

If the Fine Wine Power 100 list confirms one thing, it's that the price-rise ripple effect which is spreading out from Bordeaux is picking up pace, writes **Patrick Schmitt**

Liv-ex Power 100: the top 20

Source: Liv-ex

Rank	Brand name	2013 rank	Change	Total score	LX total traded	Value share	Volume share	Average price (GBP)	Price performance	Av. critic score	Unique wines
1	Pavie	1	0	164	22	2.64%	2.02%	1,884	0.56%	96	17
2	Cheval Blanc	38	36	194	30	3.21%	1.11%	4,149	-3.12%	96	29
3	Sassicaia	39	36	218	28	1.64%	2.32%	1,021	4.66%	96	13
4	DRC	15	11	224	104	2.41%	0.19%	18,530	3.06%	94	56
5	Haut Brion	5	0	225.5	15	4.26%	2.41%	2,547	-6.13%	96	45
6	Pétrus	3	-3	235.5	86	3.12%	0.25%	18,194	-4.93%	97	23
7	Mouton Rothschild	7	0	240	5	9.02%	4.07%	3,193	-6.88%	95	39
8	Guigal	13	5	259.5	29	2.14%	1.73%	1,779	-8.32%	97	32
9	Latour	15	6	271	11	6.79%	2.72%	3,601	-11.04%	95	46
10	Yquem	22	12	281.5	50	1.10%	0.85%	1,871	-7.55%	96	23
11	Beaucastel	19	8	282	91	0.32%	0.66%	708	1.47%	95	22
12	Margaux	9	-3	286.5	10	4.79%	2.77%	2,487	-9.27%	95	46
13	Ornellaia	37	24	290.5	94	0.36%	0.49%	1,050	-1.39%	97	11
14	Gaja	new	–	296	48	0.85%	1.15%	1,070	-3.01%	95	24
15	Dominus	67	52	297.5	199	0.12%	0.13%	1,262	13.77%	96	10
16	Opus One	new	–	300	75	0.64%	0.52%	1,786	9.67%	93	8
17	Penfolds, Grange	10	-7	302	157	0.32%	0.14%	3,245	0.02%	96	10
18	Lafite Rothschild	18	0	305.5	2	15.84%	5.74%	3,978	-15.18%	94	50
19	Léoville Poyferré	23	4	306.5	35	1.05%	1.75%	862	-2.01%	95	17
20	Louis Roederer, Cristal	28	8	309	62	0.72%	0.81%	1,281	-1.64%	95	9

FOR THOSE in any doubt about the increasingly eclectic nature of the fine wine market, scan this year's top 20 most powerful fine wines. Except for Spain, every major classic fine wine-producing region is represented within the first fifth of 2014's list: there are brands from Right and Left Bank Bordeaux, Burgundy, Northern and Southern Rhône, Sauternes, Tuscany, Piedmont, Napa, Champagne, and Australia.

However, as those who've followed this annual fine wine power list for the past eight years will know, it hasn't always been like this. In fact, one only needs step back four years to our 2010 table to see that the top five brands were Bordeaux's First Growths, and just two non-Bordeaux brands featured in the top 20: Burgundy's Domaine de la Romanée-Conti (DRC) and Australia's Grange.

So what's been driving this decade's considerable broadening of the market? In simple terms it's the result of a

Feature findings

- ▶ Fine wine buyers have continued to embrace new brands from an increasingly broad array of regions ensuring that Bordeaux's dominance of the market has declined further.
- ▶ Collectors are also moving down the value chain: people are buying less valuable wines, and fewer of them.
- ▶ Bordeaux continues to be out of fashion due to the release of poor vintages at high prices, but also because the Rhône, California, Italy and Australia are producing some of their best wines ever.
- ▶ Exacerbating Bordeaux's declining share of the market was this year's failed en primeur campaign, although there is a market for older vintages of cru classé Bordeaux if the price is appealing.
- ▶ Although Pavie and Cheval Blanc are this year's first and second most powerful brands, the Right Bank has succumbed to the Bordeaux malaise.
- ▶ The Super Tuscans, particularly Sassicaia, have filled some of the space left behind by Bordeaux.
- ▶ Burgundy remains strong, and interest in the region is broadening into new growers, but there's a feeling that DRC is at the top of the market.
- ▶ However, it is the Rhône that has increased its overall share of trade.
- ▶ There's a feeling that the firsts are getting close to their lowest point now they are trading at under £4,000 per case on average.

