

Market Report

March 2021

Index 28/02/2021	Level	MOM	YTD	1yr	5yr
Liv-ex Fine Wine 50	348	0.4%	0.4%	6.1%	28.3%
Liv-ex Fine Wine 100	323	0.6%	1.2%	6.7%	32.4%
Liv-ex Bordeaux 500	323	0.2%	0.7%	5.7%	32.8%
Liv-ex Fine Wine 1000	361	0.6%	1.4%	5.3%	45.0%
Liv-ex Fine Wine Investables	352	0.2%	0.7%	7.2%	32.3%
FTSE 100	6,540	1.7%	1.2%	-0.6%	7.3%
S&P 500	3,811	2.6%	1.5%	29.0%	97.3%
Gold	1,761	-6.1%	-7.5%	7.2%	42.7%

The Broadening Market

The fine wine market has shown little sign of repose in the first two months of the year. Indeed, February set a new milestone as the most active February trading period yet recorded on Liv-ex.

This time a year ago as the Covid-19 pandemic began to throw global financial markets into turmoil, the benchmark Liv-ex Fine Wine 100 and 1000 indices were briefly knocked off course until a market rally in May/June.

In a sign of how the market has bounced back since then, trade by value this February was almost double that of February 2020. The number of LWIN7s (wine labels) and LWIN11s (wine labels + vintage) traded was also substantially higher: 1,149 and 2,035 respectively this year versus 786 and 1,357 last year.

All three benchmark indices (LX50, LX100, LX1000) are up on a year-on-year basis with a growing string of positive months under their belts.

Throughout the month we have highlighted the ever-increasing diversity of trade on the market. Demand for non-Bordeaux and Burgundy wines in the shape of LIVE bids in this early part of 2021 is already double that of this time last year, as detailed further in our Chart of the Month (below).

That said, Burgundy's momentum carried over from January. The Burgundy 150 was once again the best-performing Liv-ex Fine Wine 1000 sub-index with a gain of 1.5%.

Liv-ex Fine Wine 50 Index



Liv-ex Fine Wine 100 Index



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Red Burgundies from Domaine de la Romanee-Conti and Armand Rousseau were the top-performers in the Liv-ex 1000, while Domaine Leflaive's 2016 Chevalier Montrachet and 2015 Puligny Montrachet 'Clavoillon' led the Liv-ex 100, alongside some Super Tuscan back vintages.

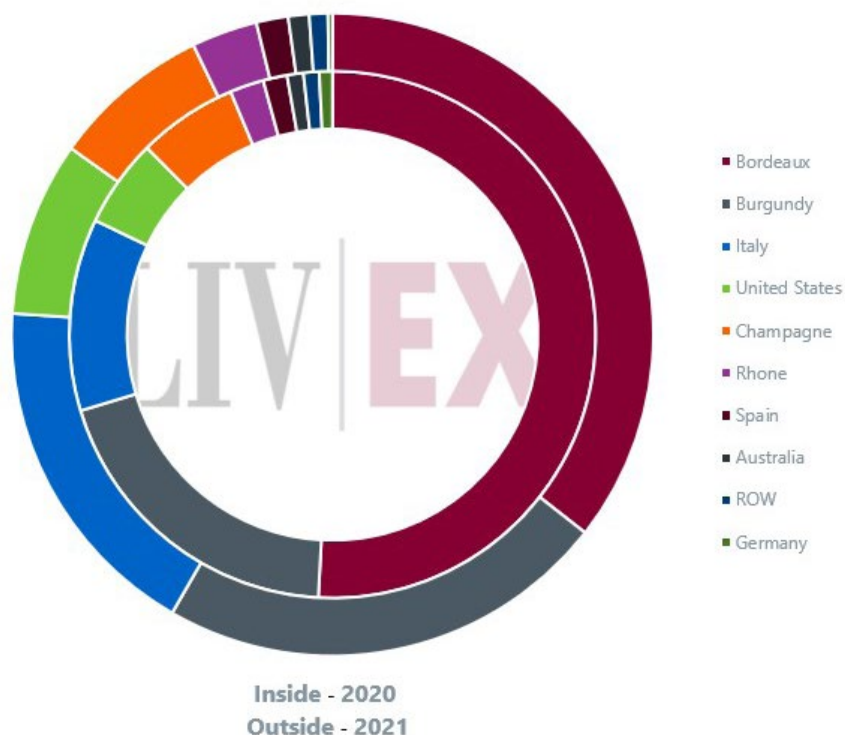
The Burgundy 150's success was closely followed by the Champagne 50, its February close being its best one-year run since September 2018. See Major Market Movers (below) for more.

The Italy 100 drifted ever-so slightly for the second month. It would seem the building tide of 2018 Tuscan releases is having a (momentary?) impact on demand for physical vintages.

