

# Market Report

## September 2020

Index	Level (31/08)	MOM (%)	YTD (%)	1y (%)	5y (%)
Liv-ex Fine Wine 50	338	0.5%	0.9%	-3.3%	25.6%
Liv-ex Fine Wine 100	306	1.3%	1.2%	-2.0%	26.7%
Liv-ex Bordeaux 500	313	0.1%	1.5%	-1.2%	30.9%
Liv-ex Fine Wine 1000	348	-0.1%	0.0%	-3.2%	41.7%
Liv-ex Fine Wine Investables	331	-0.3%	-0.7%	-3.6%	25.7%
FTSE 100	5,964	1.1%	-20.9%	-17.3%	-4.6%
S&P 500	3,500	7.0%	8.3%	19.6%	77.5%
Gold	1,968	0.5%	28.9%	28.3%	73.8%

## Rest of World trade share hits all-time high

August was an active month in terms of value traded and the volume of transactions – both reached an all-time high. The historically quiet month also saw the number of unique wine labels (LWIN7s) traded surpass the previous month's record by 15%. Once again, Bordeaux surrendered more market share and fell to a new low (34.7%). Instead, trade centred around Italy (20.1%) and the Others category (14.5%). The latter was led by the USA (6.1%), Australia (4.0%) and Spain (1.9%). Penfolds' newest flagship release, Grange 2016, led trade by value and Italy's San Guido Guidalberto 2018 led by volume.

The industry benchmark, Liv-ex 100 index, was up 1.3% this month, while the Liv-ex 1000, our broader measure of the market, ran flat (-0.1%). Within the Liv-ex 1000's sub-indices, the Bordeaux 500 increased slightly (0.1%). The Champagne 50 continued its impressive year, gaining 1.19% for the month, taking it close to 5% for the year. The Italy 100, which has been up so far this year, drifted a touch in August (-0.12%). The Burgundy 150 also fell slightly (-0.38%), bringing its year-to-date losses to -2.6%.

Buying interest from the US emerged as tariffs were left unchanged (as opposed to the market fear that they may be broadened). Conversely, Asian interest was at its lowest since the start of lockdown. (Bottled wine imports into China have dropped by more than a third during the first six months of the year).

Liv-ex Fine Wine 50 Index



Liv-ex Fine Wine 100 Index



This newsletter is provided for informational purposes only and does not amount to financial advice or advice as to the value or likely future values of any of the wines it discusses. The opinions expressed are subject to change without notice. Neither Liv-ex Ltd nor any of the authors or editors of this newsletter accept any liability for the accuracy of its contents.

In June, the components of the Liv-ex 50 and Bordeaux 500 indices were updated to include the 2017 vintage. However, due to the interruptions caused by the Covid-19 pandemic at the time, a small amount of merchant data was missing from these calculations. With members having returned to more normal working patterns, this missing data has been captured and is now reflected in some small adjustments to our indices.

## Major market movers

### Southern Rhone's Chateauneuf-du-Pape

August's market movers came from the southern Rhone's most exclusive appellation: Chateauneuf-du-Pape. The Rhone's trade share by value has increased 25% year-to-date from its 2019 average. With four out of the top five wines priced under £500 per 12x75 and all carrying critic scores of 90 and higher, the region is coming into the spotlight in 2020 for its value and continued quality.

Table 1: Top market movers in August

Region	Wine	Vintage	June	July	% change
Rhone	Clos Papes, Chateauneuf Du Pape	2012	£446	£488	9.4%
Rhone	Vieux Telegraphe, Chateauneuf Du Pape	2015	£410	£440	7.3%
Rhone	Clos Papes, Chateauneuf Du Pape	2016	£790	£840	6.3%
Rhone	Vieux Telegraphe, Chateauneuf Du Pape	2013	£306	£324	5.9%
Rhone	Beaucastel, Chateauneuf Du Pape	2017	£434	£448	3.2%

Source: Liv-ex.com / Mid Price per 12x75

## In the news

### Wine and Spirits on the auction block

Twelve lots of Ornellaia 2017, carrying limited edition labels designed by Argentinian Tomas Saraceno, were set to be [auctioned off](#) the first week of September. Designed with thermochromic paper, the labels change colour as they warm up in your hands. A Vendemmia d'Artista 2017 label will be found on one bottle in every six pack of Ornellaia 2017.

