



Cristal 2014 Arbitrage Opportunity for HK Buyers

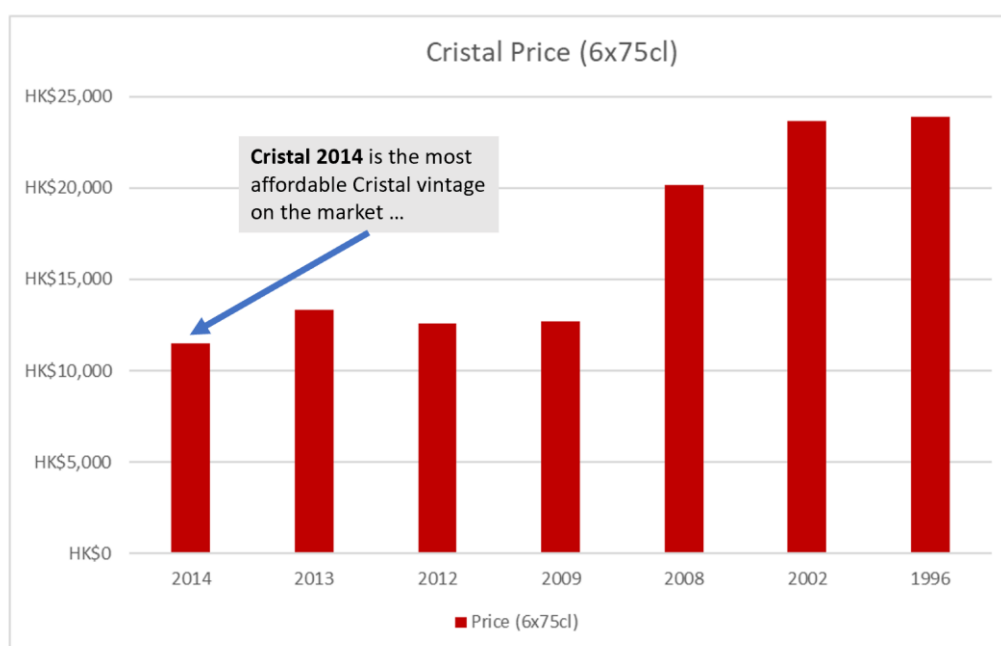
- The release of **Louis Roederer's Cristal 2014** has been a global sell out. Primary market pricing is no longer available in the UK, Singapore, and most major markets.
- But in **Hong Kong**, due special factors not related to fine wine, the primary market not quite cleared. This is a major opportunity for Hong Kong based buyers to take advantage of a **big international arbitrage**.
- Cristal 2014 is cheapest available vintage of Cristal anyway, but the Hong Kong price is currently **13.1% lower** where it is *now* actively trading in London. This discount won't last much longer.
- Champagne continues to be a stunning investment performer, now up **+534%** since 2004.

Hong Kong Discount is a Huge Opportunity in Cristal 2014

The newly released **Cristal 2014** is already **sold out** (at release price) in most major markets.

In the **United Kingdom**, Cristal 2014 is already trading at GBP1,250 (6x75cl), which is over **HK\$13,000**. So why is it still available at HK\$11,500 in Hong Kong? We can only ascribe this to extraneous factors at play in this market at the moment. But we are very confident that this big **international arbitrage** will not prevail for long.

We work closely with Louis Roederer, and we don't believe that any meaningful supply of the 2012 or 2013 vintages of Cristal will now be released. This means that the current 2014 price of **HK\$11,500** should be the low point for *all Cristal* pricing going forward.