Liv-ex Power 100: the top 21-40

Source: Liv-ex

Rank	Brand name	2013 rank	Change	Total score	LX total traded	Value share	Volume share	Average price (GBP)	Price performance	Av. critic score	Unique wines
21	Bouchard Père et Fils	36	15	310.5	141	0.23%	0.20%	1,620	6.44%	93	19
22	Pape Clement	4	-18	312	41	0.97%	1.56%	895	-2.28%	96	12
23	Chapoutier	11	-12	316.5	130	0.22%	0.30%	1,080	-4.82%	97	26
24	Le Pin	17	-7	322.5	178	0.75%	0.07%	15,159	1.84%	95	8
25	Masseto	33	8	323	125	0.58%	0.19%	4,534	-4.47%	98	8
26	Angélus	2	-24	324	58	1.01%	0.77%	1,892	-8.23%	96	16
27	Dom Pérignon	34	7	325	82	0.42%	0.58%	1,039	-1.94%	96	10
28	Ponsot	50	22	325.5	137	0.39%	0.18%	3,098	-0.64%	94	11
29	Ducru Beaucaillou	30	1	328	38	1.10%	1.55%	1,021	-3.45%	94	17
30	Armand Rousseau	63	33	334.5	199	0.32%	0.07%	6,105	8.98%	92	19
31	Giacomo Conterno	76	45	335.5	241	0.14%	0.06%	3,625	6.32%	97	7
32	Mission Haut Brion	11	-21	337.5	26	2.03%	2.32%	1,262	-9.79%	95	24
33	Pontet Canet	27	-6	340	14	2.60%	3.94%	951	-6.42%	95	14
34	Smith Haut Lafitte	26	-8	343.5	70	0.41%	0.91%	653	-1.84%	94	16
35	Joseph Faiveley	75	40	344	206	0.12%	0.11%	1,636	11.98%	94	15
36	Palmer	47	11	346	72	0.62%	0.67%	1,325	-0.73%	91	25
37	Montrose	8	-29	349.5	15	2.47%	3.96%	899	-7.05%	94	26
38	Cos d'Estournel	35	-3	350	34	1.30%	1.58%	1,183	-5.48%	94	26
39	Ausone	41	2	350.5	140	0.50%	0.15%	4,974	-7.96%	96	13
40	Dom. Jean-Louis Chave	83	43	351	230	0.12%	0.08%	2,188	6.62%	97	6

thorough search for value: people are spending less on fine wine and therefore looking for labels offering a compelling price-to-quality ratio, from wherever they happen to come.

Confirming this reduced spend on fine wine, Justin Gibbs, director at Liv-ex – the compilers of the survey – records: “The market is moving down the value chain: people are buying less valuable wines, and fewer of them.” In fact, the average

trade on the Liv-ex fine wine exchange has dropped almost 50% to £2850, from its peak in 2011, when it hit £5,660. As for the average price per unit traded, that is down to £1,347 – a drop of 20% from 2011 at £1,676.

This development is taking collectors out of the market for Bordeaux’s big names, because the average case price for First Growths traded on Liv-ex in September was £3,918 compared to, for example, £1,838 for the so-called Super Tuscans (which include Masseto, Tignanello, Sassicaia, Ornellaia and Solaia) – and that average falls to £1,082 if the high-priced, low production Masseto is excluded from consideration.

But there are other factors at work. Speculative wine buyers would be tempted to invest in top-end Bordeaux if they believed they would see a

return. However, ambitious en primeur pricing from top cru classé Bordeaux estates has ensured the opposite: people have lost money buying en primeur for five years in a row, according to Bordeaux Index founder Gary Boom.

Considering the potential for profit provides the motive for the majority of fine wine purchases, the collector has been driven to look beyond the world’s most famous fine wine region. And, importantly, this desire to explore has coincided with a quality revolution in other places. “The market share of Bordeaux [on Liv-ex] peaked at 95% in

‘People are spending less, and buying less, but they are spending more outside Bordeaux’

Relative prices and trade

THE NUMBER OF BRANDS BY COUNTRY IN THIS YEAR'S LIV-EX POWER 100 VS LAST YEAR:

Source	2013	2014
Bordeaux	59	54
Burgundy	17	17
Italy	7	10
Rhône	7	6
Champagne	6	6
USA	2	3
Australia	1	2
Spain	0	1
Chile	0	1
Argentina	1	0

PERCENTAGE OF TRADE ON LIV-EX (REGIONS, BY VALUE)

Region	2010	2011	2012	2013	2014 (YTD)
Bordeaux	95.2	93.2	87.2	82.1	79.2
Burgundy	1.2	2.6	5.5	7.0	6.2
Champagne	1.4	1.1	2.3	2.3	2.8
Rhône	0.7	1.2	1.5	2.8	4.0
Italy	0.9	1.5	2.3	3.5	5.7
Others	0.5	0.5	1.3	2.3	2.2

AVERAGE PRICE PER CASE (12X75cl, SEPTEMBER 2014)

Champagne: £1,476 (comprises the top vintages in the market from Krug, Cristal, Dom Pérignon, Salon and Taittinger Comtes de Champagne).