A bottle of Yamazaki 55-Year-Old single malt (70cl) [sold for \\$795,000](#) in Hong Kong, beating the previous record of \$475,000. Only 100 bottles were produced and were made available through a lottery system, where winners had the opportunity to purchase the whiskey for \$27,500. Yamazaki single malt Mizunara Oak is the 6th most traded whiskey by value on Liv-ex over the past five years.

### Movement in Fine Wine

Rebecca Gibb MW [joined Vinous](#) in the role of editor and will be covering the wines of New Zealand and the Loire Valley. Also, on the move were 16 new [Masters of Wines](#), who passed the rigorous exam and joined the ranks of the 409 MWs worldwide.

## Critical Corner

Harvest in Champagne got underway this August. However, just days before picking began, growers and houses agreed to tighter limits due to lower demand (as a result of Covid-19). Usually Antonio Galloni would be travelling to the region to taste and score the wines, but due to current circumstances he decided to publish reviews continuously over the coming months. Table 2 shows Galloni's top-scoring new releases in 2020. The 98-point Taittinger 2008 is the last of the great 2008s to hit the shelves and is expected to be released in the UK in five weeks. A grey market has already formed at £720 per six. As the best performing region year-to-date, the new releases will be entering a market ripe with demand. You can read the full article on Vinous, [here](#).

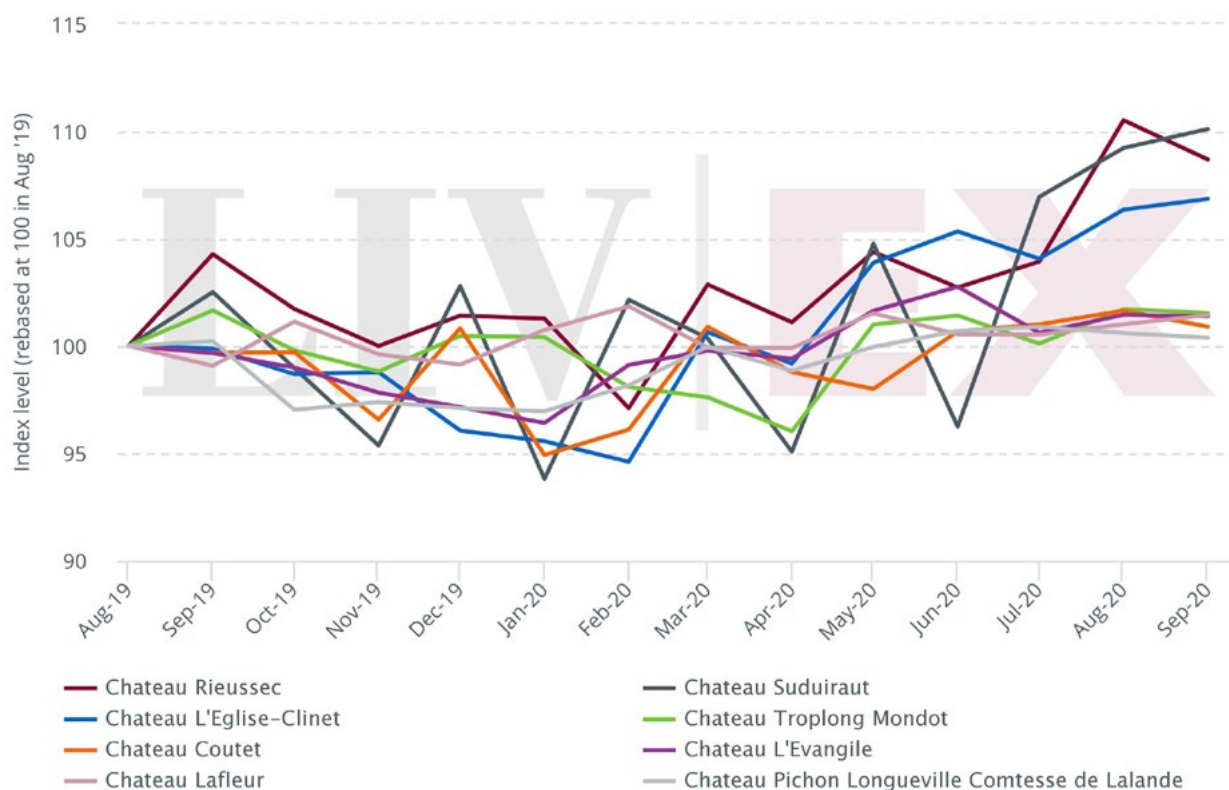
**Table 2: Antonio Galloni's top-scoring Champagne releases in 2020**

