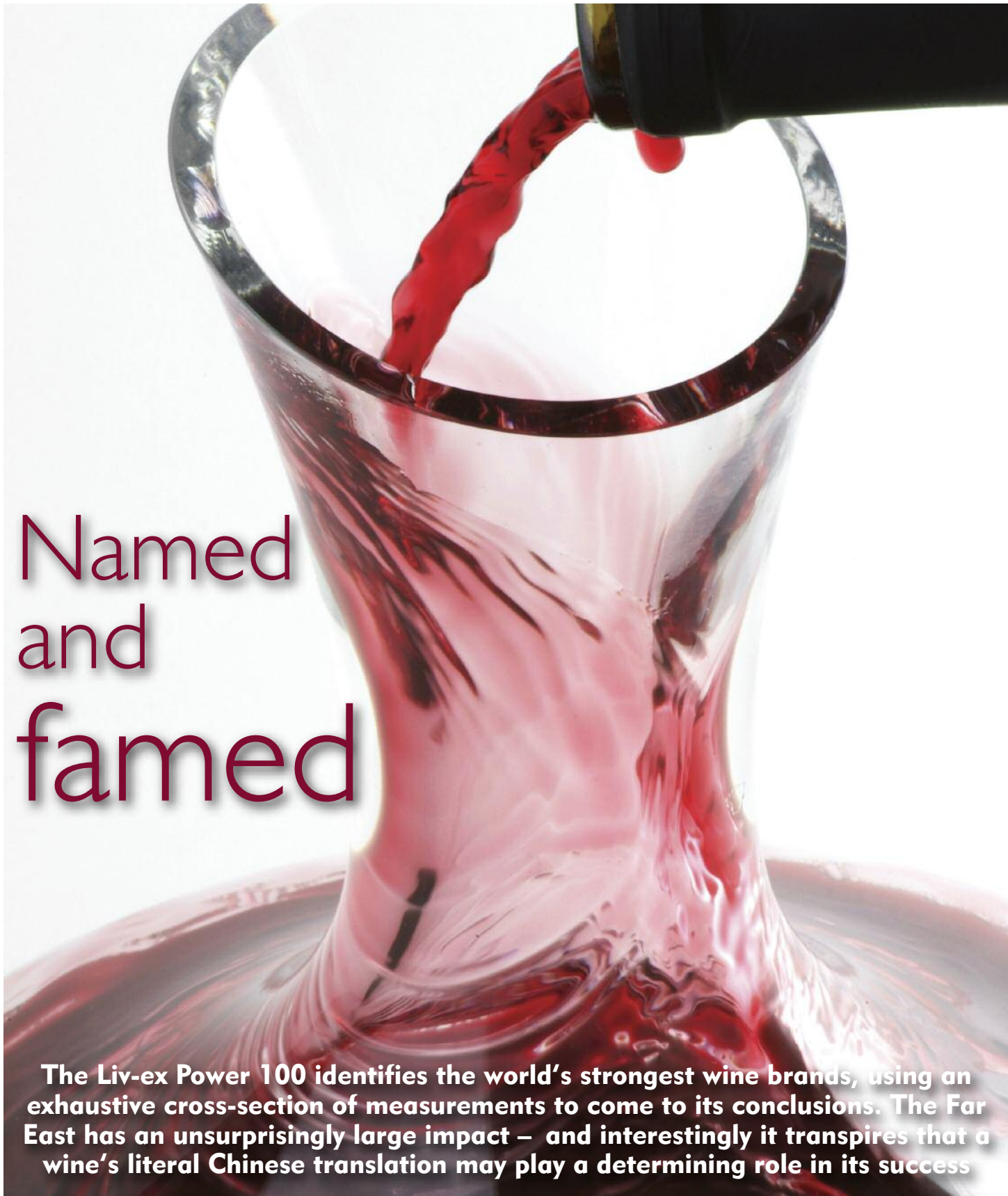


## FINE WINE POWER LIST



Named  
and  
famed

**The Liv-ex Power 100 identifies the world's strongest wine brands, using an exhaustive cross-section of measurements to come to its conclusions. The Far East has an unsurprisingly large impact – and interestingly it transpires that a wine's literal Chinese translation may play a determining role in its success**

