



WHITE PINE

WHOLESALE LLC

THE NATURAL RECYCLED DIAMOND & DIAMOND JEWELRY



Market Report | Q1 2023

COMPILED BY WHITE PINE WHOLESALE LLC

FOREWORD

Introduction

White Pine, a leading natural recycled diamond dealer, has experienced an extraordinary first quarter in 2023. As a company committed to promoting sustainable diamond sourcing and trading, White Pine has seen record demand for its sorting services and an increase in the acquisition of jewelry and recycled diamonds. This review will delve into the contributing factors behind the company's recent success, including the popularity of its computer-animated design (CAD) services.

Sorting Service Success

The first quarter of 2023 has been exceptional for White Pine's sorting services. The company's commitment to providing reliable, high-quality sorting for its clients has paid off as demand reached record levels. This surge in demand can be attributed to a growing awareness of ethical diamond sourcing and trading, as well as an increasing need for specialized services to cater to this burgeoning market. White Pine's consistent investment in state-of-the-art technology and a skilled workforce has enabled the company to maintain its position as a leader in the recycled diamond industry.

Acquisition of Jewelry and Recycled Diamonds

White Pine has been actively purchasing a significant amount of jewelry and recycled diamonds during the first quarter. This can be credited to the rising interest in sustainable diamonds and the company's efforts in building relationships with retailers and suppliers. By capitalizing on this trend, White Pine has expanded its inventory and offerings, ensuring a consistent supply of ethically sourced diamonds for customers who are increasingly concerned with the origins of their jewelry.

Retailer Demand

While demand from retailers has been somewhat soft in Q1, compelling deals have piqued their interest. This suggests that retailers are becoming more discerning in their purchases, seeking out the most exceptional offers to maximize their margins. White Pine has adapted to this shift by offering exclusive deals and competitive pricing to entice retailers, reinforcing the company's reputation for flexibility and customer-centric practices.

Melee Diamond Trends

The market for melee diamonds has remained strong throughout the first quarter. Although prices have shown some signs of softening from time to time, the demand for these smaller stones has remained impressively strong. This trend can be linked to the Ukraine Russia war and the reduction in Russian supply. Additionally, consumers are becoming more cost-conscious, opting for affordable yet elegant options. White Pine's extensive selection of melee diamonds caters to this demand, ensuring the company remains at the forefront of this market segment.

CAD Services for Bigger Recycled Diamonds

White Pine has seen strong demand for its CAD services in Q1, particularly for creating fresh designs utilizing bigger recycled diamonds. Customers are increasingly repurposing old diamonds in new designs, adding value to their jewelry and contributing to a more sustainable approach to diamond consumption. By offering cutting-edge CAD services, White Pine enables its clients to breathe new life into their diamonds, creating unique and personalized pieces that showcase the stone's beauty and character.

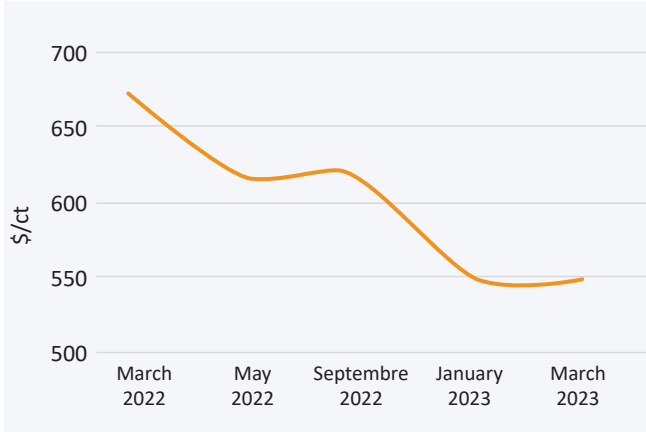
Conclusion

In conclusion, the first quarter of 2023 has been a prosperous period for White Pine, with record demand for its sorting services, CAD services, and a significant increase in the acquisition of jewelry and recycled diamonds. The company's dedication to ethical diamond sourcing, adaptability to market trends, and innovative CAD services ensure that it will remain a leader in the recycled diamond industry. As White Pine continues to embrace sustainability and cater to the evolving needs of its clients, the company is well-positioned for continued success.

