



Has the fine wine market lost its bottle?

With the likes of Lafite recording falling prices, the fine wine market has clearly not escaped the global recession. *Patrick Schmitt* examines the results of the third Liv-ex fine wine power list

Liv-ex Power 100: Top 10

Source: Liv-ex

Region	Wine Name	Position	Total Score	Last year	move	Trade on Liv-ex		Average Score		Average Price		1 year performance		Weighted Production	
						Result	Rank	Result	Rank	Result	Rank	Result	Rank	Result	Rank
Burgundy	DRC	1	92	13	12	2.34%	11	94.23	27	18,135	1	18.10%	51	117,879,938	2
Bordeaux	Latour	2	118	2	0	11.98	2	95.40	10	5,094	7	10.15%	94	74,378,240	5
Champagne	Krug Vintage	3	122	new	NA	0.76%	21	96.80	4	1,940	28	20.20%	45	13,580,000	24
Bordeaux	Mouton Rothschild	4	131	5	1	8.07%	4	94.60	21	3,121	16	11.45%	87	78,025,000	3
New World	Penfolds Grange	5	133	15	10	0.11%	54	95.00	15	1,785	33	38.34%	12	16,068,600	19
Bordeaux	Lafite Rothschild	6	136	1	-5	17.08%	1	95.00	15	4,446	8	7.34%	108	77,812,000	4
Bordeaux	Ausone	7	142	3	-4	2.75%	8	96.90	2	10,220	5	7.56%	107	15,330,600	20
Champagne	Dom Perignon Vintage	8	142	new	NA	0.22%	39	93.20	53	1,216	44	55.13%	5	182,340,000	1
Bordeaux	Margaux	9	145	4	-5	10.30%	3	95.40	10	4,076	9	4.00%	117	67,930,616	6
Bordeaux	Petrus	10	148	8	-2	4.27%	7	94.10	33	15,480	2	9.36%	98	46,440,600	8

ALTHOUGH IT covers Parker scores over five vintages, plus merchant list-price performance over 12 months, it is the trade over a few weeks in October that has dramatically altered the make-up of this, the third fine wine power list printed in *the drinks business*. Notable in the two prior reports, both using Liv-ex data, was the increasing “power” of Bordeaux’s famed first growths, plus, in particular, the extending lead of Lafite. Look at the following tables, however, and you’ll see a scattering of Bordeaux’s crowning labels – notably Lafite is in sixth place behind Penfold’s Grange, while Domaine de la Romanée-Conti (DRC) has taken top spot. What has happened?

Jack Hibberd, research manager at Liv-ex, compiler of this fine wine brand list, accurately sums up the situation: “If we had done this survey in September, Lafite would have walked it.” Essentially, this year’s list is reflecting the initial and intense impact of the economic downturn on fine wine – which really hit the trade in October, and disproportionately affected the first growths.

Around 20%, sometimes more, has been knocked off the peak prices of Bordeaux’s leading labels – a result of both their high liquidity (they are the easiest wines to sell) and also, as reported in previous surveys, the fact their prices have increased the most in recent years. Volume too has played a part: there is still plenty of prized 2005 Bordeaux available for sale, that is compared to the likes of Domaine de la Romanée-Conti. Then there are the latest two Bordeaux vintages, ‘06 and ‘07, to consider, which, relative to 2005, have elicited little trade excitement. And even ‘05, despite the furore and expectation of amazing scores, was only awarded two 100-point wines from Parker.

Overall, proof of this faster fall in prices among Bordeaux’s top brands comes from the Liv-ex

IN EFFECT, BORDEAUX’S LEADING LABELS ARE VICTIMS OF THEIR OWN SUCCESS

indices. “The Liv-ex 100 Index is down 12.4%, but the Claret Chip – which tracks only the Bordeaux first growths – is down 17%,” reports James Miles, founder and MD of the fine wine exchange.

A blow to Bordeaux

When it comes to the individual Bordeaux brands, the real story is in the penultimate column – “one year performance rank”. This reflects the average change in price over the last 12 months, and for first growths and Bordeaux’s top Right Bank wines, the numbers are disconcertingly high – Lafite, Ausone, Margaux, Haut-Brion, Cheval Blanc, Lafleur and Le Pin are all positioned over 100. Pétrus just scrapes under this figure at 98, then Latour at 94, although Mouton, for some time considered to be underperforming, and now believed to be enjoying a renaissance, fairs relatively better, with a performance rank of 87. To compare, last year, most of these wines were ranked within the top 10.

