Bordeaux has regained its position as the big hitter in the Liv-ex Power 100, and the top five brands are the five first growths.

Patrick Schmitt MW appraises its resurgence
**Liv-ex Power 100: the top 20 fine wine brands**

Source: Liv-ex

<table>
<thead>
<tr>
<th>Rank</th>
<th>2016</th>
<th>Brand</th>
<th>Price</th>
<th>Value traded</th>
<th>Volume traded</th>
<th>Average trade price/case</th>
<th>Unique vintages traded</th>
<th>Price performance</th>
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<td>Lafite Rothschild</td>
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<td>1</td>
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<tr>
<td>3</td>
<td>6</td>
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<td>5</td>
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<td>5</td>
<td>13</td>
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<td>6</td>
<td>56</td>
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<td>0.17%</td>
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<tr>
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<td>8</td>
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<td>£799</td>
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<td>Ausone</td>
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<td>0.93%</td>
<td>0.31%</td>
<td>82</td>
<td>£4,279</td>
<td>12</td>
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**IT’S BEEN** a while coming, five years in fact, but Bordeaux is back. And this is no anecdotal claim from an excited winemaker, critic, or merchant. Rather, this is the key finding from the trade’s most comprehensive and revealing annual report: the Liv-ex Power 100.

Devised to rank the world’s dominant fine wine labels using a range of measures – such as the value and volume traded, as well as price movement over the past 12 months – the report highlights, quite simply, what brands the major merchants have been moving.

In 2016, those wines were mostly claret, and in its most classic form: the great cru classé. Bordeaux litter the list, but the five most powerful fine wines of 2016 are Bordeaux’s five first growths – selected as leaders as long ago as 1855 (except, of course, for Mouton, which became a premier cru in 1973).

Now, this isn’t the first time we’ve seen such a result since Liv-ex began compiling this study in 2004 – the famous >
32

Liv-ex Power 100: 21-40

Source: Liv-ex

<table>
<thead>
<tr>
<th>Rank 2016</th>
<th>Brand</th>
<th>Total score 2015</th>
<th>Value and volume Rank LX</th>
<th>Value traded Rank LX</th>
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<tr>
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<td>Yquem</td>
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<td>Beylechev</td>
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<td>1.22% 26</td>
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<tr>
<td>27</td>
<td>Domaine Leflaive</td>
<td>9</td>
<td>235</td>
<td>60</td>
<td>0.27% 53</td>
<td>0.35% 77</td>
<td>£1,115 70</td>
<td>42 8</td>
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<tr>
<td>28</td>
<td>Gruaud Larose</td>
<td>73</td>
<td>246.5</td>
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<td>0.67% 45</td>
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<tr>
<td>29</td>
<td>Le Pin</td>
<td>23</td>
<td>247.5</td>
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<td>0.08% 165</td>
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<td>30</td>
<td>Moët &amp; Chandon</td>
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<td>250</td>
<td>28</td>
<td>0.84% 34</td>
<td>1.11% 31</td>
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<td>29 14</td>
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<td>31</td>
<td>Guigal</td>
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<td>0.73% 41</td>
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<td>2.12% 12</td>
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<tr>
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<td>0.30% 83</td>
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<tr>
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<td>0.41% 66</td>
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<tr>
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<td>76</td>
<td>0.24% 66</td>
<td>0.26% 96</td>
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<tr>
<td>36</td>
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<td>4.70% 4</td>
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<tr>
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<td>0.14% 128</td>
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<tr>
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<td>275</td>
<td>26</td>
<td>1.01% 26</td>
<td>0.83% 36</td>
<td>£1,721 47</td>
<td>23 31</td>
</tr>
<tr>
<td>39</td>
<td>Léoville Barton</td>
<td>34</td>
<td>279</td>
<td>20</td>
<td>0.88% 32</td>
<td>1.87% 14</td>
<td>£667 115</td>
<td>25 24</td>
</tr>
<tr>
<td>40</td>
<td>Vieux Château Certan</td>
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<td>280</td>
<td>40</td>
<td>0.51% 42</td>
<td>0.67% 46</td>
<td>£1,072 73</td>
<td>18 46</td>
</tr>
</tbody>
</table>

