

December 2012

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Special Christmas Edition

As we come to the end of 2012, **CAPITAL VINTNERS** is raising a glass to toast a fantastic year. We have expanded our client base, we have added to our dedicated team of sales and research staff, and we will soon be able to offer our customers more ways to buy wine on our new interactive website.

We have been working hard to keep abreast of a turbulent global fine wine market. Our research team has been focusing in particular on the **booming Asian market** and the rise of the Burgundies. Hong Kong – now the wine auction capital of the world – has seen records topple as investors have fallen over themselves to get their hands on the best wines.

As we are now an accredited **London International Vintners Exchange** (Liv-ex) partner, we have more information and data on the fine wine market than ever before (*see overleaf*). We are excited about our position in the market and as we move into 2013, the company will be sure to keep offering our clients the ultimate fine wine portfolio management experience •



Chateau Pavie, now a first growth wine

Latest Global Wine News:



Bordeaux: In the last couple of months, the Bordeaux châteaux have completed the **2012 harvest**, with the lowest yield in 37 years. According to Thierry Coste, an expert with the European Union farmers' union, "when it comes to quality, we are looking at a good year." •

China: Wine consumption in China grew 140 per cent from 2006 to 2010 and by 21.5 per cent in 2011 alone.

Today China is the fifth largest aggregate consumer of wine worldwide, so we have daily reports on the Asian fine wine market in the **Capital Vintners** office •

Burgundy wines, in particular **Domaine de la Romanée-Conti (DRC)**, have seen significant increases in price as we come to the end of 2012. With the CEO of Acker Merrill & Condit calling DRC the "world's most important producer" and some DRC cases breaking records at auction in November, it is clear that this rare Burgundy gem will be a great addition to any wine collector's portfolio •



Bordeaux 2008: There is positive news about this once out-of-fashion vintage, which was notoriously very late. Robert Parker described the vintage as "excellent" and "dramatically better than I had expected," and many are flocking to 2008s in response to the more expensive years surrounding it •

Bordeaux 2010: Robert Parker has already made some very positive comments about the 2010 vintage. Will Gardener of Nickolls and Perks said: "There's no doubt it's a great vintage". There has been strong trade so far, with investors looking forward to the Wine Advocate's review of the vintage, due out in early 2013 •

Rhône 2010: "A great vintage that is extremely close in quality to 2007" according to Parker. Seven wines were awarded 100 points. We are currently specialising in La Mouline, La Landonne and La Turque (referred to as the La La's) – Guigal's Côte-Rôtie single vineyard wines – which are proving to be incredibly popular •

Christmas 2012: Fine wine always sees a boost in sales around the festive period. Added to this, December will see the release of early 2011 Burgundies. The low 2012 crop yield should lead to a high demand for the 2011 vintage •

BORDEAUX FINALLY NAMES WINE CULTURAL CENTRE

After three long years of waiting for a name, the Bordeaux wine cultural centre finally has one: the **City of Civilisations Wine (Cité des Civilisations de Vin)**.

The centre's budget is 63 million euros and is due to open in 2015. Project manager Philippe Massol has reported that construction will begin by April 2013.

Renowned architects Anouk Legendre and Nicolas Desmazières are responsible for the design. The centre hopes to be a flagship building for the region – it will stand 50 metres high and be coated in 3100 glass panels. It is hoped that the centre will attract 400,000 visitors every year •



EYE ON ASIA

Burgundies ended the year strongly in auctions all over the world, in particular Hong Kong.

Domaine de la Romanée-Conti. Remember this wine estate because it is breaking records right now. Three 2005 bottles were sold at a record-breaking price of £14,800 a bottle at an auction in Hong Kong over the weekend. £3.8 million of wine was sold at the auction, with Burgundies featuring heavily.

In fact, **Domaine de la Romanée-Conti wines (DRC)** accounted for nine of the top ten wine lots sold. A case of 1988 Romanée-Conti sold for £83,000.

As Bordeaux wines feel the pinch as the market levels out, Burgundies are filling the gap left behind. With the CEO of Acker Merrill & Condit calling Domaine de la Romanée-Conti (DRC) the “**world’s most important producer**,” it’s no surprise that the Far East is seeing huge sums of money being handed over for these sought-after Burgundies.

After China blew the roof off the fine wine market in 2010, the industry has been looking for the next big economy to lead the way. It might have found that economy in the shape of India.

The **Indian wine market** has been growing at around 25-30 per cent annually and, according to experts, will continue to do so for the next five to ten years. India is now a country of 1.2 billion people, only second in size to China, so the potential is massive for future wine investment. At the moment the per person per year consumption of wine stands at a measly 9 ml (about two teaspoons). So there is clearly space to expand.

It is thought that as much as 80 per cent of wine consumption in India is confined to the very large cities like Mumbai, Delhi and Bangalore. The countryside sees next to no consumption at the moment.



Specific châteaux have tried to ingratiate themselves with the Indian market. For example, Mouton Rothschild employed the Indian-born British artist Anish Kapoor to design their 2009 label. Cos d'Estournel has a rich history with Asia. The Indian upper classes were introduced to the UK's love of Bordeaux wine in the 19th century, especially Cos, with its Indian elephant logo and Zanzibar-themed château.

We will be keeping a close eye on India's wine market in 2013. •

On November 23 the **Chinese Wine Conference** was held in Beijing. The theme of the conference was ‘Let the Chinese People Love Wine’, in an effort to promote wine drinking across this vast country. China is now the fifth biggest market for Burgundy, and the Bordeaux market in Asia is still strong. Hong Kong is now the wine auction capital of the world. The exports to China rose 38 per cent (from last year) to £283 million, so it is clear that China is still the rising star of the fine wine market. •



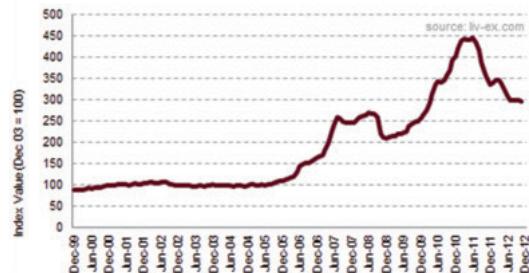
LIV|EX

THE FINE WINE EXCHANGE

Liv-ex partnership

We are pleased to announce that we are now accredited partners of the **Liv-ex**, a relationship we believe will offer our customers the ultimate fine wine portfolio experience. With more data and information at our disposal than ever before, we're confident that we can provide a premium service encompassing buying, selling and storing wine. •

The Liv-ex Fine Wine 50



Capital Vintners Online



Capital Vintners is proud to announce that our new website will be live in January 2013. Our blog (capitalvintners.blogspot.com) provides daily information on the fine wine market and our social media feeds (Facebook, Twitter) provide our followers with a great way of staying up to date with our company's wine expertise. •

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BENEFITS OF THE FINE WINE MARKET

- New opportunities have the potential capital and cultural growth that the wine market offers
- Emerging economies (China) are rapidly expanding their imports of fine wine
- China's wine market is growing rapidly (with a projected 10% annual growth rate)
- The fine wine market has consistently shown double-digit growth for many years

WHY CHOOSE CAPITAL VINTNERS?