Liv-ex Power 100: Top 10														LIV-EX The Fine Wine Exchange	
						Trade on Liv-ex		Average score		Average price		1 year performance		Weighted production	
	Label	Rank	Total score	Last year	Move	Result %	Rank	Result	Rank	Result	Rank	Result %	Rank	Result	Rank
Bordeaux	Lafite Rothschild	1	23	6	+5	23.00	1	95.70	9	4,187	7	26.64	3	73,263,894	3
Bordeaux	Mouton Rothschild	2	82	4	+2	9.25	3	94.60	20	2,771	16	9.84	39	69,271,523	4
Burgundy	DRC	3	88	1	-2	2.36	9	95.90	7	12,693	2	6.46	68	82,502,147	2
Bordeaux	Pétrus	4	143	10	+6	2.92	8	94.50	26	14,519	1	0.97	99	43,557,600	9
Bordeaux	Latour	5	156	2	-4	11.76	2	94.90	17	3,635	10	-5.58	122	53,071,000	5
Champagne	Krug Vintage	6	157	3	-3	8.00	22	96.00	5	1,806	34	3.35	88	45,150,000	8
Bordeaux	Angelus	7	157	13	+6	1.30	15	94.50	26	1,136	46	11.84	28	7,668,416	42
Bordeaux	Margaux	8	167	9	-1	5.77	4	94.80	19	3,036	14	-5.59	123	50,605,423	7
Bordeaux	Ausone	9	174	7	-2	2.09	11	96.90	2	7,732	5	-11.36	131	11,597,633	25
Bordeaux	Haut-Brion	10	175	20	+10	5.31	5	94.90	17	2,656	18	-6.20	124	29,216,000	11

**UNFOLDING OVER** the following pages is the Liv-ex Power 100, the only survey that rates and ranks fine wine labels according to the strength of their brand. Crucially, it's not dependent entirely on price – as was the basis for Bordeaux's infamous 1855 classification. Neither is it a result devised according to production alone, or even just the volume traded on the secondary market. It's also not an assessment using nothing more than commentators' scores. No, this unique study is an examination of all these factors – price, trade, score, and production – aggregated and averaged, before acknowledging price appreciation over the last 12 months, to determine the "power" of any particular fine wine. Yes, this may be a subjective concept, but it is measured using tangible and traceable factors.

So, while DRC may be the most expensive wine traded on this list, it's not the fine wine trade's most powerful brand. Why? Its 6,500 case production is not enough to rock the market. Then there's Taylor's Port: yes it has the highest average Parker score, but not the price appreciation to entice, for instance, the fine wine fund manager. As for one-year price performance, Carruades de Lafite can't be beaten, but it lacks the scores or long-term average prices to trouble the first growths – that is, yet.

In other words, it is only when one looks at a range of criteria that one can get an accurate sense of the true strength of any one of these impressive products. And that's what this list achieves.

Further, this survey does not just contain a current snapshot of brand power. With historic data stretching back over four years,

## IF YOU ARE A MERCHANT YOU ARE GOING TO PROMOTE THE WINE THAT YOU'LL MAKE THE MOST MONEY ON AND LAFITE WILL PAY A LOT OF THE BILLS

November 2009's results can be used to chart the progress of fine wine brands year on year.

Now, having emphasised the nature and value of the Liv-ex Power 100, we can turn to the trends that it reflects, before looking in detail at any results that surprise.

It must firstly be noted that this year's list is markedly different to 2008's Power 100 because the market is in a more settled state. Essentially, the panic that characterised late 2008 has passed. Last year's scores, like this year, were compiled in November, and therefore incorporated the October, post-Lehman market crash, which affected the first growths – the most liquid labels – first, and hardest.

During this time the trade was witnessing a 20%-plus drop in prices of Bordeaux's leading labels, and so poor were the one-year performance results, Lafite, for example, fell to sixth place, behind Penfolds Grange.

However, this year Lafite has returned to top spot. This is not just a sign that the market for first growth Bordeaux has

recovered, but that demand in Asia, above all China, has strengthened, pulling the fine wine market out of recession.

### Asian persuasion

Crucially, the number of Chinese fine wine consumers has increased along with this country's GDP and Lafite is Asia's most desired fine wine brand. In fact, if one looks at the penultimate column, the top five wines ranked by "one-year performance", all are labels loved in the Far East: Carruades de Lafite, Duhart Milon, Lafite, Beychevelle and Clerc Milon. Why these brands? Speculation surrounds the adoption of certain wines over others, but, as James Miles, Liv-ex director, suggests, "These are all traditional clarets: they are all left bank wines that are made in decent volumes."

Lafite in particular benefits from its pronunciation in Chinese: *lafay*, "which rolls off the tongue nicely", points out Miles. It also outscores the other first growths; the châteaux has now bought a vineyard in China, and has, like other top clarets, a website in Chinese. Still, no one is quite sure why it has such a following. What is clear is that its leading position is being continually enhanced, because "if you are a merchant you are going to promote the wine that you'll make the most money on and Lafite will pay a lot of the bills", Miles says, adding that this one brand has accounted for 23% of the business through Liv-ex this year alone.

