

Bordeaux 2015: An update

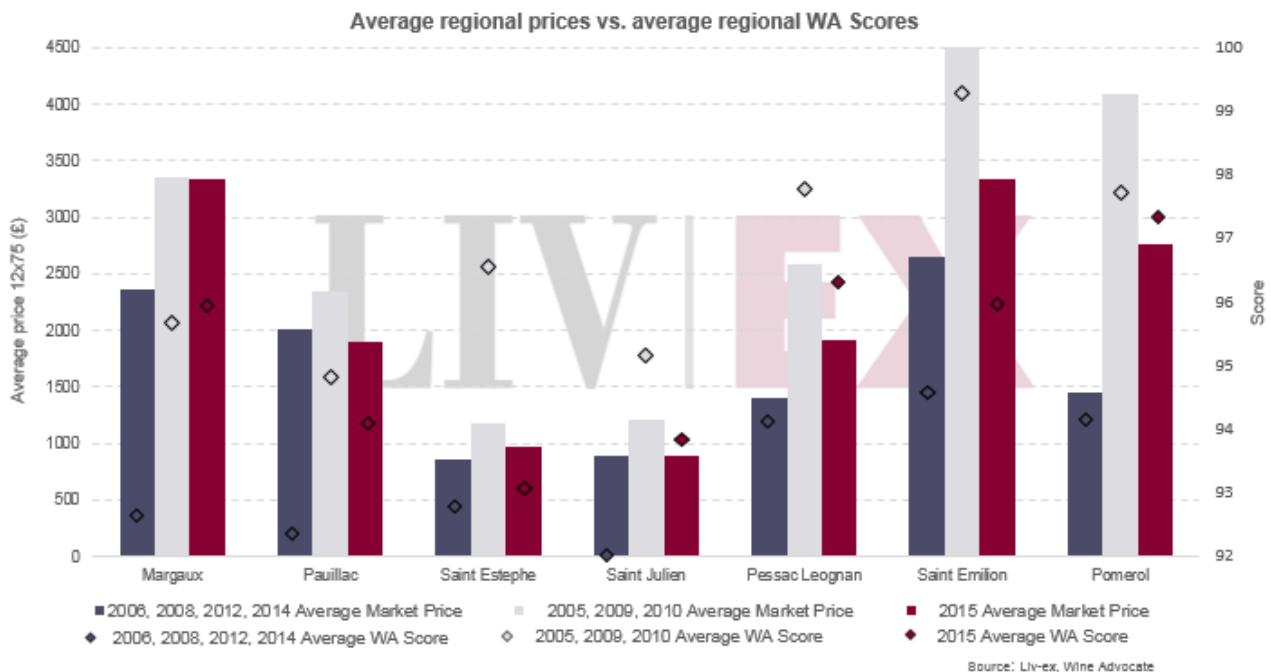
Tomorrow, a large portion of the UK Wine Trade will be re-evaluating the Bordeaux 2015 vintage at the annual UGC tasting in London. To coincide with the tasting Liv-ex has compiled a brief refresher on some of the critical aspects of the vintage.

Quality of the vintage

Bordeaux 2015 was widely praised as having produced some excellent wines, but as one Liv-ex member noted at the time, “lack of consistent quality has left the vintage short of great.”

This was a view echoed by Neal Martin, who commented that “quality is not geographically uniform”. As the chart below shows, looking at wines within the Bordeaux 500 on an appellation by appellation basis highlights this lack of uniformity. On average Martin rated the wines of St. Estephe much lower than in the great vintages of 2005, 2009 and 2010. However, within Margaux the scores of the 2015s surpassed these great vintages, with Chateau Margaux being widely declared ‘wine of the vintage’ by both critics and Liv-ex members.

On the right bank very high scores for some chateaux belied the fact that members and critics found the styles of some of these wines very divisive. Criticism was focused on certain wines being ‘over-extracted’ and ‘lacking finesse’.



Region	2006, 2008, 2012, 2014 WA Average	2005, 2009, 2010 WA Average	2015 WA Average	2006, 2008, 2012, 2014 Average Market Price	2005, 2009, 2010 Average Market Price	2015 Average Release Price	2015 Market Price
Margaux	92.4	95.7	96.0	£2,361	£3,350	£2,497	£3,344
Paulliac	92.3	94.8	94.3	£2,014	£2,341	£1,559	£1,891
St Estephe	92.8	96.6	93.0	£854	£1,187	£994	£979
St Julien	92.0	95.2	93.8	£884	£1,215	£819	£891
Pessac-Leognan	94.1	97.8	96.2	£1,397	£2,587	£1,720	£1,907
St Emilion	94.3	99.3	96.0	£2,651	£4,948	£2,959	£3,340
Pomerol	94.1	97.7	97.2	£1,447	£4,089	£1,912	£2,765

