

First Growths at Forefront

All the main Liv-ex indices made good gains last month with the Liv-ex 50 leading the charge. This index, which is reported on a daily basis, solely focuses on the five Bordeaux First Growth (vintages 2003 to 2013—the 10 most recent, physically available vintages). It has surged ahead this year as the graph to the right shows, which details the performance of each Château since the market low back in July 2014. Each line shows a relatively steep incline with Château Latour’s growth perhaps not as dramatic as that of the other four Châteaux.

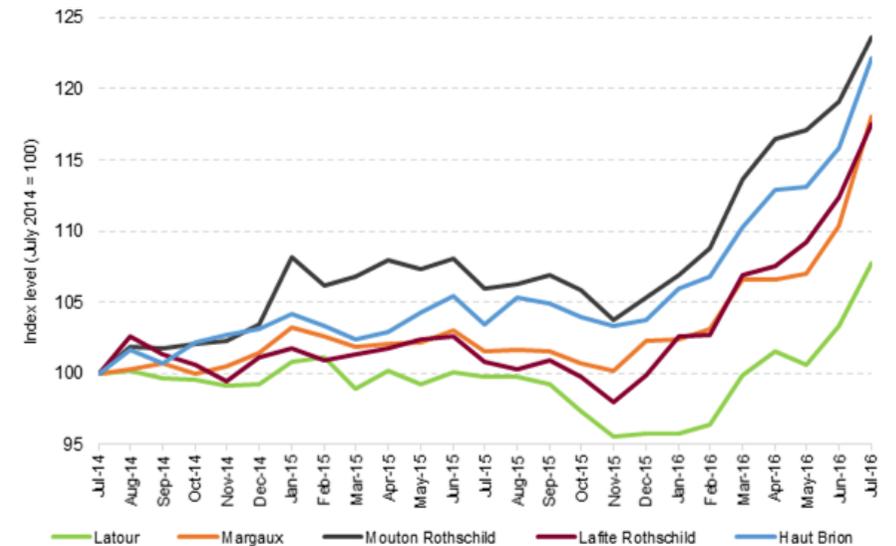
The drivers behind this current growth are varied. Much has been made of the currency scenario, which has clearly been the major impact on the market, however there are others factors to take into consideration. Scarcity of mature Bordeaux from great vintages is becoming all the more apparent in a market that has started to find its feet. Finding mint condition cases of 1982s, 1989s and 1990s is no mean feat now, and with the current step change in buying activity, lack of stock among the most heralded of these wines has been brought sharply into focus. This has led to a re-focusing of targets; the market is now starting to look to the next set of pressure points, whether they be in the 2000, 2005, 2009 or 2010 vintages. The backdrop of loftily positioned *en primeur* pricing could lead to the market increasing its focus on great vintages of the past.

The old adage of buy two cases *en primeur* and sell one to fund the other hasn't rung true for many, many years, so will we now see the market cherish rarity and quality over the 'next new thing'? Common sense suggest buying back vintages.

Index 30/06/2016 (monthly close)	Level	MOM	YTD
Liv-ex Fine Wine 50	307.80	5.35%	16.20%
Liv-ex Fine Wine 100	269.07	3.60%	12.93%
Liv-ex Bordeaux 500	268.67	3.84%	12.82%
Liv-ex Fine Wine 1000	273.30	3.39%	11.45%
Liv-ex Fine Wines Investables	295.97	4.47%	13.82%

Source: Liv-ex

Liv-ex Fine Wine 50



Source: Liv-ex

In the News

When in 2012, Châteaux Angelus and Pavie were upgraded to the highest level within the St. Emilion classification (Premier Grand Cru Classé A), we saw a near instant surge in activity. Each Château bucked the trend in the market at the time and prices for numerous vintages were consolidated at higher prices. Angelus’ brand in particular has moved forward in recent months. Now some speculation has started to land on Château Figeac, a property that has previously divided opinion, yet given the strong reviews of its 2015 vintage, it seems some are looking back on consultant oenologist Michel Rolland’s stated aim of gaining promotion to St. Emilion’s highest tier.