



## Bordeaux 2017 *En Primeur*: 'Diamonds in the Ashes'

- The **Bordeaux 2017 en primeur** campaign was patchy. **Sensibly priced wines sold well**, but aggressively priced names were rejected by collectors who are ever more aware of secondary market pricing.
- With almost all 2017 wines now released, we have analysed the market to identify the 'must buys' of 2017. We have uncovered **7 wines** which were released at significant discounts to our 'Fair Value' calculation.
- We are recommending **Lafite, Lynch Bages, Montrose, La Mondotte, Leoville Barton, Beychevelle** and **Talbot 2017s** as representing the best value of the 376 wines we analysed.
- The best price performances are likely to come from **Lafite, La Mondotte** and **Beychevelle**.
- The analysis below uses our new '**Value Comparison**' graphs which are now available on all product pages under the tab "Value Comparison".

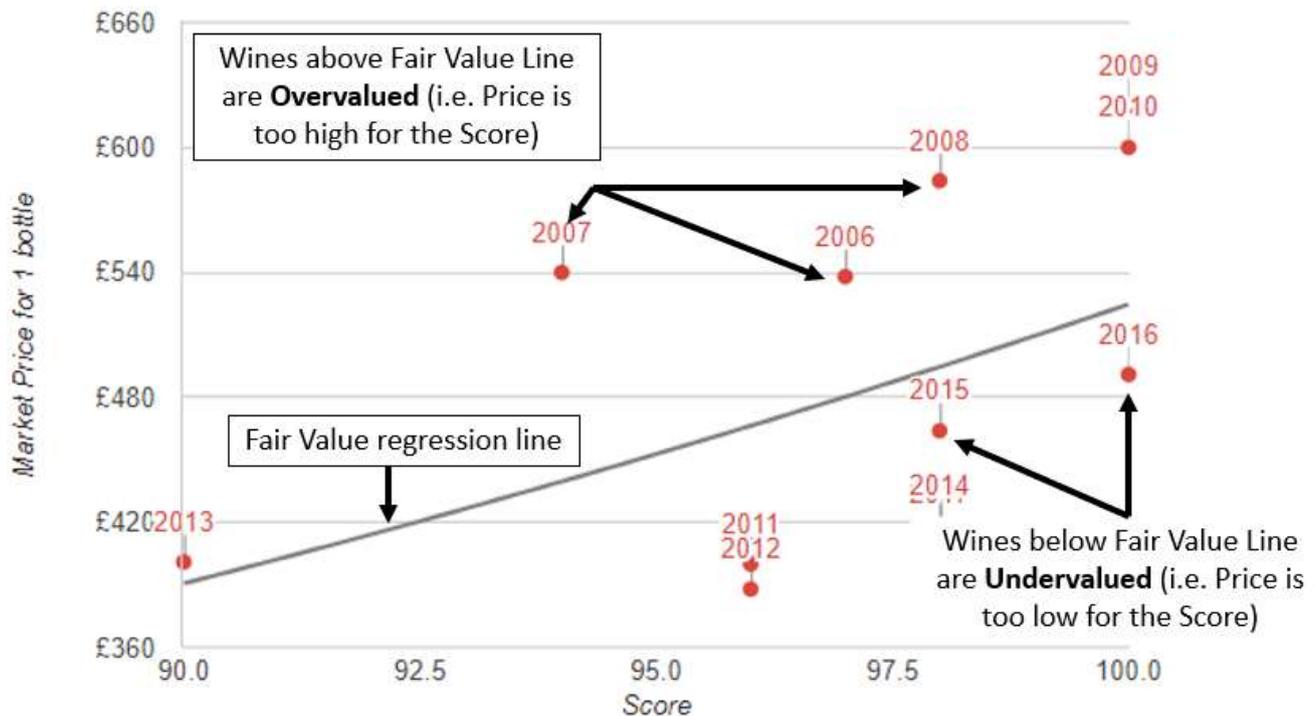
### Summary of Recommendations

This table shows the current prices and our estimate of Fair Value. For the Expected Price in 24 months (when the wines become physical) we assume the wines rise to Fair Value (only) and that FV rises in line with inflation (2.5% per year). We do not assume any upside to the overall fine wine market.

