

Fine Wine Market Report

# Q4 2021 REVIEW CRU WINE INVESTMENT UPDATE

CRU  
WINE

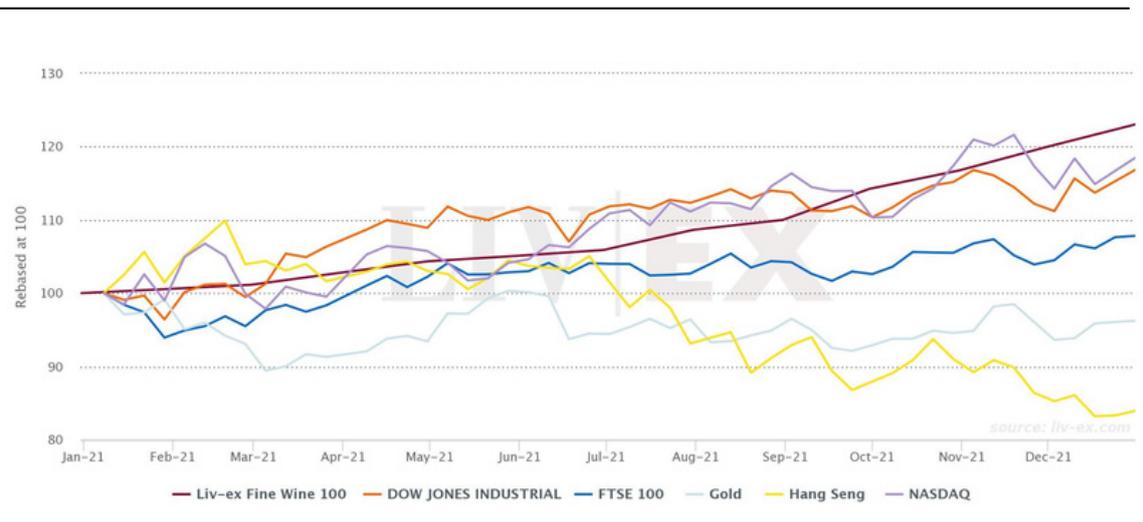


# Q4 2021 MARKET UPDATE

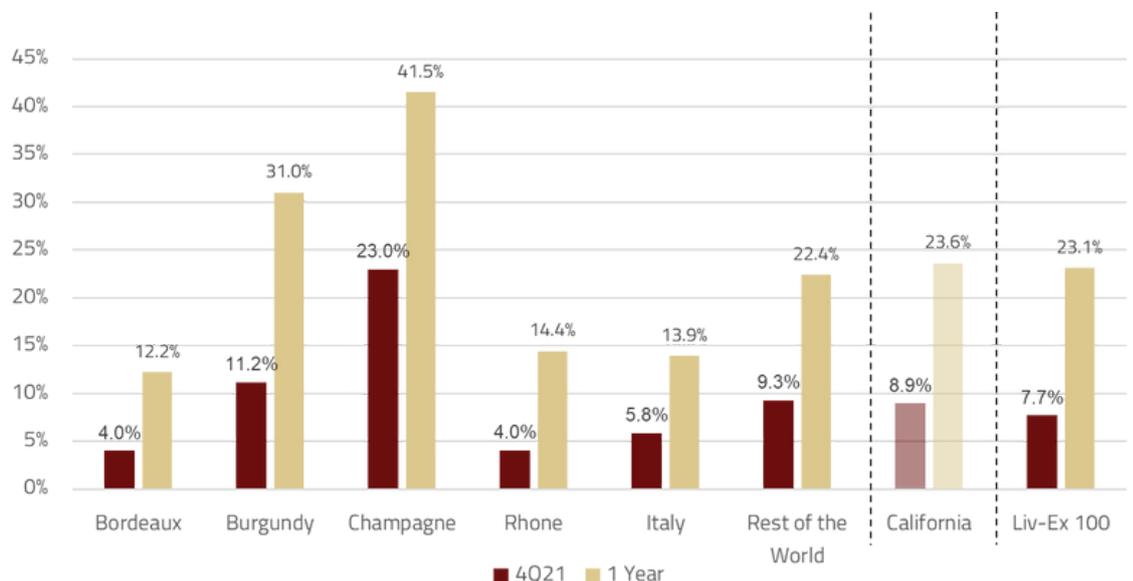
Fine wine, again, asserted its resilience and brilliance, breaking records at the end of 2021. Liv-Ex 100 rose 7.7% in the fourth quarter and 23.1% for the year, with all investment regions posting gains, even when risky assets wobbled on Omnicron concerns in November.

