year.”

Agami co-owns Universal Diamonds in Atlanta, Georgia, with his father and brother, Amos and Jonathan. The business has both wholesale and retail operations. In the former category, Agami has seen “a little pullback,” which he attributes to the fact that people are traveling again and that the high prices of diamonds are “a lot for people in our industry to swallow.”

Strong sellers include diamond tennis necklaces and diamond bracelets in oval, marquise and emerald cuts that he “can’t keep in stock.” The bread-and-butter bridal category of 2 carats and under is experiencing a softening in demand. However, Agami was impressed with the strong demand for special stones — diamonds above 5 carats — especially in well-made and fancy shapes, which are the company’s specialty.

Given the “practically nonexistent” supply of these stones, Agami said his company was “working harder than ever to source merchandise to keep up with what the market is lacking. Having that inventory is an enabler; it pushes us ahead of other people.”

He has also observed that retailers are now buying for stock, a trend that began at the end of 2021. “It is harder for them to get the stone they want on memo, and then they lose the sale.”

The end of the year will continue to be strong, Agami predicted, “as long as the industry isn’t hit with a glut of inventory.”

LOS ANGELES: STRATEGIC PURCHASES

“The industry is facing challenging times,” said Arch Kitsinian, president of manufacturer S.A. Kitsinian and Vanna K jewelry in Lake Balboa, California. “Ever since the pandemic, we take our time to study the market before we make our decisions.”

Bridal is selling well in both natural and lab-grown diamonds. “People are still gravitating toward faith and not fear,” said Kitsinian, pointing to the use of religious symbols in jewelry, often with diamond charms or accents. He has also observed layered gold necklaces, chokers and chains trending.

But the “scarcity of diamonds and the cost of materials hitting our bottom line” define the new reality. “We’ve seen a 20% rise in the price of diamonds along with the skyrocketing increases in precious metals,” Kitsinian reported.

Furthermore, the war in Ukraine has made it “a lot more complicated to get goods now,” he said. “We’re more cautious in examining the supply chain to avoid goods from Russia.” He believes the industry needs to be more transparent about the sources of its merchandise, including lab-grown stones.

At JCK Las Vegas this year, the focus for Kitsinian — who remembers the first JCK fair’s ribbon-cutting ceremony “right in front of our booth” in 1992 — will be on trying to find lower prices, he said. The same goes for the other international shows he plans to attend with members of his company.

“The industry will see a good year,” he said, but given the expense of running a company and coming up with new designs, he forecast that there would be fewer players. ■