Chart of the Month - Year-to-date regional trade share

In the first two months of the year we have observed tremendous growth in the breadth of wines trading on the market – a 50% increase in distinct wines traded from 2020. As seen in Chart 1, one of the regions with the largest growth from 2020 has been Italy. It's trade share by value has risen from 11.8% in 2020 to 17.7% in 2021. Other regions to see significant change are the United States (5.4% to 8.8%) and the Rhone (2.1% to 3.3%). But these regions are sharing a much larger pie. The secondary market has expanded substantially from this time last year when macro-economic uncertainty was building.

Chart 1: Regional trade share by value comparing 2020 to 2021



Major Market Movers – Champagne continues to sparkle

The Champagne 50 closed February at 435.35, up 1.47% on the month. The sub-index has hit new highs for four consecutive months and now stands up 10.77% over the past year - double the performance of the benchmark Liv-ex 1000 (5.26%). Louis Roederer, Cristal Rose 2012 led the way, up 12.2% to £3,244 per 12x75. Rose seemed to be all the fashion in February (the promise of a summer unlocked?) with three vintages of Dom Perignon Rose also among the top five market movers – 2004, 2003, and 2005. Sandwiched between was Bollinger Grand Annee 2005, which was recently awarded 18.5/20 points by Jancis Robinson MW.

Table 1: February Mid Price changes

Region	Wine	Vintage	January	February	Change
Champagne	Louis Roederer, Cristal Rose	2012	£2,890	£3,244	12.2%
Champagne	Moet & Chandon, Dom Perignon Rose	2004	£2,325	£2,592	11.5%
Champagne	Bollinger, Grande Annee	2005	£708	£774	9.3%
Champagne	Moet & Chandon, Dom Perignon Rose	2003	£2,000	£2,150	7.5%
Champagne	Moet & Chandon, Dom Perignon Rose	2005	£2,214	£2,380	7.5%

Source: Liv-ex Mid Prices

In the news

An [open letter](#) from 50 leading UK wine companies was sent to the government to state the industry's opposition to the introduction of VI-1 forms. The letter sent to the Parliamentary Under-Secretary of State for Farming, Fisheries and Food, Victoria Prentis, warned of the administrative "burden" the new paperwork would unleash.

The UGCB confirmed that in addition to holding the [2020 primeurs](#) tasting in Bordeaux from 26-29 April, tastings will be held in nine other cities across the USA, Europe and China during that week.

[Tenuta San Guido](#) revealed it was in the process of building a new winery for its Guidalberto label. The new facility will give the estate the opportunity to expand production in future as well as cement the wine's identity as distinct from Tenuta San Guido's flagship, Sassicaia.

[The Institute of Masters of Wine](#) named 10 new members, including the first Italian MW. The new batch of successful candidates brings the number of active MWs around the world to 418.

Critical Corner – 2018 Tuscan and Napa wines impress critics

New releases from Tuscany and Napa Valley have left a strong mark on the critics in the last month.

Over at Vinous, Antonio Galloni fell for the new 2018 vintage from Tuscany, which he said had yielded wines that are, "gorgeous for their mid-weight purity and nuance" and with, "linear precision and persistence more than size or opulence".

He gave a very tight grouping of scores for the very top wines, Tignanello, Sassicaia and Ornellaia all receiving 97-points and Masseto and Solaia 98.

Over at The Wine Advocate, meanwhile, the team continued its monster review of the 2018 vintage in Napa Valley that now stretches to cover 1,000 wines.

Lisa Perrotti-Brown MW published her fifth but apparently not final instalment of 2018 Napa Valley scores in February, saying that she continued to find, “impressive consistency with a lot of vibrant, evocative wines to recommend”.