Feature findings

- After five years, Bordeaux is back at the top of the power 100.
- The 2016 rankings appear to be driven by an acceleration in demand from buyers outside of the UK.
- The UK’s vote to leave the European Union has had an effect on buying patterns in the list.
- For the first time since 2010, all five of the first-growth wines from Bordeaux are in the top five.
- Fine wine collectors have broadened their horizons, seeing investment potential in the first growth equivalents from the likes of Tuscany, Piedmont and Champagne.
- This year, Liv-ex’s trades included more than 4,000 different wines from 670 brands.
- Fewer younger customers are buying en primeur, preferring the immediacy of bottle purchases.

‘Pre-Brexit vote we were finding that anything that was ready to drink now, and in good condition was flying out of the door – we couldn’t get enough of it, as long as it was at the right price’

The quintet took all the top slots in 2010. But, that was at the peak of the fine wine market. It was a year when Bordeaux was enjoying its most successful en primeur campaign of all time with the 2009 release, and it was a period when Asia was the driver of demand. So what, you may be asking, is the parallel with today? Well, there is a similarity. The nature of demand in 2010 was, in hindsight, a blip, fuelled primarily by a temporary surge in the buying of the greatest names for an unfamiliar market – China. As we reported at the time, this nation, as a newcomer to fine wine, was looking at the most straightforward way of ranking wines, which the 1855 classification provided. Consequently, the market became “absurdly concentrated” on the left-bank first growths, with 61% of the Liv-ex trade in that year made up by those five wines.

Fast-forward to 2016; the China bull market is merely a memory, but 2016’s ranking also appears to be due to a short-term acceleration in demand for the fine wine market’s most famous and liquid labels from buyers outside the UK. And the reason for the sudden escalation? The fall in the value of the sterling following Britain’s decision to leave the EU, announced on 24
June. Corney & Barrow sales director, Oliver Hartley says: “2016 has distinct halves: pre- and post-Brexit vote. Pre-Brexit vote we were finding that anything that was ready to drink now, and in good condition was flying out of the door – we couldn’t get enough of it, as long as it was at the right price. But I have never seen the blue chips on the secondary market fly as fast as they have been in the last few months, post-Brexit vote, with the weakening pound.” He adds he is referring to “the likes of Petrus and Domaine de la Romanée-Conti”, as well as the first growths, which were suddenly being “snapped up” for a “20% saving”.

Concurring, Liv-ex director Justin Gibbs observes how Sterling’s weakness has prompted dollar- and euro-based buyers to purchase high-value fine-wine power brands. “From June we saw a change in growth; that was after the Brexit vote, and the 10%-15% devaluation in the pound, which created a sudden demand from dollar buyers, mostly from Asia, but also America, who have moved on Bordeaux, particularly the firsts; they have moved on liquidity.”

For Simon Staples, Berry Bros & Rudd sales director for Asia, the story is the same: “Bordeaux has come back with a vengeance this year, and has gone a tad bonkers since the Brexit vote.” He adds: “All levels of Bordeaux have done well but demand in favourites have continued – Lynch-Bages, Figeac, Gruaud, Grand-Puy-Lacoste, Giscours, Haut-Bailly – and of the first growths, Lafite has remarkably bounced back far more than I thought possible, while Latour and Mouton have followed.”