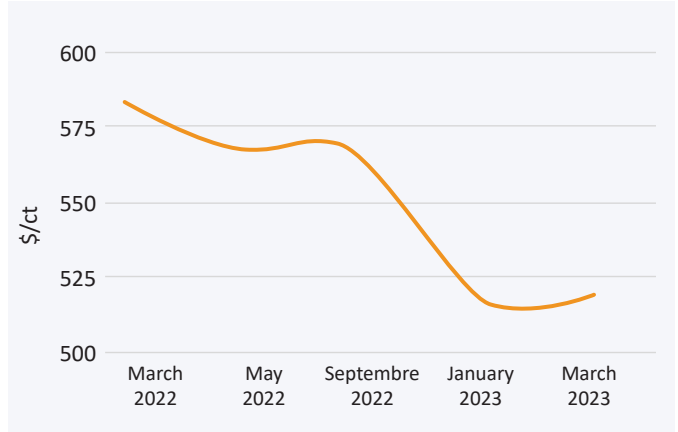
MARKET PRICE MOVEMENTS

12 Months Natural Recycled Pricing Trends - White Pine VS & SI2

Last 12 Month Price Trend of VS -2.5 Sieve



Last 12 Month Price Trend of SI2 -2.5 Sieve

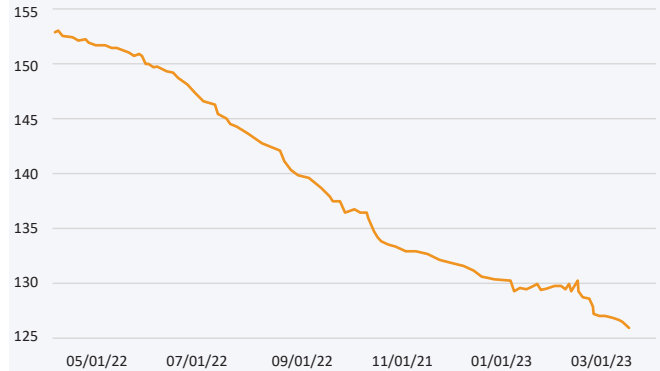


% change of the average carat price of D-I colour and VVS2-SI2 on PriceScope.com since 1/112008 - 4/112023



Source: Polished price chart sourced from pricescope

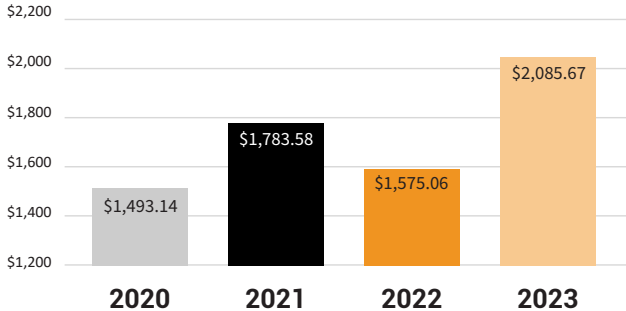
Iindex Diamond Index Over Last 12 Months



