

An alternative reality

As we enter the final quarter of the year, the market – if judged by the major Bordeaux-led Indices – has made what could be at best termed steady progress. That said, the major Indices belie the reality of the situation.

The 2016 Bordeaux campaign was more meaningful to many merchants than any of the preceding five offers and a select number of the 2016s have seen significant price moves in the secondary market. Indeed, 2015 and 2016 continue to draw interest in the market, yet Liv-ex does not include any *en primeur* vintage in its key Indices, focusing instead on physical stocks. The 2015s will be in bottle in the spring at which point pricing will feature in these Indices for the first time and there may well be some movement to report when Neal Martin releases his in-bottle scores in the New Year.

Outside of Bordeaux, the market is performing strongly, notably in Burgundy and Barolo. Once more, much of this activity is not being widely reported as it falls outside the most quoted Liv-ex Indices. Indeed, the Liv-ex Burgundy 150, a component part of the ‘Fine Wine 1000’, only includes 30 wines of which six are Domaine de La Romanée-Conti. When you consider the interest that has built for leading wines from the likes of Comte du Liger-Belair and Emmanuel Rouget, it is clear we are only viewing a small sub-set. The issue with Burgundy is tracing meaningful values; much of Liv-ex’s own pricing data is drawn from single bottle prices, with no premium applied to a sealed unit.

Another area of interest is Barolo. The Liv-ex Italy 100 Index has a distinct Super Tuscan focus with just five other Italian producers included. Given the surge in values of many leading Barolo, buoyed by interest in the 2013 vintage, this region is something of an ‘off the radar’ performer. We have attempted to shine a light on these latter two regions by compiling a short list of wines that have performed well over the last 12 months [Fig 2].

This all begs the question: How long until Liv-ex shifts the focus of its Indices to reflect the broader activity of the fine wine market? These key indices have largely been enshrined for over a decade, despite the fact that the fine wine market is more diverse today than it ever was.

[Fig 1] Liv-ex Indices Monthly Close (31/08/2017)

Index 31/08/2017 (monthly close)	Level	MOM	YTD
Liv-ex Fine Wine 50	350.50	1.33%	4.44%
Liv-ex Fine Wine 100	308.67	0.47%	3.81%
Liv-ex Bordeaux 500	311.31	1.10%	6.19%
Liv-ex Fine Wine 1000	321.64	1.52%	7.28%
Liv-ex Fine Wine Investables	337.32	1.01%	4.32%

[Fig 2]: A simple index of the last four vintages of the following six Barolo

Barolo, recent vintages			
Barolo, Monfortino Riserva, Giacomo Conterno	2008, 2006, 2005, 2004		
Barolo, Cannubi Boschis, Luciano Sandrone	2012, 2011, 2010, 2009		
Barolo, Le Vigne, Luciano Sandrone	2012, 2011, 2010, 2009		
Barolo, Rocche di Castiglione, Vietti	2012, 2011, 2010, 2009		
Barolo, Brunate, Guiseppe Rinaldi	2012, 2011, 2010, 2009		
Barolo, Bartolo Mascarello	2012, 2011, 2010, 2009		
Performance (based on Liv-ex data) %			
	6	12	2
Performance (based on Liv-ex data) %	12.00	24.29	58.13