

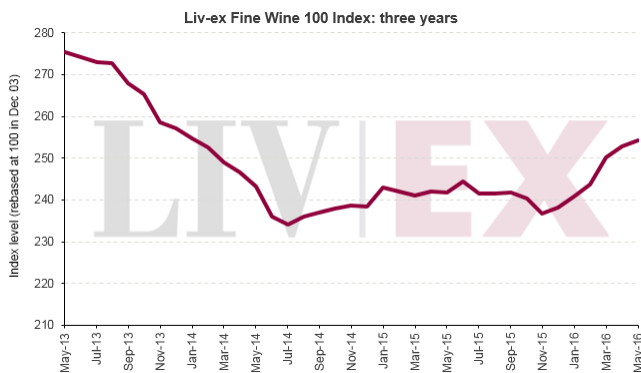
## SUMMER OFFICE DATES

Capital Vintners will close its office for a summer break on the 27th of July 2016 and re-open on the 8th of August 2016.

If you have any urgent enquiries during this time, please email us on [info@capitalvintners.com](mailto:info@capitalvintners.com) or leave a voicemail message by calling our office number on 0207 378 3500 / 0800 077 8007.

## FINE WINE 100 ON A ROLL

The market's benchmark index, the Liv-ex Fine Wine 100, closed June on a high for the seventh consecutive month for the first time since March 2011. This is great news for the market and shows that the optimistic predictions made at the beginning of the year have been entirely correct so far. The market has managed to maintain these month-on-month rises in the midst of an En Primeur campaign, making recent gains all the more unusual. Trade in Bordeaux wines in May was dominated by the "great" vintages of 2000, 2005, 2009 and 2010, accounting for nearly 50% of all activity for the region. Petrus was the most active wine, with Pontet Canet and Pavie taking the lead among second wines. As for June, it was a good month overall for Bordeaux 2009. In particular, Pontet Canet and Pavie continued to see prices rise along with Angelus.



## PARKER RETAINS POWER

The world's most influential wine critic has stepped down from his position as official reviewer of Bordeaux wines... but this doesn't mean he won't dabble in an old passion every now and again. In April, Parker published a column in the Hedonist's Gazette with an update on his scores for several of the 2009s, following a tasting in Baltimore earlier this year. "As I have written and said publicly many times, 2009 is the modern-day version of 1982, except much more consistent," he wrote. "These amazing wines are not only showing their individual, singular terroir characteristics, but the luxurious, extravagant richness and body of this vintage." Pape Clement was the star of the evening, gaining a 5-point upgrade and emerging with a perfect 100-point score. Liv-ex recently announced that Pape Clement 2009 had traded its highest ever market price – showing just how much clout old Parker still has.

## SUBLIME 2015 WINES

The En Primeur market has been through its share of ups and downs, and although this year looks to be no exception, it's the quality of the wines that makes the 2015 vintage really stand out. There had been much comparison between this year's vintage and 2014 in terms of release price - in which case, a 15%+ increase is to be expected - but if critic scores are anything to go by, the 2015 vintage would be better compared to the "greats" of 2000, 2005, 2009 and 2010. Neal Martin wrote: "Three weeks in Bordeaux tasting the 2015 vintage from barrel has unveiled a clutch of wines so sublime that they are certain to become landmarks for their respective châteaux... not necessarily from the most obvious names." Those given potential 100-point scores by Martin were Haut Brion, Canon, Margaux, Petrus, d'Yquem and Vieux Chateau Certan, forming what he called a "narrow pyramid" of quality distribution across the vintage.

## EN PRIMEUR WINNERS

Sentiment surrounding this year's En Primeur campaign has been mixed - the bid:offer ratio in May saw a new high of 1.76, but dropped to 1.1 towards the end of the month. Consumers seem to be reticent to risk entering a market that has shown negative returns in recent years - but feedback from merchants suggests some wines are performing very well. Carmes Haut Brion and Pontet Canet are strong contenders, both having reduced allocations by 40% this year, while Canon, Giscours and Rauzan Segla have received excellent reviews and sold accordingly. Meanwhile, Liv-ex members voted Grand Puy Lacoste best 'value' wine for the sixth year in a row - its opening price pitches it among the best vintages, and critics seem to agree.

## WINE THESAURUS:

**OPULENT:** A bold wine with smooth tannins and lower acidity

**FULL BODIED:** A big bold flavoured wine

**FLESHY:** A wine that tastes fruity and meaty at the same time

"For all the turmoil this year, fine wine prices are rising partly due to the weakness of sterling. Liv-ex price indices of fine wine have risen steadily all year, even more so since the Brexit vote. Indeed, the Liv-ex vintage fine wine indices have outpaced the FTSE 100 (including dividends) this year."