Super Tuscan: £1,838 (composed of the last ten vintages of Masseto, Tignanello, Sassicaia, Ornellaia and Solaia) or £1,082 without Masseto.

First Growth: £3,918

DRC: £22,716 (with Romanée-Conti) or £10,200 (without).

2010; last year it was 82%, and this year it is 79%, so the switch away from Bordeaux seems to be continuing," says Gibbs.

"People are spending less, and buying less, but they are spending more outside Bordeaux," he adds.

Explaining further the change, he says, "Bordeaux continues to be out of fashion, and a lot of that is to do with the release of poor vintages at high prices, but it is also a lot to do with the fact the Rhône, California, Italy and Australia are producing some of the best wines ever, making it easy to make the switch."

Exacerbating Bordeaux's declining share of the fine wine market was this year's en primeur campaign. In April 2014 the 2013 vintage accounted for 3.3% of Bordeaux trade on Liv-ex, from just four wines traded: Carruades de Lafite, Haut Brion,

'Bordeaux continues to be out of fashion, and a lot of that is to do with the release of poor vintages at high prices'

Lafite and Mouton. To highlight how low this is, in April 2013 the 2012 release – which was hardly a hyped harvest – accounted for 15.7% of trade.

"One cannot overemphasise what a shocking campaign 2013 was, both for Bordeaux négociants and international merchants, and for the reputation of Bordeaux generally," states Gibbs.

Certainly Jake Dean, fine wine sales director at Berry Bros & Rudd tells *db* that Bordeaux sales last year were just 18% of the company's turnover, compared to around 70% following the release of the 2009 vintage.

Nevertheless, due to the high levels of production, the majority of trade in the fine wine market is still made up of Bordeaux, as long as the price is attractive. "Bordeaux has traded high volumes but at a lower level," explains Gibbs, adding, "the firsts still trade the most." Similarly, Boom at Bordeaux Index records that his biggest sellers of the year through his merchant were first growth Bordeaux. "Generally Bordeaux is suffering from a major image problem... but there is a market if the wine makes financial sense: for example, Margaux '96 is our biggest seller of the year – we've done over £1m worth at £4,100 a case,

Château Lafite Rothschild



Liv-ex Power 100: the top 41-60

Source: Liv-ex

Rank	Brand name	2013 rank	Change	Total score	LX total traded	Value share	Volume share	Average price (GDP)	Price performance	Av. critic score	Unique wines
41	Evangile	43	2	352	92	0.49%	0.43%	1,663	-2.05%	94	13
42	Lynch Bages	44	2	355.5	12	2.49%	4.24%	847	-2.09%	92	26
43	Comte Vogüé	45	2	361.5	160	0.41%	0.12%	4,982	-2.22%	94	14
44	Screaming Eagle	88	44	364.5	270	0.18%	0.02%	15,120	10.37%	97	5
45	Clos Fourtet	31	-14	367.5	78	0.53%	0.63%	1,210	-4.60%	95	12
46	Fleur Pétrus	60	14	370.5	103	0.39%	0.39%	1,430	-3.29%	94	11
47	Trotanoy	32	-15	377	142	0.22%	0.21%	1,486	-4.51%	96	14
48	Pichon Baron	23	-25	398.5	44	0.95%	1.42%	962	-7.37%	94	18
49	Léoville Barton	61	12	407.5	63	0.42%	1.11%	541	-0.90%	92	18
50	Alain Hudelot Noellat	new	—	409.5	193	0.08%	0.18%	685	18.41%	92	19
51	Léoville Las Cases	20	-31	413.5	21	2.13%	2.72%	1,130	-7.97%	92	22
52	Pegau	new	—	416.5	188	0.07%	0.21%	498	3.90%	96	8
53	Eglise Clinet	6	-47	417	148	0.30%	0.18%	2,410	-13.54%	96	11
54	Domaine Leflaive	45	-9	418	170	0.15%	0.18%	1,230	-1.81%	93	19
54	Henschke	new	—	418	244	0.07%	0.08%	1,325	18.37%	94	8
56	Lafleur	14	-42	419.5	134	0.58%	0.16%	5,094	-10.13%	94	12
57	Meo Camuzet	new	—	423	206	0.11%	0.13%	1,234	9.01%	91	15
58	Georges Roumier	new	—	423.5	286	0.08%	0.03%	3,543	12.37%	93	10
59	Sylvian Cathiard	52	-7	425	277	0.07%	0.04%	2,388	23.11%	92	11
60	Bruno Giacosa	40	-20	428.5	293	0.05%	0.05%	1,613	0.96%	97	8

while our second biggest is Latour '96: we've done £750,000 of trade at £4,900 a case. So under £5k is where it moves."

