PURCHASING AND INVESTING IN NATURAL YELLOW DIAMONDS

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Natural yellow diamonds have been prized by collectors for centuries. Some of the most famous diamonds, including the Tiffany Diamond are yellow in color. Their captivating beauty has been noted in historical documents dating back to the 1600's.

Various natural yellow diamonds

Today, yellow diamonds are thought of as "traditional" and can often be found as the centerpieces of beautiful 3-stone rings. They are among the most abundant of all "fancy colored" diamonds. From the faint "cape" color to the vibrant hues of intense and vivid, yellow diamonds can be found in a wide variety of hues, tones and saturations .

Yellow diamonds were first introduced into the marketplace in the 1860's when they were "discovered" in the Kimberly and Dutoitspan mines in the Cape Provenience of South Africa.

The following articles are meant to help you better understand the value of yellow diamonds and get the most out of your special diamond purchase.

Quick Yellow Diamond Facts:

- The Term "Canary Yellow" actually refers to an intense yellow
- Natural yellow diamonds are among the most abundant of all colored diamonds
- The 128.54 ct Tiffany yellow diamond is one of the most famous diamonds in the World

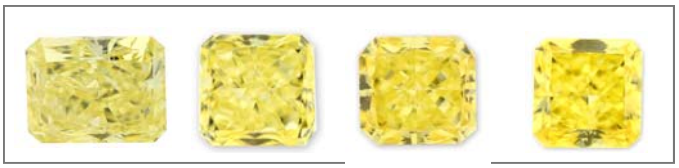
The Nature of Yellow Diamond Color

Fancy yellow diamonds are defined as diamonds that exhibit colors beyond the traditional D-Z diamond color grading scale. Faint, very light, and light yellows are part of this scale and are not considered "fancy" in nature.

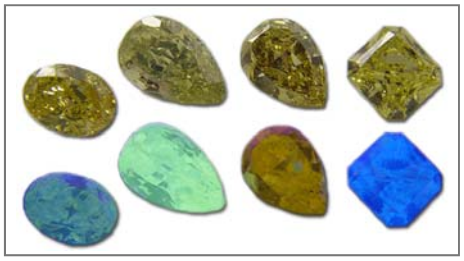
Like most other colored diamonds, their color is intensified by trace elements within the atomic structure of the diamond. In the case of yellow diamonds, the element is nitrogen. Varying amounts of this element allows for more vibrant color saturations to exist beyond the faint yellow of an XYZ colored white. Yellow diamonds exhibit the highest levels of saturation of all natural colored diamonds. From 1998 to 2003, 30% of all yellows submitted for grading were graded "fancy intense" or higher. (Gems & Gemology, Summer 2005)

Both diamonds are graded fancy by the GIA., The diamond on the left is a "cooler" yellow while the diamond on the right is a "warmer" yellow.

There are two main yellow diamond color categories. One group contains the appearance of an orangy undertone. The color is described as being "warm" or "golden" yellow. The second group contains the appearance of a greenish undertone. This group is described as being "cool" or "lemony" yellow. Neither group is more valuable than the other. The fact that these two types of yellows exist should be recognized, but other than personal preference



Weakness or strength of color tone can effect the way a diamond looks when compared to similar diamonds as well as the price. The diamond on the far left is a "fancy" yellow and the diamond on the far right is a "fancy vivid" yellow. The two center diamonds are both graded "fancy intense," yet the one on the left is closer in color to "fancy" and the one on the right is of a stronger tone.



The visual effect of fluorescence on a yellow diamond. From right to left: Yellow fluorescence, green fluorescence, orange fluorescence, blue fluorescence.

these color types typically have no effect on purchase decisions.

One aspect of yellow diamonds that does affect value is the presence and type of secondary color modifier. This refers to a second or even third color that can be noticed when applying face-up color grading. These colors do drastically alter the overall appearance of color and ultimately, the value. Common modifiers found in yellow diamonds are brown, green and orange. As a rule, any colored diamond containing brown will cost less than a similar diamond without brown. Due to its rarity in nature, green will cause a yellow diamond to be worth more. The same can be said for orange.

Color modifiers, while often having a negative effect on price, can also help to create a very unique and interesting yellow diamond. For those with a taste for the unique, diamonds with secondary colors are both interesting and beautiful. Some common descriptors of these diamonds include "greenish yellow" orangy yellow" "brownish yellow" or even "brownish orangy yellow."

When comparing identically graded diamonds, such as a series of "fancy" yellows, you may notice a slight difference in lightness or darkness from one to the other. This range from dark to light is described as the *tone* of color. This aspect of color is not denoted on a GIA certificate but is highly relevant in overall grading and determining which of several options is "better." The International Gemological Institute (IGI) has recently developed a grading system that measures tone in the form of a numerical scale. This system more accurately describes the total color of the diamond.