In short, it has been a “tough couple of months for Bordeaux and the results have reflected that”, says Miles, “and next year, the list will probably return to type. The market has had an enormous impact but it is remarkable that Bordeaux’s top wines are still so high [in the chart] – they can get

hammered [on one year performance] and still make it near the top”. After all, unlike the 1855 classification, this list is not merely a reflection of price, but fine wine brand “power” – which is calculated using a range of measures including the percentage of total trade on Liv-ex (around 40% of which is focused on the five first growths), as well as average Parker scores, prices and weighted production (see methodology on page 34 for more).

Nevertheless, in effect, Bordeaux’s leading labels are victims of their own success. As Miles explains: “There are two angles: one, they [the first growths] are easier to sell, so people can bail out, and two, these wines have gone up in price more than anything else. For example, Lafite 2005 has fallen 30% [in price]. This isn’t a wine you can drink anytime soon and people have perhaps realised they didn’t want to hold onto the wine, taking the cash was better.”

Simon Staples, sales director at Berry Bros & Rudd identifies a further cause of the sudden price decline from late September/early October for Bordeaux’s most prized produce. He attributes falling merchant list prices for Bordeaux’s most collectable of wines to an offloading of stock from France. “French négociants that had held onto a few thousand cases of ‘05 Bordeaux have been liquidating this stock because they need cash before the end of November to pay for the ‘07s.” Merchants in the UK have subsequently been pushing the French négociants down in price and stocking up on these wines. “If you can see further than the doom and gloom then ‘05 first growths are a fantastic asset,” he says. “If they are selling at up to 25% less, it has got to be worth it as an investment. We have sold a lot of ‘05 at lesser prices in the last four to six weeks [late October onwards],” he says. ▶

FINE WINE: POWER LIST

Liv-ex Power 100: 11-40

Source: Liv-ex

Region	Wine Name	Position	Total Score	Last year	move	Trade on Liv-ex		Average Score		Average Price		1 year performance		Weighted Production	
						Result	Rank	Result	Rank	Result	Rank	Result	Rank	Result	Rank
Bordeaux	Mission Haut Brion	11	150	7	-4	2.40%	10	94.20	28	2,390	22	14.56%	69	14,340,000	21
Champagne	Salon Mesnil	12	154	new	NA	0.13%	50	95.40	10	2,523	21	34.20%	13	4,037,440	60
Bordeaux	Angelus	13	161	29	16	0.44%	28	94.20	28	1,234	43	30.63%	25	8,329,500	37
Italy	Masseto	14	167	new	NA	0.08%	55	94.20	28	3,290	15	27.04%	30	8,225,000	39
Bordeaux	Pavie	15	168	21	6	0.75%	23	96.40	6	1,421	41	14.81%	68	10,660,500	30
Bordeaux	Yquem	16	171	14	-2	1.99%	12	96.70	5	2,730	19	1.19%	122	22,289,914	13
Champagne	Louis Roederer Cristal	17	171	new	NA	0.87%	20	92.20	78	1,938	29	23.81%	37	58,146,000	7
Bordeaux	Leoville Las Cases	18	175	12	-6	1.17%	16	94.30	26	1,151	47	13.84%	72	20,714,400	14
Bordeaux	Carruades de Lafite	19	189	23	4	4.58%	6	89.10	119	1,070	50	84.00%	2	22,470,000	12
Bordeaux	Haut Brion	20	193	6	-14	6.61%	5	94.10	33	2,950	17	0.30%	128	32,450,000	10
Bordeaux	Cos d'Estournel	21	193	22	1	1.37%	15	94.50	23	902	55	11.58%	85	18,753,280	15
Bordeaux	Eglise Clinet	22	216	16	-6	0.17%	43	93.80	41	1,477	40	67.43%	3	1,772,880	89
Bordeaux	Palmer	23	216	20	-3	0.71%	25	92.90	60	1,198	45	16.77%	60	11,982,000	26
Bordeaux	Montrose	24	220	17	-7	1.68%	13	93.40	48	729	67	15.55%	67	12,150,243	25
Bordeaux	Bellevue Mondotte	25	224	new	NA	0.06%	68	96.90	2	1,732	35	32.19%	22	576,756	97
Bordeaux	Cheval Blanc	26	233	9	-17	2.45%	9	91.60	86	3,559	13	5.30%	114	29,655,480	11
Spain	Vega Sicilia	27	235	new	NA	0.02%	113	93.40	48	1,763	34	36.27%	18	14,104,000	22
Italy	Ornellaia	28	236	18	-10	0.05%	70	93.40	48	913	54	26.56%	31	10,038,600	33
Bordeaux	Troplong Mondot	29	242	45	16	0.26%	38	92.80	61	708	69	32.78%	21	5,311,500	53
Burgundy	Rousseau A	30	242	new	NA	0.04%	83	92.43	72	2,883	18	39.82%	10	4,324,781	59
Bordeaux	Lafleur	31	245	11	-20	0.71%	24	93.40	48	6,372	6	1.83%	120	6,372,400	47
Bordeaux	Ducru Beaucaillou	32	245	28	-4	0.41%	29	94.10	33	752	63	9.42%	97	13,786,416	23
Italy	Solaia	33	248	34	1	0.12%	53	93.80	41	1,149	48	15.57%	66	8,041,250	40
Rhone	Clos Papes	34	250	37	3	0.08%	59	94.00	37	507	83	52.71%	6	3,447,600	65
Burgundy	Comte de Vogue	35	251	27	-8	0.35%	31	93.95	38	3,541	14	10.16%	93	2,655,750	75
Bordeaux	Evangile	36	253	new	NA	0.19%	41	91.20	91	1,042	51	49.34%	7	3,645,600	63
Bordeaux	Lynch Bages	37	253	30	-7	1.58%	14	89.80	107	501	84	25.89%	32	17,535,000	16
Bordeaux	Pin	38	258	10	-28	1.09%	18	93.50	46	10,991	4	-8.70%	142	6,319,710	48
Bordeaux	Duhart Milon	39	260	new	NA	0.76%	22	91.20	91	330	101	59.21%	4	7,599,200	42
Burgundy	Raveneau	40	260	new	NA	0.08%	58	92.60	67	1,127	49	33.29%	20	3,380,538	66

