

Bordeaux 2024 - Fool me Once...

It is no secret that cracks in the system (in the form of poor post-release price performance and oversupply) have deepened over the past decade. This year, there was no painting over them.

Pontet-Canet kicked off the 2024 En Primeur campaign in late April. Pricing their new release above most other vintages available on the market, they either deeply misread, or ignored, the market mood. Buyers did not bite. A release as ill-judged as this so early on threw the market for a loop and set buyers on the defensive. While it pushed some to abandon hope, it, at least, allowed others to set a standard -- negociants and merchants would no longer be swayed to take their allocations by anything except pragmatic pricing.

And yet, more often than not, there remained cheaper, better rated vintages available on the market. More concerningly, even when releases were undeniably well-priced, they failed to capture the full attention of private collectors.

Pricing strategies

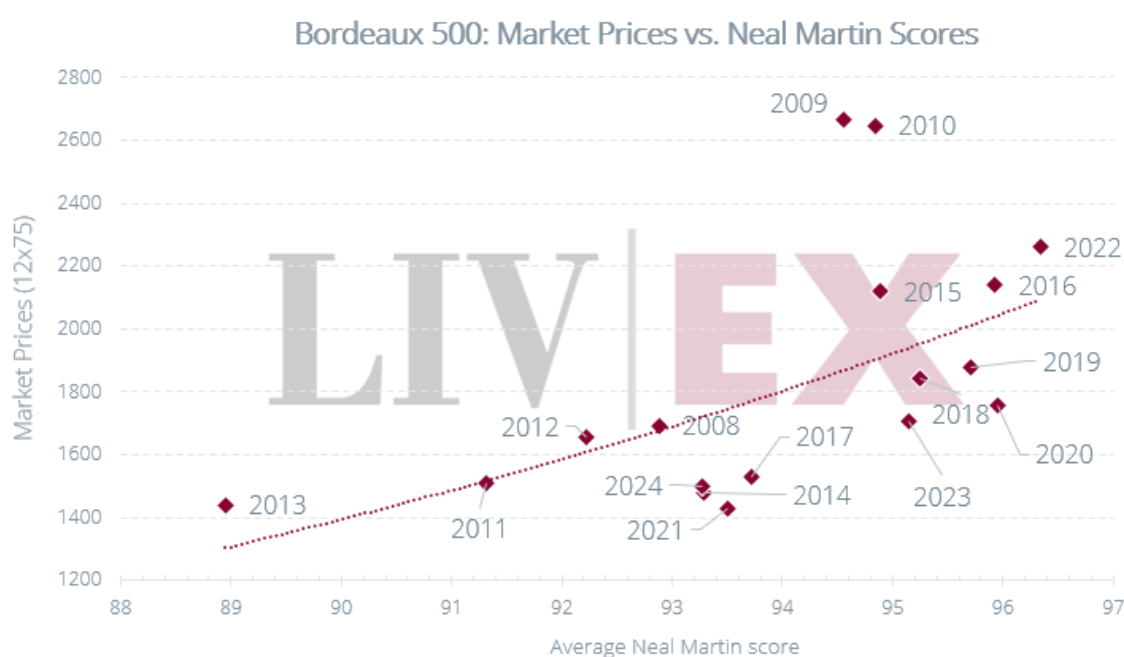
Throughout this year's campaign, much ado was made over percentage price reductions. The problem with this strategy mirrors the larger problem with En Primeur: release prices, for the past decade, have served not as baselines but as precipices. Time and time again, 2024 releases were burnt by the 2021s; chateaux may have brought prices down by 30+% on the 2023, but the similarly or better rated 2021 remained cheaper.