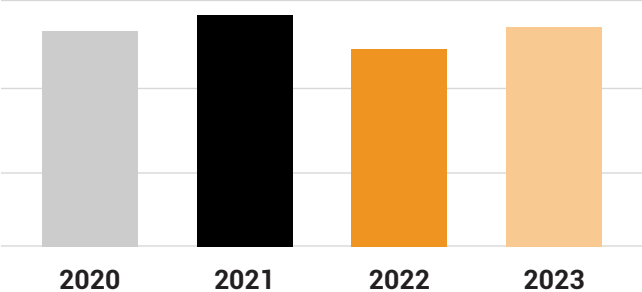
HISTORIC COMPARISONS

Q1 Average Diamond Order Value

Q1 Average Diamond Order Value





Q1 Volume Comparison

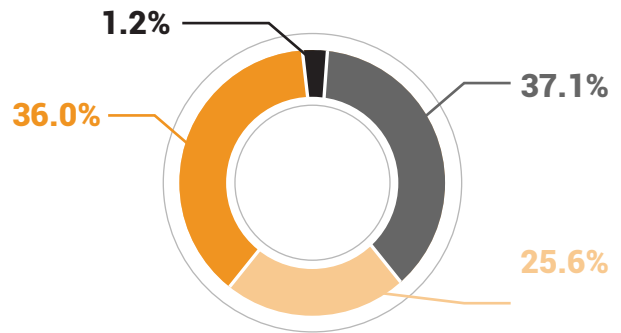


MELEE SALES

 There was a slight rise in the purchasing of smaller sizes.

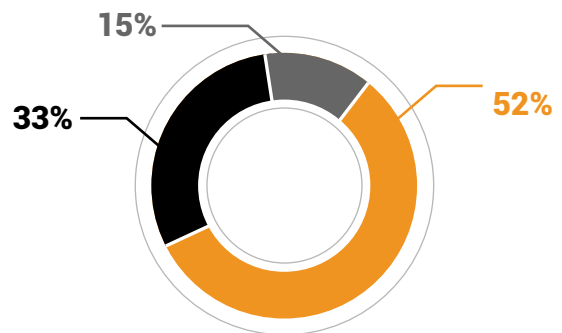
 Customers are striving to maintain their price levels, resulting in a subtle move from VS to SI2.

 **CONCLUSION:** Notwithstanding the persistent economic instability, the prices of melee diamonds have sustained their strength. This can be attributed, at least in part, to the continued reduced supply from Russia and a concentration of lab-grown diamond production on larger sizes.



Q1 2023 Melee Quality Mix

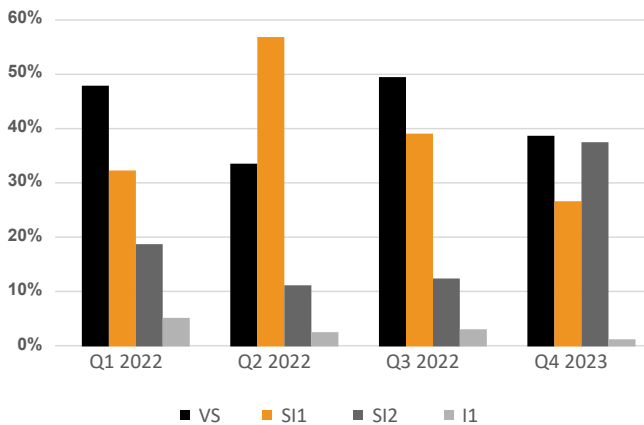
■ I1 ■ VS
■ SI2 ■ SI1



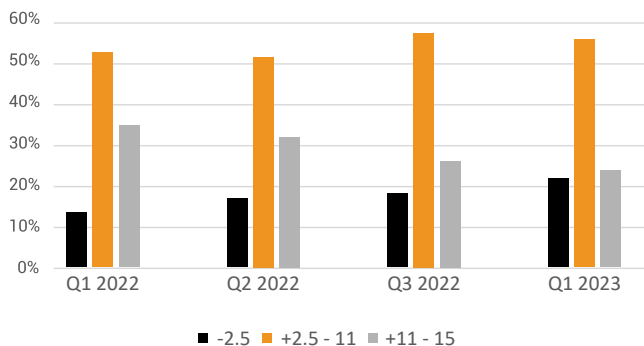
Q1 2023 Melee Size Breakdown

■ 1.3mm-2.6mm(+2.5-11)
■ 2.7mm-3.5mm (+11 - 15)
■ .7mm-1.2mm (-2.5)