Sparkling debut for Champagne

Beyond the falling power of Bordeaux's leading labels, Champagne is the source of another notable trend in this year's survey – this time in the opposite direction. Champagne brands were in fact not included in the two prior fine wine lists; however, for 2008, it was decided "it would be a better list with Champagne in it", according to Miles, and the following results were calculated using the last five released vintages for each traded brand – ensuring the four leading prestige cuvées of Dom Pérignon, Krug (vintage), Salon and Cristal feature. And even if these labels had been included last year, Miles believes they would have scaled the chart year on year. Certainly the Liv-ex Champagne index has outperformed the Claret chip in recent months, while as Miles adds, "Vintage Champagne differs from Claret in one crucial respect – it is released only when it is ready to drink and, as such, there tends to be less supply in the market."

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Interestingly, Krug vintage leads the Champagne pack, and performs particularly well on score. Could it be underpriced? Looking at the figures it is apparent that while the prestige cuvée's average score of 96.8 suggests it is making first-growth quality wine, its price, at £1,900 a case, appears good value compared to a similar-scoring Latour, at £5,000 per case. However, for Peter Lunzer, co-founder of The Wine Investment Fund, Champagne "is more of a fashion and does not offer the long-term performance you get with Bordeaux". Nevertheless, he does offer a tip: "Buy '88 vintage

Champagne for 21st birthdays next year. For example, Dom Pérignon '88 is reasonably priced at the moment, and I see good reason for a dramatic increase in price next year." And on the subject of DP, it's worth noting its first-place position for "weighted production". Estimates suggest around 150,000 cases are made each vintage release, compared to around 6,000 cases for Krug vintage, or Salon at 2,000 cases. Finally, one might expect Cristal to feature higher up the chart, but, as Miles points out, "although it is the most traded Champagne on Liv-ex, it doesn't do as well on points [average score]".