Wine	Current Price	Fair Value Today	Expected Price in 24 months	Total Return (No Storage Fees)
<b>Lafite 2017</b>	HKD 26,420	HKD 31,757	HKD 33,345	26.2%
<b>Lynch Bages 2017</b>	HKD 4,850	HKD 5,190	HKD 5,450	12.4%
<b>Montrose 2017</b>	HKD 6,228	HKD 6,955	HKD 7,303	17.3%
<b>La Mondotte 2017</b>	HKD 7,500	HKD 9,303	HKD 9,768	30.2%
<b>Leoville Barton 2017</b>	HKD 3,444	HKD 3,539	HKD 3,716	7.9%
<b>Beychevelle 2017</b>	HKD 3,448	HKD 4,407	HKD 4,627	34.2%
<b>Talbot 2017</b>	HKD 2,418	HKD 2,736	HKD 2,873	18.8%

## How to Read a 'Value Comparison' Graph:

Our new Value Comparison graphs plot the Market Price of a wine against the highest recognised Critic Score. We then calculate a 'best fit' regression line which represents the "Fair Value" curve for that producer. Any wine *above the line* is technically **overvalued** (too expensive for the score), and any wine *below the line* is technically **undervalued** (too cheap for the score):



## Château Lafite 2017

HK\$26,420 (6x75cl)

**Château Lafite 2017** scored 97-99 points from *Wine Advocate* - who called it "truly stunning". It got solid upper 90s scores from all major critics. Release price was down -7.7% in Euro terms from 2016. Lafite 2017 is clearly undervalued on the Fair Value curve, with only 2011 and 2012 offering similar value from recent vintages (but these are lesser quality and probably shorter lived). This wine sold really well in the first tranche, only rivalled by **Château Margaux 2017** in terms of demand. This is probably the best all-round buy of the vintage. Total return in 24 months looks like a minimum of 26.2%.



## Château Lynch Bages 2017

HK\$4,850 (6x75cl)

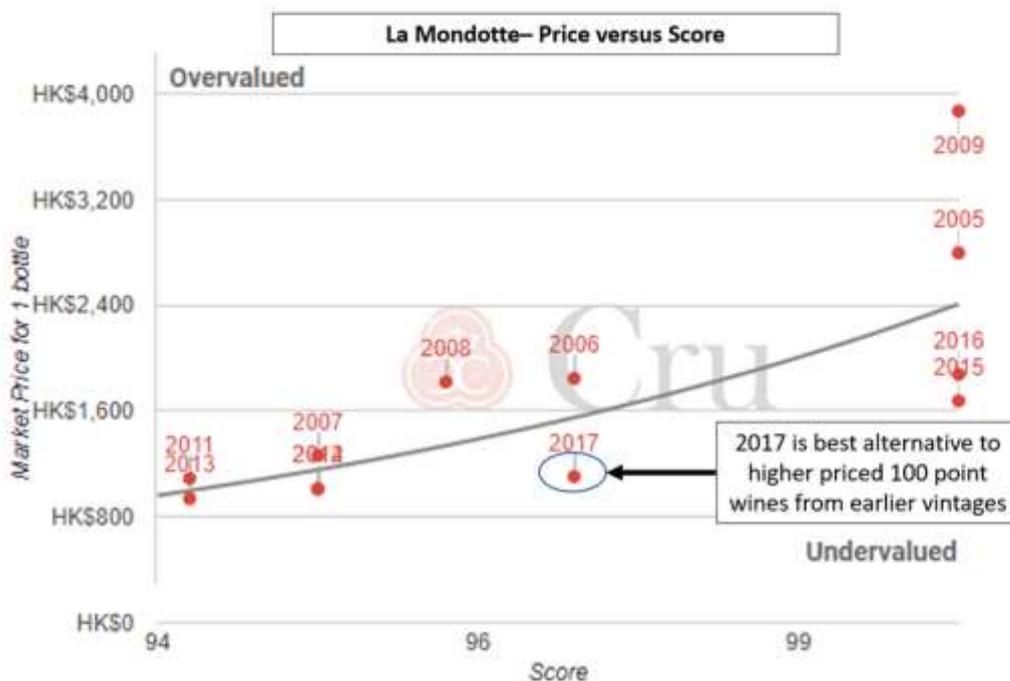
**Château Lynch Bages 2017** was a very solid performer in 2017, scoring mid-90s points with all major critics. Its best score was 95-96 from James Suckling. What got the market excited was the **-21% drop in release price from 2016**. As the Fair Value graph shows, this was a much bigger drop than was merited by the slight decline in yoy quality. It leaves the 2017 sitting alongside the 2014 as the **best value Lynch Bages** on the market today. Total return in 24 months should be a minimum of 12.4%.



