

GEMPORTS Press Release, October 2026: The third quarter of 2026 reshaped the architecture of the global sapphire market rather than lifting its price floor. Across every origin and treatment category, the per-carat values achieved in Q3 2026 remained essentially **aligned with Q2 2026 outcomes**. No segment recorded a genuine upward re-pricing.

What shifted decisively was the composition of completed trades. The bulk of Q3 transactions clustered around **premium-grade Sri Lankan sapphires of 8 carats and above** — stones exhibiting exceptional saturation (Royal Blue / Cornflower Blue), superior clarity, precise cutting, and fully documented provenance. Because the Gemports Sapphire Transaction Index (GTI) assigns disproportionately heavy weighting to these high-value, large-carat segments — and particularly to Sri Lankan origin, which commands a recognized prestige premium — this concentration of activity propelled the headline GTI into sharply positive territory on a quarter-over-quarter basis.

The Q3 GTI advance is therefore a story of transactional composition, not of unit-price inflation. It reflects a qualitative intensification of activity at the apex of the quality spectrum — anchored by the exceptional rarity of large Sri Lankan material — while the broader market continues to trade on a stable footing.

This pattern is a direct extension and amplification of the market configuration first observed in Q2 2026. It confirms that the sapphire market has stratified into two parallel operating environments: a supply-constrained, demand-resilient upper tier powered by the rotation of existing stones, and a flat, thinly traded lower tier still working through residual inventory.

Sapphire Investment Outlook

1. Intense Selectivity Around Large-Carat Sri Lankan Material

Buyer conduct in Q3 2026 continued the selective pattern established in Q2, but with sharper definition. Collectors, dealers, and institutional allocators pursued a tightly defined specification: **natural Sri Lankan sapphire, 8 ct and above, of saturated premium colour (Royal Blue / Cornflower Blue), with strong clarity and independent certification**. Material meeting this specification remains in persistent deficit. Large-carat unheated Sri Lankan sapphires of 8+ ct constitute one of the scarcest categories across the entire coloured gemstone landscape. Fresh production capable of replenishing available supply is effectively absent. The premium tier therefore does not clear through conventional price discovery; it operates as a seller-constrained environment, where the availability of willing counterparties — not the level of demand — sets the pace.

The result is a durable valuation floor for premium Sri Lankan material, even as the wider coloured gemstone market retains a cautious posture.

2. Secondary-Market Rotation as the Primary Supply Channel

A defining feature of Q3 2026 was that most premium Sri Lankan sapphires changing hands were stones already in circulation among trade participants, rather than fresh material arriving from source.

This rotation of existing inventory carries several structural implications:

- Source-level deficit is now the binding constraint. With negligible new production of certified large Sri Lankan sapphires reaching the market, demand must be satisfied from stock held by collectors, dealers, and long-term holders.
- Strong retention behaviour. Owners of certified large-carat Sri Lankan sapphires show limited inclination toward motivated selling. These stones are increasingly treated as stored wealth rather than as working inventory.
- Relationship-driven price formation. Transactions occur between informed counterparties who recognise the long-term rarity proposition. Pricing is negotiated against provenance, colour grade, and certificate standing — not against a general market benchmark.

3. Commercial-Grade Values Stabilise — But Turnover Does Not Recover

At the commercial end of the market, the aggressive repricing that characterised Q1 and much of Q2 has run its course. Values in the sub-5 ct and heated categories have ceased their descent and are holding at Q2 levels.

However, **stability of values should not be conflated with recovery of demand**. Commercial-grade sapphires continue to trade in modest volumes, with buyers remaining selective and retail-facing channels still cautious. The floor has been established; the rebound remains pending.

GEMPORTS SAPPHIRE TRANSACTION INDEX (GTI)

	Index	2026Q4	Year to Date (YTD) Jan. 1, 2026, to Dec. 29, 2026	Year on Year (YOY) Dec. 29, 2025, to Dec. 29, 2026	Past 5 Years Jan. 1, 2021, to Dec. 29, 2026
Sri Lanka • Nature					
GTI 1-1.99 ct.	182.5	0.0%	9.5%	9.5%	82.5%
GTI 2-2.99 ct.	191.2	0.0%	8.6%	8.6%	91.2%
GTI 3-4.99 ct.	194.6	0.0%	11.5%	11.5%	91.1%
GTI 5-9.99 ct.	213.9	0.0%	25.1%	25.1%	109.0%
GTI 10-19.99 ct.	215.5	0.0%	28.0%	28.0%	111.2%
GTI 20 ct.	213.9	0.0%	26.0%	26.0%	109.4%
Sri Lanka • Heated					
GTI 1-1.99 ct.	146.6	0.0%	-2.0%	-2.0%	46.6%
GTI 2-2.99 ct.	158.5	0.0%	2.0%	2.0%	50.6%
GTI 3-4.99 ct.	176.9	0.0%	5.7%	5.7%	76.9%
GTI 5-9.99 ct.	186.6	0.0%	15.7%	15.7%	80.5%
GTI 10-19.99 ct.	187.1	0.0%	18.5%	18.5%	83.6%
GTI 20 ct.	191.2	0.0%	18.4%	18.4%	86.7%
Africa & Other Sources • Nature					
GTI 1-1.99 ct.	155.7	0.0%	9.4%	9.4%	44.8%
GTI 2-2.99 ct.	158.6	0.0%	11.3%	11.3%	56.3%
GTI 3-4.99 ct.	169.2	0.0%	12.4%	12.4%	65.9%
GTI 5-9.99 ct.	187.0	0.0%	25.3%	25.3%	83.0%
GTI 10-19.99 ct.	193.4	0.0%	21.7%	21.7%	89.5%
GTI 20 ct.	198.1	0.0%	18.2%	18.2%	93.9%
Africa & Other Sources • Heated					
GTI 1-1.99 ct.	118.0	0.0%	-3.5%	-3.5%	18.0%
GTI 2-2.99 ct.	134.9	0.0%	1.8%	1.8%	27.6%
GTI 3-4.99 ct.	150.6	0.0%	9.3%	9.3%	48.5%
GTI 5-9.99 ct.	167.8	0.0%	15.8%	15.8%	62.6%
GTI 10-19.99 ct.	169.2	0.0%	17.4%	17.4%	66.5%
GTI 20 ct.	177.6	0.0%	16.4%	16.4%	73.8%

