



Photo courtesy A. Benoit

Super second: Château Pichon-Baron

ON SECOND thoughts

Growth for Lafite and fellow first growths has slowed, with ‘super seconds’, ‘flying fifths’ and Burgundy picking up the mantle, writes Patrick Schmitt

ONCE MORE, *the drinks business* has joined forces with Liv-ex to rate and rank the world’s leading labels for the annual fine wine power list. The criteria for judging – which remain the same – are chosen not only to gauge each brand’s long-term quality and demand history, but also to make a current assessment of popularity, using measures such as price appreciation and quantity traded in the last 12 months. Meanwhile, a label’s potential to reach a wide audience is reflected by incorporating average production (see methodology page 36) because a brand such as Le Pin may be extremely pricey, but Lafite, which makes over 20 times the quantity, is more powerful.

The outcome is the following list, dubbed the Liv-ex Power 100, which can be compared to prior results published by us over the last six years. Although the numbers are designed to reflect the performance of individual brands, it also gives an impression of overall trends in the market. The rise and fall of certain labels indicate changing tastes among the richest sectors of society, as well as the preferences of speculative purchasers.

This year it’s clear there has been a general slowdown in the demand for fine wine’s most powerful brands – the first growths – which were the focus of attention last year. The impact of two high-priced Bordeaux vintages, both still in

barrel, and financial instability in world markets, has seen collectors understandably pause for breath. In particular, Lafite, which has led the market so rapidly upwards, is seeing prices slide. As Jack Hibberd, head of data and research at Liv-ex, states: “Lafite still leads, but its dominance has been severely cut back.” In 2010, Lafite accounted for almost 35% of all the trade on Liv-ex, but this year, it had fallen to under 24%.

Exemplifying this one brand’s change in fortunes is the performance of the 2008 vintage. After it was announced in October 2010 that this wine would feature a Chinese symbol for the number eight, prices rose as much as 20% in 24 hours, and

Liv-ex Power 100 2011 (1-10)

Source: Liv-ex.com

Label	Rank	Last year	Move	Total score	Trade on Liv-ex		Average score		Average price (£)		1 year performance		Weighted production (£)	
					Result	Rank	Result	Rank	Result	Rank	Result	Rank	Result	Rank
Lafite Rothschild	1	1	0	62	23.82%	1	97.40	4	10,047	5	21.9%	51	175,815,500	1
Mouton Rothschild	2	3	1	69	11.50%	2	95.90	17	5,923	9	25.4%	38	148,080,000	3
Haut Brion	3	5	2	74	5.95%	4	96.40	11	5,188	13	25.6%	37	57,065,800	9
Latour	4	2	-2	79	6.58%	3	96.00	15	8,103	7	22.4%	49	118,306,720	5
DRC	5	6	1	105	0.55%	31	94.40	50	21,549	1	38.1%	19	120,865,767	4
Pétrus	6	7	1	125	2.21%	8	95.60	25	20,638	2	14.9%	82	61,912,800	8
Cheval Blanc	7	20	13	138	2.02%	11	95.00	36	5,640	11	18.4%	68	47,001,453	12
Margaux	7	4	-3	138	4.71%	6	95.20	31	5,615	12	14.8%	83	93,572,924	6
Pontet Canet	9	12	3	156	2.15%	9	96.00	15	930	87	36.8%	20	19,521,600	25
Mission Haut Brion	10	8	-2	163	1.49%	13	95.80	20	3,810	19	13.7%	87	22,858,800	24

cases were changing hands on Liv-ex for £14,500. However, trades this year have been for half that as merchants offloaded stock.

Why? There appears a sense among buyers that Lafite’s younger vintages are not worth the huge premium compared to fellow first growths, or even those from the lower crus. This change is being witnessed among collectors worldwide, but notably in China, the source of last year’s frenzied amassing of Lafite for gifting and drinking.

However, although Lafite has suffered – it had the furthest to fall – other first growths are, as noted, also showing signs of

A big theme is the broadening of interest into wines other than Lafite, Carruades de Lafite and Duhart Milon

weakness. “The first growths are not the flavour of the month at the moment,” says Simon Staples, sales director for Berry Bros & Rudd. Similarly, James Miles, director at Liv-ex, reports: “We’ve seen since April a strong slowdown in Chinese buying and a noticeable change in attitude in Hong Kong and China. It was buy and pay, but suddenly payments took longer to come in and there was a sense for the first time they had more stock than they needed – they went from not having enough to having too much.”