Furthermore, this year's first and second most powerful brands are both from Bordeaux, but from the right bank: Pavie and Cheval Blanc respectively. Pavie has retained its top spot after its sudden rise up the table last year, which followed its upgrade (with Angélus) to St Emilion's

top tier: Premier Grand Cru Classé A.

This follows a trend spotted in 2013 of smaller production, high scoring Right Bank Bordeaux properties outperforming larger estates on the other side of the Gironde. "We do better with Right Bank Bordeaux [than Left Bank] because people like the idea of an estate that produces a few hundred cases of wine rather than several thousand," records Joss Fowler, director at Fine + Rare.

But Pavie's top spot is also a question of relative performance, rather than any great increase in demand from collectors in the last 12 months. "It's up 0.5% in performance, while the rest of Bordeaux is down," says Gibbs, referring to the "price performance" measure, which considers the price of a case of wine in August this year compared to August 2013.

Continuing, he says, "Because of Pavie's performance and high ranking score, despite a fall in trade, it has taken top position." He also believes that Pavie "is still benefitting" from the aforementioned reclassification, and notes that Pavie 2009 and 2010 both scored 100 points.

Perhaps more of a surprise is Cheval Blanc's sudden rise up the rankings to second spot. "It has traded a lot this year: the amount of trade by value has risen

'We do better with Right Bank Bordeaux [than Left Bank] because people like the idea of an estate that produces a few hundred cases of wine rather than several thousand'

Liv-ex Power 100: the top 61-79

Source: Liv-ex

Rank	Brand name	2013 rank	Change	Total score	LX total traded	Value share	Volume share	Average price (GBP)	Price performance	Av. critic score	Unique wines
61	Vieux Château Certan	21	-40	431.5	122	0.30%	0.31%	1,378	-7.70%	94	16
61	Solaia	new	—	431.5	106	0.33%	0.41%	1,154	-3.51%	96	5
63	Clinet	68	5	444	133	0.19%	0.30%	918	-4.60%	95	8
64	Gruaud Larose	84	20	455.5	96	0.23%	0.71%	468	1.37%	90	20
65	Louis Jadot	new	—	456	269	0.06%	0.07%	1,324	6.16%	94	9
66	Calon Segur	73	7	457.5	70	0.38%	1.04%	528	-3.83%	92	15
67	Troplong Mondot	51	-16	459.5	166	0.12%	0.20%	896	-7.06%	96	10
68	Clos Papes	79	11	460	197	0.07%	0.19%	518	-0.71%	95	12
69	Beausejour Duffau	57	-12	461.5	195	0.18%	0.10%	2,528	-2.28%	96	4
70	Dujac	66	-4	463	277	0.06%	0.06%	1,290	29.30%	91	13
71	Vega Sicilia	new	—	473.5	201	0.13%	0.11%	1,659	-3.57%	96	5
72	Rauzan Ségla	new	—	476.5	130	0.16%	0.39%	597	-2.52%	93	11
73	Almaviva	new	—	477	107	0.22%	0.51%	623	10.80%	91	6
74	Taittinger, Comte de Ch.	25	-49	490.5	74	0.40%	0.84%	682	-13.62%	96	6
75	Beychevelle	89	14	493.5	39	0.78%	2.13%	527	-5.48%	91	18
75	Tignanello	53	-22	493.5	153	0.12%	0.35%	479	0.88%	94	6
77	Gazin	74	-3	496.5	201	0.07%	0.19%	502	5.19%	94	6
78	Grand Puy Lacoste	78	0	499	91	0.30%	0.73%	579	-4.82%	92	15
79	Pichon Lalande	49	-30	500	58	0.61%	1.01%	866	-9.13%	90	23
79	Figeac	new	—	500	161	0.12%	0.21%	837	-1.93%	92	12

26%, while it trades across lots of vintages,” records Gibbs. He also says that “It scores well, and it’s only down 3% in performance,” while he wonders whether the fact that 2014 is the Chinese Year of the Horse may have had a positive impact on demand in Asia specifically.

