

# Q3 REPORT

—  
2022



WINECAP

## Executive Summary

Welcome to our Q3 report, examining the trends that shaped the fine wine market over the past three months. We've taken a closer look at how currency affected fine wine's performance, the expansion of the autumn La Place de Bordeaux campaign, the top-performing regions and the most in-demand wines.

### Our key findings include:

---

Equities slid due in part due to interest rate hikes, but the fine wine market remained stable.

---

Weaker Sterling made fine wine prices appear more attractive for USD buyers.

---

Champagne led price performance in Q3 on the back of sustained demand.

---

Many of the new releases through La Place de Bordeaux presented relative value compared to older vintages of the same labels.


---

The promotion of Château Figeac to Premier Grand Cru Classé A in the 2022 Saint-Émilion classification led it to achieve new pricing records.

---

Louis Roederer Cristal 2014 was the most in-demand wine in Q3.

---



*“Fine wine remains a stable and reliable investment, providing much needed diversification and pleasure.”*

# The fine wine trends that shaped the market

The global economic slowdown intensified in the third quarter of the year, due to continued high inflation, supply chain problems and tighter financial market conditions, according to the International Monetary Fund (IMF).<sup>1</sup> Eurozone inflation, which has been rising since November 2021, hit another record high of 9.1% in August, fuelled by soaring energy costs. The British pound fell to its lowest level against the U.S. dollar since 1985<sup>2</sup> and UK and US stocks plummeted.

Contrary to the dim outlook for mainstream markets, alternative assets like fine wine and luxury goods performed well. The leading fine wine indices made gains this quarter, largely driven by Sterling weakness. The Fine Wine 100 index rose 3.2%, while the broader Fine Wine 1000 index went up 2.3% over the past three months.

Champagne was the main force behind the increases, with its regional index up 5.4% this quarter. The closest to 'a luxury good' in the fine wine market, Champagne has been in consistently high demand. In July, the Comité Champagne even announced an increase<sup>3</sup> of the maximum yields to 12,000kg/ha for the 2022 harvest, the highest since the 2008 vintage, on the back of surging

global sales. On the secondary market, Champagne's trade share increased from 11.2% in Q2 to 15.8% in Q3.

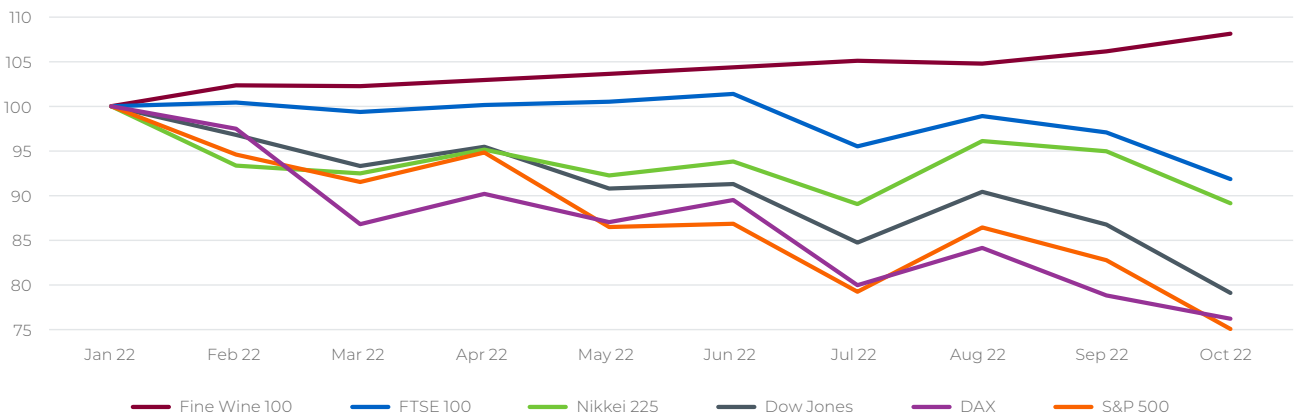
Another region that enjoyed consistently high levels of demand was Burgundy. For the first time, it overtook Bordeaux as the most traded fine wine region in August. In the beginning of September, however, Bordeaux returned to the spotlight thanks to the 2022 revision of the Saint-Émilion classification. Château Figeac was promoted to Premier Grand Cru Classé A status, which led to new price records for some of its older vintages like 2008 and 2013. The more recent 2019 and 2020 also rose in value following the announcement.