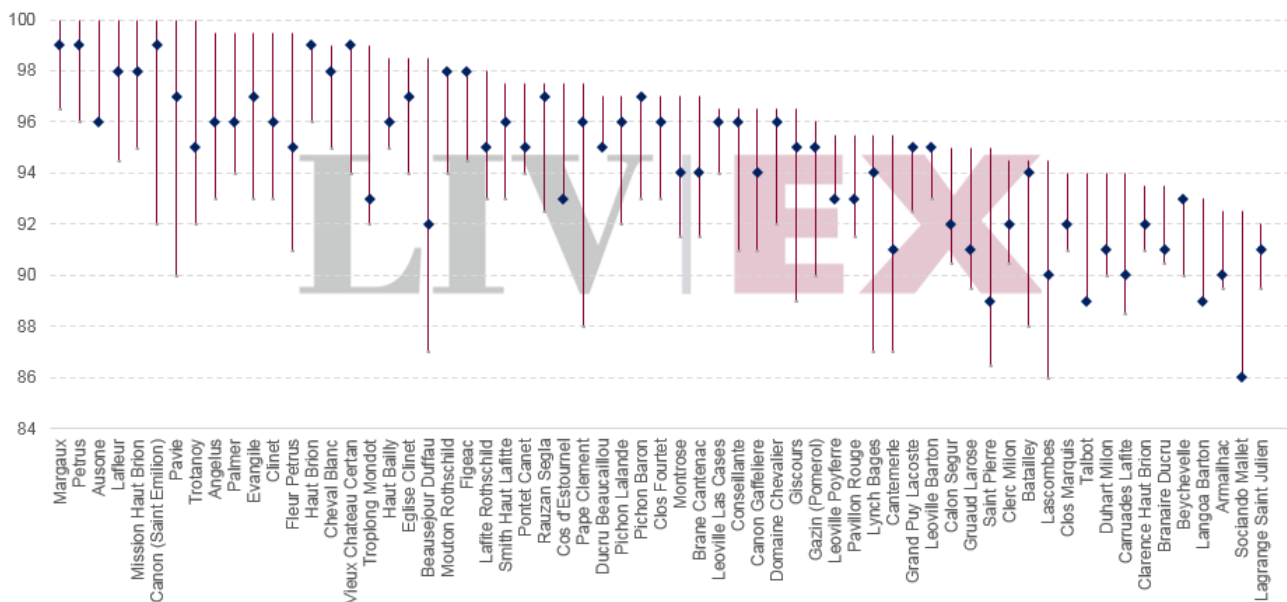
Critical consensus

When critical differences did exist, it tended to be based around a small range of wines rather than a broader disagreement.

The most contentious wine was Beausejour Duffau, which ranged from James Suckling's score of 98.5 points to 87 points from Jeannie Cho Lee. Other wines with notable differences in critical opinion include Pavie, Pape Clement and Lynch Bages.

On the other hand Margaux, Ausone, Mission Haut Brion and Lafleur were universally acclaimed.

The range between the highest and lowest critic score in 2015



Critics: Neal Martin, Jean-Marc Quarin, James Sucklig, Jeannie Cho Lee, James Molesworth, Decanter, Antonio Galloni

High · Low ◆ NM

Price movements since release

Since the end of the 2015 En Primeur campaign, the Bordeaux 500 has increased by 19.7% in sterling and 13.3% in euros. Over the same time period the average sterling Market Price for the 2015 vintage, which will not enter the index until June 2018, has gone up by 18.3%.

The ten biggest price changes amongst the top 100 Bordeaux chateaux since the campaign ended are highlighted in the table below.

Wine	Merchant Release	Current Price	WA Score	Change (%)
Canon (Saint Emilion)	£750	£1,663	98-100	121.7%
Lafleur	£4,500	£8,484	97-99	88.5%
Carruades Lafite	£1,260	£2,200	89-91	74.6%
Rauzan Segla	£570	£895	96-98	57.0%
Figeac	£1,114	£1,643	97-99	47.5%
Haut Bailly	£720	£1,060	91-93	47.2%
Beychevelle	£535	£780	92-94	45.8%
Clerc Milon	£480	£689	91-93	43.5%
Clinet	£624	£880	95-97	41.0%
Margaux	£4,250	£5,934	98-100	39.6%

High demand for critically acclaimed wines that were offered at an attractive level has led to some large price increases. Canon 2015 has increased by a remarkable 122%, while Figeac 2015 has jumped 47.5%. Lafleur, which is not offered via La Place de Bordeaux, has also seen a considerable price rise. A combination of popularity and limited distribution mean many consumers who want to purchase this wine had to pay a significant premium to the official agent price.