More generally though, Gibbs says that even the Right Bank has “succumbed to the Bordeaux malaise”. For example, if one looks at the top 10 fallers, Eglise Clinet, Lafleur, and Vieux Château Certan are all within the top five. “These were huge risers last year, and are very big ticket items, but people are not paying those extraordinary numbers any more.” Other names which have dropped down the table dramatically include Léoville-Las Cases and Pichon Lalande. “The Left Bank firsts were the first to fall, then the second growths, and now the Right Bank wines – all because people realised they could get a very high scoring wine from

elsewhere for a fraction of the price.”

So what of DRC, which has risen up the list, despite being the most expensive brand in the survey? “It’s a bizarre scenario: it’s 2.4% of the share on Liv-ex by value, but by volume it’s 0.19%,” says Gibbs. Nevertheless, as warned last year, there’s a sense that this wine is unlikely to retain its remarkably high prices. “It’s teetering. The volume of trade is

declining but the value of trades are holding up; it feels like it’s at the top of the market.”

Boom concurs, suggesting that the appeal of DRC is beginning to wane:

“Before, if DRC was on the label, it would sell, but now it’s only strong if it is in perfect condition and the price is right.”

Just above DRC in the table, Sassicaia is a symptom of this year’s stand-out trend: Italy’s increasingly fashionable fine wine status. “Super Tuscans

‘Before, if DRC was on the label, it would sell, but now it’s only strong if it is in perfect condition and the price is right’

liv-ex power 100

Liv-ex Power 100: the top 81-100

Source: Liv-ex

Rank	Brand name	2013 rank	Change	Total score	LX total traded	Value share	Volume share	Average price (GBP)	Price performance	Av. critic score	Unique wines
81	Salon	48	-33	506.5	211	0.15%	0.08%	2,673	-3.65%	94	6
82	Clerc Milon	87	5	513.5	96	0.20%	0.80%	366	0.36%	90	12
83	Mondotte	96	13	518.5	245	0.07%	0.08%	1,304	-3.76%	96	5
84	Emmanuel Rouget	new	—	523	206	0.19%	0.08%	3,604	0.88%	92	4
85	Monbousquet	new	—	524.5	193	0.06%	0.24%	382	14.93%	91	8
85	Macchiole	89	4	524.5	225	0.05%	0.15%	489	9.17%	96	3
87	Talbot	65	-22	525.5	71	0.32%	1.20%	383	-4.06%	91	15
88	Henri Boillot	new	—	526.5	174	0.06%	0.35%	265	12.83%	90	17
89	Joseph Drouhin	new	—	527	288	0.05%	0.06%	1,194	4.27%	93	8
90	Jacques Frederic Mugnier	58	-32	528.5	252	0.11%	0.06%	2,485	-3.82%	93	11
91	Tertre Roteboeuf	new	—	531.5	318	0.04%	0.04%	1,280	6.58%	94	6
92	Conseillante	70	-22	533.5	207	0.08%	0.14%	880	-3.04%	93	10
92	Domaine Chevalier	95	3	533.5	140	0.11%	0.45%	366	-5.59%	94	15
94	Krug	new	—	536	364	0.03%	0.01%	2,931	5.72%	97	3
95	Duhart Milon	69	-26	541	30	1.01%	2.58%	566	-14.63%	91	15
95	Perrier Jt. Belle Epoque	new	—	541	142	0.17%	0.28%	855	8.06%	88	6
97	Lascombes	80	-17	547.5	141	0.13%	0.37%	488	-5.46%	93	11
98	Giscours	new	—	553.5	137	0.12%	0.44%	399	-1.03%	91	10
99	Canon La Gaffelière	81	-18	566.5	203	0.06%	0.19%	452	-0.51%	93	8
100	Guado Al Tasso	new	—	570	149	0.11%	0.42%	361	-0.60%	94	4

have filled some of the space the clarets have vacated,” states Fowler. Similarly, Boom comments, “We’ve done the Bordeaux trend morphing into Burgundy, the Burgundy trend morphing into Champagne, and the Champagne trend morphing into Italy, and we are catching the tail end of the Italy trend – so we are

‘Bordeaux ‘11 and ‘12 vintages were indifferent, and ‘13 was poor, while Italy’s ‘09 and ‘10 vintages were the best ever for the Tuscans’

running out of trends.” But, he adds, “The Italians are probably the strongest in terms of a generic offer, so if there’s a good offer on Sassicaia, it moves.”

