

De Beers Auction Sales launches forward contracts

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De Beers Auction Sales recently introduced forward contract sales to offer customers the opportunity to bid for future supply of the types and quantities of rough diamonds they require, when they require them. The new proposition will complement current spot auction events, the diamond producer said in a press release.

The purchase price for the required volume of rough diamonds in a forward contract will be determined by a customer's bid relative to the spot price for the same type of goods at the De Beers Auction Sales spot auction event when the contract matures.

At De Beers' first forward contract auction event held recently, registered customers of De Beers Auction Sales were able to bid for future supply up to three months in advance. It is anticipated that forward auctions with the ability to bid for future supply of rough diamonds over a 12-month period will be introduced in 2014.

Neil Ventura, senior vice president of De Beers Auction Sales, said: "Customers have expressed their desire to secure future supply at auctions so that they can plan their activities more effectively and commit to longer-term agreements with their own customers. We see forward contracts as the ideal mechanism to deliver this and believe they will be a valuable addition to our customer offering."

Approximately 10 percent of De Beers' rough diamonds are sold through its auction platform, the company said.

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Photo credit: De Beers
Rough diamonds at the DTC's Harry Oppenheimer House in Kimberley, South Africa



Photo credit: De Beers
Rough diamonds from De Beers