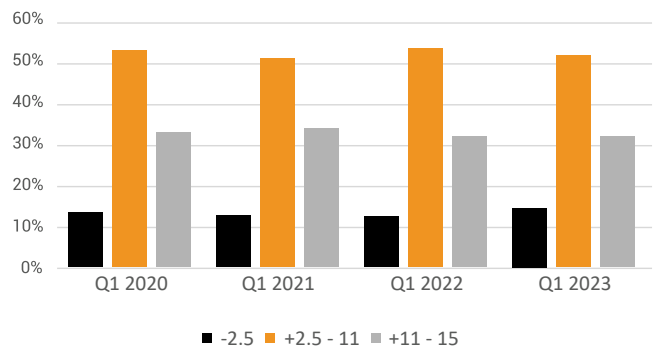
1 Year Melee Quality Mix Comparison




1 Year Melee Sieve Size Breakdown Comparison




Q1 Quarterly Melee Sieve Sizes Comparison

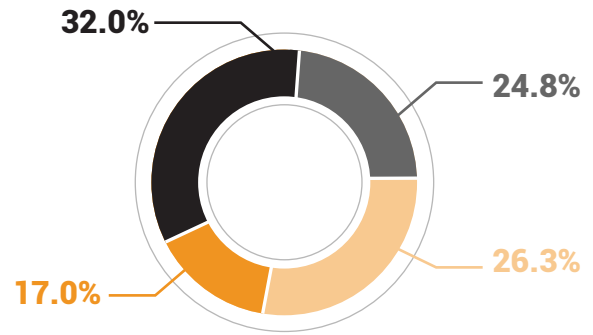


POINTERS SALES

 Customers have shifted their attention towards a blend of lower quality diamonds, namely I1 and SI2.

 During Q1, the trend towards larger diamond sizes continued discreetly.

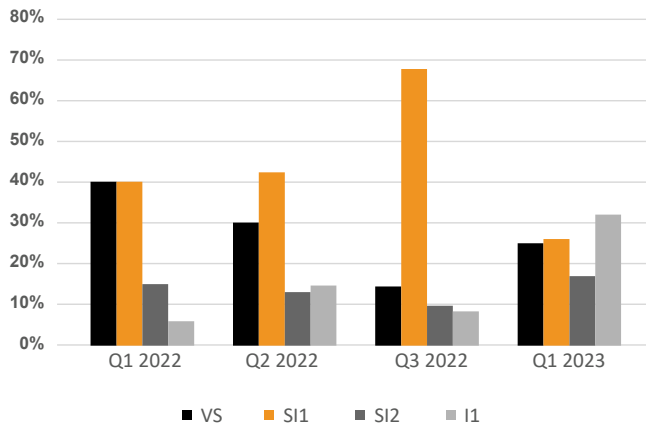
 **CONCLUSION:** The market prices of bigger diamond sizes have decreased, leading to a decline in the total sales revenue.



