

## Tracking Trends

It is clear that Bordeaux dominates the fine wine market and the leading Liv-ex indices. This is due to numerous factors including a healthy volume of trade that provides liquidity and the ability to track price more easily. Outside of Bordeaux, tracking prices is a trickier exercise. Regions such as Burgundy benefit from considerable demand for leading wines, but even here price tracking is not straight-forward as the volumes of stock in circulation and so small and accompanying trades are sporadic.

This means that various market trends can be quietly moving along off the general radar. Much has been made of the increased focus on the wines of Barolo; the quality-to-price ratio is robust with several relatively recent strong vintages and production volumes for the more sought-after single vineyard wines are comparatively low. There is no major index to cite here, but it is clear that prices for a broader pool of wines are starting to move [Fig 2].

The big question concerns liquidity; values on paper may flatter for leading Barolo, but how easily can they be traded on? There is a consensus that suggests Barolo will operate in a similar way to the market for Burgundy, with an engaged collector base avidly following the wines of specific, highly-rated growers. At the moment, that pool of collectors is certainly not as mature nor as numerous, but there appears to be logic to the argument. Value is on offer and, with the potentially impressive 2013 vintage due for release from the late autumn and into next year, that will be yet another good news story for the region.

## Last comment

It will be telling to see where the various Liv-ex Indices finish for the month [Fig 1] . The Liv-ex 50 (First Growth Bordeaux only) is reported daily and currently stands at 316.79, up from July's close of 307.80. With a likely YTD increase of approaching 20%, will this signal a recovery beyond currency related trading? The First Growth are often deemed the barometer for investment interest.

## Month End Close

| Index                         | 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

## Barolo: A Snapshot of the Movers

| Vintage | Wine                              | Price (YOY) |
|---------|-----------------------------------|-------------|
| 2011    | Barolo, Bartolo Mascarello        | 52.30%      |
| 2008    | Barolo, Cannubi Boschis, Sandrone | 50.40%      |
| 2010    | Barolo, Francia, Conterno         | 49.60%      |
| 2011    | Barolo, Cannubi Boschis, Sandrone | 49.50%      |
| 2004    | Barolo, Cannubi Boschis, Sandrone | 49.00%      |
| 2011    | Barolo, Rocche, Vietti            | 44.40%      |
| 2008    | Barolo, Bartolo Mascarello        | 44.00%      |
| 2004    | Barolo, Serra, Roberto Voerzio    | 36.70%      |
| 2006    | Barolo, Bartolo Mascarello        | 31.70%      |
| 2010    | Barolo, Rocche, Vietti            | 31.30%      |
| 2010    | Barolo, Le Vigne, Sandrone        | 30.90%      |
| 2011    | Barolo, Francia, Conterno         | 30.70%      |
| 2010    | Barolo, Serra, Roberto Voerzio    | 27.60%      |
| 2008    | Barolo, Le Vigne, Sandrone        | 25.10%      |
| 2008    | Barolo, Francia, Conterno         | 17.20%      |

Source: Liv-ex