## La Mondotte 2017

HK\$7,500 (6x75cl)

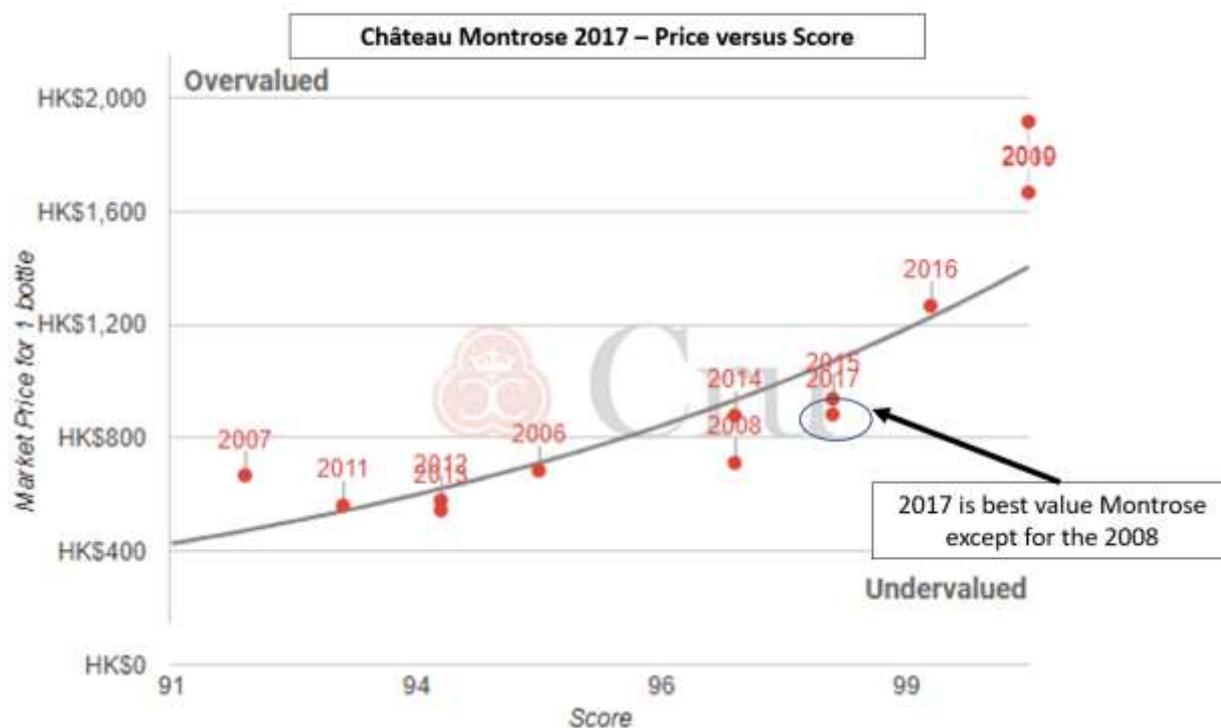
**La Mondotte 2017** is excellent value for its stratospheric ratings. The 2017 delivers again, with 96-98+ from *Wine Advocate*, but is backed by similar scores from all the major critics. This **Von Neipperg** flagship continues to deliver in quality terms; but in price terms we were delighted with a **-41% reduction on 2016** which has left the 2017 below Fair Value and looking like a relative bargain. The 2015 and 2016 also look undervalued on the Fair Value analysis, but the 2017 is a cheaper option. We project that total return should exceed 30% in 24 months.