“The big move up was Italy from 3.5% to 5.7% of trade,” says Gibbs, speaking of developments by region, rather than brand, while he also points out that Gaja is this year’s highest new entry, and Gaicomo Conterno is the second highest riser. Part of the region’s success has been the high quality of wines from Italy released on to the market in the last 12 months, particularly in contrast to those from Bordeaux. “Bordeaux ‘11 and ‘12 vintages were indifferent, and ‘13 was poor, while Italy’s ‘09 and ‘10 vintages were the best ever for the Tuscans, and 2010 is regarded by some as the greatest Barolo vintage ever produced. So it is an unfortunate coincidence: merchants can’t sell Bordeaux but can turn their clients’



attention to other regions, and Italy is producing some of its best wines ever."

Furthermore, pricing favours Italy too. "The Super Tuscan is the proxy First Growth of Italy, and around £1,000 will buy you a case of a Super Tuscan [excluding Masseto], but you need over £3000 for a first growth, and the scores are similar," says Gibbs

The same argument explains the success of Californian brands Dominus and Opus One this year. "At the same time as Italy is doing well, Opus One 2010 is said to be the best ever made by the estate, and Dominus got 100 points in 2010... and

'Bordeaux needs to wake up to the fact that people can buy wine from other regions producing great wine'

these wines represent relatively cheap entry points to the best of their region," observes Gibbs.

Essentially, he stresses that Bordeaux must be mindful of the global competition. "Bordeaux needs to wake up to the fact that people can buy wine from other regions producing great wine and not necessarily charging so much money."

Looking elsewhere, but within France, it should be noted that this year's top 10 year-on-year market price performance table is littered with Burgundian growers attesting to a deeper exploration of the Côte-d'Or. "People are moving from DRC to the second tier of Burgundy growers, like they did the second growths of

Fine wine market trends: The merchants' views



TOM HUDSON, DIRECTOR, FARR VINTNERS

What's in demand?

The two obvious areas that have done well are Italy and Spain – we are selling a lot more Italian wine at the moment than a couple of years ago.

What's falling out of favour?

There is definitely reluctance in the market at the moment to follow Bordeaux... But after two years of prices gradually coming down, in the last two months the prices do seem to have stopped falling... it's harder to replace things now at yesterday's prices, so there is an indication that possibly we are seeing a bounce upwards.



TOM STOPFORD SACKVILLE, MANAGING DIRECTOR, GOEDHUIS & CO

What's in demand?

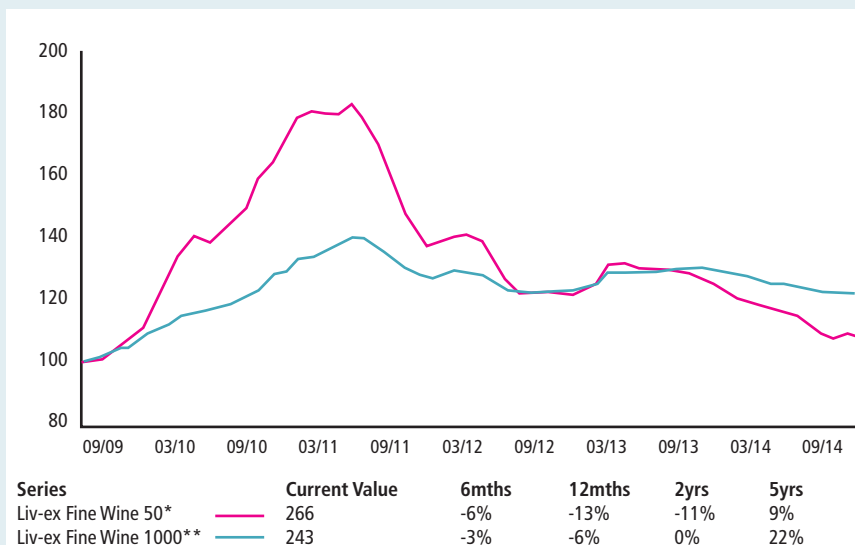
We are certainly seeing some key customers from the good old days dipping their toe in Bordeaux again, for example Montrose 2005: a great Château in a great vintage which is almost 10 years old and trading for around £900... In general, the châteaux that work have not changed: Pontet-Canet, Ducru-Beaucaillou, Lynch-Bages, Duhart-Milon, the Léovilles – and Talbot has a huge following in Hong Kong.

What's falling out of favour?

The first growths remain fairly friendless among our private clients. We see a bit of a disconnect with Bordeaux at the moment but I still think the region provides great value, it's just that the expensive Bordeaux that was making the headlines is no longer making the headlines.

Liv-ex 50 vs Liv-ex 1000: five years

Source: Liv-ex



While the Liv-ex 1000 has risen 22% over five years, the Liv-ex 50 has risen just 8.7%.

