



FINE WINE CORRELATION WITH MAINSTREAM ASSETS PLUNGES TO ALL-TIME LOW

New research shows that the **correlation** between **fine wine** and mainstream assets like **equities** and **bonds** fell to a record low in 2022 (see table below).

Analysis by Cru World Wine reveals a **negative correlation** between fine wine and equities, fixed income, commodities and crypto assets last year. The only major mainstream asset which was positively correlated with fine wine in 2022 was oil.

Fine Wine has historically had little or no correlation with mainstream assets, but these findings underline the value of an allocation to fine wine during periods of mainstream asset volatility. In periods of weakness in mainstream assets, this lack of correlation means that fine wine can provide an effective portfolio hedge.

The relative outperformance of fine wine in 2022 was even more pronounced than in 2008, when fine wine prices dipped modestly during the Financial Crisis.

Commenting on the new findings, Cru World Wine CEO **Jeremy Howard** said:

“We have long known that fine wine is not correlated with mainstream assets. But the negative correlation in 2022 was extreme. The S&P 500 index was down almost -20% on the year, whilst the Fine Wine index rose by +13.4%. Our clients who diversified some of their private investments into fine wine and spirits certainly outperformed those who didn’t.”

Fine Wine Correlation with Mainstream Assets (Full Year 2022)

Fine Wine and Mainstream Assets - Correlation Matrix (1988 - 2022)								
	Fine Wine	US Equities	Asia Equities	UK Equities	Oil	Gold	Corporate Bonds	Government Bonds
Fine Wine	100.0%	-40.0%	-30.9%	-36.0%	22.3%	-25.5%	-61.0%	-59.3%
US Equities	-40.0%	100.0%	2.3%	74.7%	3.5%	25.9%	66.2%	46.8%
Asia Equities	-30.9%	2.3%	100.0%	42.5%	-14.4%	59.5%	59.7%	65.0%
UK Equities	-36.0%	74.7%	42.5%	100.0%	29.6%	39.1%	74.3%	64.0%
Oil	22.3%	3.5%	-14.4%	29.6%	100.0%	9.4%	-17.0%	-17.6%
Gold	-25.5%	25.9%	59.5%	39.1%	9.4%	100.0%	34.7%	33.5%
Corporate Bonds	-61.0%	66.2%	59.7%	74.3%	-17.0%	34.7%	100.0%	94.8%
Government Bonds	-59.3%	46.8%	65.0%	64.0%	-17.6%	33.5%	94.8%	100.0%

Fine Wine Correlation with Mainstream Assets (1988-2022)

Fine Wine and Mainstream Assets - Correlation Matrix (1988 - 2022)								
	Fine Wine	US Equities	Asia Equities	UK Equities	Oil	Gold	Corporate Bonds	Government Bonds
Fine Wine	100.0%	6.3%	3.9%	4.3%	8.6%	0.7%	6.2%	-0.7%
US Equities	6.3%	100.0%	55.0%	73.1%	13.1%	-2.5%	36.5%	-3.6%
Asia Equities	3.9%	55.0%	100.0%	55.1%	10.4%	13.6%	27.1%	-1.4%
UK Equities	4.3%	73.1%	55.1%	100.0%	13.0%	-2.9%	28.8%	-4.8%
Oil	8.6%	13.1%	10.4%	13.0%	100.0%	15.5%	7.9%	-19.1%
Gold	0.7%	-2.5%	13.6%	-2.9%	15.5%	100.0%	20.9%	15.8%
Corporate Bonds	6.2%	36.5%	27.1%	28.8%	7.9%	20.9%	100.0%	68.5%
Government Bonds	-0.7%	-3.6%	-1.4%	-4.8%	-19.1%	15.8%	68.5%	100.0%

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