Q1 2023 Pointers Quality Mix

■ I1 ■ VS
■ SI2 ■ SI1

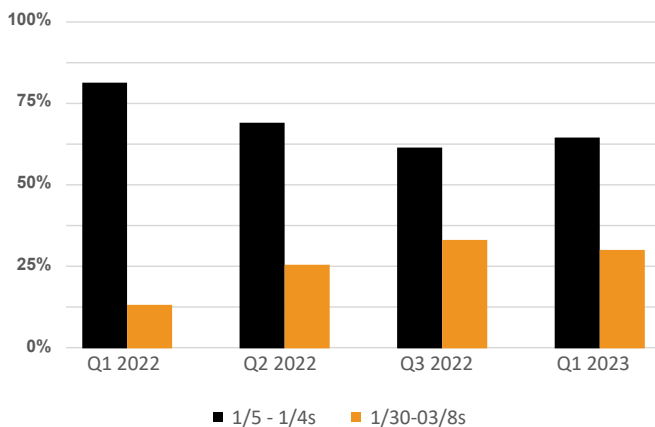
1 Year Pointers Quality Mix Comparison



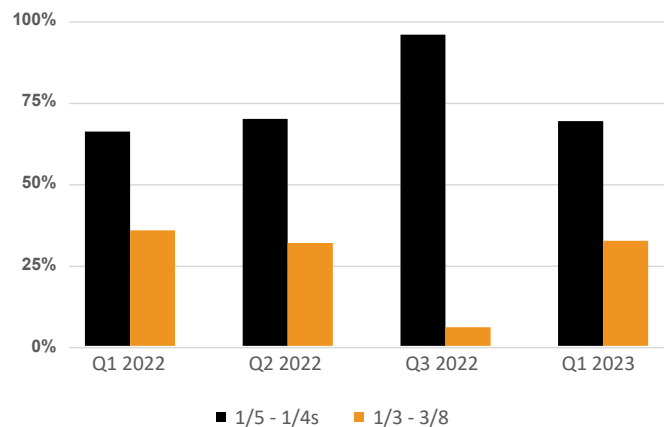
Q1 2023 Pointers Size Breakdown

■ 1/5 - 1/4s
■ 1/3 - 3/8s

Q1 Quarterly Pointers Sieve Size Comparison



1 Year Comparison Of Pointers Sales By Size



LOOKING AHEAD

By **Benjamin Burne**, CEO, White Pine Wholesale LLC

LOOKING AHEAD IN THE NATURAL RECYCLED DIAMOND MARKET: CHALLENGES AND OPPORTUNITIES

The recycled diamond market has experienced steady growth in recent years, driven by factors such as increasing consumer awareness of ethical diamond sourcing, a preference for sustainable practices, and economic considerations. Looking ahead, the future of this market is likely to be heavily influenced by the trajectory of lab-grown diamonds. This article will examine the potential impact of lab-grown diamonds on the recycled diamond market and offer predictions for diamond prices for the remainder of the year.

LAB-GROWN DIAMONDS: MARKET SHARE AND POTENTIAL BACKLASH

The popularity of lab-grown diamonds has been on the rise, with consumers increasingly attracted to their affordability and the perception of them as an eco-friendly alternative to mined diamonds. As the cost of producing lab-grown diamonds continues to decline due to technological advancements and an increase in producers, the prices of these stones have dropped significantly. This trend has raised concerns about whether lab-grown diamonds will continue to gain market share or face a backlash from both the trade and consumers as their prices plummet.

There are a few factors that could potentially lead to a backlash against lab-grown diamonds. First, the rapid decline in prices could undermine consumer confidence in the value of these stones, leading to a preference for natural diamonds or recycled diamonds, which are perceived as more stable investments. Second, the proliferation of lab-grown diamond producers could result in oversupply, further driving down prices and exacerbating concerns about the long-term value of these stones.

On the other hand, the continued growth of the lab-grown diamond market could have a positive impact on the recycled diamond market. As lab-grown diamonds become more prevalent, consumers may become more discerning about the origins of their diamonds and opt for recycled diamonds as a way to support sustainable practices while avoiding the potential pitfalls of lab-grown stones.

PREDICTING DIAMOND PRICES FOR THE REMAINDER OF THE YEAR

The trajectory of diamond prices for the remainder of the year will be influenced by various factors, including the performance of the global economy and the maturation of the lab-grown diamond market. If a recession occurs, it is likely that diamond prices will continue to decline as consumers cut back on discretionary spending and opt for more affordable alternatives. In this scenario, the recycled diamond market could benefit from its reputation as a cost-effective and sustainable option.

However, once the recession is behind us and the global economy begins to recover, diamond prices may firm up as consumer demand rebounds. As the lab-grown diamond market matures and consumers become more educated about the pros and cons of different diamond options, the recycled diamond market could experience further growth. Consumers may increasingly turn to recycled diamonds as a way to reconcile their desire for beautiful, high-quality stones with their ethical and environmental concerns.

In conclusion, the future of the recycled diamond market is closely linked to the trajectory of lab-grown diamonds and the broader global economic landscape. While lab-grown diamonds may continue to gain market share, the recycled diamond market could benefit from increased consumer interest in sustainable and ethically sourced stones. Diamond prices are expected to fluctuate in response to economic conditions and market trends, but the long-term outlook for the recycled diamond market remains promising as awareness of and demand for sustainable options continue to grow.

*All forward-looking statements are management's present expectations of **future events** and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.*