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Top 20 year-on-year price changes vs. 2021 Market Prices				
Wine Name	2024 Ex-London	% to 2023 release	Current 2021 Market Price	% to 2021 Market Price
Chateau Pavie Premier Grand Cru Classe A, Saint-Emilion Grand Cru	£1,632	-41.4%	£1,500	8.8%
Chateau L'Evangile, Pomerol	£1,140	-39.9%	£1,110	2.7%
Chateau Figeac Premier Grand Cru Classe A, Saint-Emilion Grand Cru	£1,128	-36.9%	£1,000	12.8%
Chateau Haut-Bailly Cru Classe, Pessac-Leognan	£690	-36.1%	£711	-3.0%
Vieux Chateau Certan, Pomerol	£1,416	-35.6%	£1,530	-7.5%
Chateau Palmer 3eme Cru Classe, Margaux	£1,896	-34.2%	£1,580	20.0%
Chateau Angelus, Saint-Emilion Grand Cru	£2,148	-31.2%	£2,300	-6.6%
Chateau Smith Haut Lafitte, Rouge Cru Classe, Pessac-Leognan	£744	-31.1%	£600	24.0%
Chateau Leoville Las Cases 2eme Cru Classe, Saint-Julien	£1,146	-31.1%	£1,100	4.2%
Chateau Lafite Rothschild Premier Cru Classe, Pauillac	£3,426	-30.4%	£3,920	-12.6%
Chateau Ausone, Saint-Emilion Grand Cru	£3,684	-30.2%	£4,200	-12.3%
Chateau Cheval Blanc, Saint-Emilion Grand Cru	£3,300	-29.5%	£3,220	2.5%
Cos d'Estournel 2eme Cru Classe, Saint-Estephe	£1,020	-29.2%	£950	7.4%
Ducru-Beaucaillou 2eme Cru Classe, Saint-Julien	£1,056	-29.0%	£1,260	-16.2%
Chateau Montrose 2eme Cru Classe, Saint-Estephe	£1,014	-29.0%	£810	25.2%
Pavillon Rouge du Chateau Margaux, Margaux	£1,056	-26.7%	£1,200	-12.0%
Chateau Mouton Rothschild Premier Cru Classe, Pauillac	£3,042	-25.2%	£3,400	-10.5%
Chateau Margaux Premier Cru Classe, Margaux	£3,240	-25.0%	£3,100	4.5%
Le Pin, Pomerol	£19,000	-24.0%	£23,000	-17.4%
Chateau Haut-Brion Premier Cru Classe, Pessac-Leognan	£2,880	-23.8%	£2,800	2.9%

Source: Liv-ex.com



What did it mean, then, for the release prices of the 2024s to be c.25% lower than the 2023s? For release prices to have halved since 2022? For chateaux, of course, these reductions will have been felt deeply. Particularly for a vintage requiring such vast expense to overcome and yielding so little in return, minimising margins must come as a harsh blow. But, just as in any market, it is not the duty of buyers to reward sacrifice.

Did it sell?

Did pricing below any other vintages inspire demand? Partially.

Liv-ex members reported widespread disinterest in this year's campaign. Those who decided not to run their usual En Primeur campaigns and buy only according to private client demand found that there were few requests to respond to. En Primeur sales – as proxied by those of a group of large UK merchants below – were down by around 60% on last year.

According to Liv-ex members, Lafite and Carmes Haut-Brio were the only two to sell relatively well, while Mouton and the other First Growths saw some demand. There's little consensus, but [Beychevelle](#), [Figeac](#), [Montrose](#), [Cheval Blanc](#) and Calon Segur cropped up several times on the more positive side of the discussion.

Is demand really dead?

There is an emerging debate around the causes of Bordeaux's struggle. While we have highlighted the insufficiencies of release pricing, others have blamed a total lack of demand. What this assumes, however, is that the 2024s were adequately priced. In most cases, as we have discussed above, they were not.

While it is true that demand for Bordeaux has declined in recent years, there remain a huge number of admirers out there. Even if younger collectors are disinterested, it still appeals to an older generation of seasoned wine buyers. Many of these individuals have participated in the last 20+ years of En Primeur campaigns – it would be shortsighted to take them for granted.

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This year may have been a lesson for some in prioritising long-term client relationships over short term gains. It is perhaps unsurprising that this year, even when offers were truly attractive, they were met with scepticism by clients who had lost faith in those selling to them. It will undoubtedly take time to rebuild trust between buyers and sellers.

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Conclusion

Chateaux are not solely to blame for the disappointment of this year’s campaign. The private collector has grown tired of marketing ploys. Stomaching ten years of losses of En Primeur purchases, private collectors needed to be presented with undeniable value, value clear enough to persuade buyers who feel they have been taken for fools for close to a decade.

With price data increasingly abundant and available to private collectors, merchants will need to level with their clients. Buyers are not necessarily disinterested in Bordeaux, they are disinterested in prices that fail to match the market, and they are doubly disinterested in being duped.

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