The chart also highlights the improved performance of Mouton-Rothschild. It has progressively moved up the list, from fifth, to fourth and second place this year. One reason for this may be improved scores, ▶

## FINE WINE POWER LIST

Liv-ex Power 100: 11-40															LIV-EX The Fine Wine Exchange	
						Trade on Liv-ex		Average score		Average price		1 year performance		Weighted production		
	Label	Rank	Total score	Last year	Move	Result %	Rank	Result	Rank	Result	Rank	Result %	Rank	Result	Rank	
Bordeaux	Pavie	11	178	15	+4	0.89	19	96.00	5	1,351	43	4.90	82	10,133,537	29	
Italy	Ornellaia	12	178	28	+23	0.33	34	94.00	36	1,060	52	10.6	32	11,665,412	24	
Bordeaux	Carruades de Lafite	13	181	19	+6	3.83	6	88.90	121	1,383	41	55.75	1	29,049,168	12	
Bordeaux	Palmer	14	181	23	+9	0.54	29	94.20	31	1,140	45	8.58	50	11,400,000	26	
Bordeaux	Yquem	15	182	16	+1	0.97	18	96.80	3	2,584	19	-9.12	128	21,097,755	14	
Spain	Vega Sicilia	16	185	27	+11	0.16	51	92.80	62	1,880	31	13.23	21	15,040,000	20	
Bordeaux	Léoville Las Cases	17	189	18	+1	1.69	12	95.10	15	1,045	53	1.95	93	18,807,452	16	
Bordeaux	Ducru Beaucaillou	18	195	32	+14	0.24	41	94.10	33	709	66	10.38	34	13,005,326	21	
Italy	Masseto	19	195	14	-5	0.21	43	94.60	20	3,702	9	4.56	84	8,144,524	39	
Spain	Sisneck P	20	198	55	+35	0.10	90	94.60	20	2,485	20	9.71	41	11,181,631	27	
Bordeaux	Cheval Blanc	21	201	26	+5	3.78	7	93.30	52	3,445	11	-3.60	118	28,710,076	13	
Bordeaux	Cos d'Estournel	22	203	21	-1	1.02	17	94.10	33	774	61	5.87	73	16,100,764	19	
Rhône	Guigal E	23	204	46	+23	0.42	32	95.60	10	2,393	23	5.78	74	3,588,750	65	
Bordeaux	Pontet Canet	24	205	45	+21	0.58	28	94.10	33	471	83	11.54	31	9,892,457	30	
Burgundy	Rousseau A	25	206	30	+5	0.15	55	93.38	51	2,664	17	12.60	23	3,996,037	60	
New Wolrd	Penfolds Grange	26	220	5	-21	0.23	42	96.20	4	2,145	26	-12.47	133	19,306,289	15	
Champagne	Dom Pérignon Vintage	27	229	8	-19	0.21	44	92.80	62	1,124	47	5.60	75	168,571,564	1	
Burgundy	Leroy	28	230	41	+13	0.06	74	95.81	8	9,913	4	2.95	89	4,956,617	55	
Burgundy	Leflaive	29	231	73	+44	0.49	30	91.80	83	1,847	32	9.49	42	7,387,225	44	
Bordeaux	Mission Haut-Brion	30	234	11	-19	2.28	10	93.80	44	2,017	28	-9.58	129	12,102,042	23	
Bordeaux	Lascombes	31	240	63	+32	0.59	27	92.40	72	407	91	15.26	15	8,552,637	35	
Bordeaux	Pin	32	241	38	+6	0.64	24	93.50	47	11,845	3	-5.18	121	6,811,085	46	
Bordeaux	Duhart Milon	33	245	39	+6	0.83	21	91.60	88	366	98	33.13	2	8,418,000	36	
Italy	Solaia	34	246	33	-1	0.10	61	93.40	49	1,348	44	7.27	60	9,433,656	32	
Bordeaux	Pichon Baron	35	250	62	+27	0.36	33	92.60	70	529	76	9.33%	43	10,580,000	28	
Bordeaux	Pape Clement	36	251	57	+21	0.07	69	93.00	58	739	62	15.80	12	5,909,619	50	
Bordeaux	Lafleur	37	252	31	-6	0.87	20	93.60	45	5,977	6	-11.47	132	5,976,649	49	
Burgundy	Raveneau	38	254	40	+2	0.19	47	92.90	60	1,062	51	12.29	25	3,186,547	71	
Italy	Sassicaia	39	257	44	+5	0.60	26	94.00	36	912	57	-3.48	116	12,767,812	22	
Champagne	Louis Roederer Cristal	40	258	17	-23	0.68	23	92.20	77	1,756	35	-3.53	117	52,683,528	6	

connected to the appointment of new winemaker Phillippe Dhalluin in 2000 and his use of Bordeaux's legendary consultant Jacques Boissenot. "Mouton had a run of not producing wines one would expect from a first growth but it has reversed that," says Miles. There's also a sense that "Mouton will be the next wine to run", he adds, referring to broadening Asian tastes as Lafite becomes either too scarce or expensive. "We've seen a massive increase in trade in Mouton and it has become the most traded first growth in the last quarter," he continues.