The main event this quarter was also related to the prominent French region - the autumn La Place de Bordeaux campaign. Providing another revenue stream for négociants and an opportunity to grow brand awareness for producers, La Place has expanded to see the release of over 100 wines from 32 regions across 11 countries this year alone. The most successful ones were adequately priced and presented value to buyers. Ahead of their new releases, back vintages of Masseto and Opus One – two of the most established La Place stars – traded at all-time highs. Ex-cellar stock of Château Latour 2010 and Château Palmer 2012 were also offered this autumn.

With many predicting a winter of discontent for major markets, fine wine remains a stable and reliable

## Historically low Sterling boosts fine wine prices

Fine wine indices vs mainstream equities



	Current value	MoM	YTD	1yr	2yr	5yr
Fine Wine 100	424.35	1.9%	8.1%	16.4%	36.7%	37.8%
FTSE 100	7,041.13	-3.1%	-4.6%	-2.0%	17.6%	-6.6%
Nikkei 225	26,992.21	-2.3%	-6.2%	-9.8%	12.6%	27.4%
Dow Jones	30,316.32	-3.2%	-16.6%	-16.3%	3.8%	28.2%
DAX	12,670.48	-0.7%	-20.2%	-20.1%	-4.5%	-5.6%
S&P 500	3,774.25	-5.3%	-21.0%	-15.4%	8.4%	44.7%

<sup>1</sup> <https://www.reuters.com/markets/rates-bonds/imf-sees-further-slowdown-global-economy-third-quarter-2022-09-15/>

<sup>2</sup> <https://www.cnbc.com/2022/09/07/british-pound-falls-to-its-lowest-level-against-the-dollar-since-1985.html>

<sup>3</sup> <https://www.decanter.com/wine-news/champagne-2022-harvest-yield-set-is-highest-in-over-a-decade-484517/>

investment, providing much needed diversification and pleasure. In what has turned out to be a very volatile year, the fine wine market looks to be in a good place to face the twists and turns of the final quarter.

On the surface, fine wine prices continued to rise this quarter. The Fine Wine 100 index, which is measured in Sterling, went up 3.2% over the past three months. Historic Sterling weakness boosted the index, which declined when seen in Euro and Dollar terms. The US Dollar hit historic highs against the pound, increasing the purchasing power of USD buyers who took advantage of the newly created opportunities.

Still, in July for the first time in over two years, the Fine Wine 100 index dipped 0.3%. The Fine Wine 50 index, which tracks the performance of the Bordeaux First Growths, also closed the month down 0.7%. These declines were not firm directional shifts, and the indices quickly rebounded. Meanwhile, other markets swung wildly, in part due to recent interest rate hikes, designed to cool inflation by discouraging borrowing.

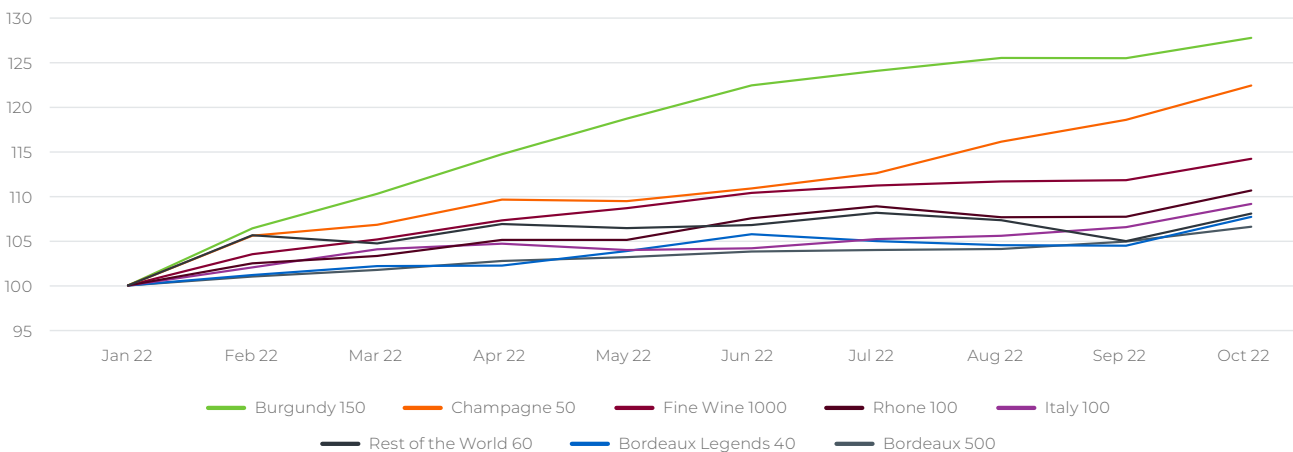
Fine wine remained largely undisturbed by these policies, supported by the performance of wines from Champagne, Italy and Burgundy.