Doug Rumsam, managing director of Bordeaux Index in Hong Kong, echoes such views. “China bought aggressively for two years,” he recalls, referring to merchants and distributors in Asia. “But there is now a backlog of stock because there is no great supply chain in place in China to feed the end consumer,” he adds.

Nevertheless, there is confidence in China’s future role as a fine wine consumer. As Rumsam says: “I’m still very optimistic about China.” He, and others, see the current slide in demand and subsequent price drop for the first growths as a temporary setback, one resulting from a rush in Hong Kong and China to acquire wines before proper routes to the market in the mainland have been established, as well as the construction of suitable retailers and refrigerated warehousing. “It grew a little too quickly,” surmises Rumsam of the trade. As for the long-term outlook, it should be stressed that the number of very rich individuals

in China is still on the rise, with the *Huron Report* listing as many as 271 Chinese billionaires (in US dollar terms), which is up from 189 last year. “The action really hasn’t started in the mainland yet,” believes Staples. “It’s almost impossible to get your wine into the market, but the interest is there, it’s just a question of being patient, and about getting yourself known.”

Miles also blames the dip in demand for high-priced Bordeaux on the economic woes in Europe. “Since the troubles in

Feature findings

- ▶ Lafite is still the world’s most powerful fine wine brand, but its dominance has been reduced, while fellow first growths have also seen a slowdown in demand.
- ▶ Broadening tastes in China and HK and high stock levels of first growths have encouraged a search for cheaper yet still iconic Left Bank brands.
- ▶ Benefiting from the maturing buying behaviour in the Far East are Bordeaux’s “super seconds” and “flying fifths”.
- ▶ Second labels of the first growths have continued to appreciate in price but there is concern this may be from speculative demand.
- ▶ Burgundy has attracted greater interest in the Far East in the last 12 months, led by DRC.

Europe have come to a head we’ve seen a lot less interest in the first growths. There has been an increase in the volumes of business but the average value of transactions has fallen a lot as people have become more nervous of holding them.”

Together, circumstances in Asia and Europe have meant that, as Rumsam states: “Value is being sought out right now.” So while the first growths have lost some of their lustre – although still the world’s most powerful fine wine brands – the

liv-ex power 100

Liv-ex Power 100 2011 (11-45)

Source: Liv-ex.com

Label	Rank	Last year	Move	Total score
Penfolds Grange	11	11	0	172
Carruades Lafite	12	10	-2	173
Léoville Las Cases	13	17	4	182
Ducru Beaucaillou	14	25	11	185
Angelus	15	19	4	192
Forts Latour	16	16	0	193
Duhart Milon	17	15	-2	201
Lynch Bages	18	28	10	205
Cos d'Estournel	19	18	-1	206
Montrose	20	23	3	209
Pavie	21	30	9	221
Pichon Baron	22	69	47	222
Ausone	23	9	-14	227
Yquem	24	13	-11	231
Opus One	25	36	11	233
Léoville Poyferré	26	49	23	245
Sassicaia	27	21	-6	246
Leflaive	28	54	26	255
Pavillon Rouge	29	27	-2	262
Pichon Lalande	30	50	20	263
Salon Mesnil	31	26	-5	265
Guigal E	32	34	2	267
Fleur Pétrus	33	42	9	269
Krug	34	24	-10	270
Ornellaia	35	32	-3	275
Vega Sicilia	36	68	32	282
Haut Brion Blanc	37	33	-4	291
Dom Pérignon	38	40	2	296
Dominus	39	38	-1	300
Comte Vogüé	40	new	new	304
Palmer	40	14	-26	304
Beychevelle	42	47	5	309
Lascombes	43	70	27	311
Clarence Haut Brion	44	57	13	313
Rayas	45	39	-6	315

Medoc's "super seconds" have moved up the list, labels such as Léoville Las Cases, Ducru Beaucaillou, Montrose, Léoville Poyferré, Pichon Baron and Lalande, as well as those wines termed the "flying fifths" – Pontet Canet and Lynch Bages. "A big theme in the next two years is the broadening of interest into wines other than Lafite, Carruades de Lafite and Duhart Milon," records Miles, mentioning the Lafite stable of labels.

Indeed, Liv-ex analysis has shown that prices for the super seconds from the last 10 vintages have risen on average 21% over the last 12 months, compared to just 4% for the first growths. Prices for Pichon Baron and Ducru Beaucaillou, up 39% and 36%,

have led the increases, while Pontet Canet has also seen a 36% growth (Montrose has also proved popular, up 32%).

