

Bordeaux: Falling temperatures, rising prices?

Given news from Bordeaux we received this morning, we have decided to release an addendum to this week's market update.

We have learned this morning that Bordeaux has been badly hit by frost, notably the Right Bank. Given how advanced the vines are on account of the warm Spring conditions, this is likely to lead to significant losses in terms of yield, as young buds will be killed by the cold temperatures. Stephan Derenoncourt, who is consultant to many properties, commented that *'there is damage everywhere, sometimes 100 percent. We haven't seen everything yet, and it is forecast to freeze again tonight.* The plateau in St.Emilion has escaped, but lower lying vineyards will have been vulnerable. It will take a few days for the extent of the damage to be determined; Bruno Borie of Château Ducru-Beaucaillou commented that *'St.Julien has been affected too, but to a lesser extent with estimates at 10 to 15 percent loss'*, while the management at Château Lagrange has suggested that *'this is the biggest frost in Bordeaux since the 1991 vintage.'*

It should be stressed that frost affects yield by killing off young buds, but that overall potential quality of a wine is unaffected. There is, however, significance to this news beyond the implications for 2017 vintage. Given that the 2016 release pricing has not yet been declared for the vast majority of key Châteaux, the news of a reduced yield in 2017 could easily influence release pricing. It is certainly likely to delay the release of various Châteaux as they calculate their losses. Virtually all major Châteaux had been awaiting the release of Neal Martin's review for The Wine Advocate, which is due to be published today at 5.00pm. We have already heard comments suggesting that Martin has awarded eight wines a score of (98-100) points, which is likely to signify a ringing endorsement for the vintage. Antonio Galloni of Vinous released his review a couple of days ago and scored seven wines (97-100) points, with 47 wines having the potential of 97 points and above. With such positive press on the 2016 vintage and now news of significant frost damage, how will release pricing be affected? If prices were set to increase 10-15% at source on release, as was predicted a few weeks back, might the expected percentage increase be greater now?

It casts the release of Château Cos d'Estournel (£700 per six bottles in bond) early this week in an interesting light. Cos decided to break with convention and released ahead The Wine Advocate review, and at the same price as last year (the shift in UK pricing is due to year-on-year exchange rates). have suggested that Cos had little to lose by stepping ahead of the pack, having alienated consumers with some historical, misjudged release pricing. However, there has been plenty of change at Cos and a notable shift in style culminating in a very fine 2016 vintage. There have been numerous vintages where Neal Martin has differed with Robert Parker's judgement of this estate's wines, notably the 2009 and the 2000, both highlighted in the following chart. Martin has shown a preference for a more classical style of wine, which tallies with the general attributes and perception of the 2016s.

[Fig 1] Château Cos d'Estournel Critic Comparison

Cos d'Estournel	Critic Comparison	
	Robert Parker	Neal Martin
Vintage		
2013	(86-88)	91
2012	93+	(91-93)
2011	91	(93-95)
2010	97+	97
2009	100	91
2008	92+	93+
2007	90	92
2006	94	91
2005	97	96
2004	92	94
2003	97	96
2002	93	94
2001	93	92
2000	91	96

[Fig 2] 2016 Château Cos d'Estournel, Simon Larkin MW

Comprising 76% Cabernet Sauvignon, 23% Merlot and 1% Cabernet Franc, the 2016 Cos offers beautifully pure, inviting characters of blackberry and cassis with a terrific, almost violet-like lift. This is really something; a broad swathe of wonderfully ripe fruit. Sweet and juicy with a fresh, cool quality. There is the merest hint of background toast from new oak, but this is played down (far more so than in previous years), allowing the fruit to take centre stage. There is a marked mineral quality – almost graphite like touch – and a bright, life-giving acidity, that gives this vintage an outstanding sense of poise. There is near perfect definition to the remarkably silky tannins. This wine offers exceptional symmetry with no sense of austerity. This showcases racy, noble Cabernet Sauvignon. Impeccable with a long, persistent finish where the fruit fans out beautifully. A more classical style of Cos...frankly, this is just brilliant. Drink 2030 to 2050.