The performance of the broader market was more modest



### Champagne drives the market in Q3

Regional indices' performance year-to-date

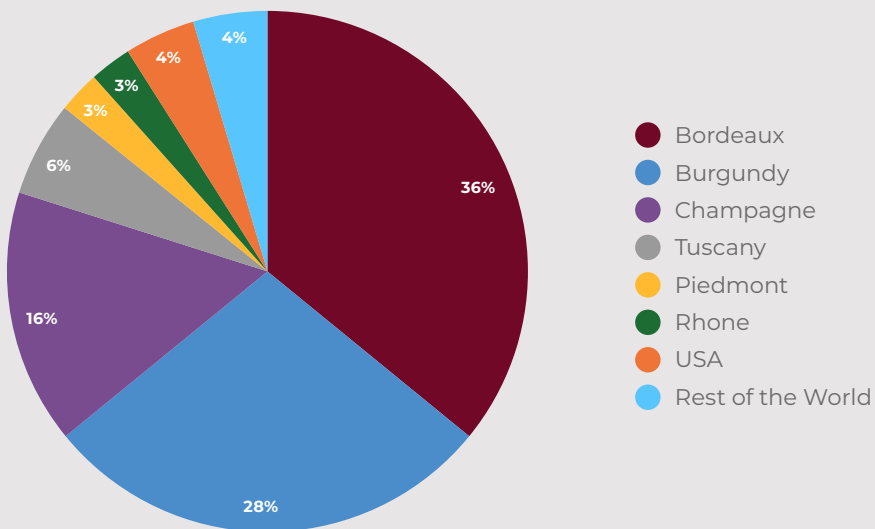


	Current value	MoM	YTD	1yr	2yr	5yr
Burgundy 150	902.75	1.8%	27.6%	41.9%	68.9%	-118.9%
Champagne 50	734.44	3.2%	22.3%	50.4%	74.6%	109.3%
Fine Wine 1000	484.28	2.1%	14.1%	22.0%	37.8%	50.8%
Rhone 100	252.35	2.7%	10.5%	15.0%	29.2%	37.8%
Italy 100	400.52	2.4%	9.1%	15.4%	29.0%	48.0%
Rest of the World 60	376.97	2.9%	8.0%	18.0%	33.4%	33.9%
Bordeaux Legends 40	466.03	3.1%	7.6%	12.0%	21.7%	27.4%
Bordeaux 500	377.4	1.6%	6.5%	9.0%	19.3%	21.9%

than in previous months. While the Fine Wine 1000 index continued its appreciation, three of its sub-indices dipped in July, and one in August. In September, prices rose across all regions and the broadest measure seemed to have fully rebounded after its summer lull. Wines from Champagne, especially Salon 2007, Louis Roederer Cristal 2008 and 2014, and Dom Pérignon 2012, went up the most in value. Champagne even managed to overtake Burgundy as the best-performing regional index over the past year.

### High demand for Burgundy and Champagne fuelled by exclusivity

Regional trade share by value in Q3



*“Compared to last quarter, only Bordeaux, Burgundy and Champagne made gains at the expense of the other regions.”*

Compared to last quarter, only Champagne, Burgundy and Bordeaux made gains at the expense of the other regions.

Burgundy's trade share went up from 25.3% to 28.2%, and in August, it overtook Bordeaux as the most traded fine wine region for the first time in the history of the secondary market. At close to 30%, it now seems to be bridging the gap. Its 2019 and 2017 vintages were at the forefront of trading activity.

As discussed, high demand for Champagne lifted its market share from 11.3% to 15.8%. The most active vintages were 2008 and 2014. By the end of the third quarter, the number of Champagne wines traded surpassed the whole of 2021. Large format Champagne, which tends to command a price premium, was in greater focus.

Bordeaux's share also rose from 35.1% to 35.9%, with activity dominated by Pauillac, Pomerol and Saint-Émilion. 'On' vintages, namely 2019 and 2009, led trade within the region.

All other regions saw their trade shares decline. Demand for Italian wine has weakened this year, and its main pillars – Tuscany and Piedmont – saw their shares of the secondary market slide to 5.9% and 2.6% respectively. By comparison, Tuscany accounted for 8.4% and Piedmont for 6.4% of the market last year.

