

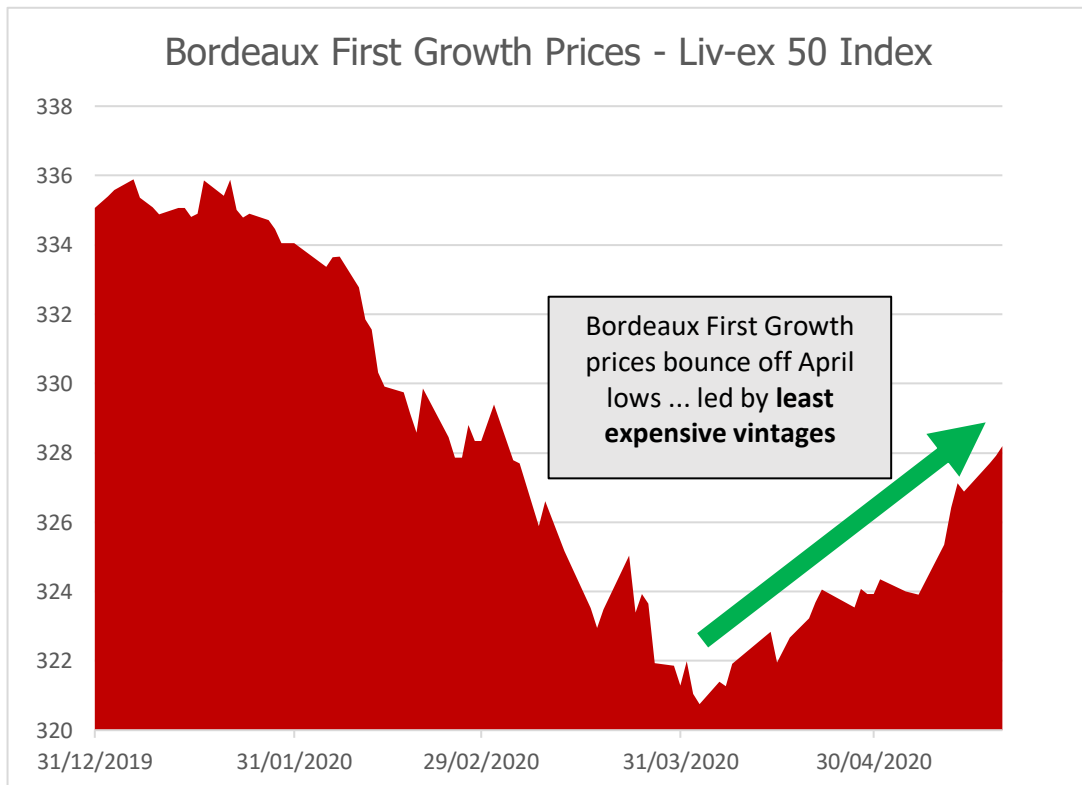


Bordeaux First Growths Prices Bounce Higher – What Comes Next?

- **Bordeaux First Growth** prices have bounced strongly off their April lows, with a number of wines **rising from +4% to +7.5%**.
- Some of the **best performers** have been in more affordable Bordeaux vintages like **2014** and **2012**.
- We believe this **First Growth rally can be sustained** for two reasons: 1) strength in Asian currencies and 2) First Growths are still a long way below their all-time highs.
- In the early phases of Bordeaux bull markets the **best performers** are often the **least expensive** vintages. We would be looking at wines from **2017, 2014, 2012** and **2011** as offering the **near-term investment potential**.

Bordeaux First Growths: Upwards Price Momentum

In our note on 1st March 2020 we speculated that strength of Asian currencies would lift **fine wine** prices. This prediction has been borne by **strong price increases** in a number of **Bordeaux First Growths** since the early April lows.