Geraint Carter, investment analyst at Bordeaux Index echoes this observation. "Mouton is in vogue. This is because it is the likely beneficiary of broadening interest – it has the right profile to be a Lafite substitute."

On the other hand, Latour has dipped a touch. Why? It doesn't appear to have the following in the Far East. Miles wonders if it's not connected to its name. "Latour when

translated into Chinese characters means 'to collapse', which is not so good for toasting a deal and a lot of the drinking that is going on is corporate – cementing relationships and making contacts."

He also suggests it might be due to Latour's approach to the market. "Latour is controlling, it holds back stock, while Lafite is the most laissez faire of all the châteaux. So while you might get a six-pack of Latour, with Lafite you are more likely to get a 100 case allocation. This may be a further reason for Lafite and increasingly Mouton's lead over other first growths: it's hard to get commercial volumes of the likes of Latour, Margaux and Haut-Brion."

Another trend at the top of this year's chart is the slightly lacklustre performance of right bank Bordeaux. Perhaps the prices of these wines have peaked in previous years?

"Right bank Bordeaux hasn't had a great year," begins Miles. "Pétrus had shown a 1%

rise and Angelus does seem to have done well but the others haven't followed." Essentially, he ascribes this to the China effect – or rather lack of: "these wines are not on the list in Asia".

### Flat fizz

Then there's Champagne. The results this year prove, aside from Krug Vintage's resilience, the somewhat faddish nature of prestige cuvée Champagne. "It's inescapable that it is cyclical," says Miles, "and it's never going to be a great recession play." Also, he reminds, "The extension of the production area doesn't help psychologically."

It further suffers from the fact the majority of these top Champagnes are consumed in bars and restaurants and potential consumers don't want to be seen to be drinking ostentatious wines during tough times. Particular proof of changing circumstance is one-time rich playboys' ▶

## FINE WINE POWER LIST

Liv-ex Power 100: 41-70															LIV-EX The Fine Wine Exchange	
						Trade on Liv-ex		Average score		Average price		1 year performance		Weighted production		
	Label	Rank	Total score	Last year	Move	Result %	Rank	Result	Rank	Result	Rank	Result %	Rank	Result	Rank	
Bordeaux	Haut Brion Blanc	41	263	47	+6	0.20	46	94.60	20	3,773	8	-2.97	114	2,452,445	75	
Bordeaux	Lynch Bages	42	266	37	-5	1.41	13	90.40	101	487	82	7.81	53	17,062,382	17	
Rhône	Chave JL	43	271	43	0	0.10	133	95.50	12	1,825	33	10.14	36	4,561,687	57	
Bordeaux	Troplong Mondot	44	273	29	-15	0.15	56	94.25	30	685	68	6.84	66	5,133,893	53	
New Wolrd	Henschke	45	282	new	new	0.25	40	94.00	36	2,904	15	0.00	101	1,452,000	90	
Champagne	Salon Mesnil	46	288	12	-34	0.10	81	95.40	13	2,384	24	-0.90	107	3,813,947	63	
Bordeaux	Léoville Poyferre	47	289	51	+4	0.48	31	92.70	67	378	95	7.76	56	7,874,874	40	
Port	Taylor	48	291	72	+24	0.10	101	97.20	1	621	72	4.58	83	8,694,000	34	
Burgundy	Grivot	49	293	48	-1	0.09	62	92.75	65	2,054	27	2.30	92	6,778,691	47	
Rhône	Beaucastel	50	294	91	+41	0.13	58	92.20	77	378	94	15.43	14	5,861,026	51	
Burgundy	Sauzet E	51	296	58	+7	0.10	85	93.80	44	1,726	37	10.33	35	863,248	95	
Bordeaux	Montrose	52	298	24	-28	1.32	14	93.30	52	461	85	-0.13	106	7,687,192	41	
Bordeaux	Beychevelle	53	298	65	+12	0.30	36	89.50	112	345	103	22.99	4	7,584,658	43	
Burgundy	Comte Lafon	54	298	90	+36	0.10	91	92.80	62	1,739	36	12.09	26	2,086,930	83	
Bordeaux	Eglise Clinet	55	300	22	-33	0.17	50	95.00	16	1,557	39	-1.66	110	1,868,880	85	
New Wolrd	Opus One	56	303	49	-7	0.30	96	91.60	88	1,527	40	6.19	69	38,178,919	10	
Rhône	Clos Papes	57	303	34	-23	0.31	35	94.60	20	523	77	-0.08	105	3,556,400	66	
Bordeaux	Fleur Pétrus	58	304	new	new	0.27	38	91.00	99	871	59	9.22	44	3,627,753	64	
Bordeaux	Forts de Latour	59	307	54	-5	0.29	37	91.80	83	683	69	4.97	80	8,196,000	38	
Bordeaux	Pichon Lalande	60	309	75	+15	1.29	16	91.40	92	553	74	2.47	90	8,292,343	37	
Bordeaux	Conseillante	61	316	59	-2	0.13	59	91.80	83	715	65	9.04	48	3,934,183	61	
Rhone	Janasse	62	317	new	new	0.10	88	95.25	14	463	84	10.05	37	925,861	94	
Italy	Gaja A	63	317	69	+6	0.10	127	93.96	42	1,912	30	9.15	45	2,581,275	73	
Bordeaux	Haut Bailly	64	323	97	+33	0.10	120	94.00	36	411	90	16.32	9	3,411,300	68	
Italy	Tignanello	65	327	50	-15	0.10	126	92.40	72	601	73	9.90	38	16,384,063	18	
Port	Fonseca	66	331	83	+17	0.10	82	95.60	10	501	79	-2.30	112	6,012,000	48	
Bordeaux	Lagune	67	331	78	+11	0.07	70	92.00	81	312	107	13.62	19	4,993,453	54	
Bordeaux	Vieux Château Certan	68	332	61	-7	0.18	48	93.40	49	701	67	1.88	94	2,452,800	74	
Champagne	Pol Roger Sir Winston Churchill	69	340	new	new	0.50	79	93.00	58	965	56	7.81	54	964,650	93	
Bordeaux	Léoville Barton	70	340	68	-2	0.61	25	91.70	87	431	88	-1.22	109	9,492,371	31	