Q2 2026 Sapphire GTI Highlights

Nature Sapphire

- Sri Lanka : 70.5 % QoQ (prev . -1.5 %) | 58.7 % YoY (prev . -32.6 %)
- Africa & Other Sources : 73.0 % QoQ (prev . -0.9 %) | 60.2 % YoY (prev . -34.6 %)

Heated Sapphire

- Sri Lanka : 68.4 % QoQ (prev . -1.8 %) | 46.6 % YoY (prev . -34.9 %)
- Africa & Other Sources : 70.5 % QoQ (prev . -1.0 %) | 47.9 % YoY (prev . -35.6 %)

Q3 2026 Market Overview

The arc across the first three quarters of 2026 forms a coherent narrative. Q1 2026 was defined by broad-based repricing, as macroeconomic uncertainty and geopolitical disruption dampened transaction confidence across all segments. Q2 2026 introduced stratification: premium material began to find a floor as selective buyers re-engaged, while commercial-grade sapphires continued to absorb residual inventory pressure.

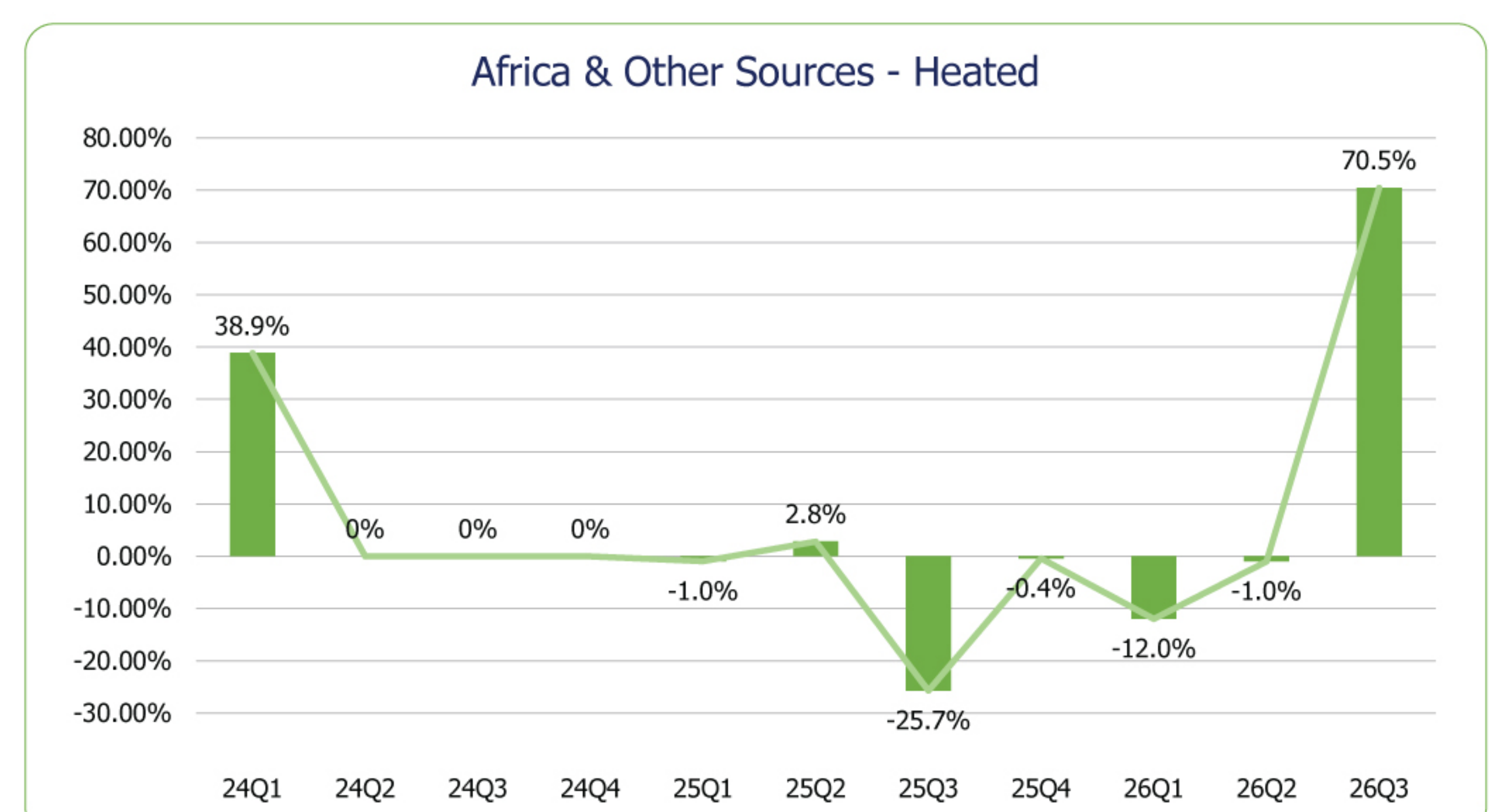
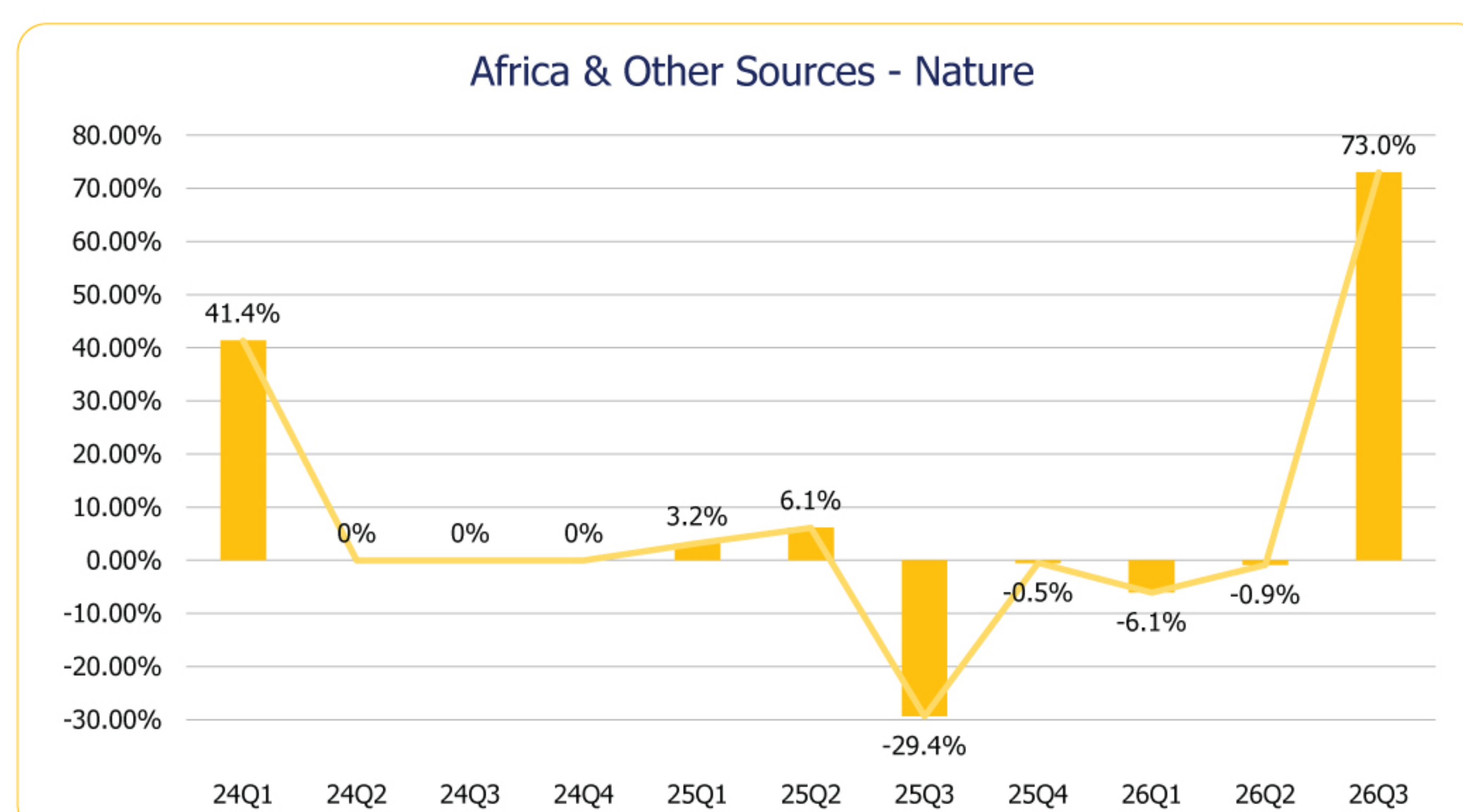
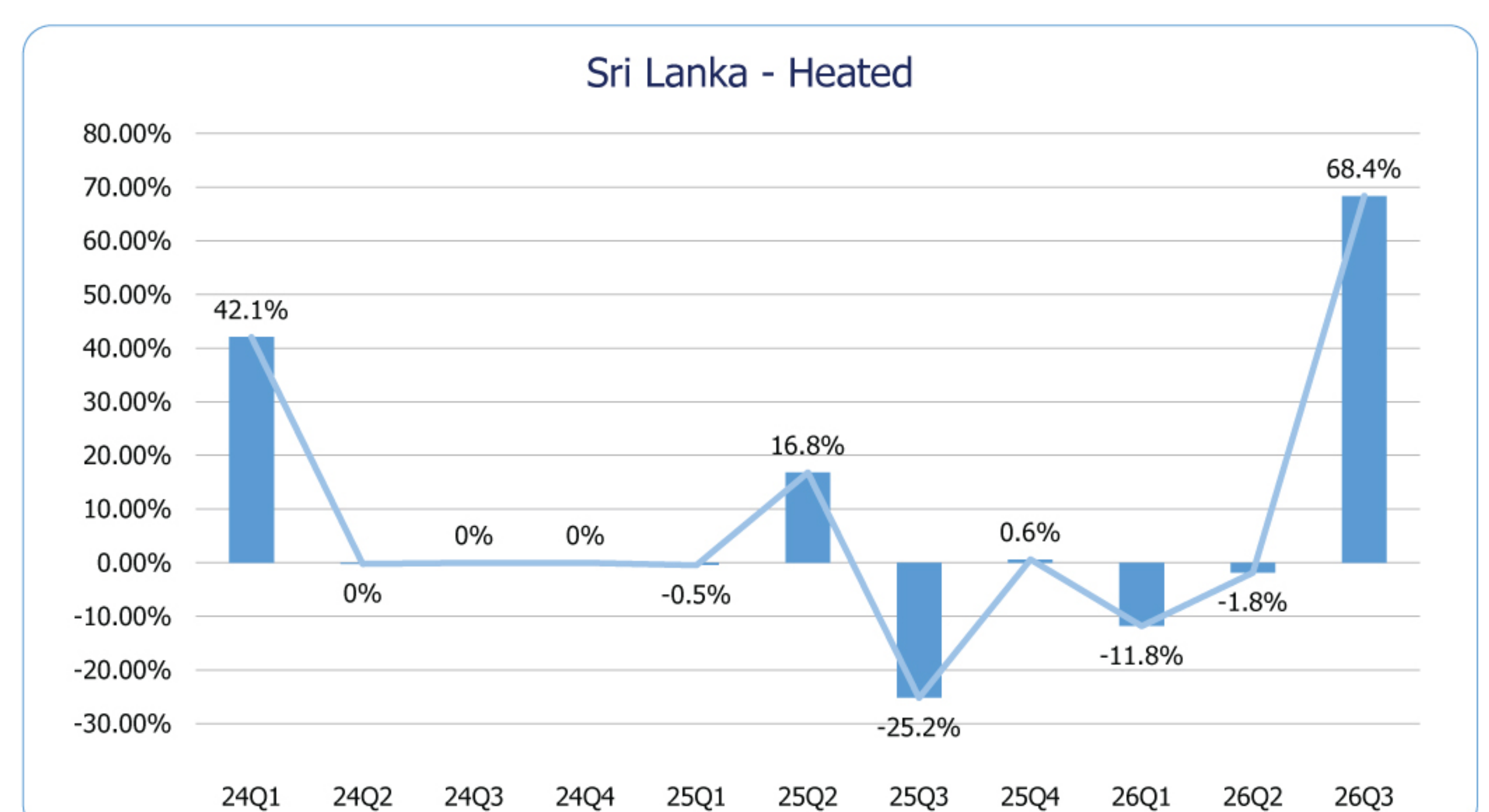
