**Cormac Kinney: Diamond Standard – Fireside Chat with Eric Wade and Cormac Kinney**

Cormac has revolutionized trading diamonds. His background is in quantitative trading. In the past this asset was unavailable to investors since no one knows what diamonds are worth. There’s no price transparency. And it’s an over $1.2 trillion asset.

Cormac solved this by making diamonds fungible.

Retail diamonds have been available throughout human history. But they didn’t interest investors until now. But Cormac came up with a way to quantify diamonds and put them into a hard product.

Bigger diamonds are more expensive. Colorless diamonds re more expensive. And clearer diamonds are more expensive. There’s not a formula to determine diamond value… it’s “non-linear.”

But you can establish value by brute-force bidding on every diamond on the market. Diamond standard had created a system to do just that. This established a standard value. Now a computer program can produce an equivalent-value sampling of diamonds in every Diamond Standard coin.

Diamond Standard has established a statistically accurate yield curve of how scarce each diamond is.

It’s like a gold bar. Each is .999 pure and 1000 grams. Diamond standard functions the same way. It’s a geologic standard.

But the diamonds in each coin are not identical. It’s not a specific sampling… but a statistically consistent sampling. Each diamond coin is worth the same amount. They can be traded equivalently.

This is a CME Exchange approved product. The diamonds always add up to a public standard. And the diamonds inside don’t have to be identical for that to be true. The diamonds are unique, but the coins are standardized.

Every coin is public and regulated. You can view the certificate of every diamond in every coin, provided by GIA. It’s also audited by Deloitte. And it’s persistent with each coin.

The coin is transparent with a white backing. The backing has a chip that can be used for auditing. You can check your coin’s location via a smartphone app and perform authentication. What’s more is the chip stores a blockchain token. The token proves the coin is fair and official. And since it’s on the blockchain it can’t be changed. Whoever owns the blockchain token owns the coin containing it… so they can change hands extremely efficiently. The coins can be owned by a fund for example. Or in a futures contract. Or ETF. Next year, a currency will launch based on the coin. It will be known as Bitcarbon… and the currency will be backed by a diamond standard.

The wall Street Journal has featured Diamond Standard in 5 articles… including one today. This is an extremely important investible asset.

The commodity is liquid. It can be traded 24 hours a day, with no fees. There’s a spot market for the coins that determines the coin’s value every day. Diamond Standard operates the spot market… and trades have been within 1% of spot. Usually a little above the spot. Spot market is instant, whereas direct orders need to be fabricated… so time is a factor that boosts spot prices.

There is also a fund that gives you exposure to diamonds. It provides security and storage for the asset (so you don’t have to own the physical commodity). This lets institutions buy Diamond Standard. And it allows you to put the fund into your IRA.

And if diamonds are like other precious metal asset classes… there’s massive opportunity in the market. Investors have bought and hold about 15% of every precious metal in the world. That’s not a return – that’s the full percentage of the resource on the planet. (Gold is an exception – 30% of gold is held by investors).

**But for diamonds, only 1 to 2% are held by investors**. They have been massively under allocated… and now is the time for investors to catch up. In the next 1-10 years, 15 % of diamonds will be acquired by investors, says Cormac. And that will have massive implications for the price.

There is a bar in addition to the coin, with ten times the value of the coin.

The upshot is everything folks do with gold investment… Cormac is bringing to diamonds.

There will be a sudden inflection point where diamonds will get added to commodity indices. Tens of thousands of pensions, endowments and sovereign wealth funds are invested in commodity indices. And diamonds have more value than other resources. They’re weighted higher. So these index-holding funds will pour into diamonds.

Cormac projects diamonds go up 5x. It happened for gold once ETFs like GLD became available for that asset.

In the last two years diamonds have outperformed gold, silver and the S&P. Cormac sees this as just the beginning.

Diamonds also have low correlation to almost everything… including gold. It has positive returns but low to no correlation – a great holding for any portfolio. It’s a great case for diversification.

What’s more, there hasn’t been a diamond mine discovered in 20 years. Diamond production is declining with no signs of new discovery. And jewelry demand is rising. Supply is down, demand is up… so prices will rise.

Diamond coins take the best qualities of bitcoin – instant trading at low cost – with the best qualities of gold – a scarce, natural commodity.