

Value up, volume down, re-focus?

Of all the Liv-ex Indices, it is those that are driven by Bordeaux that are showing the greatest gains YTD; exceeding even the Burgundy 150, which is 12.11% up YTD.

Value only tells part of the story as the volumes of Bordeaux traded on Liv-ex have declined since a peak in 2010 of over 95% to just under 75% of reported trade currently. The chart to the right shows Bordeaux's decline (right axis) vs. all other regions (left axis).

What has changed? Certainly the high release prices and mixed quality of various Bordeaux in recent vintages has served to suppress volumes traded. The increases are being driven by selective purchasing of specific wines and vintages, most notably the more mature, five star Bordeaux. To provide colour to this comment, in the last six months the following wines have risen ahead of the market:

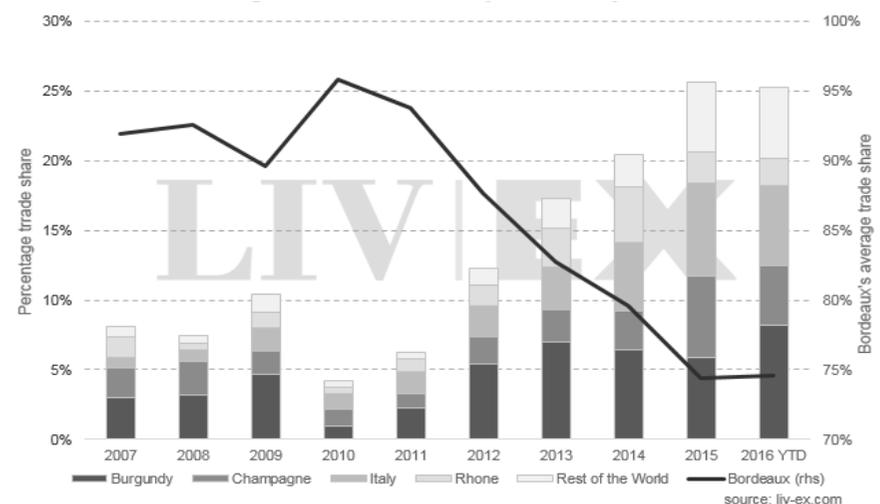
2000 Château Haut-Brion	up 22.5%	Could this mark a change in tact with buyers moving on from the latest new releases and
1990 Château Lafite-Rothschild	up 19.4%	
1989 Château Haut-Brion	up 25.0%	

instead focusing attentions on the rarer vintages, in short supply, with impressive reviews and maturity? It might be time to focus on Bordeaux in 2005, 2009 and 2010.

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: Regional Share of trade by value: ten years



Source: Liv-ex

In the News

Growers in Burgundy are likely to be inclined to levy an additional increase on the price of their 2015s when released later this year/ early next in order to mitigate lower volume and quality in the far trickier 2016 vintage. Crop losses on account of poor weather have been considerable this year, which is likely to elevate expected prices of 2015 still further. Plenty of expectation had centred on the potential quality of the 2015s with price increases widely anticipated even before the weather had taken its toll on the 2016 vintage. With release prices of leading Grand Cru Burgundy having climbed substantially over the last ten years, it will be fascinating to see if the lure of the 2015 vintage is sufficient to carry the market.