"Fancy" yellows with a darker tone are known as "strong fancies." To the eye, they may appear closer to "fancy intense" in color and are sometimes so close in tone that it is difficult to tell them apart. On the other end of the tone scale, "fancy" yellows with a lighter tone are described as "weak fancies" and may exhibit a overall color similar to a "fancy light" yellow. Purchasing a "fancy yellow" graded diamond with a strong tone is a cost effective way to receive the stronger color of an "intense yellow" for the price of a "fancy yellow." Those that are able to recognize the slight differences in color will be able to make the most out of their yellow diamond purchase.

Fluorescence plays a role in overall color grading as well. With traditional white diamonds, fluorescence is usually looked at as a negative. When it comes to colored diamonds, especially yellows, fluorescence can increase the overall intensity of the diamond, thus adding value. A common misconception is that there is only blue fluorescence, which will sometimes cause a hazy, cloudy color appearance, and can give a greenish hint color to the overall yellow. Fluorescence can also come in different colors such as green, white, orange, and yellow.

Some yellow diamonds contain secondary color modifiers such as brown, green or orange, which can drastically increase the visual appearance of the diamond. These modifiers help to create unique and beautiful variations of a pure yellow diamond.

Vivid	**$20,000 — $35,000/ct**
Intense	**$10,000 — $15,000/ct**
Fancy	**$7,000 — $10,000/ct**
Fancy Light	**$4,000 — $6,000/ct**
Light	**$3,000 — $5,000/ct**
Faint	**$1,000 — $3,000/ct**

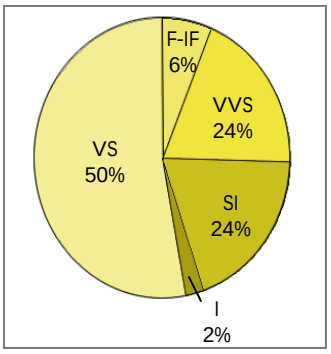
Average pricing for a 1ct yellow diamond. Based on estimated retail pricing. Ranges based on overall quality of diamond.

Clarity and the Yellow Diamond

Although face up color appearance is always the most important factor when grading colored diamonds, due to the abundance of yellow diamonds, manufacturers often seek other ways to differentiate their goods from those of competitors.

A common method for doing this is to try to attain a high clarity grade such as VS-IF. Natural yellow diamond rough contains statistically less inclusions than other colors.

According to 2003 study by the GIA, half of all yellow diamonds certified that year were VS clarity. VVS clarity goods still make up the second largest clarity percentage of graded yellow diamonds. Contrary to other colored diamonds, overall, yellows receive the lowest percentage of SI clarities and the highest percentage of internally flawless. In short, if you are looking for an exceptionally clean colored diamond, you will have a better chance of finding one with a yellow.



Data from Gems & Gemology, Summer 2005

Shape Matters

When it comes to most fancy colored diamonds, there is not much emphasis placed on cut to determine overall value. However, due to the relatively large amount of yellow diamonds in the marketplace, cut weighs more heavily.

As mentioned earlier, due to the low level of saturation that round cuts produce, the majority of yellow diamonds are cut into fancy shapes. Colored diamonds are graded face up. Therefore, each diamond rough is cut into the shape that will deliver the maximum amount of color when looking at a diamond in the face up position. Colored diamond cutters do not necessarily follow the standards associated with traditional white diamond manufacturing so “ideal” proportions are dependant on each individual diamond.

Round brilliant cuts often reflect a large amount of white or near white light. Much like a white diamond, this reflection causes the fire and brilliance that a round diamond is famous for. However, light reflection reduces the appearance of yellow color, potentially giving the diamond a lighter color grade. For the opposite reason, squarish cuts, which give off the least amount of light reflection, are more abundant and deliver the best color saturation.

A less than perfect cut can cause a lack of color that is represented by light or dark spaces throughout the diamond. This phenomenon noted as “uneven” distribution on a grading certificate. This may ultimately reduce the appearance and value of the diamond.

Mounting Makes a World of Difference

Mounting your yellow diamond properly can increase its overall appearance. Since each diamond is different they require personal consideration when being set. It is recommended that you make sure that your jeweler is familiar with mounting colored diamonds before finishing your piece.

Although new GIA techniques determine the actual color of the diamond itself when grading a mounted piece, the diamond’s color within the setting can become more pronounced by using some simple methods.

Here are a few techniques used by prominent jewelers that specialize in colored diamonds:

- Control where light escapes the diamond around the girdle using bezels whenever possible.
- Contrast the yellow diamond with other colored diamonds (side stones or pavé)
- Determine if a bezel or prong style is best for your diamond.
- Use higher karat prongs, such as 18-22K to enhance overall color of lighter yellows

We recommend that you start by selecting the proper diamond for your taste and budget. Once this has been established you can begin to get an idea of the type of setting you prefer. After determining a direction, discuss it in detail with your jeweler to ensure you bring out the beautiful yellow color in your new diamond.

10.13ct Fancy Intense Yellow Diamond Ring. Courtesy of the Amgad Collection.

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