Wine name	Vintage	Score
Taittinger, Comtes de Champagne	2008	98+
Barons Rothschild, Blanc de Blancs Vintage	2010	97
Billecart-Salmon, Cuvee Nicolas Francois	2006	97
Henri Giruad, Argonne	2012	96+
Bollinger, Blanc de Noirs Vieilles Vignes Francaises	2009	96+
Bollinger, Brut Rose La Grande Annee	2012	96
Billecart-Salmon, Cuvee Nicolas Francois Billecart	2002	96
Laurent-Perrier, Brut Grand Cuvee Grand Siecle No. 25	NV	96

## Chart of the Month

The Bordeaux 500, the broadest measure of the region, has decreased 2.55% over a one-year period. However, the index did pull into positive territory year-to-date after posting its fourth positive month out of the past five. Leading the upbeat wing are the eight wines shown in Chart 1, which have posted positive returns over one year. From Sauternes, Rieussec and Suduiraut lead, up 10.2% and 9.6% respectively. Eglise Clinet is the best-performing Claret, up 6.2% (its 2010 vintage is up 27% year-to-date). Earlier this year, Lisa Perrotti-Brown MW scored the vintage 100 points and it also received an upgrade from Neal Martin. The Chateau's long-time owner and winemaker Denis Durantou also passed away in May after being at the helm for the prior three decades.

**Chart 1: Best-performing Bordeaux 500 individual wine indices – one year**



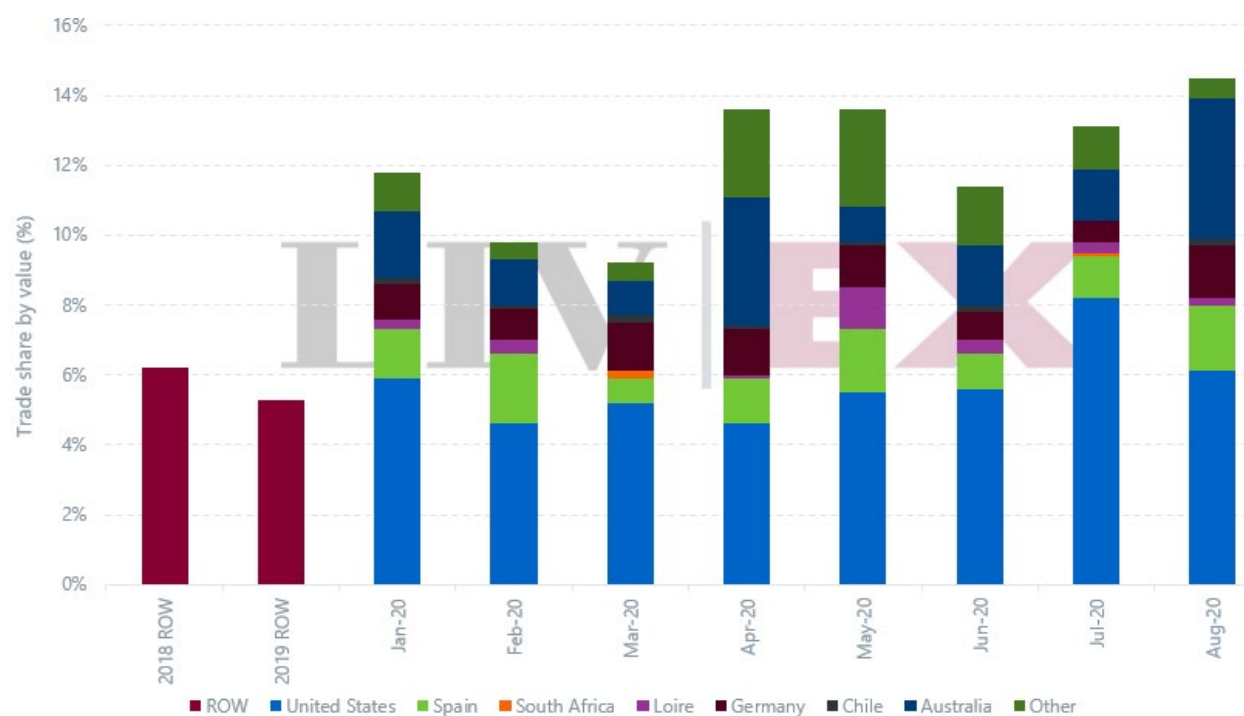
## Final Thought - The New (World) wave: La Place beyond Bordeaux