From the 'Rest of the World', Australia, Spain and Chile enjoyed the highest level of demand, as new releases from these regions hit the market during the autumn *La Place de Bordeaux* campaign.

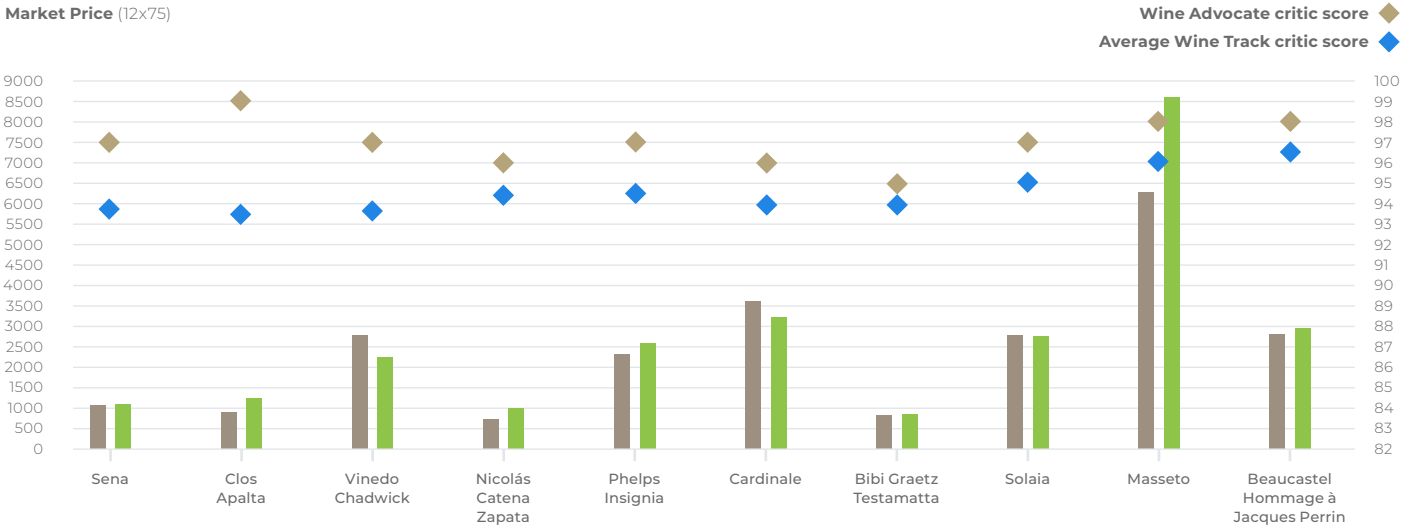




**Assessing the new La Place de Bordeaux releases**

■ New La Place releases Vs ■ brand average prices

Market Price (12x75)



The autumn La Place de Bordeaux campaign, which sees the release of some of the most coveted wines from the New World, has flourished in recent years in line with the broadening of the fine wine market.

The campaign started with the launch of the Chilean brand Almaviva in 1998, the project of Baroness Philippine de Rothschild of Château Mouton-Rothschild. Today over 100 different wines from Argentina, Australia, the USA, New Zealand, Austria, Chile, China, Italy, Spain, South Africa, Uruguay and even French wines from Champagne and the Rhône are available through the prestige distribution network. The table above shows a selection of new releases, including the Super Tuscans Solaia and Masseto, and the Napa Valley icons Cardinale and Joseph Phelps Insignia.

Some, like the 2019 vintage of Clos Apalta and Nicolás Catena Zapata, were offered at a lower price than the average for older vintages of these wines, thus presenting a value opportunity for buyers. Others like Cardinale 2019 and Bibi Graetz Testamatta 2020 were pitched higher, partly due to the brands' momentum. For instance, the average price of Testamatta has risen 11% over the past three months. Meanwhile, Cardinale has provided great investment returns over the last five years, with its value appreciating 100%.



**Masseto** has been among the top-performing La Place brands over the longer term, rising 127% over the past ten years. Its gradual and steady price appreciation has been based on consistent vintage quality, critic scores and age, as its brand image has been built and enhanced over time. Masseto has set an example that other La Place joiners have tried to follow.