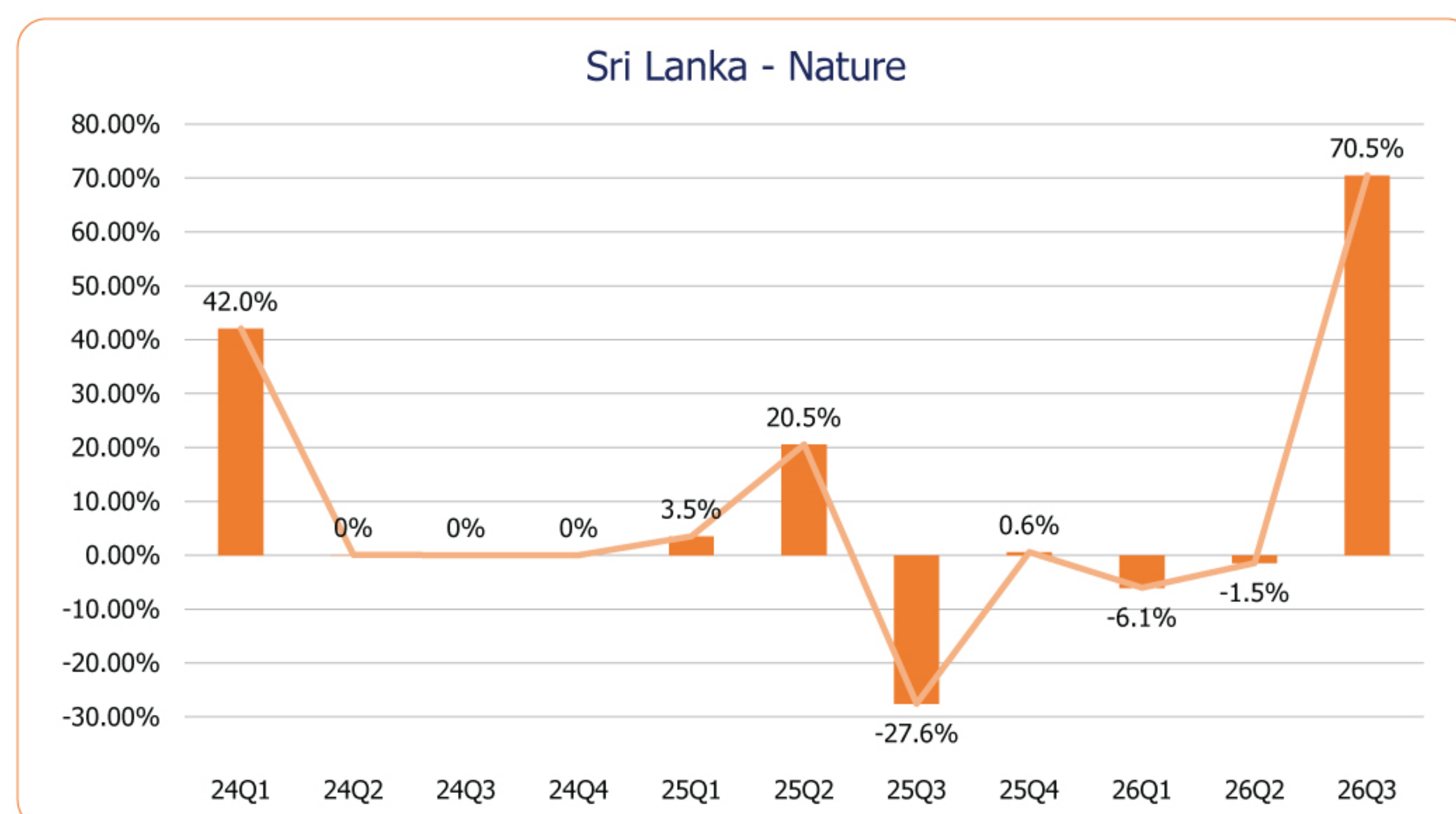
Q3 2026 confirms and entrenches that stratification – with unusual clarity. The premium tier is no longer merely stabilising – it has become the centre of gravity of the entire market, absorbing the majority of transactional capital and, correspondingly, the majority of index weighting. The commercial tier has completed its correction but remains in a holding pattern. One Index, Two Operating Realities