Broad-based strength is a positive signal for the fundamentals of the market and a steady climb drives our view that this is a healthy rally and there is sustainability in the market momentum.

## LIVE-EX 100 PERFORMANCE IN 2021



## PERFORMANCE BY REGION 4Q21 & 2021





# CHAMPAGNE

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Champagne led market performance, by a wide margin. This is an area where perception is catching up to the quiet bull rally the region has seen in the last five years, especially in the top producers.

Seasonality effects combined with the supply shortage that has come into particular focus in the last 12-18 months have driven the incredible price performance. Back vintages and recent releases from top producers including Dom Perignon and Cristal have enjoyed remarkable pricing growth.

The 2012 was most traded, followed by 2008, where recent new releases of both highly acclaimed vintages have further invigorated demand.

# BURGUNDY

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Closely following Champagne, Burgundy, after losing its lustre in 2019-2020, has made a spectacular comeback, as collectors sought out Old World classics.

Some of the top tier producers, Domaine de la Romanee-Conti and Domaine Leflaive, have been among the best performers. News of challenging growing seasons and smaller yields for 2021 increasingly aggravated the supply-demand imbalance for a region of producers where competition for their wines is already fierce.

As such, we saw a further uptick in demand for back vintages, in anticipation of tighter allocations for the current Burgundy En-Primeur 2020. Activity and price performance were so strong that Burgundy trade share has risen to 22%, surpassing the previous record in 2019.



## REST OF THE WORLD

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Californian wines were another bright spot. The Liv-Ex sub index tracks five producers, including Harlan, Dominus, Opus One, Scarecrow and Ridge.

Given the growing trend of collectors turning to value, both intra-regionally as well as inter-regionally, it is no surprise that California has benefitted. It boasts the most number of 100 points awarded and is the highest-scoring fine wine region by critics worldwide.

## POWER 100 REFRESH

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Liv-Ex updated its Power 100 list during this last quarter, which intuitively, reflects what happened in the market over the past year, as rankings are driven by a combination of price performance as well as the value and volume of the wines traded.

However, it does also give insightful forward-looking signals as the secondary market develops that inform our views. Blue chips still have a strong foothold among collectors, while the market is visibly broadening and benefitting from the broadening. The likes of Domaine Leroy, Dom Perignon, Sassicaia and Cristal remain at the top of the list, joined by several Bordeaux First Growths and Petrus.

However, the biggest risers came from Burgundy, Piedmont and California, as they sprang up the rankings. Additionally, in a year notable for being a power year for Champagne, not only did all the Champagne producers stay on the leaderboard from last year, but more labels rose than fell.



# OUTLOOK FOR 2022

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Our outlook for fine wine remains favourable, as the economic backdrop and ongoing inflation are supportive for further growth.

The increasing pressure on supply, given increasingly smaller harvests in regions, is another key factor at play. Existing availability of the most sought producers is dwindling and there is not enough being produced to replace it. Yet demand is as strong as ever, driving pricing up further.

While there is no denying the brand power and appeal of the best, as we have seen with the newest Power 100 List, the broadening of the market helps to meet some of the demand. It also adds to the sustainability of the ascent and the overall stability of the market, minimizing volatility even further. As always, we prioritize selectivity in the right opportunities and recommend building an all-weather portfolio, to successfully navigate changing market conditions and risk appetites.



## GET IN TOUCH:

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