Driving this change has been the realisation that Bordeaux's best deuxième cru classés are close enough in quality to the region's top tier to make them appear inexpensive, and the first growths overpriced. "The gap between the super seconds and the first growths was unsustainable... the wines [seconds] were available at between a tenth and a fifth of the price," explains Hibberd.

Staples confirms this shift in focus from first to second as well as fifth. "There is a huge amount of interest in Ducru Beaucaillou, Montrose, Léoville Las Cases,

Lynch Bages, Palmer, Pichon Baron, Pontet-Canet and Cos d'Estournel in all vintages of the 2000s apart from 2002 and 2007. There is definitely a broadening of demand and we are seeing a very rapid learning curve from Asia." Staples' colleague in China, Adam Bilbey, direct sales manager for Berry Bros & Rudd Hong Kong, supports the view. "We found in China in the last 12 months – and Hong Kong for the last three to four years – that we are selling not just first growths." He stresses that interest is extending to fifth growths Grand Puy Lacoste and Batailley, along with the aforementioned Lynch Bages and Pontet-Canet, and among the seconds, Gruaud Larose too. He also picks out fourth growth Beychevelle. "These wines haven't shot up like Lafite," he says, "but there is a steady growth... people are buying into them because they represent value," he adds.

BRAND AWARENESS

As for what makes one brand more successful than another in the Far East, appearance is one clue. For example, the boat on the Beychevelle label is often cited as a powerful and memorable cue for this wine. However, Staples believes the results noted above reflect the hard work spent marketing certain brands in Asia. For example, speaking of Lynch Bages, he ascribes the sustained demand to the promotional work by Jean-Michel Cazes in China in the 1970s and '80s, continued by his son Jean-Charles today. "He is constantly out there, treading the pavements, getting the brand known," Staples says. It's the same with Jean-Guillaume Prats from Cos d'Estournel who, Staples points out, "is touring most of the year." "It's about the exposure you get from being there and doing tastings and dinners," he adds.

Hence, the decision by Melanie Tesseron, niece of Pontet-Canet owner Alfred Tesseron, to live in Hong Kong is a further positive sign of a brand already in vogue. The fifth growth label has become hot



Top drop: Château Lafite-Rothschild

Top 10: trade on Liv-ex (%)

Lafite	23.82
Mouton	11.50
Latour	6.58
Haut-Brion	5.95
Carruades	5.13
Margaux	4.71
Lynch-Bages	2.91
Pétrus	2.21
Pontet Canet	2.15
Cos d'Estournel	2.13

Top 10: weighted production (£)

Lafite	175,815,500
Dom Pérignon	172,050,000
Mouton Rothschild	148,080,000
Domaine de la Romanée Conti	120,865,766
Latour	118,306,720
Margaux	93,572,923
Carruades de Lafite	73,306,800
Pétrus	61,912,800
Haut-Brion	57,065,800
Louis Roederer Cristal	49,380,000

property worldwide with sustained high scores as well as plenty of publicity since its adoption of biodynamic viticultural practices. Attesting to its popularity is its entry, for the first time, in the top 10. Miles explains: "To have Pontet-Canet in the top 10 is staggering for a fifth growth, but there is so much positive noise about Pontet Canet at the moment; there is a strong view in the trade that they are now making first growth quality wine. It used to be £200 per case, it is now £1,200 and the trade still thinks it's good value. And it was the star of the 2010 campaign, it came out and sold straight away – Alfred Tesseron nailed it: he came out at the right time, before the big releases, and at a good price."

The attention on the flying fifths and super seconds is further augmented, believes Hibberd, by the Robert Parker tasting at Hong Kong's WineFuture event (see pages 90-91). The world's most famous wine commentator selected a "Magical 20" list of labels from the 2009

vintage which were poured at the November conference, including Pontet-Canet and Lynch Bages, as well as both Pichons and Léoville Las Cases and Poyferré. Hibberd points out: "This is Parker's way of saying, this is where to look now, this is where the action is, and I think that will have a further impact."

Elsewhere, it's clear that the stand-out trend of last year's survey – the price surge in the second labels from Bordeaux's first growths – has continued into early 2011. If one considers the leaders in terms of "one year performance" (see table, p37), it is apparent that the top five are all second wines from the famous grands vins. Carruades de Lafite does not feature in the top 10 because it put on much of its increases in 2010, not this year (although it is the fifth most traded wine in the survey and the most "powerful" second label). The likes of Le Petit Mouton, Margaux's Pavillon Rouge, Le Clarence de Haut-Brion (the rebranded Bahans Haut Brion) and

Les Forts de Latour rose in price late last year and during the first few months of 2011, although, like the first growths, they have seen limited price movement since the summer.

