



## Vintage Wine Market Update – April, 2024

### Fine wine market - A buyer's market

Since the beginning of 2023, the fine wine market has experienced a noticeable downturn in all major growing regions. After more than 2 years of strong and steady price growth, it is evident the performance of the fine wine market has been significantly affected by the combination of economic and geopolitical uncertainties. Auction houses have been a victim to these conditions and reported a decline in total sales revenue for 2023. In addition, the reopening of China hasn't had the expected effect many desired.

UK and Europe have been the strongest markets in 2023, whilst Asian and US buyers have remained cautious. The main question on many minds is has the market bottomed or will price corrections continue. Q1 2024 showed glimpses of stabilization, however, most merchants expect prices to continue dropping.

### En Primeur Bordeaux

The Bordeaux 2023 tastings have finished, and the consensus is 2023 will be a good vintage with some remarkable wines. Neal Martin from Vinous has described it as a "Dalmatian vintage". A vintage which will be approachable at an early stage whilst also offering great aging potential for the top wines.

Left bank Cabernet Sauvignon is set to perform very well especially for vineyards in north Medoc such as St Estephe and Pauillac. Keep an eye out for Montrose, Pontet Canet, Lafite, Pichon Baron and Ducru

Beaucaillou in St Julien. Pomerol and Saint Emilion have also produced some outstanding wines thanks to a great quality Cabernet Franc, not to mention Figeac, Cheval Blanc and Eglise Clinet which are among the best wines produced in 2023.

After months of Bordeaux under-performance in the secondary market and abundance of stock available, an attractively priced En Primeur campaign is ultimately what Bordeaux wine merchants and Chateaux should focus on. In these challenging economic times, the Bordeaux En Primeur offers great opportunities for Bordeaux wineries and the trade to focus their attention on the region. So far, Bordeaux wineries have shown some good will and have considerably lowered their release prices compared to the 2022 vintage. Chateau Lafite for example, probably one of the best wines of the vintage, dropped their prices 31% from the previous year to £4920 per 12 bottles.

We have noticed that there is much commentary attempting to link, or correlate, the fine wine market with financial markets, economic developments, and even monetary policy. This is nothing more than an attempt to lend sophistication to physical assets that have limited production and a constantly dwindling supply as wine is consumed. It is simply supply and demand, which is driven by increased discretionary income, the latest consumer trends, and weather conditions.

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