### PEAK OF THE MARKET

With history seemingly repeating itself, Gibbs then looks back at what’s happened over the past six years. Starting with 2010, he says: “It was the peak of the market, and the five first growths were the top-five wines, the 1855 classification was basically shaping the market.” But by the time 2011 had finished, the market had peaked, and buyers were moving away from the first growths, but still shopping within Bordeaux. As a result, the rising...
Liv-ex Power 100: 41-60

<table>
<thead>
<tr>
<th>Rank</th>
<th>2016 Brand</th>
<th>2015 Total score</th>
<th>Value and volume Rank</th>
<th>LX value Rank</th>
<th>LX vol Rank</th>
<th>Volume traded Rank</th>
<th>Average trade price/case Rank</th>
<th>Unique vintages traded Rank</th>
<th>Price performance Rank</th>
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<td>0.17%</td>
<td>£2,241 36</td>
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<td>59</td>
<td>Giacomo Contorno</td>
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<td>60</td>
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‘This year, for the first time since 2010, the first growths are the top five. Bordeaux is back. The market is rising and it is being led by Bordeaux.’
more Bordeaux brands in 2016’s power list than the 2010 report: the region accounted for 63 of the 100 this year, and 62 in 2010 (see table, page 34). At Bordeaux’s lowest point, in 2014, that total was 53.

Nevertheless, fine-wine collectors aren’t turning their back on non-Bordeaux labels. Having discovered the quality, and investment potential, in first-growth equivalents from the likes of Tuscany, Piedmont and Champagne, they are continuing to buy and drink more broadly than they did before the market fell in 2011. (Champagne and Italy have more labels in this year’s Liv-ex Power 100 than ever before).

So, while Bordeaux may have more brands in the report than six years ago, in terms of its share of trade by value on Liv-ex, it is much smaller: 75%, compared with almost 96% in 2010.

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And as for the first growths, their share of trade is less than half what it was when they peaked at 61% in 2010, accounting for 26.6% by value this year.

In fact, the fine wine market of 2016 is broader than ever before. Gibbs explains: “This year we have traded more than 4,000 different wines and vintages from 670 brands, from which 199 qualified for the list – we only include brands where there is a minimum of £10,000 traded, and this must be across at least three different vintages.” Proving further evidence for the stretching of the market, he adds: “We had more than 250 brands where we only saw a single trade.”

To compare this situation with last year, Liv-ex trades included more than 3,000 different wines from 265 brands, yielding 166 potential power labels for the 2015 list. This year’s higher number of trades is “a record”, and so too is the number of active markets, which now total 7,250, according to Gibbs, along with the value of wine bids and offers, which has reached £40 million.

“The liquidity is building, and the tail is growing: it is a very broad market, with a very long tail,” he says. He believes: “The obsession with single brands and the top, top wines is less profound.”

Helping this trend is the fact that there are “more and more interesting...
wines being made around the world, so there is more to choose from."

A further influence is the source of demand. Gibbs explains: “The biggest change we’ve seen is the US, which has grown from quite a low base: it used to account for less than 5% of the demand on Liv-ex. Today it is around 18%; it is the fastest-growing. And the Americans don’t obsess about Bordeaux or the big brands from Burgundy like they do in Asia. America is a far more sophisticated market, it doesn’t need to overspend, and it has a long history of buying wines from Italy, and the Rhône, as well as, of course, the wines of California. So this great long tail has a lot to do with the emergence of the US.”

While the significant development of 2016 is that Bordeaux is the best-performing sector of the Liv-ex Power 100, its share of trade hasn’t gone up. “Bordeaux is back, but it is not necessarily taking market share, and that’s because other regions are now part of the furniture.”

He adds: “When Bordeaux gave up its share it was filled by other interesting stuff from great vintages... and those wines are holding their own.” It should

While 2015 Bordeaux has proved a better release, the trend for buying large quantities of claret before it’s bottled hasn’t resurfaced.
What has been selling well for you in the past year?

2016 has two very distinct halves: pre- and post-Brexit vote. Pre-Brexit vote we were finding that anything that was ready to drink now, and in good condition was flying out of the door – we couldn’t get enough of it, as long as it was at the right price. But post-Brexit vote, with the weakening pound, I have never seen the blue chips on the secondary market fly as fast as they have in the last few months. The likes of Petrus and Domaine de la Romanée-Conti, as well as the first growths, are suddenly being snapped up for a 20% saving.