Nevertheless, in the final ranking, these wines struggle due to their low scores. "To be high up in the table," explains Hibberd, "the second wines have to have had a really good performance because they haven't got the bedrock of high scores to fall back on, they are weaker brands." Analysing this Bordeaux sub-category further, Miles says: "Carruades is in a league of its own and is being genuinely drunk in China. Forts de Latour is a genuinely great wine and will probably sustain a high price. But it will be interesting to see whether Pavillon Rouge and Clarence de Haut-Brion, Petit Mouton and Petit Cheval sustain these levels – a lot of that movement [in price] has been a bit speculative, people have bought the wines thinking they must follow Lafite with Carruades, but there isn't the evidence this is actually happening."

Moving to the Right Bank, it is notable that Cheval Blanc has risen 13 places this year. Miles records "a lot of trade" in the wine; it is the fine wine exchange's 11th most traded label over the last 12 months, and prices have also started to move upwards. "The scores are always good," continues Miles, "and it has the average price around the same as Margaux."

More generally, Miles believes that there is renewed interest in Right Bank Bordeaux, which has stalled in terms of trade over the past few surveys. "The Right Bank brands have done well," he says, ▶

liv-ex power 100

Liv-ex Power 100 2011 (46-100)

Source: Liv-ex.com

Label	Rank	Last year	Move	Total score
Leroy	46	43	-3	319
Bouchard P&F	47	44	-3	321
Eglise Clinet	47	35	-12	321
Pin	49	22	-27	322
Tignanello	50	new	new	326
Masseto	51	31	-20	327
Petit Mouton	52	55	3	331
Rousseau A	53	83	30	335
Lafleur	54	59	5	337
Sauzet E	55	58	3	338
Evangile	56	62	6	344
Pavillon Blanc	57	new	new	346
Louis Roederer Cristal	58	37	-21	359
Conseillante	59	53	-6	363
Haut Bailly	59	56	-3	363
Petit Cheval	61	71	10	365
Solaia	62	65	3	367
Gaja A	63	64	1	368
Vieux Château Certan	64	51	-13	371
Trotanoy	65	66	1	373
Clos Tart	66	new	new	377
Flor Pingus	67	new	new	379
Clerc Milon	67	79	12	379
Roumier	69	new	new	385
Calon Ségur	69	72	3	385
Fourrier	71	new	new	393
Rouget E	72	92	20	396
Léoville Barton	73	61	-12	400
Troplong Mondot	74	46	-28	403
Taylor's	75	48	-27	404
Angerville	76	new	new	420
Smith Haut Lafitte	77	87	10	421
Gruaud Larose	78	new	new	425
Pingus	79	new	new	426
Jaboulet	80	67	-13	427
Armailhac	81	88	7	432
Grand Puy Lacoste	82	new	new	433
Beaucastel	83	41	-42	438
Talbot	83	89	6	438
Fonseca	85	74	-11	439
Comtes Lafon	86	new	new	440
Chapelle Mission	87	new	new	452
Clos Papes	88	29	-59	455
Pesquera	88	new	new	455
Pape Clement	90	80	-10	457
Chapoutier	91	new	new	464
Sandrone L	92	new	new	465
Branais Ducru	92	new	new	465
Mondotte	94	new	new	467
Raveneau	94	77	-17	467
Chave	96	45	-51	474
Dujac	97	new	new	485
Cantemerle	98	new	new	488
Brane Cantenac	99	new	new	490
Henschke	100	60	-40	496

highlighting the strong performance of Angelus as well as sustained trade in Pétrus, which has moved up one place in the table. "The Right Banks have been talked down for a long time and they are starting to claw their way back," he adds. Similarly, Rumsam records: "Pétrus has been very successful out here [in Hong Kong] and we've moved some Clinet [Eglise Clinet], but the volumes are not the same as the Left Bank so it's not as meaningful," he adds, referring to the low levels of production.