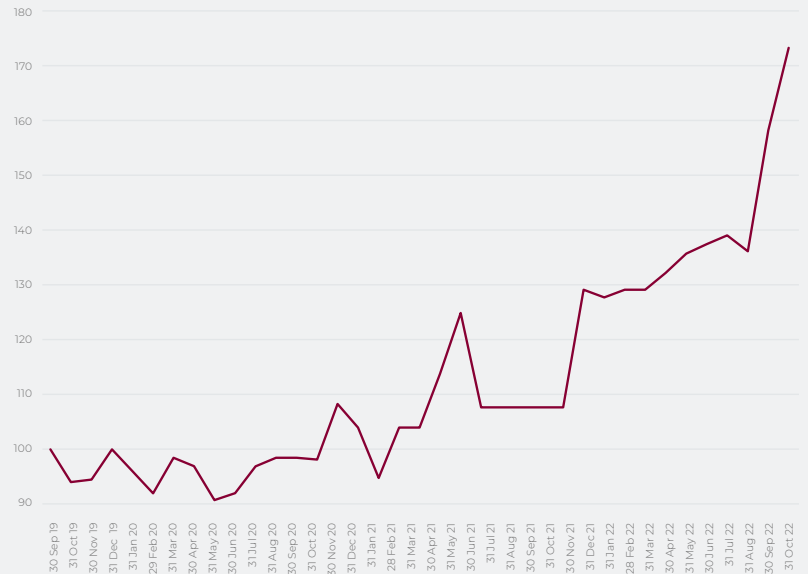


# Wines that break records

*“The 2016 is the most expensive Masseto vintage of the last ten years.”*

Indeed, one of the record-breaking trades in Q3 was for **Masseto 2016** ahead of its new vintage release. The wine changed hands at £10,110 per 12x75, which represented a 68.5% increase on the wine’s release price. The 2016 is the most expensive Masseto vintage of the last ten years.

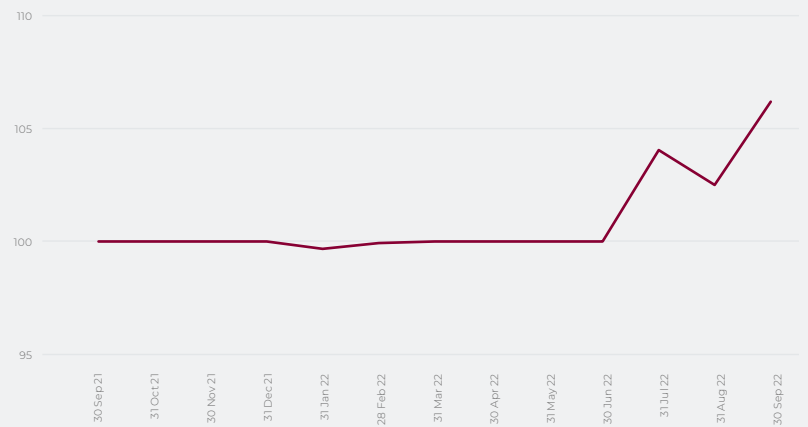
**Masseto 2016**



**Opus One 2018**

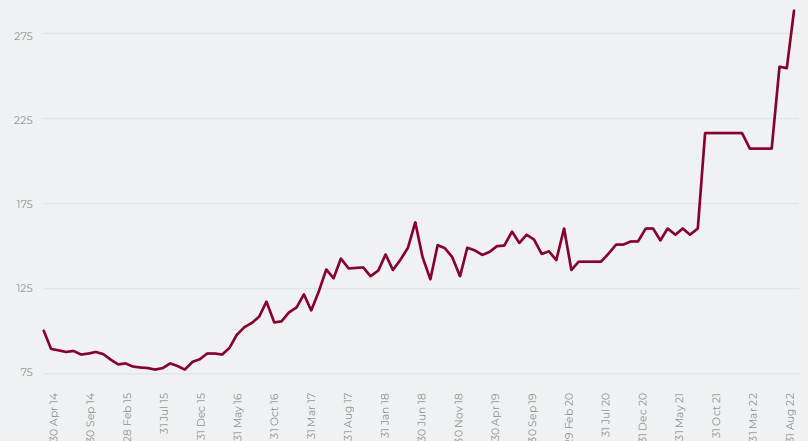


Another wine offered through La Place reached new heights, following its most recent release. The 2018 Opus One 2018 traded for £3,016, up 9.3% on its opening price. The brand has risen 132% in value **over the past ten years**.



Besides the La Place releases, which stimulated demand for older vintages and pushed prices up, the recent revision of the Saint-Émilion classification boosted the performance of **Château Figeac 2013**. The newly crowned Premier Grand Cru Classé A estate set new pricing records for some of its vintages, including the 2013, shown in the chart below. The wine traded for £1,448 per 12x75, up 173% on its release price.