France has long been the epicentre of the fine wine world. The official [1855 Classification](#), ranking Bordeaux's great estates, combined with the unparalleled distribution network, [La Place de Bordeaux](#), have helped affirm the French region as the industry giant. Bordeaux has been a major force in the secondary market too, with its trade share peaking at 96% in 2010, following the China-led boom.

It is hard to establish with certainty when the tables started to turn and the term "fine wine" began to be associated with more than Bordeaux's Grand Crus. [The Judgement of Paris](#) in 1976, when Napa Cabernet was rated better than the great Bordeaux blends, perhaps laid the foundation of the New (World wine) wave.

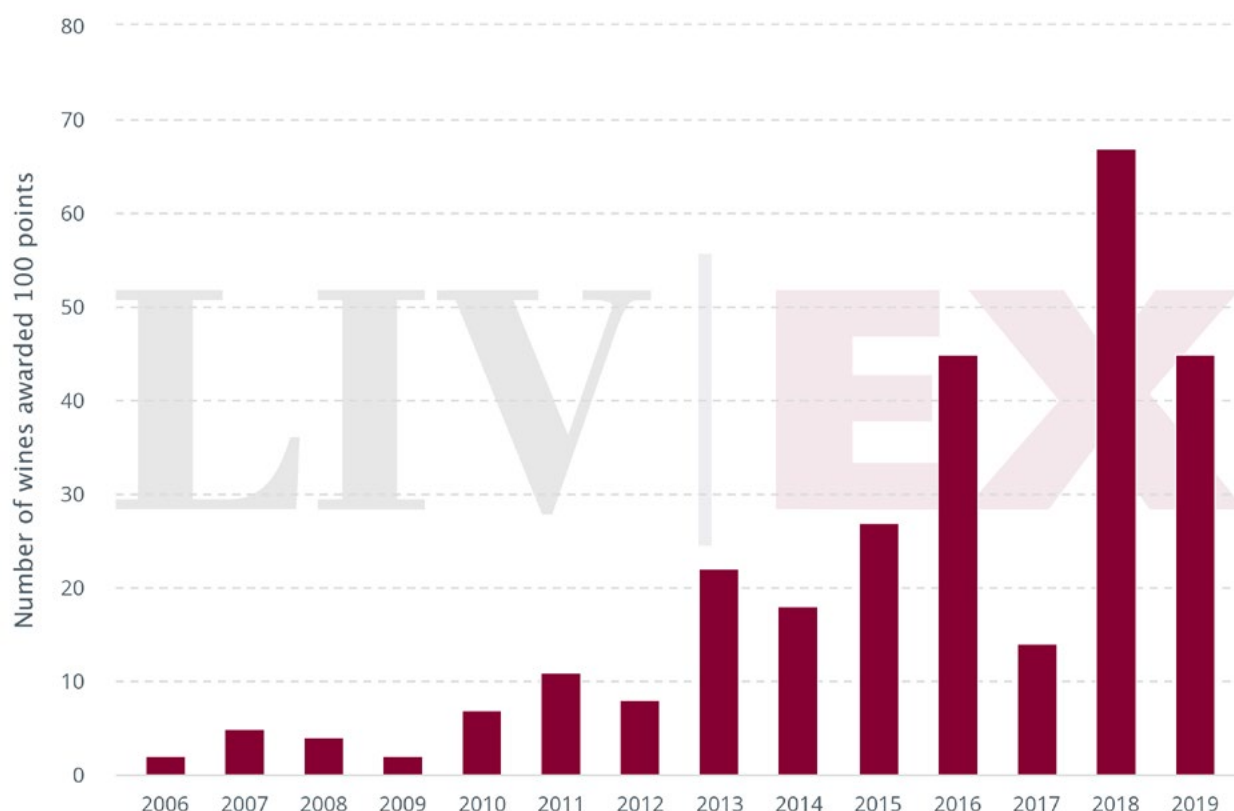
On the secondary market, the Rest of the World category failed to make a major impact (or at least, as much as other regions like Burgundy or Champagne) up until this year. Its trade share stood at a miniature 0.5% in 2010, 4.5% in 2015 and eventually rose to 5.4% in 2019. So far in 2020, it is 12.1%. Of that, 5.9% is USA, 1.9% Australia and 0.2% Chile.