*The Liv-ex Fine Wine 50 Index tracks the ten most recent vintages (excluding En Primeur, currently 2002-2011) of the Bordeaux First Growths

**The Liv-ex Fine Wine 1000 tracks 1,000 wines from across the world

Top ten: Average trade price*

Rank	Brand	Av. price (£)
1	DRC	£18,530
2	Pétrus	£18,194
3	Pin	£15,159
4	Screaming Eagle	£15,120
5	Armand Rousseau	£6,105
6	Lafleur	£5,094
7	Comte Vogüé	£4,982
8	Ausone	£4,974
9	Masseto	£4,534
10	Cheval Blanc	£4,149

* (£ per 12 bottle case)

Bordeaux, so the prices of Burgundy have marched north," says Gibbs. He adds that encouraging this broadening of Burgundy demand is "the search for value in the same region."

Goedhuis & Co managing director Tom Stopford Sackville confirms the trend in Hong Kong specifically: "Burgundy buyers know DRC and will have Rousseau, Dujac, Cathiard, Ponsot, and Camuzet. Now they are working their way through the growers, and they are going through the gears quickly... there is a lot of good Burgundy being cracked

'People are moving from DRC to the second tier of Burgundy growers, like they did the second growths of Bordeaux'

Fine wine market trends: The merchants' views**GARY BOOM, FOUNDER, BORDEAUX INDEX****What's in demand?**

Nothing is selling well unless there's a good story and it is very well priced, but it's the Italians that are probably the strongest in terms of a generic offer, so if there's a good offer on Sassicaia, it moves. Bizarrely we are also selling a lot of Port, probably because we have five or six nuts in the office who are passionate about selling it: for example, we recently sold 130 cases of 2000 Taylor's within an hour and a half.

What's falling out of favour?

In general Bordeaux is suffering from a major image problem, because for five years in a row people have lost money en primeur... it's all about confidence because the money is there, but it's on the sidelines... nobody is buying until they perceive that the market has stabilised.

**JAKE DEAN, FINE WINE SALES DIRECTOR, BERRY BROS & RUDD****What's in demand?**

Spain has huge potential in terms of its range and value and we had incredible success this year with the launch of 2004 Vega Sicilia Unico, which was probably the best vintage since 1970. It sold for just over £500 for a three-bottle case and the level of demand has been incredible. In general, it's a collectors' market, with demand for the best wines from Spain, Burgundy, Champagne, Australia and Italy.

What's falling out of favour?

The market is good for everything except for top end Bordeaux, where the prices are still soft, although that does pose the question as to whether now is a good time to buy. However, the only Bordeaux that's in demand at the moment is under £100 and a bottle and with some age, so 2005 vintage backwards.



Top ten: trade share by value

Rank	Brand	Share by value
1	Lafite Rothschild	15.8%
2	Mouton Rothschild	9.0%
3	Latour	6.8%
4	Margaux	4.8%
5	Haut Brion	4.3%
6	Cheval Blanc	3.2%
7	Pétrus	3.1%
8	Pavie	2.6%
9	Pontet Canet	2.6%
10	Lynch Bages	2.5%

Top ten: trade share by volume

Rank	Brand	Share by volume
1	Lafite Rothschild	5.7%
2	Lynch Bages	4.2%
3	Mouton Rothschild	4.1%
4	Montrose	4.0%
5	Pontet Canet	3.9%
6	Margaux	2.8%
7	Léoville Las Cases	2.7%
8	Latour	2.7%
9	Duhart Milon	2.6%
10	Haut Brion	2.4%

Top ten: average score

Rank	Brand	Average score
1	Masseto	97.6
2	Chapoutier	97.2
3	Giacomo Conterno	97.1
4	Dom. Jean-Louis Chave	97.0
5	Screaming Eagle	96.9
6	Guigal	96.6
7	Pétrus	96.7
8	Ornellaia	96.6
9	Bruno Giacosa	96.6
10	Krug	96.5

open in Hong Kong." Continuing, he observes, "There's a feeling that Burgundy is sexier [than Bordeaux]... and even though prices have risen dramatically, I don't think the love affair with Burgundy will wane, because there just isn't the stock and there's a real passion for Burgundy."

Nevertheless, Boom at Bordeaux Index says that many of his clients are already holding collections of great Burgundy growers, and are now being more cautious about the prices they will pay. "We can offer a great parcel of Roumier, Rousseau, Cathiard or Dujac, and people are saying 'we've got it, what's your price on that?'" he says.

Gibbs then picks up on another development illustrated in this year's

'There is a lot of good Burgundy being cracked open in Hong Kong'





power 100 results – and that’s the growing power of the Rhône. He points out that of all French wine regions featured in this year’s survey, it’s only the Rhône that has increased in the amount of trade in 2014: by value it has gone up 12.9% on Liv-ex, while Bordeaux is down 15%, Burgundy is down 11% and Champagne down 3.6%.

