

Post Brexit Boom?

In a recent blog, Liv-ex commented that the fine wine market was enjoying a post Brexit referendum boom. Certainly, trade has retained momentum after the conclusion of the decidedly mixed Bordeaux 2015 en primeur campaign. To date the various Liv-ex indices have shown solid gains, with the Liv-ex 50 (First Growth) up 10.30% to the end of June, and reportedly having leaped another impressive 6%+ in July alone. Most of the broader indices are also approaching double digit percentage growth YTD.

The driver behind the recent spurt is currency led, with US, Asian and EU buyers availing themselves of wines held in the UK at a more beneficial exchange rate. While the flurry of activity following Sterling's post-referendum drop may well have been talked up in some quarters it has certainly registered an impact. The targets seem to be back vintage Bordeaux in strong vintages. The UK market, with its considerable client reserves, can certainly feed such an interest, although it remains to be seen what happens if/when current exchange rates become the new norm. More interesting will be what happens when UK merchants start to reload inventory from stocks priced in Euro. While this might not be a fully-fledged re-stocking exercise, Euro priced stocks will influence the mix and elevate the cost. It remains to be seen just how strong the current trend actually is. It will be interesting to see how the Liv-ex indices performed when July's figure are released this week.

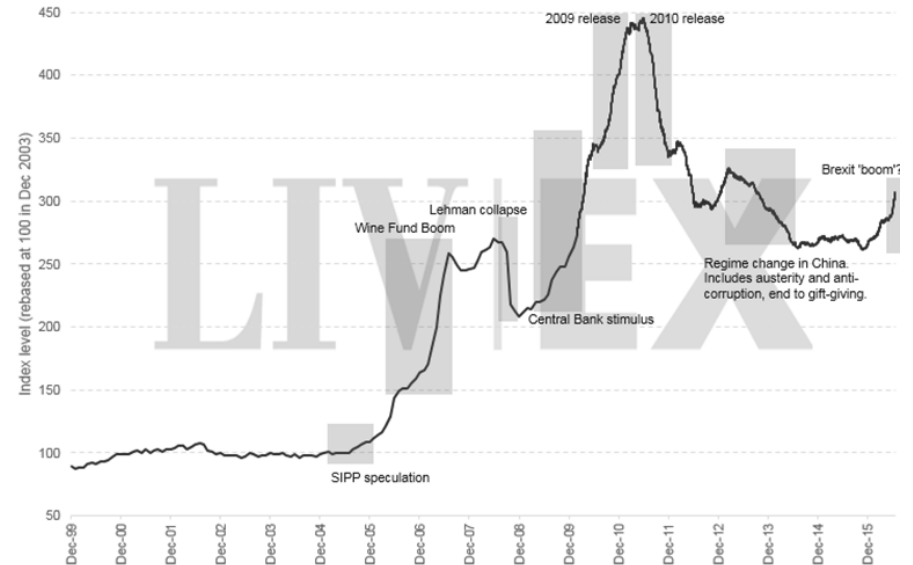
In the News

Elsewhere the news of the sale of Barolo producer Vietti to the American Krause family has been met with some surprise and emotion (in the case of one Antonio Galloni). The 143 year old winery, whose wines have been showing impressive consistency these last five or six vintages was sold for an undisclosed sum. Given the rising prices for premium vineyard in France, it seems like a natural extension that other high performing European regions would become the focus of external investment. Barolo as a category has been performing strongly since the release of the highly acclaimed 2010 vintage, with a great increase in the following for the wines of Giacomo Conterno, Luciano Sandrone and Vietti amongst others.

Index 30/06/2016 (monthly close)	Level	MOM	YTD
Liv-ex Fine Wine 50	292.16	2.51%	10.30%
Liv-ex Fine Wine 100	259.71	2.12%	9.00%
Liv-ex Bordeaux 500	258.73	2.95%	8.64%
Liv-ex Fine Wine 1000	264.35	3.35%	7.80%
Liv-ex Fine Wines Investables	283.31	2.16%	8.95%

Source: Liv-ex

Liv-ex Fine Wine 50



Source: Liv-ex