However, I am cautious of saying Bordeaux has bounced back in a big way, but I think people are buying maturing vintages – 2005 and older – and for the big-name wines there is a certain amount of opportunistic buying – people are thinking, ‘let’s buy now while it’s cheap, and hold it’, with an eye for a nice margin if and when currencies stabilise again.

How important is en primeur Bordeaux?

2015 Bordeaux was a lot better for us than the previous three campaigns, but was it back to the levels of 2005, 2009 or 2010? Absolutely not… I get a sense that there is a generational change, a sea-change in the way people are buying. Fewer people understand en primeur; we live in a world where people want instant gratification, and I see fewer younger customers buying en primeur; they don’t mind spending £1,000 on a case of wine, but they want something they can drink tomorrow.

Speaking specifically about the 2015 vintage release, Gibbs recalls: “There was a sense that good things would happen, and the vintage was right, but the price was wrong. The campaign finished on 1 June, and then came the Brexit vote. Although Bordeaux is back, the shift up

There were signs of a recovery for the region in 2015, which were driven by bottled Bordeaux, including some well-priced ex-château releases of mature vintages from top estates

Fine wine trends: the merchants’ view

OLIVER HARTLEY, SALES DIRECTOR, CORNEY & BARROW

What has been selling well for you in the past year?

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Has anything fallen out of favour in the past 12 months?

No, I don’t think so. Things that have done really well for us in first half of this year, in terms of new releases have been, for example, the Super Tuscans, as well as releases from Germany and the Rhône. The 2015s have been extremely good in some of these areas, but it’s also I think because of something else. Maybe linked to Burgundy pricing – people are listening to the merchants, who are saying there is life outside France so the buyers are looking elsewhere. Our sales would back that up.

What do you think will do well next year?

Inevitably, the 2015 Bourgundies will do well when released now and into January. Customers are expecting prices to go up. Some will be restrained, some will not. I think the wines will sell well, and it’s a good vintage. And people are aware that ’16, particularly for whites, will be scarce.

Bordeaux ’16 could be a very interesting vintage. And I think we’ll see Italy do well on fine-wine side next year. And, again, we’ll see a creeping influence of interesting fine wines that people won’t have considered to be fine before, such as emerging European countries. I was recently staggered by the quality in some of the wines from Greece, although they won’t be on the Liv-ex 100 any time soon.
is not related to Bordeaux 2015, which was not a successful campaign… the market is not buying en primeur, but physical wines.”

That aside, “Bordeaux was beginning to creep back into people’s minds,” says Gibbs, suggesting that the rebound for the region should be attributed to more than just exchange rates. Indeed, as mentioned in last year’s report, there were signs of a recovery for the region in 2015, which, in support of Hartley’s observation, were being driven by bottled Bordeaux, including some well-priced ex-château releases of mature vintages from top estates. And this year, relative value may be on the region’s side. “The price of first growths has dropped by 40% from their peak, so we are entering a time when Bordeaux is appearing to be good value,” says Gibbs.

DEMAND AND PRICES
Echoing this view, Staples believes the Bordeaux comeback will be sustained due to its prices compared with Burgundy. “The demand for Bordeaux shows no signs of abating, and with the glorious 2015 Burgundy vintage in January, which is bound to be chunkily priced because of the euro and crop size, demand and prices [for Bordeaux] will continue in the right direction until at least spring 2017.”

Hartley feels similarly, but adds this warning to producers in the Côte-d’Or. “Burgundy has got to be really careful not to fall into same trap as Bordeaux. While Burgundy does have scarcity on its side,
my message to the region is ‘don’t push it’, because collectors will by nature only collect if they feel if it is of some value – however they define that. And if prices get really silly they will go off and find something else, and then the question is, will they come back again? Or will a generation be priced out of en primeur Burgundy?”