Stopford Sackville records, “The *cognoscenti* are getting into the Rhône, both Châteauneuf and Hermitage, and there’s lots of interest in Chave at the moment... the great classical areas of France are being discovered one by one.” Gibbs also suggests that high scores are helping, and, as our table shows, Chapoutier, Chave and Guigal rank second, fourth and seventh for average score respectively. “The big guys from the Rhône are producing wines that are touching perfection... Parker has always rated the Rhône on average higher than Bordeaux – it is his favourite part of the world.”

In essence, collectors are happy to source broadly as long as the brand is strong and the price, compared to the quality, is attractive. In other words, it is relative value for money that really explains the move up and down the chart of this year’s fine wine power brands. However, for Bordeaux’s first growth châteaux, there’s still a question mark over what price these labels are deemed an appealing buy, and this is particularly the case for en primeur.

“My guess is that the firsts are getting close to their lowest point,” says Gibbs, speaking of current prices, which average below £4,000 per case.

However, for Gibbs and others, the success of cru classé Bordeaux depends

Fine wine market trends: The merchants’ views



JOSS FOWLER, DIRECTOR, FINE + RARE

What’s in demand?

People want a quality, individual wine with some sort of artisanal edge to it. For example, this year we had a cracking sale of private cellar filled with Barolo, some of which were the top names, and some of which you’ve never heard of, but it was very successful.

What’s falling out of favour?

Bordeaux is permanently falling away and being replaced by other things. Having said that, 2005 Bordeaux at under £300 a bottle is selling very well because these are delicious wines and people are realising that they won’t be around forever.

‘I don’t think the love affair with Burgundy will wane, because there just isn’t the stock and there’s a real passion for Burgundy’



Top ten: Year-on-year market price performance

Rank	Brand	YOY Market price performance
1	Dujac	29.3%
2	Sylvian Cathiard	23.1%
3	Alain Hudelot Noellat	18.4%
4	Henschke	18.4%
5	Monbousquet	14.9%
6	Dominus	13.8%
7	Henri Boillot	12.8%
8	Georges Roumier	12.4%
9	Joseph Faiveley	12.0%
10	Almaviva	10.8%

Top ten: Unique vintages traded in the last year

Rank	Brand	Unique vintages traded in last year
1	DRC	56
2	Lafite Rothschild	50
3	Latour	46
3	Margaux	46
5	Haut Brion	45
6	Mouton Rothschild	39
7	Guigal	32
8	Cheval Blanc	29
9	Chapoutier	26
9	Montrose	26
9	Cos d'Estournel	26
9	Lynch Bages	26

Liv-ex Power 100: Methodology

A list was generated of all wines traded on Liv-ex in the past year (1 September 2013-31 August 2014) and grouped by brands. This list was narrowed down to 218 brands where at least three wines or vintages had traded. Only the wines traded in this period on Liv-ex were included in the following calculations.

BRANDS WERE RANKED BY:

- ▶ Price performance: We compared the market price for a case of wine on 1 September 2013 with its market price on 31 August 2014.
- ▶ Critic score: We calculated the average score from Robert Parker from the last five physical vintages of the brand. Where no Parker Score was available we used scores from The Wine Spectator, Allen Meadows (Burghound), Stephen Tanzer (International Wine Cellar) and James Suckling.
- ▶ Trading performance: We calculated two rankings, one for total value and one for total volume traded on Liv-ex in the last 12 months. These were then combined to produce an overall trading performance score.
- ▶ Number of wines/vintages traded across a brand.
- ▶ Average price of the wines in a brand. This is the volume-weighted average trade price for all units traded between 1 September 2013 and 31 August 2014.

These individual rankings were then combined with a weighting of 1 for each criteria, except trading performance which had a weighting of 1.5 (as it combined two criteria). The final 100 brands accounted for over 1500 unique wines/vintages traded in the past year.

In the tables, the "LX-total" represents the sum of the value and quantity ranking traded on Liv-ex, while the "total score" takes into account not only the traded value and quantity, but also the rankings for average trading price, performance, critics' score, and number of vintages traded.

above all on next year's primeur campaign: "Bordeaux has got to encourage people to come back... the pricing needs to be at a level to entice collectors who have an embarrassment of riches from other regions," he warns.

Importantly, he concludes, "People need to feel they are not going to lose money: and en primeur has hardly worked since 2005, with 2008 the exception. That's a long time." db

'My guess is that the firsts are getting close to their lowest point'