Burgundy and the Rhône

After Champagne, both Burgundy and the Rhône are proving strong performers. "Last year, the market was all about the first growths, but in the last six months there has been more interest in the Rhône and top Burgundy," records Miles. List leader DRC has been buoyed by a slightly upgraded production figure compared to last year, ▶

FINE WINE: POWER LIST

Liv-ex Power 100: 41-70

Source: Liv-ex

Region	Wine Name	Position	Total Score	Last year	move	Trade on Liv-ex		Average Score		Average Price		1 year performance		Weighted Production	
						Result	Rank	Result	Rank	Result	Rank	Result	Rank	Result	Rank
Burgundy	Leroy	41	261	new	NA	0.01%	138	94.75	18	11,044	3	18.74%	50	5,522,000	52
Burgundy	Bouchard P & F	42	261	new	NA	0.03%	87	94.65	20	4,006	11	17.07%	57	2,003,000	86
Rhone	Chave JL	43	265	new	NA	0.04%	79	94.70	19	1,794	32	13.29%	78	4,486,000	57
Italy	Sassicaia	44	266	new	NA	0.14%	44	93.20	53	767	62	13.23%	79	10,738,000	28
Bordeaux	Pontet Canet	45	268	new	NA	0.27%	37	93.50	46	456	89	16.65%	61	9,571,800	35
Rhone	Guigal E	46	268	31	-15	0.08%	56	95.13	14	2,111	25	7.87%	104	3,165,875	69
Bordeaux	Haut Brion Blanc	47	272	new	NA	0.01%	128	95.90	7	3,904	12	18.84%	49	2,537,730	76
Burgundy	Grivot	48	276	new	NA	0.03%	101	92.50	71	1,861	30	31.14%	24	6,141,667	50
New World	Opus One	49	277	new	NA	0.07%	62	88.40	129	1,510	39	23.20%	38	37,755,000	9
Italy	Tignanello	50	284	40	-10	0.04%	82	91.60	86	607	75	32.00%	23	16,527,125	18
Bordeaux	Leoville Poyferre	51	286	NA	NA	0.46%	27	93.90	39	484	85	7.88%	103	10,074,839	32
Burgundy	Ponsot	52	287	NA	NA	0.07%	65	92.75	66	2,558	20	16.42%	63	2,814,271	73
Bordeaux	Laville Haut Brion	53	287	NA	NA	0.06%	66	93.70	43	2,256	24	13.68%	74	2,256,200	80
Bordeaux	Forts de Latour	54	290	NA	NA	0.66%	26	91.60	86	829	58	11.48%	86	9,952,800	34
Spain	Sissee P	55	291	NA	NA	0.02%	104	94.60	21	2,306	23	5.63%	112	10,376,000	31
Bordeaux	Clos Fourtet	56	291	NA	NA	0.13%	51	93.00	56	429	90	38.81%	11	2,057,280	83
Bordeaux	Pape Clement	57	293	NA	NA	0.05%	71	93.70	43	734	66	16.52%	62	5,870,400	51
Burgundy	Sauzet E	58	294	NA	NA	0.02%	103	93.00	56	1,942	27	36.96%	16	970,800	92
Bordeaux	Conseillante	59	295	NA	NA	0.31%	34	91.10	95	674	70	24.81%	34	3,704,800	62
Bordeaux	Pape Clement Blanc	60	297	NA	NA	0.03%	99	95.80	8	934	53	22.66%	39	467,000	98
Bordeaux	Vieux Chateau Certan	61	298	NA	NA	0.08%	57	93.20	53	799	61	17.60%	53	2,797,200	74
Bordeaux	Pichon Baron	62	300	NA	NA	0.40%	30	93.00	56	537	79	7.74%	106	10,736,000	29
Bordeaux	Lascombes	63	300	NA	NA	0.14%	45	92.60	67	360	96	18.99%	48	7,568,400	44
New World	Phelps J	64	304	NA	NA	0.01%	132	94.80	17	1,159	46	10.35%	92	17,388,000	17
Bordeaux	Beychevelle	65	304	NA	NA	0.27%	36	89.70	111	348	97	35.93%	19	7,647,200	41
Bordeaux	Malescot St Exupery	66	307	NA	NA	0.04%	76	92.80	61	400	91	48.47%	8	2,900,000	71
Bordeaux	Pavie Macquin	67	314	NA	NA	0.03%	90	94.50	23	535	81	20.92%	42	2,406,600	78
Bordeaux	Leoville Barton	68	327	NA	NA	1.02%	19	92.50	70	536	80	0.09%	131	11,800,800	27
Italy	Gaja A	69	329	NA	NA	0.31%	33	94.08	36	1,567	38	-6.01%	140	2,114,944	82
Burgundy	Roumier	70	329	NA	NA	0.01%	129	92.10	79	4,056	10	30.00%	26	2,028,000	85

but its strong performance has mainly been a result of the high scoring and high priced 2005 vintage, and "to be over 2% of our trade is amazing", says Miles. Furthermore, "if a case of Romanée Conti is approaching £100,000 you don't need large volumes" – it is estimated 6,500 cases of DRC are made, and the wines fetch such high values, generally trade is by the bottle.