**K. Prothero – Private Investor**

## SECOND WINES IN FIRST PLACE

As has been the picture for most of this year, second wines of the Bordeaux First Growths continue to top the charts in terms of price rises and trade by value. In April, Leoville Las Cases 1996 (98 points) and the perfect 100-point scoring Petrus 1989 and Cheval Blanc 2010 were the top three wines traded by value. Over the last 12 months, the Second Wines 50 index has risen 13.5% and the Bordeaux 500 is up 5.4%, its top three performing wines all second growths - Petit Mouton (19.4%), Carruades Lafite (17.5%) and Clarence Haut Brion (15.1%).



## VALUE IN BACK VINTAGES

Liv-ex has used a loose measure of value called a POP score (price-over-points ratio) to calculate where relative value can be found among back vintages from 2005-2014 of 60 Bordeaux wines. The most value currently lies in the 2014 vintage, with 14 of its wines offering the lowest POP score of their respective back vintages. Overall, 2014 lacks the quality of the 2015 and there is still the inherent risk involved in purchasing En Primeur, but some wines do stand out. The 95-point Lafite has the lowest POP score of all other vintages and is available at a 47.5% discount to the 95-point 2005. The 98-point Haut Brion and 97-point Mission Haut Brion 2012 both also offer excellent value, along with Chateaus Angelus and Palmer of the 2011 vintage.

## CHINA RECOGNISES BORDEAUX

In a country where Bordeaux counterfeiting is rife, owing to China's zeal for fine wine as a commodity and the glamorisation of French wines in Asian culture, news that it will now recognise Bordeaux appellations and protect their legal status is encouraging. The two nations have been 'in talks' on the issue since 2011, and the French agricultural ministry said in June that the agreement was an "historic advance" in the fight against fakes.

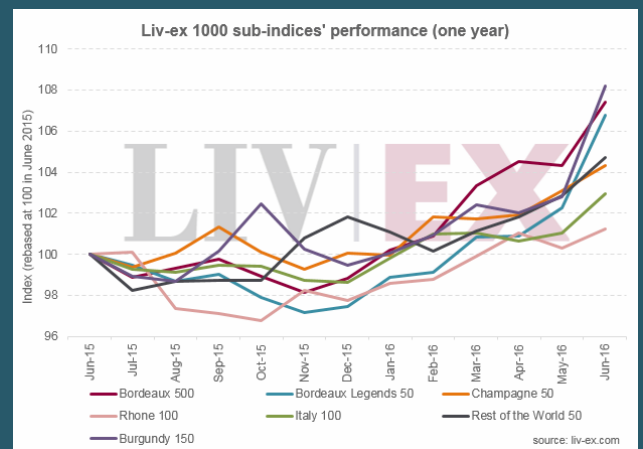
## TOP BURGUNDY MOVERS

In the midst of the En Primeur madness, Burgundy has been quietly topping the charts with high-value vintages from the best producers in the region. In May, those seeing the greatest price movement were Domaine Robert Groffier Bonnes Mares 2010, Domaine Jean Grivot Clos Vougeot 2010, Domaine Armand Rousseau Gevrey Chambertin 2009 and Chambertin Clos Beze 2009, and DRC La Tache 2012. Produced in characteristically low quantities, demand is no doubt due to market scarcity - only 1113 cases of La Tache 2012 (97 points, Neal Martin) were produced as opposed to the usual 1870.

## MESSAGE FROM THE CEO

With the summer season in full swing the fine wine market has been steadily increasing since the EU referendum result just over a month ago and after much speculation on the effect it would have on the exchange rate, it is safe to say that the leave result has created unprecedented demand from foreign investors and drinkers.

The weaker sterling has strengthened foreign purchasing power revealing strong Dollar based buying. The aftermath of the Brexit is seen in Liv-ex reports as the Fine Wine 50 closing at 304.05, its highest level since October 2013. The Liv-ex 1000 sub-indices performance below displays just how good of a year it has been for the market as a whole, gaining 3.4% in June alone.



The en primeur campaign of 2015 is officially over as Cheval Blanc was the last to release its wines. On average the prices were higher than those of 2014 with Cheval Blanc's opening price up 52.9% on the 2014 vintage. This is justified in Neal Martin's review of the vintage as it 'flirts with perfection' scoring it 97-99 points. Additional en primeur successes include Pavie 2015 which scored perfection at 100 points by James Suckling labelling the vintage 'this redefines Pavie... it is the essence of Pavie'.

As you may well be aware the wines we are offering from the 2015 en primeur campaign are those with the most growth potential to satisfy our customers to their fullest. However please also note that historic wine portfolios that were affected in the fall are still trying to recover and in 5-10 years you will be happier knowing that patience has served you justice.

If you have any immediate questions please direct them to us and we will help accordingly. On a final note, I wish you and your families a wonderful summer and look forward to speaking to you all at some point in August. Thanks and all the best.