

High End Jewelry Auctions Mixed

The financial crisis has impacted the demand for high end jewelry at recent auctions. As the stock market has lost value, lots are failing to sell and prices are significantly lower.

At Sotheby's *Magnificent Jewels* sale in Geneva in November, the top three diamonds did not sell. The Lesotho I, a 71.73 carat stone cut from the 601 carat Lesotho and sold by Harry Winston was estimated at \$3-5 million but failed to find a buyer. A 10.48 carat fancy, blue diamond with an estimate of \$6-\$9 million and a 1.92 carat rectangular fancy red stone, estimated at \$2.5 - \$3 million also did not sell. Overall, sixty percent of lots sold for a total of \$18.4 million.

The next day at Christie's, only half the gems for sale found buyers, for a total of \$22.6 million. A 42 carat sapphire reached a record price of \$3.5 million and a van Cleef & Arpels diamond ring went for \$2 million. Prices are currently down twenty to thirty percent from six months ago and Eric Valdieu, senior vice president of Christie's Switzerland described the market as "difficult."

In October, Christie's New York sold the Ponahalo Diamonds, 2 cuts from a 316.15 carat piece of rough mined in South Africa. Radwan Diamond and Jewelry Trading in Dubai, purchased the 102.11 and 70.87 carat stones for \$4.11 million and \$2.15 million. The diamonds are the world's largest Forevermark stones, the brand recently launched by De Beers. The sales totaled \$29.4 million and also included a 7.02 fancy blue diamond that reached \$3.61 million.

The Christie's *Important Watches* sale in November was slightly more successful, exceeding the low estimate with sales of \$15 million. 82 percent of lots were sold, including a record \$805,932 for a 1963 Patek Philippe watch. A depression-era piece by the same company sold for \$717,406. Sotheby's Geneva had record sales of approximately \$15 million for watches, including a Patek Philippe which sold for \$1.55 million. These sales have been bright spots for the auction houses and indicate that the market for rare timepieces is still very strong.

In December, Wittelsbach Diamond, a gray-blue, 35.56 carat stone once owned by King Philip IV of Spain and the Bavarian royal family, sold at Christie's London for \$24.3 million. The stone was purchased by London dealer Laurance Graff, who plans to re-cut the slightly chipped gem. He said of the sale "If there had been no credit crunch, this diamond might have sold for £50 (\$75 million)- I think we've got the bargain of the century." The rare blue stone, which comes from a depleted Indian mine, is the most expensive piece of jewelry to be sold at auction. The rest of the evening was less successful, with only 45 percent of lots selling.

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