**Chart 2: Liv-ex Rest of World trade by region**



Along with changing buying patterns, expanded distribution and greater critical recognition (reasons somewhat interlinked) have helped push these regions to the forefront of the fine wine market. Chart 3 shows the number of 100-point scores given to wines from the Rest of the World by date of publication. In 2018, Lisa Perrotti-Brown MW ([The Wine Advocate](#)) found 19 instances of perfection for Hundred Acre Napa Valley, with five going to the Ark Vineyard, five to the Kayli Morgan Vineyard, three to the Few and Far Between, three to Wraith, two to Fortification and one to Kayli Morgan Vineyard Deep Time, ranging from vintages 2002-2015.

Chart 3: Number of Rest of the World wines awarded 100 points – by publishing date



Moreover, James Suckling named Almaviva 2017 his “wine of the decade” at the beginning of this year. The Chilean wine is a result of a collaboration between Chateau Mouton Rothschild and Concha y Toro Winery and was the first wine (beyond Bordeaux) to be released via La Place, starting in 1998. The group used Mouton’s existing network to distribute the Chilean wine, laying the foundation for La Place’s New World releases each autumn.

Concurrently with Almaviva’s success, Viña Errázuriz and Robert Mondavi worked to get their Chilean wines available worldwide. Señá was first offered through La Place ten years ago, allowing for greater visibility among critics and increased supply channels. Today roughly 20 wines beyond Bordeaux are released from La Place each year in September, including, for the first time in 2020, a selection from Australia.

Wynns John Riddoch Cabernet Sauvignon 2016 was released through La Place on the 8th September, while Jim Barry The Armagh 2016 on the 2nd. The two brands feature in [Langton’s Classification](#), which ranks Australia’s finest into “exceptional”, “outstanding” and “excellent” and is currently in its seventh edition. Cloudburst Cabernet Sauvignon 2017 is also expected this month. More releases are also coming from Napa: Opus One 2017 launched on the 7th September and Vérité is expected next week. 2020 will also mark the second year of a La Place release for Napa Valley’s Joseph Phelps, along with the third year for Argentinian Catena Zapata.

La Place de Bordeaux is increasingly embracing the top wines of the world and adding more wines to its distribution each year. The benefits of this system are clear: it helps affirm Bordeaux’s importance in the global market and the New World wines also benefit from being included in the prestigious network. These New World releases have respectively brought a breadth of fresh air into the old-fashioned system, as the fine wine market continues its rapid expansion.