As for the Rhône, this region has benefited in particular from a run of excellent vintages and lavish praised heaped on the place from Parker. Clos de Papes, up three places, has enjoyed plenty of RP coverage and gained 98 points for its 2006 vintage. As for Rhône 2007, Parker declared it "the greatest vintage I have tasted in my 30 years working in that region".

A month is a long time in wine...

Taken as a whole, this survey displays a dramatic change to previous trends in fine wine brand power, primarily due to one dramatic month in the history of fine wine trading – October (one year

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performance data was calculated from November '07 to November '08). A sudden decline in merchant list prices for certain wines was no doubt caused by the acute financial instability and a resulting "dash for cash", which affected the most liquid and highest value fine wines first: Bordeaux first growths, top Right Bank brands and super seconds. Merchant list prices were 20% below their peak by the end of October, and what surprises Miles is not the size of the price drop – he recalls similar declines during the recession of the early '90s and following the Asian crises of '97/'98 – but the rapidity. From June 2008, the Liv-ex 100 fell 16% in four

months, and two thirds of that in October alone.

So why such an accelerated response? Essentially it can be attributed to the severity of the global downturn coupled with a larger quantity of wine held for investment purposes – allowing for a greater sell-off when the situation turns. Also, crucially, the fine wine market is now far more transparent. The likes of Liv-ex.com means anyone can find out what's happening to fine wine prices at the click of a button.

However, as Miles points out, "Although fine wine can't be immune from the financial dislocation we are going through, the long-term fundamentals haven't changed. The fine wine market is bigger and that won't alter – the socialist economies have gone the free market route and won't go back. That means there are more rich with an appetite for fine wine that won't go away – and although the rich have got poorer that is not a permanent state of affairs." In any case, as Lunzer says, "There are many people for whom £100 to £1,000 is loose change – the likes of a bottle

FINE WINE: POWER LIST

Liv-ex Power 100: 71-100

Source: Liv-ex

Region	Wine Name	Position	Total Score	Last year	move	Trade on Liv-ex		Average Score		Average Price		1 year performance		Weighted Production	
						Result	Rank	Result	Rank	Result	Rank	Result	Rank	Result	Rank
Bordeaux	Pavillon Rouge	71	330	NA	NA	0.33%	32	91.00	96	459	88	14.20%	71	7,573,500	43
Port	Taylor	72	332	NA	NA	0.03%	84	97.80	1	594	77	-0.24%	132	8,313,200	38
Burgundy	Lefflaive	73	334	NA	NA	0.01%	139	91.78	85	1,606	37	28.88%	27	6,425,200	46
Burgundy	Boillot H	74	336	NA	NA	0.03%	100	94.20	28	859	57	17.30%	56	643,950	95
Bordeaux	Pichon Lalande	75	337	NA	NA	1.11%	17	91.50	89	622	72	1.00%	123	9,330,000	36
Burgundy	Cathiard S	76	338	NA	NA	0.01%	136	93.40	48	2,048	26	28.00%	28	153,600	100
Bordeaux	Tertre Roteboeuf	77	353	NA	NA	0.02%	111	90.80	97	1,028	52	40.63%	9	2,056,800	84
Bordeaux	Lagune	78	356	NA	NA	0.03%	98	91.80	81	315	107	37.87%	14	5,043,200	56
Burgundy	Fourrier	79	358	NA	NA	0.07%	64	89.40	114	649	71	37.60%	15	648,667	94
Bordeaux	Branaire Ducru	80	359	NA	NA	0.14%	46	93.00	56	328	103	9.54%	96	4,367,720	58
Bordeaux	Grand Puy Lacoste	81	378	NA	NA	0.20%	40	90.60	101	329	102	13.20%	80	5,099,500	55
Bordeaux	Clos St Martin	82	380	NA	NA	0.01%	121	91.80	81	549	78	101.74%	1	219,700	99
Port	Fonseca	83	383	NA	NA	0.02%	117	95.60	9	524	82	0.46%	126	6,288,000	49
Burgundy	Bonneau du Martray	84	385	NA	NA	0.01%	126	92.80	61	614	74	20.54%	43	2,148,300	81
Bordeaux	Clerc Milon	85	386	NA	NA	0.04%	78	90.80	97	275	115	24.32%	35	3,850,000	61
Rhone	Rayas	86	386	NA	NA	0.01%	130	93.60	45	891	56	16.41%	64	1,335,750	91
Bordeaux	Brane Cantenac	87	391	NA	NA	0.04%	75	90.30	106	302	110	23.86%	36	3,470,700	64
Port	Graham	88	393	NA	NA	0.02%	118	94.40	25	364	94	11.33%	89	3,276,000	67
Bordeaux	Calon Segur	89	393	NA	NA	0.30%	35	90.70	99	363	95	2.84%	119	7,268,000	45
Burgundy	Comte Lafon	90	402	NA	NA	0.01%	140	92.40	73	1,647	36	15.67%	65	1,976,000	88
Rhone	Beaucastel	91	403	NA	NA	0.03%	88	92.80	61	331	99	8.67%	101	5,130,500	54
Burgundy	Drouhin	92	425	NA	NA	0.01%	133	91.80	81	1,326	42	13.07%	82	1,989,000	87
Bordeaux	Climens	93	427	NA	NA	0.01%	124	95.40	10	615	73	0.14%	130	1,382,850	90
Bordeaux	Rausan Segla	94	429	NA	NA	0.03%	92	90.50	102	387	92	13.67%	75	3,208,780	68
Bordeaux	Alter Ego de Palmer	95	429	NA	NA	0.03%	91	88.70	123	292	112	25.31%	33	2,924,000	70
Spain	Numanthia	96	431	NA	NA	0.01%	141	93.90	39	816	59	4.87%	115	2,449,000	77
Bordeaux	Haut Bailly	97	435	NA	NA	0.12%	52	92.30	76	347	98	-4.52%	137	2,883,420	72
Bordeaux	Rieussec	98	438	NA	NA	0.03%	95	94.20	28	331	100	-2.93%	136	2,314,200	79
Bordeaux	Gazin	99	442	NA	NA	0.03%	89	89.80	107	318	105	20.09%	45	636,000	96
Bordeaux	Pavillon Blanc	100	443	NA	NA	0.02%	105	92.10	79	745	64	8.51%	102	745,400	93