favourite Cristal, down 17 places to 40 in the chart. As Simon Staples, sales and marketing director at Berry Bros & Rudd confirms, "Cristal is down 50% in demand from us – no one seems prepared to pay £1,800 per case for new vintages." Salon, however, falls even further, down 34 places, while Dom Pérignon drops 19.

There's also the fact that once more, Asia has a role to play. "Champagne is not on the radar in China," according to Miles.

The increased presence of the Super Tuscans is another theme for this year. "A big surprise for us was Ornellaia up at number 12," admits Miles. This could partly be down to the 2006 vintage which produced a raft of very high-scoring Tuscan wines. "Ornellaia produces around 11,000 cases and has sent quite a lot to the US. It scores well (Parker loves it), costs a bit and has been traded quite a bit – it is very much an all-rounder." Overall, there are four Super Tuscans in the

top 50 (Ornellaia, Masseto, Solaia and Sassicaia) and then Gaja comes in at 63 and Tignanello at 65.

Miles, considering overall trade on the Liv-ex exchange points out that while last year 92% was from Bordeaux, this year it was down to 87%. He ascribes the change mostly to a notable development this year – the rising role of Burgundy. "We have done twice as much trade on Burgundy compared to last year," he says, noting in particular the massive increase in Leflaive, as well as performance of DRC, Rousseau, Raveneau and Comte Lafon.

"We have seen a lot of interest in Burgundy," says Geraint Carter, investment analyst at Bordeaux Index, supporting Miles' experience at Liv-ex. "And we have sold more bespoke wines such as Rousseau to Asia. There are some sophisticated customers there too." Similarly, Oliver Hartley, sales director at Corney & Barrow,

recalls, "We've seen much bigger demand for fine Burgundy from Asia – and it's not just DRC but also Leroux, De Vogue, Dujac and other great smaller producers."

### The Rhône to nowhere

Wines from the Rhône on the other hand have, in general, failed to attract enough trade to force prices upwards, despite making "consistently great wines", according to Jack Hibberd, research manager at Liv-ex. "There is an exhaustion in the market at the amount of great vintages (from 1998 onwards only 2002 and 2008 have been poor) and all the supply that brings meant it has suffered relative to other regions." Interestingly, Liv-ex analysis shows that of 139 perfect Parker scores ever earned by French wines, 70 have been for the Rhône and 55 for Bordeaux, while in the last 10 years alone, the Rhône has had 46 100-point wines compared to 17 from Bordeaux. ▶