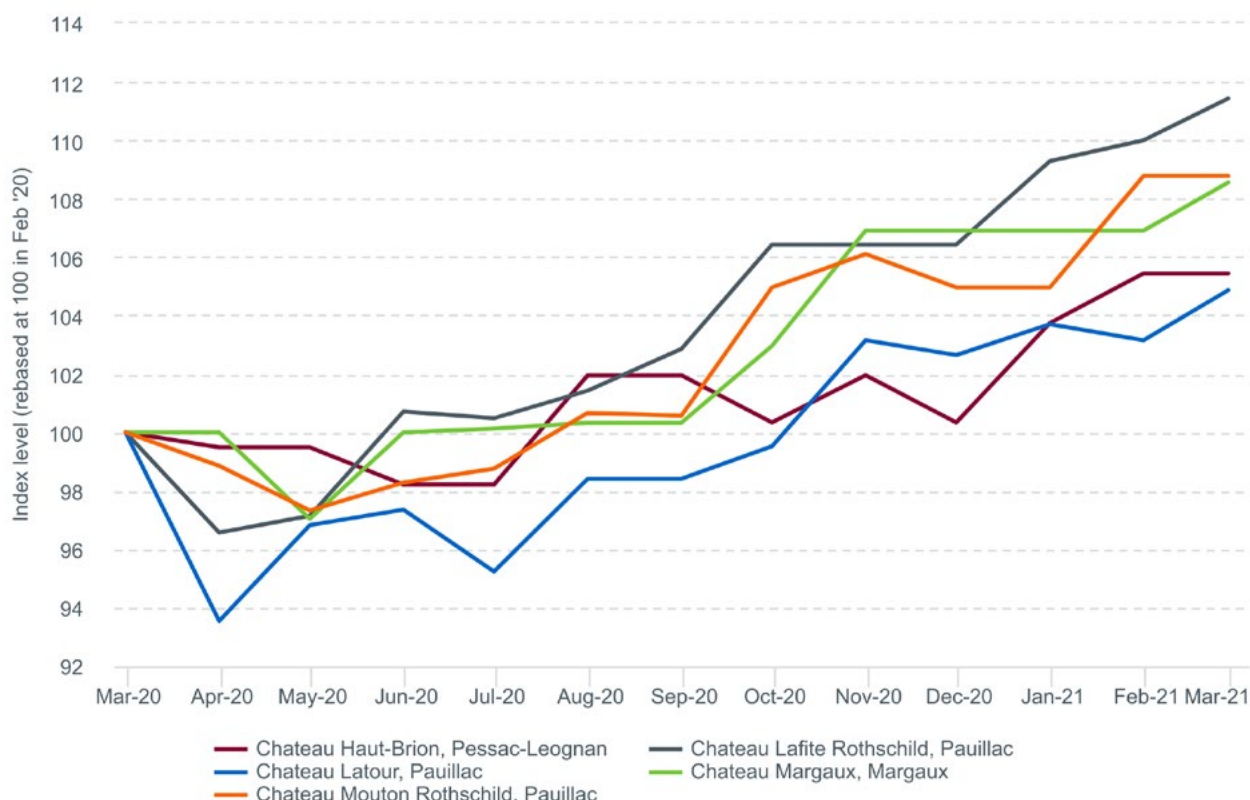
So far, 13 wines have been rated a straight 100-points and a further six have preliminary score brackets that potentially put them in line for a perfect mark.

Table 2: Wine Advocate 2 – Perfect Napa 2018s

Wine	Vintage	Score
Alpha Omega, Beckstoffer To Kalon Vineyard Cabernet Sauvignon, Napa Valley	2018	100
Bevan Cellars, Dr. Crane Vineyard Cabernet Sauvignon, Napa Valley	2018	100
Cliff Lede, Poetry Cabernet Sauvignon, Stags Leap District	2018	100
Colgin, Tychson Hill, Napa Valley	2018	100
Colgin, IX Estate, Napa Valley	2018	100
Dalla Valle, Maya, Napa Valley	2018	100
Kapcsandy Family Winery, State Lane Vineyard Grand Vin Cabernet Sauvignon, Yountville	2018	100
Realm Cellars, Beckstoffer To Kalon Vineyard Cabernet Franc, Oakville	2018	100
Realm Cellars, Beckstoffer Dr. Crane Vineyard, St. Helena	2018	100
Schrader, Old Sparky Cabernet Sauvignon, Napa Valley	2018	100
Screaming Eagle, Cabernet Sauvignon, Oakville	2018	100
Spottswoode, Cabernet Sauvignon, St. Helena	2018	100
TOR, Proprietary Red Black Magic, Napa Valley	2018	100

Final Thought - 2009 First Growths on the rise

Chart 2: 2009 First Growth price performance – one year



The new 'Year of the Ox' in Asia has led to greater market focus on the 2009 vintage from Bordeaux.

Released in 2010 at record high prices, many of the big Bordeaux labels struggled in the wake of the market's nosedive in 2011.

The decline in prices for both the 2009s and 2010s in the decade following their release is a well-known narrative and while some labels have gone on to thrive (Le Petit Mouton up 217% for example), many other big names are still struggling.

Today all five First Growths are languishing below their release prices. Both Latour and Lafite have failed to punch back above the £10,000 per case mark in recent years – though Latour is closest currently at £9,910 a dozen. Mouton Rothschild, with a market price of £5,750 per 12x75, is the 'cheapest' of the 2009 First Growths.

All of the First Growths have decent scores, being rated 96 or more by Neal Martin in 2019. These generally improved upon his earlier impressions of the wines but remain somewhat more circumspect than Robert Parker's scores (Haut-Brion and Latour were both 100-point wines in his view).

Although Martin flirted with giving Latour a full 100 and considered it, "one step ahead of the other chateaux" in 2009, he also considers the 2000 and 2010 a touch better than the 2009.

Another wine he thought "could at least orbit Planet Perfection" was Margaux, while, "wondrous examples of the vintage you cannot own too much of" include Haut-Brion and Mouton Rothschild, among others.

First Growths from a strong vintage supported by solid scores were always likely to catch the attention of collectors once again.

Looking at recent activity First Growths it would appear some have begun to notice the opportunities they offer.

On the Bordeaux 500 index, for example, the 2009s are up 3.9% over the past year, second only to the 2010s (7.7%) and better than the 2000, 2005 and 2016s.

The price performance of highly rated Latour and low-priced Mouton has been even stronger in the past six months.

Having reached their 10-year milestone are the 2009 heavyweights about to emerge from their pricing funk?