The Q3 data illustrates why a single headline index can mislead in a stratified market. A sharply rising GTI and a flat commercial price sheet are not contradictory observations; they are two expressions of the same underlying reality:

Capital has not returned to the sapphire market broadly. Capital has concentrated in the sapphire market selectively – and overwhelmingly in rare large-carat Sri Lankan material.

For collectors and investors, this is a constructive development – it validates the rarity thesis at the apex of the quality spectrum. For dealers holding diversified inventory, it is a caution: index performance will not rescue low-liquidity positions, and inventory composition now matters more than inventory volume.

GEMPORTS SAPPHIRE TRANSACTION INDEX (GTI) PERCENT CHANGE QUATER-TO-QUATER



Source: Based on TGJTA, GJPCT, GAC, and NGTC data.

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Q4 2026 Market Outlook

1. The Premium Configuration Is Expected to Persist

No material change in the fundamental supply-demand balance is anticipated in Q4 2026. Demand for certified natural Sri Lankan sapphire of 8 ct and above, in premium colour, is expected to remain firm, while source-level supply of equivalent material is expected to stay constrained.

The secondary-market rotation pattern established in Q2 and confirmed in Q3 will continue to serve as the primary mechanism through which the premium market operates. Under these conditions, premium-grade pricing is expected to hold its Q2/Q3 floor, with the possibility of selective firming on exceptional stones where provenance and colour are unimpeachable.

The GTI is likewise expected to remain supported by transaction mix, provided premium-weighted activity continues to dominate. Participants should continue to distinguish between mix-driven index strength and genuine segment-level price appreciation.

2. Global Macroeconomic Conditions

Three external variables will influence the depth and breadth of Q4 activity:

- Gold price trajectory. With gold trading at elevated levels, the opportunity cost of holding alternative hard assets remains a live consideration. Continued strength or consolidation in gold is expected to sustain the cross-sector allocation flow into premium sapphire. A sharp correction in gold could temporarily redirect capital, though the scarcity-driven premium sapphire segment has demonstrated relative resilience.
- Interest rate expectations and global liquidity. Signals from major central banks regarding the policy path into 2027 will shape the willingness of wealth managers and family offices to commit capital to illiquid assets. A more accommodative stance would lower the opportunity cost of holding certified large-carat stones and could broaden the buyer base beyond its current core.
- Geopolitical and trade conditions. Any further de-escalation in major geopolitical flashpoints – particularly the US-Iran situation that disrupted trade flows earlier in 2026 – would reduce friction and risk premiums in cross-border trade, improving transaction velocity and encouraging the movement of high-value material between jurisdictions. Conversely, renewed tension would likely reinforce holder retention and further reduce the supply of premium stones coming to market.

3. Seasonal Demand and the Commercial Tier

Q4 remains the traditional high season for global jewellery consumption, supported by the Indian festival calendar (Diwali), the European holiday season, and forward inventory preparation for Chinese New Year 2027.

This seasonal uplift is expected to benefit the commercial and mid-tier segments primarily at the volume level, improving turnover and clearing residual slow-moving stock. A modest price recovery in these segments is possible, but a full demand-led revaluation should not be assumed. The structural distinction between the premium and commercial tiers is likely to persist.