**Château Figeac 2013**



# Louis Roederer Cristal remains the most wanted wine in Q3

## The top traded wines by value in Q3 2022

Wine	Vintage	Current market price (12x75)
Louis Roederer Cristal	2014	£2,395
Louis Roederer Cristal	2008	£3,950
Château Mouton Rothschild	2000	£20,750
Domaine Leflaive, Montrachet Grand Cru	2003	£156,000
Château Lafite Rothschild	2018	£8,008



Louis Roederer Cristal, which has been the most wanted wine this year, led trade by both value and volume in Q3 with its 2014 vintage. The 2008, which was the top traded wine in Q2, came second in the value rankings this time, with its price up 8.4% during this time. Beyond Cristal, Dom Pérignon 2012 and Taittinger Comtes de Champagne Blanc de Blancs 2011 made their way into the volume rankings.

Meanwhile, two 'on' vintage Bordeaux First Growths appeared among the top five by value. With its commemorative golden Augsburg Ram label, the 2000 Mouton Rothschild is one of the most popular investment wines. Its price has risen thirteenfold over the past two decades. By comparison, the 2018 Lafite Rothschild has appreciated 36.7% since its release, but the 'simply stunning' wine boasts 100-points from Lisa Perrotti-Brown MW and is also riding the wave of demand.

## The top traded wines by volume in Q3 2022

Wine	Vintage	Current market price (12x75)
Louis Roederer Cristal	2014	£2,395
Château Talbot	2018	£540
Dom Perignon	2012	£1,980
Taittinger, Comtes de Champagne Blanc de Blancs	2011	£1,179
Château d'Armailhac	2019	£400





# A look ahead to Q4

*“The inflation pressure might prompt buyers to look for fine wines that, first and foremost, offer value.”*

Fine wine's performance in the past quarter has placed it in a good position to face the economic volatility that has already affected mainstream markets. Even within the relatively small universe of this alternative asset class, diversity abounds. The past three months were proof of the increased broadening, both within the market for older investment wines and among the new releases. The expansion of offerings from La Place de Bordeaux shows how robust and global demand for fine wine is at present.

While fine wine prices might no longer be rising at the rapid pace of 2021, some labels have continued to deliver great investment returns. Burgundy and Champagne seem determined to continue their ascent, but it remains to be seen for how long. The inflation pressure might prompt buyers to look for

fine wines from less traditional wine regions that, first and foremost, offer value.

While the winter months will test the strength of the market, fine wine has many assets in its favour and a tipples for every investment taste.

## About us



Our mission is to democratise wine investment, making it more affordable, more transparent and easier to access. With decades of experience navigating the international fine wine market, we offer propositions that translate into maximised profits for our customers. Put simply, we facilitate easy access to wine: a proven, highly desirable asset that has historically delivered stable and substantial returns.

*“We’ve built an organisation over the years that elicits trust, partnership and profitability.”*

We’ve developed our own, bespoke technology that analyses over 400,000 wine prices a day to identify the right, undervalued wines to buy and sell across the global market at the right time and price. By automating this process, we can pass substantial cost savings on to our customers and don’t charge any management fees.

Assuming the role of agent, we analyse our customers’ goals and circumstances and then work to source the optimal wines to create a sound, diversified and profitable portfolio. With our longstanding UK alliances, our customers also benefit from the most developed secondary fine wine market in existence. We’re excellently positioned to buy well and sell high due to our sister companies in Bordeaux and the US. We have an unparalleled global reach as we are strategically positioned in London: the fine wine market hub.

Whether you’re new to the world of wine or a seasoned investor, we work hard to establish a personal relationship with you. Our priority is designing a customised portfolio that meets your objectives, all while ensuring that you retain full and unconditional ownership of your assets. This strategy means we’ve built an organisation over the years that elicits trust, partnership and profitability. We’re proud of the accolades our investors have provided to us regarding the quality and reach of services and we welcome an opportunity to share them with you.



T: +44 (0)207 060 7500 | [hello@winecap.com](mailto:hello@winecap.com)  
[www.winecap.com](http://www.winecap.com)

Registered Office: WineCap Limited, 14 Austin Friars, London EC2N 2HE  
Company No. 08480079 | VAT No. GB174 8533 80 | AWRS No. XXAW00000111012

© 2022 WineCap Limited