**VOLUME COLLAPSED**

Already, Gibbs says: “We are seeing buyers roll out of the big-name Burgs and re-engage with the Bordeaux firsts, but at lower levels.” If you look at this year’s biggest fallers, there are a number of famous Burgundy domains, which, Gibbs believes, have become too pricy. “Our biggest faller is Cathiard [down 69 places], because it’s now so damn expensive. When measured according to price performance, there is an increase, but it hasn’t traded; its price has held, but the volume has collapsed. And it’s a similar story for Coche-Dury or Méo-Camuzet… there are five second-line Burgs in the top-10 biggest fallers, and we’ve also got six second-line Burgs that have left altogether – so as Burgundy has become expensive people have become less interested.”

Nevertheless, Burgundy hasn’t stopped growing in terms of the value traded by Liv-ex (see table, page 34), it’s just that tastes are broadening as buyers search for value. “Last year there were 20 Burgs in the top 100, the year before there were 17, and this year there we were 19, so it’s holding its place, but the names change. Consistent are Rousseau and DRC. Then you’ve got the likes of Dujac, Cathiard, Coche-Dury, Méo-Camuzet, Roumier, Vougeraie, which buyers roll in and roll out of as the price moves.

“We worry about the silly price Bordeaux has reached, but it’s the same as the village wines from the top growers, which used to be £200 a case – now they are more than double that.” Staples agrees, commenting: “I think 1er Cru red Burgs are looking a tad expensive, as there is nothing available from 2010 or older and ‘11, ‘12 and ‘13 aren’t really drinking that well at the moment. They will look cheap on the release of 2015s, of course.” And like Staples, Gary Boom, founder of BI Wines & Spirits, sees this development continuing to help the Bordeaux turnaround. When asked about his views on the trends for next year, he says: “2015 Burgundies will be in huge demand but we expect the prices to put many wines out of reach of all but the most determined – and the real winner from this will be Bordeaux. This most ancient of wines will come full circle and

**Fine wine trends: the merchants’ view**

**SIMON STAPLES, ASIA SALES DIRECTOR, BERRY BROS & RUDD**

**What has been selling well for you in the past year, and why?**

Generally, we have continued with our impressive growth in Northern Italy and Spain but where that had replaced Bordeaux over the past three years or so, Bordeaux has come back with a vengeance and has gone a tad bonkers since the Brexit vote. It shows no signs of abating and with the glorious 2015 Burgundy vintage in January, I think demand and prices will continue in the right direction until at least spring 2017.

All levels of Bordeaux have done well but demand has continued in favorites such as Lynch-Bages, Figeac, Gruaud, Grand Puy Lacoste, Giscours, Haut-Bailly. Of the first growths Lafite has remarkably bounced back far more than I thought possible. Latour and Mouton follow. Champagne Grandes Marques have done very well too.

**What has fallen out of favour in the past 12 months, and why?**

Not a lot, really. 1er Cru Red Burgs that are looking a tad expensive as there is nothing available from 2010 or older and ‘11, ‘12 and ‘13 aren’t really drinking that well at the moment. They will look cheap on the release of 2015s of course. The fad for natural wines seems to have gone… wahoo!

**How important is en primeur Bordeaux to your business, and how important will a great 2016 vintage be for you?**

It’s one of our cornerstones, and something we pride ourselves on. It is way too early to say how significant 2016 will be for us. Obviously, the macro environment is going to have a huge say on currencies over the next six months, and until things have stabilized, a low margin product such as en primeur is impossible to call.

**Are your sales for the past year up on 2015, and if so, why?**

Our en primeur sales are indeed up. From vintage 2014 to vintage 2015 we went from a £12 million to a £20m turnover.

**Finally, what do you think will do well in 2017?**

2008 Grandes Marques Champagnes, 15 red and white Burgundies, 2015 northern Rhônes. I think we shall see a significant uptake in South Africa, Central Otago and Pinots from Oregon.