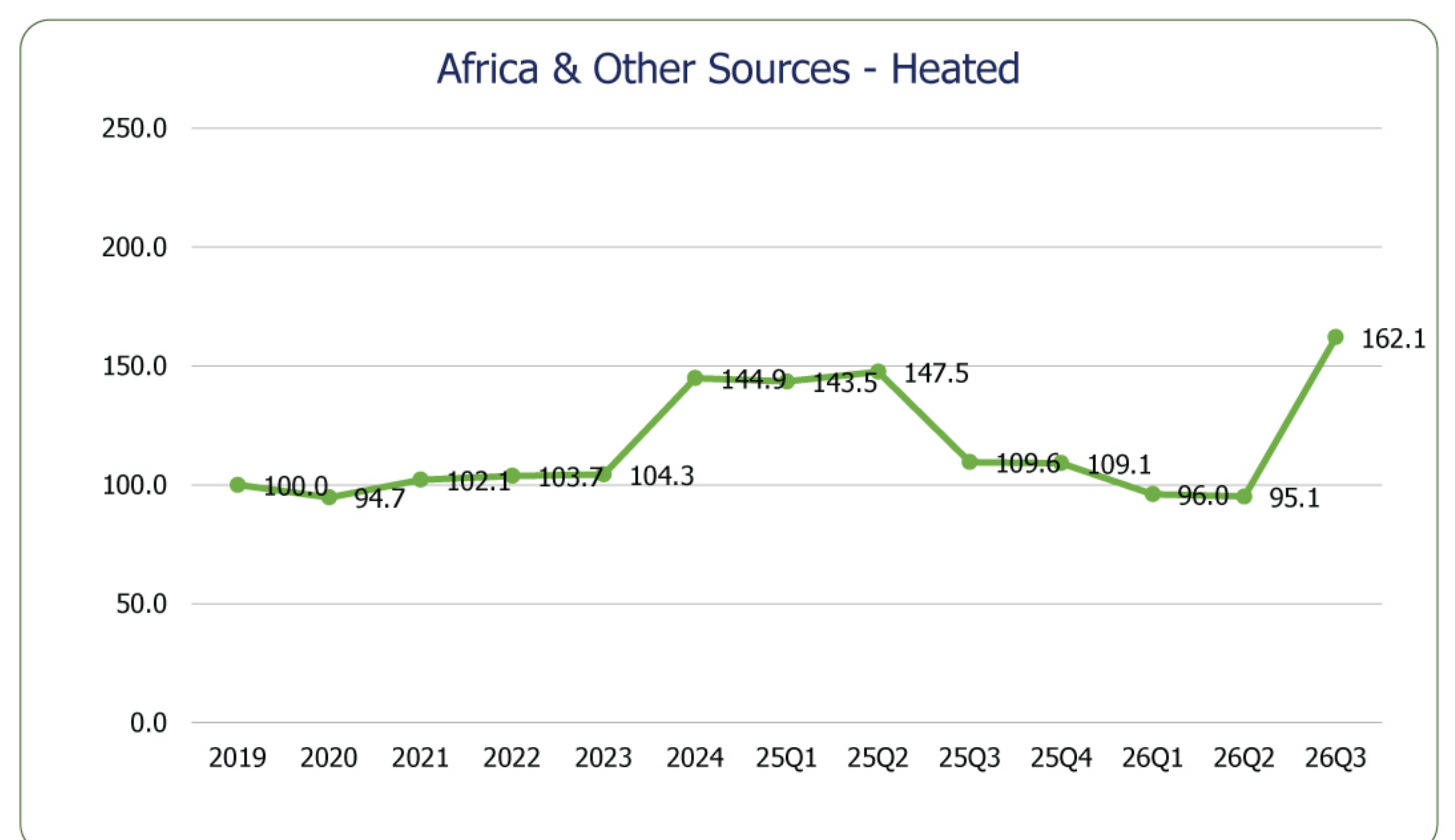
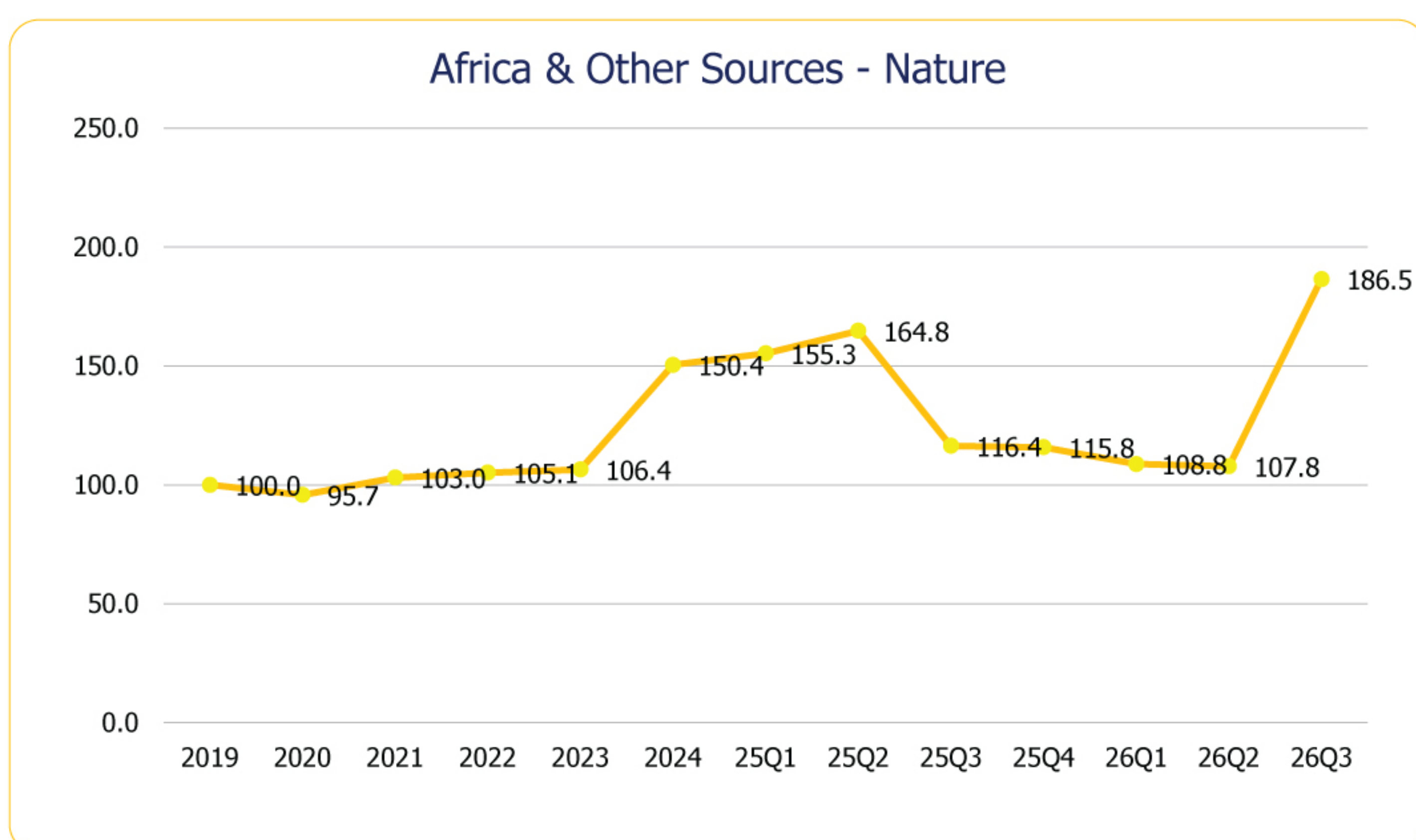
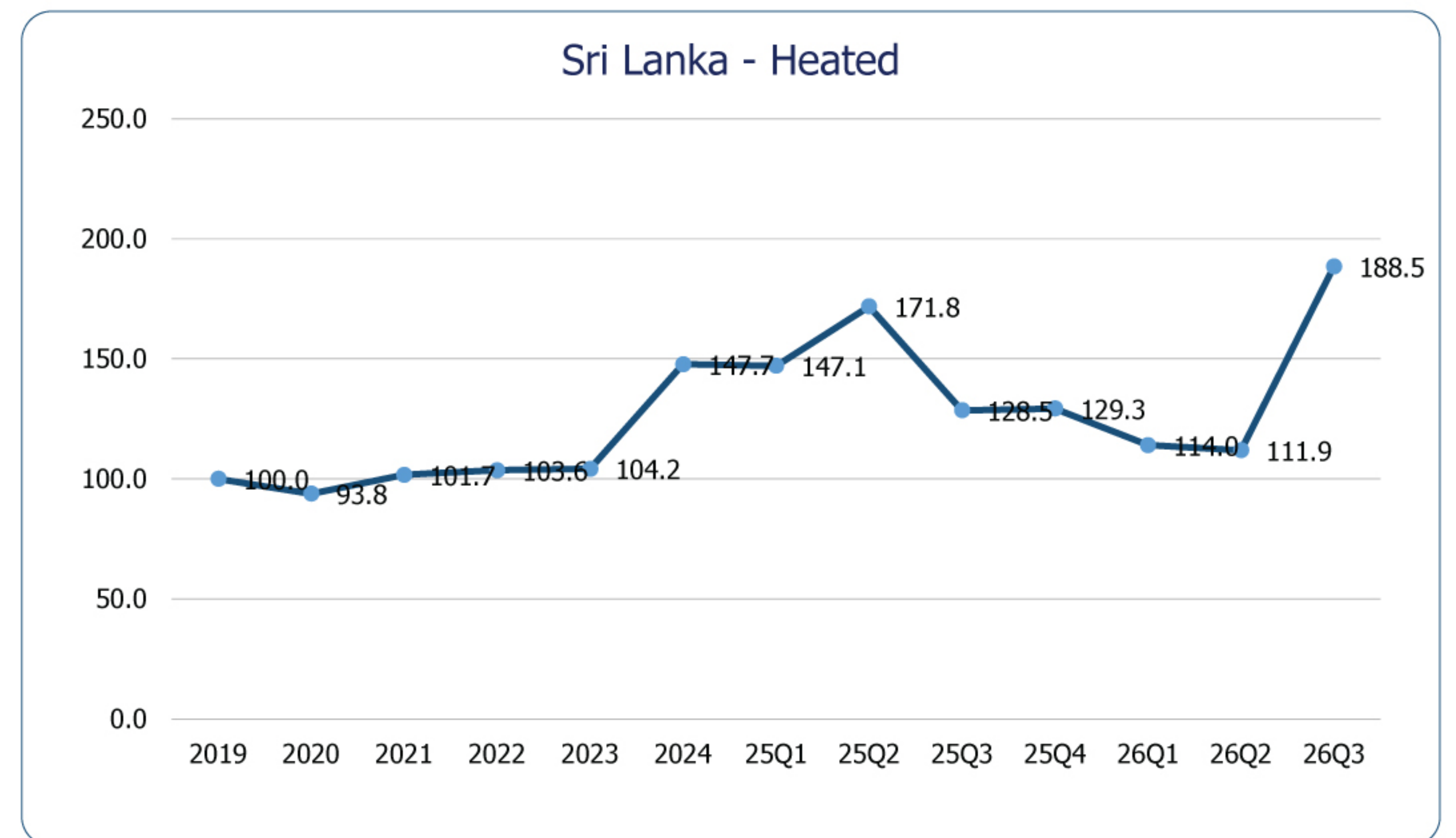
