

## Bordeaux 2006 – the jittery state of the market

14 May 2007 by JR

*Most of the stuff sent by UK merchants about 2006 bordeaux releases is pretty anodyne stuff about price and how wonderful the wine its but I thought this overview just in from Charles Lea of Lea & Sandeman (accompanying today's offer of du Tertre 2006 which I liked much more than he did at the tempting price of just £175 a dozen in bond) was more interesting and informative than most:*

There is clearly nervousness among the chateau owners about how to price their wine this year, which is why the releases are so slow to come. It seems clear that on the whole the Bordeaux trade will buy the vintage, simply because they have to have some stock (there is very little wine left on the 'place' at present, and many prices are significantly higher than they are in the UK). The extent to which any of the wines will sell through to the consumer is more doubtful. A property like **Gruaud Larose** is always scrupulous about never releasing below its primeur price whatever happens, so the merchants know that this is the cheapest they will ever be able to buy this wine, which gives a reassuring underpinning to the market. However even for Gruaud some négociants were slow to take up their allocations, their way of signalling back that they were not thrilled with the price. The view seems to be that a proportion of it will still sell through in the end, but to date the response has been muted. In many ways this is a pity, and it seems to be at least up with the best wines Gruaud has produced in recent years. The Merlauts of the Taillan group (who also own **Chasse Spleen**, **Ferrière**, and **La Gurgue** and **Haut Bages Libéral**) do not wait for Parker to come out with his comments as they have banned him from tasting their wines en primeur, having been riled by a string of negative comments over the 2000-2002 vintages, and the lack of Parker comment cannot help in the new far eastern markets, nor in the US (although with the dollar where it is, its hard to see the Americans being a major influence this year).

For **du Tertre** too, out this morning, there is an argument that a 13% decrease over its not wildly inflated 2005 price is an effort in the right direction, but the 2004 was only £140, so it's nearer the 2005 than the 2004. It's hard to see this as a compelling en primeur buy.

So we continue to hang on, waiting for indications as to how the really serious brands will price their wines. Will those who put their prices up by 100% + last year feel they are in a strong enough position to base their price on a small decrease from the 2005 price, or will they encourage the market by using the 2004 opening price as the basis instead, which would seem more logical given the slack demand? So far it's hard to tell, as none of the properties who put through massive increases last year have released their 2006 yet.