Lowest Priced First Growths Among the Best Performers

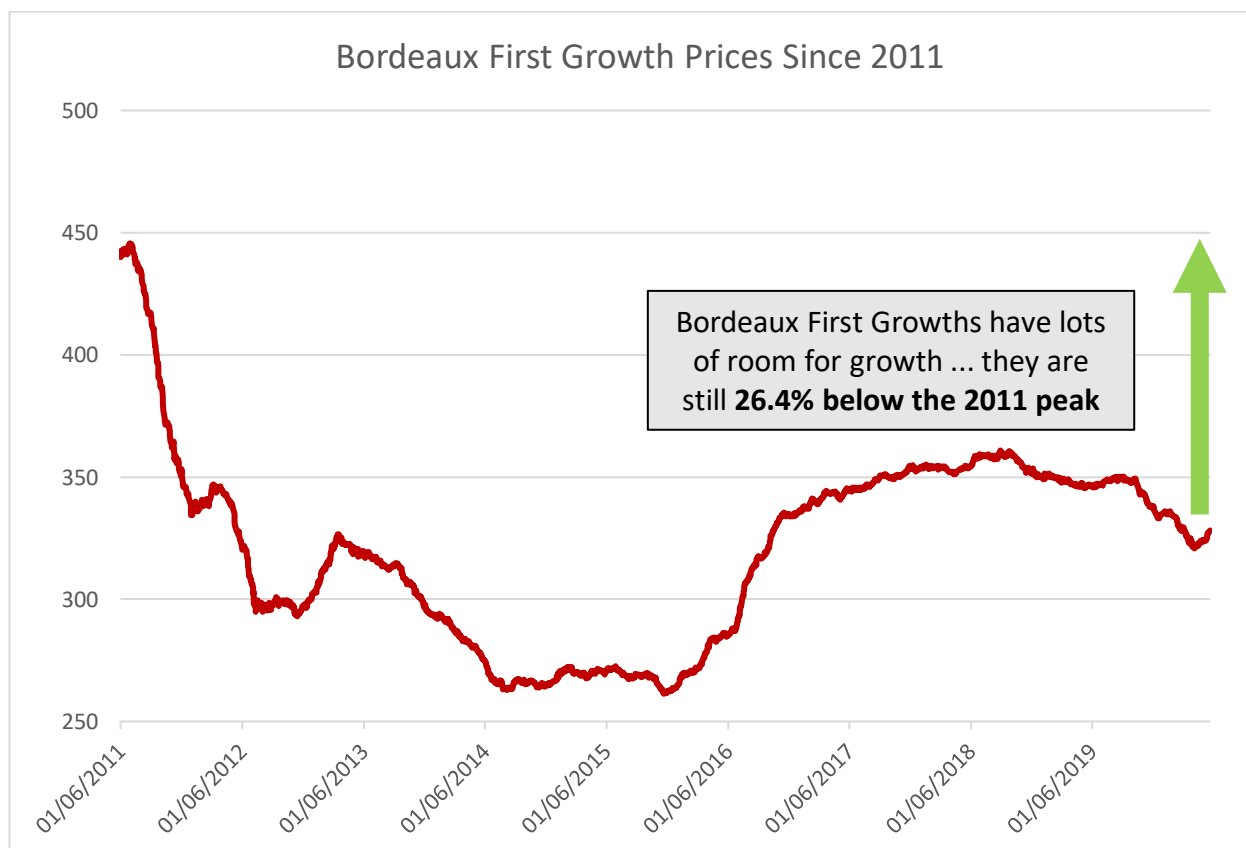
In the past two months the best returning vintages have been (in this order): **2014, 2015, 2010** and **2012**. A number of wines have bounced quite strongly, the best performers being:

Wine Name	Vintage	Price Change: 3 April 2020 - Present
Lafite Rothschild	2016	7.6%
Mouton Rothschild	2012	7.0%
Latour	2010	6.9%
Lafite Rothschild	2014	6.5%
Mouton Rothschild	2014	6.3%
Margaux	2014	5.5%
Latour	2004	5.5%
Lafite Rothschild	2012	5.3%
Lafite Rothschild	2015	5.2%
Lafite Rothschild	2009	5.1%
Mouton Rothschild	2013	4.6%
Haut Brion	2010	4.1%
Haut Brion	2016	4.1%
Lafite Rothschild	2011	4.0%

First Growths Have Plenty of Room for Appreciation

Bordeaux First Growths (as measured by the Liv-ex 50 Index) are still **-26.4% below** their peak of June 2011 (following the Chinese demand bubble).

This suggests that these wines have **potentially significantly upside** as valuations no longer look as stretched versus the rest of the market.



Time to Buy Value?

In previous bull markets for First Growths, the **best performers in the early stages** have often been the **lowest priced vintages**. This is because new collectors coming to the market focus not so much on scores and vintages but on their desire to 'own a First Growth'.

We highlight the **least expensive three vintages** of each First Growth below, and suggest these are likely outperformers if, as we expect, the current positive sentiment towards First Growths – driven by Asian currency strength – is sustained.

Bordeaux First Growths Prices (Cheapest in Green) – per (6x75cl In Bond)

Year	Latour	Lafite Rothschild	Mouton Rothschild	Margaux	Haut-Brion
2018	-	HK\$30,225	HK\$22,913	HK\$24,614	HK\$21,996
2017	-	HK\$23,322	HK\$18,047	HK\$17,306	HK\$17,843
2016	-	HK\$28,080	HK\$24,375	HK\$22,669	HK\$22,757
2015	-	HK\$24,619	HK\$20,719	HK\$47,288	HK\$21,158
2014	-	HK\$23,644	HK\$17,843	HK\$16,868	HK\$15,113
2013	-	HK\$23,888	HK\$18,330	HK\$17,184	HK\$14,869
2012	-	HK\$23,400	HK\$18,281	HK\$17,428	HK\$15,113
2011	HK\$21,450	HK\$23,156	HK\$18,038	HK\$17,141	HK\$15,503
2010	HK\$51,188	HK\$32,663	HK\$26,325	HK\$28,763	HK\$30,956
2009	HK\$44,850	HK\$34,125	HK\$24,863	HK\$29,494	HK\$28,153
2008	HK\$21,791	HK\$33,759	HK\$20,475	HK\$17,672	HK\$16,331
2007	HK\$21,528	HK\$27,788	HK\$19,013	HK\$17,550	HK\$16,331
2006	HK\$20,963	HK\$29,006	HK\$20,378	HK\$17,696	HK\$16,575
2005	HK\$29,981	HK\$32,663	HK\$25,350	HK\$28,031	HK\$29,250
2004	HK\$20,719	HK\$29,006	HK\$19,866	HK\$17,258	HK\$15,990
2003	HK\$31,688	HK\$42,900	HK\$22,328	HK\$22,610	HK\$18,038
2002	HK\$22,425	HK\$29,250	HK\$19,013	HK\$18,252	HK\$16,331
2001	HK\$21,645	HK\$29,250	HK\$20,353	HK\$20,134	HK\$17,501
2000	HK\$40,706	HK\$63,375	HK\$90,188	HK\$36,806	HK\$30,225

If you are interested in purchasing any of these vintages or want any further guidance on building your collection in Bordeaux First Growths, please contact your account manager.

Alternatively, why not bid for some First Growths today using our online Bid for Wine facility:

<https://hk.cruworldwine.com/live-markets>

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