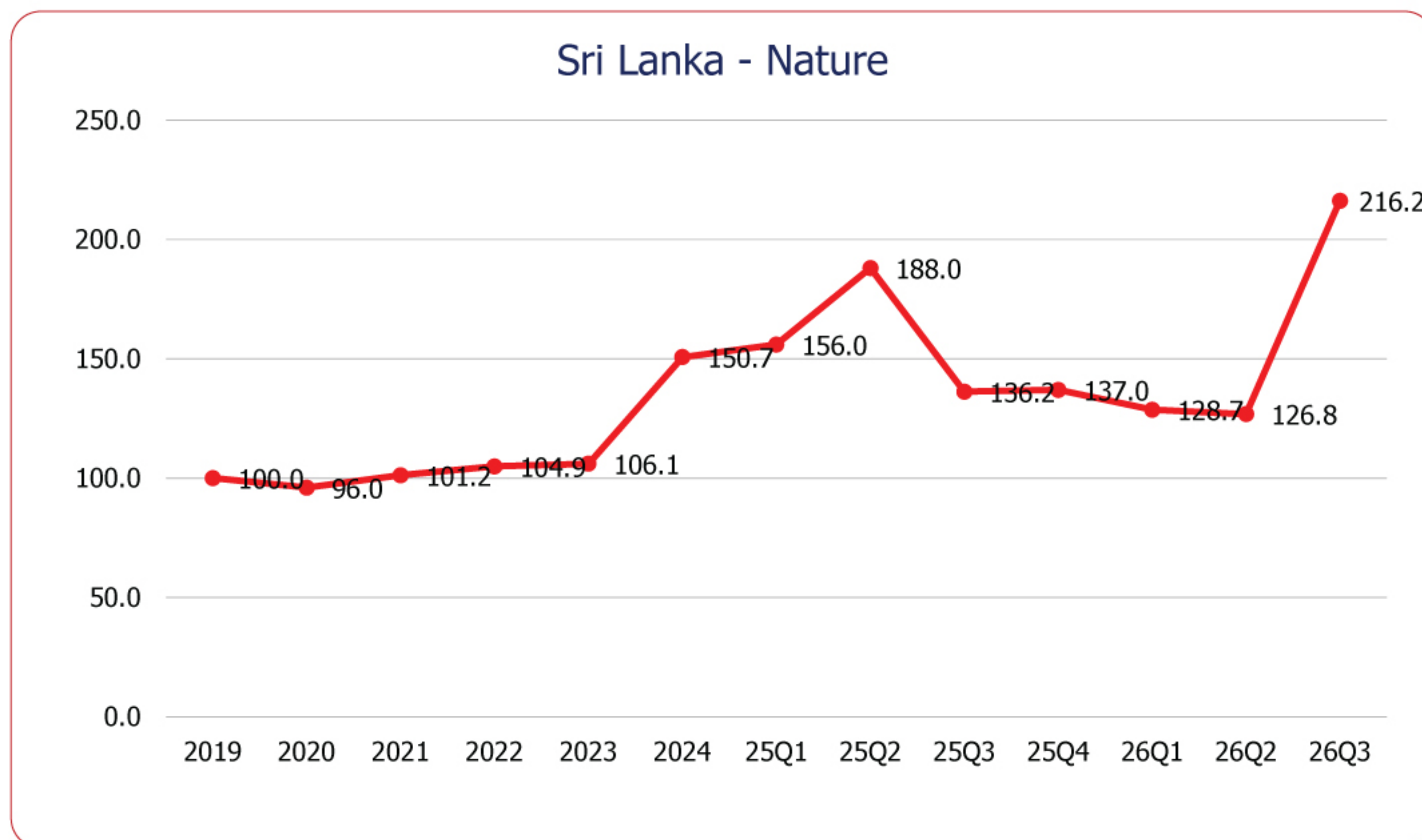
4. Auction Season as a Price Discovery Catalyst