of Pétrus is nothing compared to tying up a yacht in the South of France and just turning on the engine every weekend."

Finally there's the issue of supply, which, vitally, is fixed. As Miles states, "The Châteaux won't be making more wine."

FURTHER BRANDS OF NOTE

Penfold's Grange: Up 10 places. Why? It is a perennial Parker favourite, scoring every vintage between 96 to 100. Also, there hasn't been the same price pressure on Penfolds as other wines – prices didn't escalate as rapidly as the first growths (it is the cheapest still wine in the top 10). Finally, it is a very global wine in terms of demand. However, is this a high watermark for Grange?

Masseto: New at 14. Why? "We didn't trade this wine last year and it appears something of an aberration," says Miles. Prices of this 100% Merlot have shown enormous increases, with Parker referring to it as the "Italian Pétrus". Production is 30,000 bottles.

ALTHOUGH FINE WINE CAN'T BE IMMUNE FROM FINANCIAL DISLOCATION THE FUNDAMENTALS HAVEN'T CHANGED

Pavie: Up 6. Why? The price of Pavie has historically not enjoyed high price increases despite its high Parker scores (average 96.4). Liv-ex has reported more trade on Pavie and there is a feeling that perhaps it has been underpriced.

Haut-Brion: Down 14. Why? This first growth is one of the biggest fallers simply because its average price for this year has not increased – it has been hit hard on one-year performance.

Bellevue Mondotte: new at 25. Why? The 2005 vintage was very highly rated by Parker with 99 points and its average price has risen considerably. Production is tiny.

Taylor's Port: First place for average score. Why? This wine leads the Port brands with scores of between 98 and 100 from Parker. Nevertheless, it didn't make the top 50 fine wine brands.

Clos St Martin: First place for one-year performance. Why? "Parker called it the Lafleur of Saint Emilion and gave it 98 points for the 2005," explains Miles. "The result was a five-fold increase in price for the vintage, from £300 to nearer £1,500. All of it went to the US and it's a wine we had never traded until this year."

Carruades de Lafite: Up 4. Why? The second wine of Lafite Rothschild continues to enjoy price increases and appears immune to the economic downturn. Carruades 2004 at £1,150 per case is approaching the price of Haut-Brion 2004 at £1,350. Extraordinary considering its average score is only 89. Much of this wine goes to China.

