Diamond: From Rough Stone to Ring

Diamond is one of the most iconic raw materials in human history. Beyond its brilliance, it embodies a market that is simultaneously cultural, industrial, and financial, combining luxury, heritage value, and technological trends. Although facing structural challenges, the sector continues to attract interest from investors seeking to capture growth in the luxury and rare goods market.

1. A Stone Shaped by Millions of Years

Diamond forms under very high pressure and temperature at significant depths in the Earth's mantle, then is brought to the surface by ancient volcanic eruptions. It appears as raw crystals, often invisible to the naked eye, requiring geological exploration, mechanical extraction, and processing to produce usable gemstones.

The value chain begins with extraction from alluvial or kimberlitic deposits in Africa (Botswana, South Africa), Russia, Canada, and Australia, then continues with cutting, polishing, and certification, decisive stages in the creation of high-value stones.

2. From Rough Stone to Ring: The Industrial Cycle

The transformation of diamond requires high technical expertise:

01

Exploration & Extraction

Mining operations in open-pit or underground deposits.

02

Crushing & Sorting

Separation of rough diamonds from the ore.

03

Cutting & Polishing

Shaping the stone to maximise brilliance, symmetry, and clarity.

04

Grading & Certification

Evaluation of the 4Cs (Carat, Colour, Clarity, Cut) by recognised laboratories.

05

Commercialisation & Distribution

Wholesale sales to jewellers or via luxury platforms.

The value of a diamond is therefore conditioned as much by the quality of its cut and certification as by the intrinsic characteristics of the rough crystal.

3. Global Production & Market Geography

Unlike strategic metals, natural diamond production remains modest in volume but highly concentrated in value. The main producing countries include Botswana, Russia, Canada, South Africa, and Australia, accounting for the majority of the global supply. Global trading centres, notably Antwerp (Belgium), handle a significant portion of international transactions and serve as a hub for the industry.

Global demand for rough and polished diamonds remains dominated by the luxury and high-end jewellery segments, with particular sensitivity to macroeconomic conditions, exchange rates, and consumers' propensity to spend on precious goods.

4. Market Trends 2025

Structural Pressures

The market faced pressure on natural stone prices before 2025, partly due to moderate demand and the rise of synthetic diamonds, which offer a compromise between aesthetics, cost, and ethical responsibility.

Growth in Alternative Segments

Laboratory-grown diamonds, produced by CVD or HPHT processes, have experienced significant growth, with global market prospects reaching several tens of billions of dollars by 2032. These stones find their place in segments where ethics and sustainability become purchasing criteria, particularly among young, connected consumers.

Jewellery Demand

Traditional markets: the United States, China, India, and to a lesser extent Europe, continue to represent the main outlets for gemstones, with seasonal peaks linked to holidays, weddings, and luxury consumption cycles.

5. Volatility & Investment Factors

For investors, several elements structure the risk and return in the diamond market:

- **Prices of Natural vs. Synthetic Stones:** The growth of the synthetic segment puts pressure on the prices of classic diamonds. In December 2025, a standard quality diamond is between 1,500 and 7,000 USD/carat, depending on the 4Cs and quality, according to the Zimnisky index and retailers. This development also broadens access to the global market.
- **Consumer Sentiment & Macroeconomics:** Demand for luxury goods remains sensitive to consumer confidence and economic cycles.
- **Supply Chains:** Logistical constraints, regulations, and transparency (traceability / certification) influence the costs and liquidity of precious assets.
- **Collection Segment:** Certain rare or historical stones can constitute alternative assets, often correlated with trends in the art market and unique pieces.

Conclusion

> From ore extracted in geologically specific regions to the brilliance of a stone set on a ring, diamond may not have a monopoly on prestige. However, it endures through centuries as a rare and sought-after raw material.

Despite the challenges (pressure from synthetics, demand volatility), it remains a valuable and cultural asset likely to play a significant role in investment strategies related to rare goods and precious metals, especially in a stable or growing luxury market context.

Sources

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