The Q4 international auction calendar will serve as an important external validation point for premium sapphire. Strong results for benchmark 8+ ct Royal Blue and Cornflower Blue natural Sri Lankan sapphires with documented provenance would reinforce the rarity narrative, establish refreshed reference points for private transactions, and potentially attract a new cohort of institutional collectors.

Conversely, weak or heavily bought-in results would temper sentiment at the top of the market, though the constrained supply base should limit any downstream price damage.

GEMPORTS SAPPHIRE TRANSACTION INDEX (GTI)

2019 - 2026 | 2019 = 100



Source: Based on TGJTA, GJPCT, GAC and NGTC data.

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About the Gemports Transaction Index (GTI): The Gemports Transaction Index (GTI) serves as the benchmark for the colored gemstone market, specifically tracking Ruby and Sapphire activity. Far beyond a simple price tracker, its methodology deeply integrates market transaction data by rigorously factoring in price movement and trade volume across key characteristics like size, quality, treatment and origin. This makes the GTI an essential and powerful tool for industry stakeholders, providing a holistic outlook on market trends, liquidity, and stone availability for planning and investment.

About the Gemports: The Gemports is an international gemstone trade network offering value-added services that make gemstone transaction more transparent, easier, and safer across B2B, B2C, and C2C markets. Convened in 2019, Gemports was launched by GAC, NGTC, TGJTA, and GJPCT as a collaborative initiative. Gemports activities include Gemports Information Services, providing Gemports Price Report for gemstones, as well as research, analysis and news; GemportsEdu, the world's first-class gemstone trade education and membership services; and Gemports Trading and Auction Services. Additional information is available at www.gemports.com.