## FINE WINE POWER LIST

Liv-ex Power 100: 71-100															LIV-EX The Fine Wine Exchange	
						Trade on Liv-ex		Average score		Average price		1 year performance		Weighted production		
	Label	Rank	Total score	Last year	Move	Result %	Rank	Result	Rank	Result	Rank	Result %	Rank	Result	Rank	
Burgundy	Mommessin	71	340	new	new	0.09	65	92.75	65	1,992	29	-1.98	111	3,318,355	70	
Burgundy	Ponsot	72	342	52	-20	0.09	64	93.21	54	2,446	22	-10.17	130	2,690,712	72	
Bordeaux	Lagrange St Julien	73	344	new	new	0.17	49	90.30	103	226	127	15.62	13	5,208,939	52	
Rhone	Jaboulet	74	344	new	new	0.10	123	90.25	105	737	63	13.44	20	8,843,716	33	
Burgundy	Ramonet A	75	345	new	new	0.10	104	92.63	69	1,623	38	5.35	78	4,869,427	56	
Bordeaux	Branaire Ducru	76	345	80	+4	0.06	73	91.80	83	301	112	14.28	18	4,007,785	59	
Bordeaux	Evangile	77	347	36	-41	0.14	57	92.40	72	987	55	1.40	96	3,454,500	67	
Italy	Giacosa B	78	351	new	new	0.10	114	94.29	29	1,100	49	0.00	101	4,400,613	58	
Bordeaux	Trotanoy	79	352	new	new	0.10	86	92.60	70	1,076	50	6.87	65	2,151,176	81	
Burgundy	Roumier	80	352	70	-10	0.08	67	92.10	78	3,409	12	-1.03	108	1,704,460	87	
Bordeaux	Calon Segur	81	358	89	+8	0.20	45	90.10	107	343	104	7.36	57	6,850,123	45	
Bordeaux	Laville Haut Brion	82	371	53	-29	0.10	129	93.96	41	2,373	25	0.28	100	2,373,038	76	
Burgundy	Dauvissat	83	371	new	new	0.10	128	93.10	57	720	64	13.00	22	359,914	100	
Bordeaux	Monbousquet	84	371	new	new	0.10	80	92.30	75	280	115	12.36	24	2,320,378	77	
Burgundy	Bonneau du Martray	85	373	84	-1	0.06	76	92.80	62	644	71	3.64	86	2,254,651	78	
Bordeaux	Clos Fourtet	86	373	56	-30	0.10	113	92.70	67	403	92	14.40	17	1,935,542	84	
Bordeaux	Smith Haut Lafitte	87	375	new	new	0.10	116	93.20	56	354	101	15.06	16	1,769,532	86	
Burgundy	Mugnier JF	88	377	new	new	0.10	125	91.60	88	3,077	13	7.17	62	1,538,500	89	
Burgundy	Dujac	89	377	new	new	0.10	124	92.10	78	2,447	21	7.06	63	1,223,738	91	
Bordeaux	Hosanna	90	380	new	new	0.10	92	93.20	55	838	60	4.93	81	1,089,585	92	
Bordeaux	Rausan Segla	91	381	93	+2	0.07	68	91.60	88	424	89	6.83	67	3,394,715	69	
Bordeaux	Rieussec	92	383	98	+6	0.10	83	93.40	49	306	110	7.30	59	2,142,000	82	
Bordeaux	Petit Cheval	93	388	new	new	0.10	115	89.30	115	648	70	16.33	8	2,159,549	80	
Bordeaux	Chapelle Ausone	94	390	new	new	0.10	87	91.00	99	1,007	54	7.86	52	503,291	98	
Bordeaux	Tertre Rôteboeuf	95	391	77	-18	0.10	97	91.33	96	1,118	48	6.09	71	2,236,128	79	
Bordeaux	Canon Gaffeliere	96	391	new	new	0.10	102	92.00	81	400	93	12.07	27	1,640,609	88	
Bordeaux	Clerc Milon	97	395	85	-12	0.10	111	90.40	101	279	116	19.57	5	3,901,537	62	
Bordeaux	Gazin	98	397	99	+1	0.10	99	91.20	97	367	97	18.00	7	733,186	97	
Bordeaux	Domaine de Chevalier Blanc	99	399	new	new	0.10	107	93.60	45	498	81	6.10	70	746,341	96	
Burgundy	Fèvre	100	414	new	new	0.10	132	94.50	26	498	80	5.45%	77	398,288	99	

However, holding back the price performance and secondary market trading for the Rhône may also be the limited production of the very top wines, which are often released in the form of special cuvées. As Hibberd says, "These can undervalue the main brand as if you are taking out the best, what's left behind?" Also, Rhône buyers are concentrated in the still underperforming US fine wine market.

Overall, the fine wine market is starting to show a return to pre-credit-crunch trends. "There's a return to normality," says Hibberd, recalling last year's crash and the first half of 2009, "when the market struggled to find direction". Individual brand movement has not been driven by average prices and scores – which have altered little – but by changes in trade on Liv-ex and one-year price performance. In effect, the survey tests the resilience of fine wine brands and therefore highlights the strength of the first

growths. "They are the first to fall and the first to recover," says Miles.