‘We worry about the silly price Bordeaux has reached, but it’s the same as the village wines from the top growers, which used to be £200 a case – now it’s more than double that’
once again look like good value compared with much of Burgundy – and with top wines like Lynch-Bages or La Mission Haut-Brion from ready-to-drink vintages available now for the same price as a Villages Gevrey from a top grower, it’s not hard to see how even the most experienced of heads will turn back towards the Gironde.”

Looking closer at the Bordeaux labels performing best, Gibbs says buyers are still cautious, and are searching for value, which he bases on the fact that there is rising demand for the second wines from the first growths. Because the report measures ‘brand power’, rather than the power of individual wines, the strength of first-growth clarets includes the 12-month performance of second, and, if applicable, third wines too. “The Asians are buying a lot of second wines – and our best-performing index is the Second Wine Index, which is up by 31.4%. The first growths are up by 19.5% because the second wines are a cheap entry into the brand, and people are still a bit gun shy,” he says.

This is also true of en primeur releases. “Both Carruades de Lafite and Petit Mouton sold out in the 2015 campaign, and their Grands Vins didn’t. You hear stories of buyers being told: ‘If you want Petit Mouton, you’ve got to buy Mouton too’. People aren’t bouncing back thinking ‘I’ll pay anything’; they are frightened of overpaying – the re-engagement with Bordeaux is lower level.”

Further exemplifying the search for value among buyers of even first-growth claret since the market peaked in 2010, Gibbs says the cheapest of the five, Haut-Brion, has been the most consistent performer. “It has been in the top 10 five times in the past six reports, whereas Lafite has been in the top 10 only three
Justin Gibbs explains the rise. “It’s a Parker thing: the 2009 had 99 points, the 2010 got 98+, the 2012 97... and it’s not big production, so it’s top because it rose 33.6% in price over the past 12 months, but it only traded five vintages, and the volumes are light.

“It’s not a very powerful brand yet, it’s a sort of garage wine, we are back to the Valandraud scenario”, he adds, referring to the wine credited with kick-starting the garage wine movement in the 1990s.

Château Péby Faugères

This year’s number one in terms of price performance is notable (see table, above). In keeping with the overall theme of this year’s results, it’s from Bordeaux, but it isn’t from the left bank, but Saint-Emilion – it’s Château Péby Faugères.

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a general market recovery and a gradual return of Asian demand for top Bordeaux. As for Margaux? That may be connected to the fact it was declared wine of the vintage in 2015, as well as the sad early demise of its manager, Paul Pontalier, who died in March. “A bit like art, after the artist has died, collectors tend to buy their work,” says Gibbs.

Other Bordeaux brands of note this year include Gruard Larose, up 45 places on last year’s report. “It has increased by 21% on price, and I get the feeling it is one of those international brands, like Talbot and Lynch-Bages, that is understood by the UK, Europe, the US and, increasingly, by Asia too. And wines such as this are the second part of the Bordeaux story: we have a lot of entry-point wines, old fashioned brands, that are beginning to participate,” he says, before also noting the strong showing this year from Giscours, Batailly and Domaine Chevalier. Gibbs then outlines the enduring appeal of the classic left bank cru classé clarets. “The thing

The Liv-ex 1000 is at its highest, meaning the fine-wine business is now even bigger than it was at its peak over five years ago.
However, if we attribute 15% of that to Brexit, then it’s a bit more sobering, and if sterling is to appreciate by 10%, then the market will come down.

Nevertheless, the pre-Brexit trend was upwards. The market was growing by 7%-8% before the referendum, says Gibbs. “It was already moving up, after the longest most drawn-out bear market since the 1970s.”

Hartley explains the currency effect: “Without Brexit, we would be happily ahead of our target, rather than very, very happily ahead.”

So Bordeaux is back, but for ready-to-drink affordable left bank cru classé châteaux, and, since the Brexit vote, first-growth clarets for euro and dollar buyers hoping to make a sound investment on the back of sterling’s depreciation. And such a Bordeaux renaissance is overlaid on a now established broad fine wine market that includes the great brands from a diverse set of regions. Put this together and the picture is positive.