On the other hand, former Right Bank phenomenon Ausone has "done badly" in 2011. "It was 10th last year and now it's 23rd, it doesn't seem to have benefited from a broadening out in demand." Miles wonders whether the wine has suffered from its small production, "it's only a couple of thousand cases", as well as too much speculative investment and not enough consumption. "There was a stage when it was the top-scoring wine of every vintage and a lot of investment money piled in, for example, in the 2003 en primeurs it got 100 points and went to £14,000. Then it came off the boil and I think a lot of speculative money is in it."

BURGUNDIAN BIAS

But it's outside Bordeaux that the other major development of this year's results has been produced - in Burgundy. From the new entrants to the biggest risers, it's the famous names from the Cote d'Or that have done well, led by Domaine de la Romanée-Conti (DRC). This one brand, is, according to Miles, "the ultimate rich man's wine - if you are trying to make a statement then this is the ultimate statement". Importantly, it is a truly global brand, with demand across Asia, as well as Europe and the US. It's also, when all five of its Pinot Noir vineyards are combined, quite a sizeable producer, with 6,000 cases on average. "There's enough to go around," says Hibberd, adding that Romanée Conti itself is approaching £6,000 a bottle on average, up 50% over the last 12 months. La Tâche is around £2,000 per bottle and rising, while the more affordable St Vivant and Echézeaux have "come up too". Liv-ex points out that the easiest way to make money out of DRC is to receive a direct allocation from one of its exclusive



Flying fifth: Château Pontet-Canet

agents worldwide because prices typically rise 150-200% between release and their appearance on the secondary market.

However, in this list, Burgundy is hampered by its small production levels compared to Bordeaux. "If you have Burgundy and you offer it on the exchange it sells, but it's still a tiny part of our business," records Miles, adding: "Even DRC is only 0.6% of our trade and for a lot

this year), which she adds "is followed by a huge number of people – Asia is still very much about red wine but the top whites are finding their way onto tables more, something I'd like to see more of, because it's too hot to be drinking all these red wines".

Besides the slowdown in demand for first growth Bordeaux, the rising popularity of super seconds and flying fifths, the sustained interest in second labels, as well as the fast-developing love for Burgundy, it's worth noting a few other trends.

One of these is the comeback in Champagne's fortunes, illustrated by Dom Pérignon's rise to 38th place in the table. "Champagne is becoming more popular," according to Chambers, and BBR's Bilbey says: "You see an enormous amount of Dom Pérignon being

drunk in Hong Kong," although, as Miles records: "Champagne hasn't really developed a Chinese following."

As for Italy, this country is source to 2011's second highest new entry in Tignanello, at 50, while Solaia is up three places to 62. Both labels from Antinori are receiving increased attention as relatively good value Bordeaux alternatives and Liv-ex points out that although Solaia's prices have plateaued since August, recent vintages of Tignanello are up 20% on average, closing the price gap between the wines. This means that today, Solaia, with an average of £1,400 per case, is double the price of Tignanello, compared to 2.5 times more last year. Good scores too are helping the latter wine, which has the same average

of these other brands it is less than 0.1%."

Hence, Cecily Burchett-Chambers, managing director at Corney & Barrow Hong Kong, records the surging interest in Burgundy but bemoans the limited quantities. "The demand is very much Bordeaux focused but buyers are turning to Burgundy massively... a lot are slowing down the amount of Bordeaux they are buying and turning to the great names of Burgundy." Continuing, she says: "The downside is that Burgundy doesn't produce thousands of cases like Bordeaux and supply is becoming an issue." Beyond the insatiable demand for DRC, Chambers picks out Ponsot, Raveneau and Rousseau as brands in favour, as well as Leflaive (up 26 places to 28th in the chart

The Right Banks have been talked down for a long time and they are starting to claw their way back

Top 10: average scores

Pingus	98.50
Guigal E	97.50
Lafite	97.40
Henschke	97.20
Vega Sicilia	97.00
Yquem	96.80
Penfolds Grange	96.75
Ausone	96.70
Krug	96.50
Taylor's (9th equal)	96.50

Top 10: one-year performance

Petit Mouton	128.8%
Pavillon Rouge	128.2%
Clarence Haut-Brion	86.0%
Forts de Latour	81.4%
Petit Cheval	75.0%
Duhart Milon	71.8%
Chapelle de la Mission	64.6%
Beychevelle	64.3%
Lynch Bages	53.6%
Clerc Milon	47.3%

as Duhart-Milon and Lynch-Bages.

Then there's the Rhône, which is notable for its poor performance this year. Beaucastel is down 42 places, Clos des Papes down 59 and Chave 51. "The business for young wines from the Rhône has fallen to such an extent it is pretty much irrelevant," says Miles, blaming a lack of Asian interest in the wines and an overstocked US market, which bought large quantities of the high Parker scoring labels in the '80s and '90s.