As for China, the effect of demand from the East is accentuated in this year's results because of the declining sales in the US and UK. In other words, last year the Asian impact was diluted by demand from elsewhere. "For our customers, 40 to 60% of their business is in Hong Kong and China but last year it was one third of their total," records Miles. "European and US business has fallen off a cliff and Hong Kong and China has compensated for that."

As a result, Miles does record that "the market has felt very narrow," referring to both the source of demand and the brands being consumed. "It's been about Hong Kong and China and Lafite and Carruades, plus a few add ons," he says. "That's why it's now nice to see Mouton and others starting to do better – we are seeing the market broaden out."

On a larger scale and from an economic standpoint, Miles makes a further and final observation. "There was a concern about the imbalance of the global economy – the US consuming and borrowing too much and Asia exporting too much. But it's interesting to see the likes of Diageo's Chateaux and Estates forego its allocation of Bordeaux and attempt to liquidate US\$28 million (£16.8m) worth of stock while at the same time there's a booming Kong Kong/Chinese market. The world's imbalance is being corrected: Asia is starting to consume and the US is starting to save."

As for the style of fine wines being made today, Miles wonders whether the new centre of fine wine demand might start to affect the flavours. "If Bordeaux redesigned its wines for Robert Parker's palate will it start making wines to appeal to the Asian consumer?"

Already, however, there are new reasons for one label's superior performance over ▶

## FINE WINE POWER LIST

### WHAT DOES CHINA LIKE AND WHY?

The demand from Hong Kong and mainland China is, as this list proves, highly influential in the price appreciation of fine wine. This demand is also forecast to increase in line with the economic expansion – the International Monetary Fund is predicting GDP growth in China of 9-10% per annum to 2014.

So what do these new consumers look for in a fine wine? Essentially it seems the Chinese want the best of any product, and have deemed Lafite as the finest of fine wines – a reasonable conclusion as it is the highest scoring first growth in the survey. But it's also about the brand image and packaging, even pronunciation in Chinese. Looking at the leading wines according to "one-year performance" – which is essentially recording the ramped up consumption in Asia – it is, in order, Carruades de Lafite, Duhart Milon, Lafite, Beychevelle and Clerc Milon. Aside from the fact these are all left bank Bordeaux that is available in commercial volumes, Miles suggests the look of the label is vital. "A distinctive etched label seems to be important," he says, "evident in Lafite, Carruades and Duhart Milon." As for Beychevelle, "that has the boat", he reminds, while Clerc Milon certainly has a memorable image. "It's the label that's working," says Miles. "Carruades and Duhart look like Lafite – which they see around and in magazines."

As for pronunciation, "Lafite is easy to say in Chinese," explains Miles, reminding of a British following for easy-to-say fine wines too. "Look at names that are successful in the UK – they are ones we find easy to say such as Talbot, Léoville Barton, not Malescot St Exupery..."

Finally, Simon Staples at Berry Bros. & Rudd recalls a hotel outside Beijing actually called after the most powerful fine wine in this survey. Château Maison-Laffitte was built by Chinese real estate mogul Zhang Yuchen and replicates the original in extraordinary detail, from the sculptures to the gardens. It operates as a luxury hotel, spa and wine museum in one.

another and the market no longer seems to simply follow the commentators' consensus. Packaging, pronounceability, commerciality and ultimately the brand's image in Asia appear to be dictating a fine wine's power.

#### FURTHER PERFORMANCES OF NOTE

**Vega Sicilia**, up 11 places and **Pingus**, up 35: "These are the Spanish first growths," says Miles.

"Vega is our 50th most traded wine – it is an enduring brand, it scores very well but it was held back by the fact we never saw any of it but it is now traded more." Miles also wonders if the price appreciation has been exaggerated by the strong euro, a suggestion confirmed by Staples at Berry Bros & Rudd. "We are the agent for Vega and it always sells out, but we have struggled a bit with the euro – prices are up 40%." As for demand, "It's a European market – there's not demand from Asia."

Similar, Hartley at Corney & Barrow, agents for Pingus, explains how exchange rates are

### IF BORDEAUX REDESIGNED ITS WINES FOR ROBERT PARKER'S PALATE WILL IT START MAKING WINES TO APPEAL TO THE ASIAN CONSUMER?

affecting this Spanish wine. "We are seeing price increases over 40% this year on the last and much of this is driven by the weakness of the pound." He also adds that Flor de Pingus is performing exceptionally well. "We sold our entire UK allocation of Flor de Pingus in 17 minutes when we released it over one month ago."

**Carruades de Lafite**, up six. "Carruades is up but it has nothing to do with the score – it is not even considered an investment-grade wine but on one-year performance, it ranks the highest," says Miles. "This is because its label looks like Lafite – and a lot of Chinese drinkers don't read English so it's not easy to tell the difference. Looking at its past performance he adds, "In 2007 it was 23, in 2008 it was 19, and now it is 13. It is only really being held up by score otherwise would be right up there – Carruades accounts for about 5% of our business."