Indeed, the Liv-ex 1000 – the broadest measure of the market – is at its highest, meaning the fine-wine business is now even bigger than it was at its peak over five years ago. So yes, that means not only is Bordeaux back, but the fine-wine business has reached a new high, and comprises the most diverse selection of labels ever recorded on the secondary market.

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To calculate the scores, Liv-ex took a list of all wines that traded on Liv-ex in the last year (from 1 September 2015 to 31 August 2016) and grouped these by brand. It then identified brands that had traded at least three wines or vintages, and had a total trade value of at least £10,000.

Brands were ranked using four criteria: year-on-year price performance (based on the market price for a case of wine on 1 September 2015 with its market price on 31 August 2016); trading performance on Liv-ex (by value and volume); number of wines and vintages traded; and average price of the wines in a brand.

Over 4,000 different wines/vintages were traded. These were grouped into 670 brands, of which 199 qualified for the final calculation. The individual rankings were 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 2,046 unique wines that traded, and from the 199 brands that qualified, there were 2,804 wines.

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about Bordeaux is that ultimately it is the most understood, it is the most reliable, and that makes it the safest thing to buy.” Furthermore, collectors looking to restock their cellars tend to go for the likes of Lynch-Bages, Talbot, Giscours and Gruaud Larose because these slightly boring, old fashioned names have a strong heritage and they are affordable.”

But these are bottled wines. Gibbs stresses: “The 2015 en primeur release was actually expensive, and while a few merchants said they had a good campaign, most found the price rises too much.”

Indeed, when Liv-ex surveyed merchants on the overall average price rise they expected for a basket of wines following the springtime primeur tastings, the forecast was an 18% increase. What did they get? An average jump of 45% on the 2014 release. Consequently, Gibbs says: “People coming back to the market are not buying en primeur. They think that Bordeaux is still playing its old games, so they are buying physical wines, names they know well, wines that have been tasted several times, have decent notes, and cost between £30 and £60 a bottle. People are reticent about going back into Bordeaux at the wrong price, they are backing vintages of wines they understand.”

Providing more evidence of this, he says: “There is now a lack of stock of Bordeaux pre-2005.”

UNSOLD WINE
In contrast, Gibbs says that in 2015, for the first time, not even the first growths sold out, leading him to conclude that “there are huge amounts of unsold wine building up in Bordeaux”.

Alarming as that sounds, he adds: “There is a feeling that the châteaux can afford to keep it, and would rather have the supply in Bordeaux than the UK or elsewhere, so they can control the market.”

Finally, how much of today’s bounce-back should be attributed to opportunistic buying after the Brexit vote. “Brexit was a trigger; it made it look as though the good old days were back: the first growths were up 20%, so that is a raging bull market,” says Gibbs.

“However, if we attribute 15% of that to Brexit, then it’s a bit more sobering, and if sterling is to appreciate by 10%, then the market will come down.”

Nevertheless, the pre-Brexit trend was upwards. The market was growing by 7%-8% before the referendum, says Gibbs. “It was already moving up, after the longest most drawn-out bear market since the 1970s.”

Hartley explains the currency effect: “Without Brexit, we would be happily ahead of our target, rather than very, very happily ahead.”

So Bordeaux is back, but for ready-to-drink affordable left bank cru classé châteaux, and, since the Brexit vote, first-growth clarets for euro and dollar buyers hoping to make a sound investment on the back of sterling’s depreciation. And such a Bordeaux renaissance is overlaid on a now established broad fine wine market that includes the great brands from a diverse set of regions. Put this together and the picture is positive.Indeed, the Liv-ex 1000 – the broadest measure of the market – is at its highest, meaning the fine-wine business is now even bigger than it was at its peak over five years ago. So yes, that means not only is Bordeaux back, but the fine-wine business has reached a new high, and comprises the most diverse selection of labels ever recorded on the secondary market. ☑️