## Château Montrose 2017

HK\$6,228 (6x75cl)

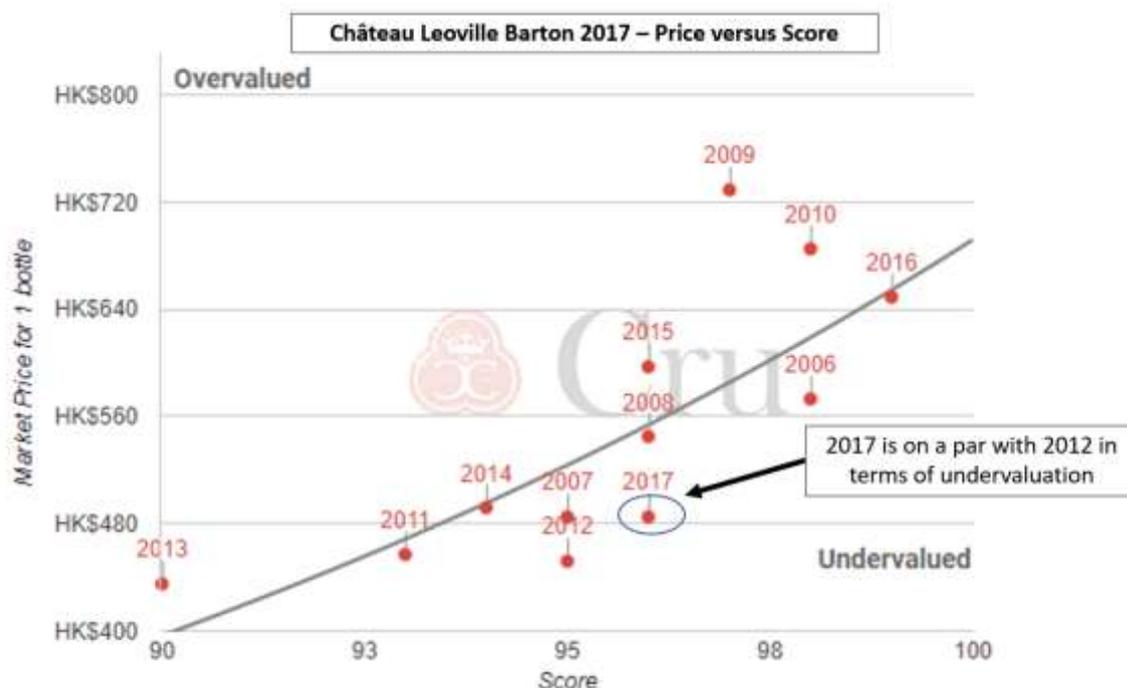
**Château Montrose 2017** was very well received by the world's leading critics. Most intriguing was *Wine Advocate's* score of 96-99. If WA comes in at 99 this wine is likely to pop upwards in price. Based on where the 97-99 point 2016 wine is trading, that should be *at least 50%*. But in its own right the 2017 still looks like excellent value, with only the 2008 at a bigger discount to Fair Value. This looks like a good two-year hold (at least) with a lot more upside than downside potential. Total return should exceed 17% over 24 months.



## Château Leoville Barton 2017

HK\$3,444 (6x75cl)

**Château Leoville Barton 2017** was a very solid performer in 2017, scoring mid-90s points with all major critics. Release price was down -12% on 2016, and currently only the 2012 looks as undervalued on our Fair Value analysis. Given the perennial popularity (especially in the UK market) of this Saint-Julien favourite, this looks like a good value buy for drinking over next 5-15 years or selling when it becomes physical in two years' time. Total return over 24 months should be at least 8%.



## Château Beychevelle 2017

HK\$3,448 (6x75cl)

**Château Beychevelle 2017** is the most undervalued (to Fair Value) wine in this note. Its best score was from Antonio Galloni (92-95) who called it "absolutely gorgeous". Release price was -4.1% lower than 2016, but the 2016 has risen quite steeply in price since release. We expect similar strong price performance from the 2017, as the wine continues to build its appeal in the Far East. Reversion to Fair Value (plus inflation) should see returns exceed 34% over 24 months. **Buy as much as you can at HK\$3,448, it won't be available at that price for long.**



## Château Talbot 2017

HK\$2,418 (6x75cl)

**Château Talbot 2017** is the lowest priced of our Top Bordeaux 2017 recommendations. But it is also one of the most undervalued. Talbot is unusual in having a downwards sloping Fair Value curve. This means that Talbot prices are not highly correlated with score. But what we do see a strong correlation between Talbot and age, i.e. a lot of Talbot gets drunk quite young and so older vintages are hard to source. This is one of the best buys of 2017: great value for drinking and surprisingly good long-term price appreciation potential. Reversion to Fair Value (plus inflation) over 24 months would see a 19% total return.



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