Similarly, Carter at Bordeaux Index points out, "Carruades gets 88/89 from Parker yet trades at Haut-Brion prices. The key message here is that there is a tendency to pick up the best in a brand and cheapest in a brand – that is the character of demand at moment."

**Angelus**, up five: "It is considered the trade and critics favourite in right bank Bordeaux and gets very good press. Production is not massive but bigger than Pétrus, Lafleur, Le Pin and Ausone," says Miles

**Pavie**, up three: "This is making steady progress as Parker's view – he scores it fantastically – is getting more traction from everyone, even Jancis Robinson," says Miles.

**Henschke**, a new entry: "It has always been considered a wine with potential," says Hibberd. "It is high scoring, has a decent price, and we've actually traded some this year – once the door opened it traded well. It also gets massive scores year on year."

**Haut-Brion**, up nine: "It did very badly last year and now has gone back to where it should be – all the first growths should be in the top 10," says Hibberd.

**Pontet Canet**, up 21: "It has shot up because it scores so well, it is consistently good," says Miles. "When Liv-ex surveys its members after en primeur it always gets a top-value vote. For a Bordeaux lover it's a brilliant wine to buy."

**Lascombes**, up 32: "We have done some big parcels and its trade is up from 45 to 27 and it's up 15% in price," explains Miles.

**Montrose**, down 28: "It has been one of most disappointing at en primeur according to our survey, and while it was boosted by an excellent 2003, this vintage has fallen off the sample – which tracks the last five vintages," explains Miles. **db**

## FINE WINE POWER LIST

### INSIDER OPINION



**Simon Staples**

"The market has recovered really since June and we had the best August we've ever had – and that was because of sales of the very top wines – we

sold thousands of cases of Lafite from different vintages in August.

A few years ago these wines were pinging about from one investor to another over here [in the UK] but now they are predominantly going to Hong Kong and China where they are being consumed.

Eighty per cent of the wine we sold en primeur with a price over €50 went to Hong Kong and while we sold a few first growths over here on a speculative basis, most fine wines aren't really being consumed anywhere outside Asia – the States is in the doldrums.

However, the Chinese market is miniscule at the moment – it's not being generated by many people, maybe only a couple of hundred. But it doesn't take very much for prices to move.

Mouton is now the new story and we sold 500 cases of Mouton 2008 in 10 days.

Maybe it's because they can't find Lafite and I hear from friends that Mouton is appearing on the tables now in Hong Kong."



**Oliver Hartly – C&B**

"The fads are being driven by China and the Far East market but I have a horrible feeling this is not going to be that long lived. A

lot of price rises are due to demand from Hong Kong but there is a point at which they will have got enough.

Yes Pétrus 2008 or DRC 2006 are over allocation even in UK – Pétrus '08 was oversubscribed by a factor of nine – but for the secondary market there is only so

much wine people are going to buy and consume. And in China there are a very small number of collectors."



**Geraint Carter**

"This time last year was unprecedented for fine wine and most asset markets so anything in comparison looks fine, but the recovery has

been much stronger than most of us had anticipated. At the beginning of Q2 this year the strength of the market showed itself. We waited for a hesitation but it did not come. Our summer, August, showed astonishing strength.

**THE FADS ARE BEING DRIVEN BY CHINA AND THE FAR EAST MARKET BUT I HAVE A HORRIBLE FEELING THIS IS NOT GOING TO BE THAT LONG LIVED. A LOT OF PRICE RISES ARE DUE TO DEMAND FROM HONG KONG BUT THERE IS A POINT AT WHICH THEY WILL HAVE GOT ENOUGH**

Dominant brands Lafite, and Mouton to a lesser extent, are dictated by who is buying the wine and that is the Asian. The uncertainly beyond that is what's happening to the wine but there too we're increasingly confident. Traders are buying and putting the wine into restaurants and private individuals' cellars. We characterise it more as consumption than investment market."

### METHODOLOGY:

We generated a list of all trades on the Liv-ex Fine Wine Exchange from the last year (November-November) and from that list identified a basket of 163 brands. These 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 subsequent calculations. We also identified the five most recent vintages for each wine available in the marketplace. For Bordeaux the vintages used were 2004-2008, for Burgundy '03-'07 and for Rhone '02-'06. 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 Parker score was available we used scores from *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).

To measure performance, we calculate the average case price for each wine a year ago and compare it to its current price. We also modify the vintages used to ensure we are comparing like with like. The bigger the price increase, the higher the ranking.

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. Where wines have the same score, the wine that scores better in the most categories is ranked higher.