Other wines that have seen their price increase are some perennial favourites within the Asian market such as Carruades Lafite, Beychevelle and Clerc Milon.

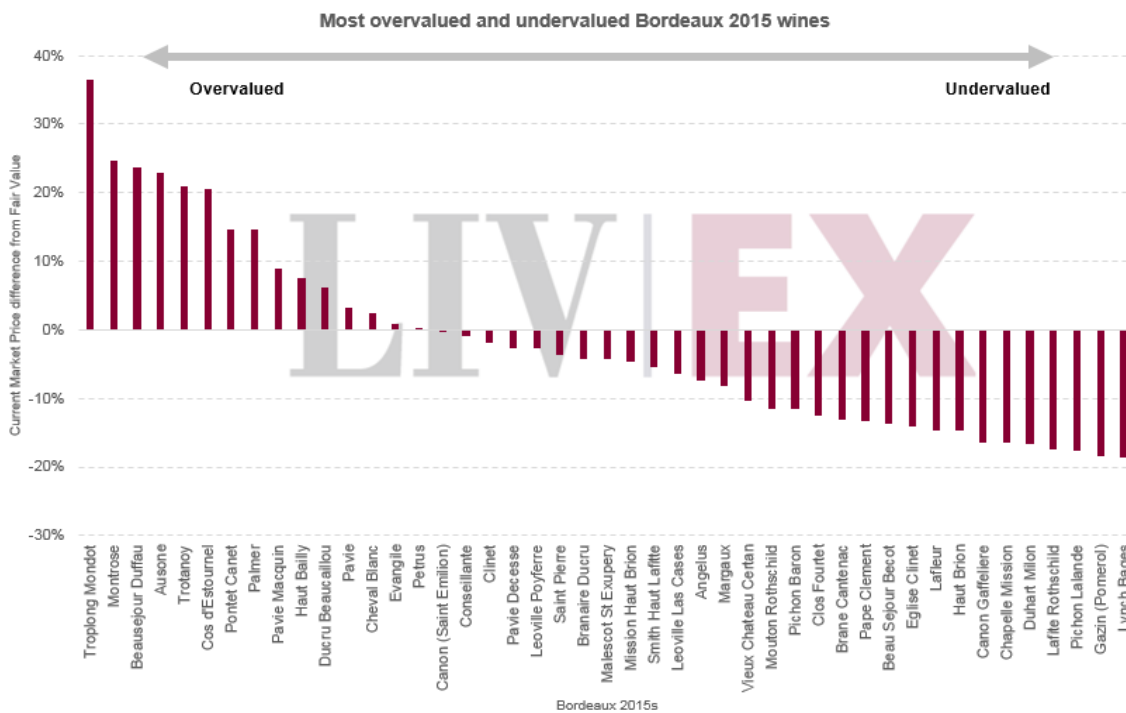
The large price changes for the wines listed above risk distorting the picture. Many wines have hardly moved in price; although the mean price change is an eye-catching 18.3%, the median is a less remarkable 7.6%.

Even though there tends to be a reluctance to openly discount the list price of En Primeur wines, some prices have fallen marginally. Montrose, for instance, has dropped 4% since release. As these wines become physical in the coming months and in turn trade more actively and openly in the secondary market, it will be interesting to monitor future price movements. The picture may continue to be quite varied.

Finding value

Despite some complaints about price when the 2015 vintage debuted last June, our final chart shows that at least 30 wines are currently available in the market under their ‘fair-value’ price. These include all the First Growths as well as other popular wines such as Lynch Bages, Pape Clement and Vieux Chateau Certan. The price of the 2016 vintage, which was typically 20-40% more expensive in sterling terms, might make some of these wines seem even more attractive, especially in instances where the 2015 vintage carries a higher score.

Troplong Mondot 2015 is currently the most overvalued wine of the vintage, which was also the case for the recently released 2016. Unsurprisingly wines from St. Estephe that kept their 2015 release price high, despite receiving lower scores from Neal Martin, are flagged as overvalued.



Conclusion

Liv-ex initially labelled the 2015 En Primeur campaign as a ‘truffle hunt’ rather than a gold rush, alluding to the inconsistent nature of both quality and opportunity. Fifteen months on this conclusion remains valid. Whether or not more truffles emerge will be dependent on critical re-evaluation in the coming months.