Looking ahead, the trend towards seeking out the value in Bordeaux's lesser wines seems set to continue as the economic environment will doubtless worsen in 2012, bills for the high-priced 2010s will have to be paid by springtime next year and the upcoming en primeur campaign is unlikely to engender widespread excitement after a challenging harvest this year, particularly for the Left Bank.

As for the main focus of trade in 2012, Miles believes it will centre on the 2009s as ▶

liv-ex power 100

Biggest risers in top 50

Label	Rank	Last yr	Move
Pichon Baron	22	69	47
Vega Sicilia	36	68	32
Lascombes	43	70	27
Leflaive	28	54	26
Léoville Poyferré	26	49	23
Pichon Lalande	30	50	20
Cheval Blanc	7	20	13
Clarence Haut Brion	44	57	13
Ducru Beaucaillou	14	25	11
Opus One	25	36	11

Biggest fallers in top 50

Label	Rank	Last yr	Move
Le Pin	49	22	-27
Palmer	40	14	-26
Ausone	23	9	-14
Eglise Clinet	47	35	-12
Yquem	24	13	-11
Krug	34	24	-10
Sassicaia	27	21	-6
Rayas	45	39	-6
Salon Mesnil	31	26	-5
Haut-Brion Blanc	37	33	-4

Top 10: average price per 91 case for last five vintages (£)

DRC	21,549
Pétrus	20,638
Le Pin	13,194
Leroy	12,170
Lafite	10,047
Ausone	8,523
Latour	8,103
Lafleur	6,643
Mouton Rothschild	5,923
Haut Brion Blanc	5,761

they “become physical”. “There will be a lot of renewed interest in the 2009s, in particular on the second and third line wines, which are brilliant and don’t look outrageously expensive – and they will be good early, so they can be drunk early, which is good for prices.”

Meanwhile, Miles says of the 2010 vintage: “It is a worry at this stage: it

Liv-ex Power 100 2011: Methodology

A list of all trades on the Liv-ex Fine Wine Exchange from the last year (August-August) were generated and from that we identified a basket of 180 brands. These were then ranked in order of how much monetary value total trade had occurred on the exchange in the last year (Ranking 1).

Where the brand is a grower we then identified a basket of their most famous wines, which we used for all subsequent calculations. We also identified the five most recent vintages for each wine available in the marketplace. For Bordeaux the vintages used were 2006-2010. For other regions this was done on an individual basis.

We then calculated the average score from Robert Parker for each brand for the last five vintages available in the marketplace and ranked them from highest to lowest (Ranking 2). Where no Parker score was available we used scores from *The Wine Spectator*. For Burgundy wines Allen Meadow’s (Burghound) scores were used.

We calculated the current average best price based on merchants’ price lists for each brand for the last five vintages (Ranking 3).

To measure performance, we calculated the average case price for each wine a year ago and compared it to its current price. We also modified the vintages used to ensure we were comparing like with like. The bigger the price increase, the higher the ranking (Ranking 4).

We then multiplied the current average price with an average production figure to get a production weighted average price and ranked the brands according to this (Ranking 5).

Finally, we totalled up the rank number of each brand for all five components to get a score, the lower the score the higher ranked the wine.

Where wines have the same score, the wine that scores better in the most categories is ranked higher.

wasn’t a terribly successful campaign and the prices are very high. And what is going to be a drag on the market is that people are going to be paying for these wines in the next six months.”

As a result he believes: “The first growths have further to fall... because merchants are finding it difficult to sell them but they are not adjusting prices to the full extent. Something has to give and as 2010 bills become due I think we will see more aggressive pricing on those wines.”

Nevertheless, Miles is confident for the market as a whole. He believes that further price adjustments among the fine wine world’s most powerful labels will instigate a resurgence in buying because, as he stresses, “there is a lot of money that still wants to get involved”.

He also points out that the fine wine market “is down a hell of a lot less than equities, so relative to most things wine continues to do really well”.

The short-term forecast may be very different from last year’s tales of escalating

prices, record-breaking auctions and conspicuous consumption, but as Miles concludes, “the medium-term outlook is very exciting”. db

An extended version of this article, complete with the full results for each brand, featured in *The Drinks Business Hong Kong*, and will appear on thedrinksbusiness.com next year.



Photography: G de Laubier

Château Margaux