

## 2014 and All That

The Liv-ex Fine Wine 50 had a flat month in February as did most of the leading indices. This is not unusual as it often takes the market a little time to find direction post Burgundy *en primeur*.

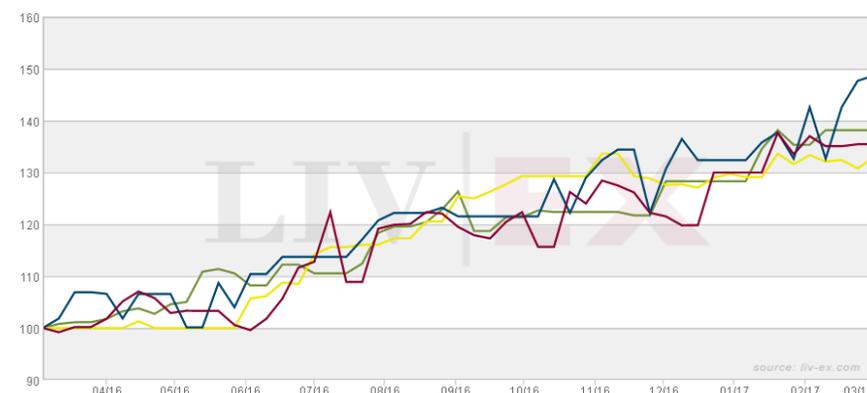
Over the last month there has certainly been activity in Bordeaux’s 2014 vintage. General consensus seems to suggest that the wines continue to offer value and, if anything, the James Suckling ‘in bottle’ reviews (published in February) have urged many to consider the best of the vintage. In his piece ‘*Bordeaux roars back to relevance (and excellence) with the 2014 vintage*’, Suckling claims the 2014 vintage is one of the biggest surprises of his 34 year career with many wines ‘*outperforming their barrel scores by one to three points*’. Whether or not Suckling is considered to be overly generous with his scoring regime, he has pushed 2014 into the limelight once more. Interestingly, Neal Martin’s report for The Wine Advocate is not due to be released until the end of June, far later than the norm. It remains to be seen whether his points upgrades will lead to the frenzy of activity we witnessed when Robert Parker pronounced. With regard to the 2014s, it is as if the market is pre-empting upgrades and perhaps the later release date of The Wine Advocate review has created this window of opportunity.

Whether it is roaring back to relevance or not, Bordeaux is without doubt back in focus if we judge by activity. One Château that has certainly found favour in the 2014 vintage is Château Lafite-Rothschild. According to Liv-ex, this vintage has seen a price increase of 49% in the last twelve months—once more outperforming the market. Understandably, there are some strong and hefty bids on Liv-ex for the 2014, which for a period of time languished well behind the Château’s average market price. That said, Lafite is not alone; each of the First Growths (excluding the yet to be released Latour) has registered considerable 12 month gains ahead of the market [Fig 2]. Indeed, the gap between the 2014s and the 2015s is closing. This is perhaps driven in part by the scores and certainly by the fact that the 2014s are now physically available and can be delivered into export markets. As this gap continues to close, it is likely that speculative attention may switch to selective 2015s in turn. Such a pattern is fairly common to the market where relative value is often a central driver. The only fly in the ointment is the message that recent activity may be sending to Château owners. We are led to believe that they have a vintage of quantity and quality in the offing with 2016. Volumes of trade are lighter than seven years ago, but if you see previous vintages of your wine accrue value and if you are not a financially obligated vendor, what might you do with your release prices?

[Fig 1] Liv-ex Indices Monthly Close

Index 28/02/2017 (monthly close)	Level	MOM	YTD
Liv-ex Fine Wine 50	339.40	0.14%	1.13%
Liv-ex Fine Wine 100	302.26	0.39%	1.66%
Liv-ex Bordeaux 500	295.93	0.43%	0.95%
Liv-ex Fine Wine 1000	303.15	0.63%	1.12%
Liv-ex Fine Wine Investables	327.50	0.50%	1.28%

[Fig 2] Performance of Four First Growths (excluding Château Latour) over 12 months



Series	6m	12m
● 2014 Mouton Rothschild	15%	35%
● 2014 Margaux	16%	38%
● 2014 Haut Brion	6%	33%
● 2014 Lafite Rothschild	22%	49%