Cristal 2014 - Amongst the 'Best Ever' Cristals

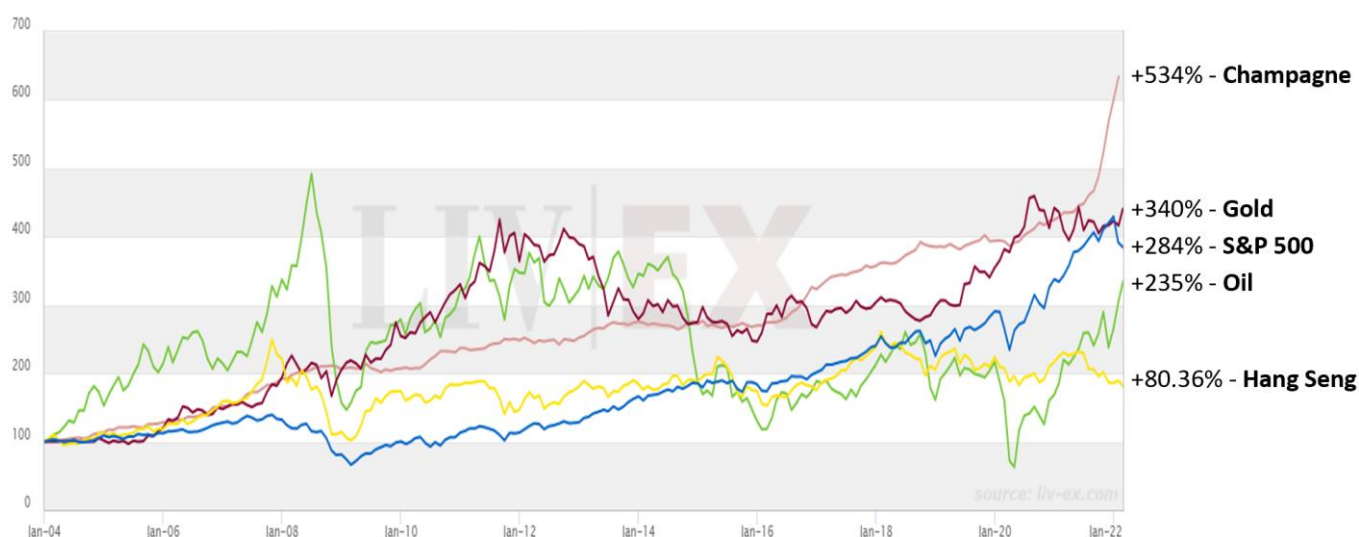
In terms of critic score, Cristal 2014 is second to (almost) no Cristal vintage. The **98 points** awarded by influential critic **Antonio Galloni** is the second highest score Vinous has given to Cristal. Galloni called the 2014 a "*dazzling, vibrant Champagne*" which will drink until 2064! This is what makes the current discounted price (in Hong Kong only) such an especially good opportunity. At HK\$11,500, it is effectively a discount on a discount (a discount to other Cristals, and a discount to other markets!).

Vintage	Vinous	Price (6x75cl)	% Premium
2014	98	HK\$11,500	-
2013	97+	HK\$13,320	15.8%
2012	98	HK\$12,575	9.3%
2009	96	HK\$12,670	10.2%
2008	99	HK\$20,180	75.5%
2002	97	HK\$23,695	106.0%
1996	N/A	HK\$23,905	107.9%

Not many Champagne houses managed to produce a vintage champagne in 2014. This means that anyone looking for a **celebratory vintage** from the **year 2014** will have very few options in the 40+ years of this Champagne's life!

Champagne is in a Pricing 'Super Cycle'

The performance of Champagne is also "dazzling" right now. It is extraordinary to see the dramatic margin by which Champagne has outperformed mainstream assets over past two decades. HK\$1 million put into the Hang Seng index on 1st January 2004 would be worth **HK\$1.8 million** today. Maybe not terrible, *until* you consider that the same HK\$1 million put in Champagne would today be worth **HK\$ 6.34 million!** (Not our numbers, those of independent pricing source Liv-ex.com):



As **inflation** gallops across the world, what is going to stop the performance of the very best Champagnes?

Across our trading desks we see a piling up of demand for these wines, and no additional supply. Perhaps in uncertain geopolitical terms there is no such thing as a "certain winner", but the pricing trend of top Champagne looks very well established.

Surely any individual looking to protect some wealth for the long term needs at least some allocation to top Champagne!

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