Le Pin: Down 28. Why? It has only achieved an average Parker score of 93.5 and an average case price of almost £11,000. Could it be overpriced? Also, it only has a 500-case production. **db**

FINE WINE: POWER LIST

INSIDER OPINION

Simon Staples, sales and marketing director, Berry Bros & Rudd

"When things started to go wrong in the economy the 2005 first growths went south, they are down 20-25% on price... but we have sold a lot of '05 at lesser prices in the last four to six weeks. And we tend to go with gut feeling – if it tastes very good we put our faith in it, for example Krug '96, quality will out, and it's the same with Bordeaux '05... However, £500-£600 case price wines may perform better in the next two years as people feel more comfortable drinking them.

If we had had this conversation one month ago [mid October] I would not be as confident as I am but the situation has stabilised a lot in the last two weeks."



Peter Lunzer, co-founder, The Wine Investment Fund

"The price reduction flagged up of late is really focused on young vintages, in particular 2005. The story is nothing like as alarming as that with the older vintages, which have softened slightly, but not nearly to the same extent. Part of the reason for this is that younger vintages have had their prices inflated slightly due to media coverage in emerging markets – as a result the price was coming from a high starting point and consequently has fallen further. The emerging markets have only been significant purchasers of fine Bordeaux wines for a short period, so the effect is much less pronounced with older vintages."



Miles Davis, partner, Wine Asset Managers

"By the year end the time to sell will have been and gone and those with cash can go bargain hunting in the first quarter of 2009. We hear from merchants that there have been many private collectors dumping their stocks of fine wine, either in a belief that prices would fall or because they want to trade out of relatively strong performing wine into distressed equities. The 2005s have been hit the most, having risen the highest earlier in the year and are beginning to look relatively sensible. The best short-term trade was out of first growths into second liners at the end of last year as they tend to be more defensive in down times due to their drinking credentials, but don't perform as well in the good times."



BRAND PARKER

Fine wine can rarely be discussed without the mention of Robert Parker – the results of the survey are partly based on his 100-point scoring system. However, while historically fine wine prices been closely correlated to Parker scores, there is little doubt his influence today is waning. It is now widely felt the market follows a global consensus of opinion, notably illustrated by Pavie 2003 – Jancis Robinson said the wine tasted like jam while Parker gave it 100 points. The effect? The wine's price rose less than other Bordeaux 03s.

Furthermore, it appears the strength of the brand's image is rising above the leading commentators' opinions. Carruades de Lafite is a clear example of this, enjoying the benefits of the Lafite name, and subsequently rising prices, despite an average score of 89 in the last five vintages. As Peter Lunzer believes, "Brand consciousness is increasing about the same time as Parker influence is waning. The brand side will probably take over but when is hard to judge."

METHODOLOGY

Firstly we generated a list of all the trades on the Liv-ex Fine Wine Exchange from the last year (November-November) and from that list identified a basket of 181 brands. These brands were then ranked in order of how much monetary value total trade had occurred on the exchange in the last year (Ranking 1).

Where the brand is a grower we then identified a basket of their most famous wines, which we used for all the subsequent calculations. We also identified the five most recent vintages for each wine available in the marketplace. For Bordeaux the vintages used were 2003-2007, for Burgundy 2002-2006 and for Rhone 2001-2005. For other regions this was done on an individual basis. For Ports and Champagnes the last five declared vintages were used.

We then calculated the average score from Robert Parker for each brand for the last five vintages available in the marketplace and ranked them from highest to lowest (Ranking 2). Where no Robert Parker score was available we used scores from the *Wine Spectator*. For Burgundy wines Allen Meadow's (Burghound) scores were used.

We calculated the current average best price based on merchants price lists for each brand for the last five vintages (Ranking 3).

Fourthly, we calculated the average best price based on merchants price lists for one year previously for each brand for all vintages from 2000 onwards and compared it to the current average list price. We ranked the brands on the percentage difference between the two prices (Ranking 4).

We then calculated a provisional score by totalling up the rank number of each brand for the four components. With the top 100 brands (the 100 lowest scores) from the provisional rankings we multiplied the current average price with an average production figure to get a production weighted average price and ranked the brands according to this (Ranking 5).

Finally, we totalled up the rank number of each brand for all five components to get a score, the lower the score the higher ranked the wine. In the event of two wines having the same score, the brand with the most "wins" against the other was ranked higher.