



## GBP and Euro Collapse! Historic Opportunity for US Dollar Based Buyers

- The **GBP Pound Sterling** and **Euro** have collapsed against the US Dollar in 2022. The GBP is at its lowest level since **1985**, and the Euro is weaker than at any time since **2002**.
- **US Dollar** pegged currencies like the **Hong Kong Dollar** and **Emirati Dirham** have become **dramatically stronger**. The **Singapore Dollar** is also at its strongest for almost 20 years.
- Fine wine prices are mainly priced in Euro and GBP. This creates a '**once in a generation**' opportunity for US Dollar linked buyers to acquire fine wine and spirits at **bargain prices**.
- The implications for European collectors are positive also. Global demand from 'hard currency' buyers is driving up prices in GBP and Euro, providing an **effective hedge** against their declining purchasing power.
- Cru will continue to employ **dynamic pricing** to ensure that all our prices reflect the reality of local currency moves.

### GBP Weakest Since 1985

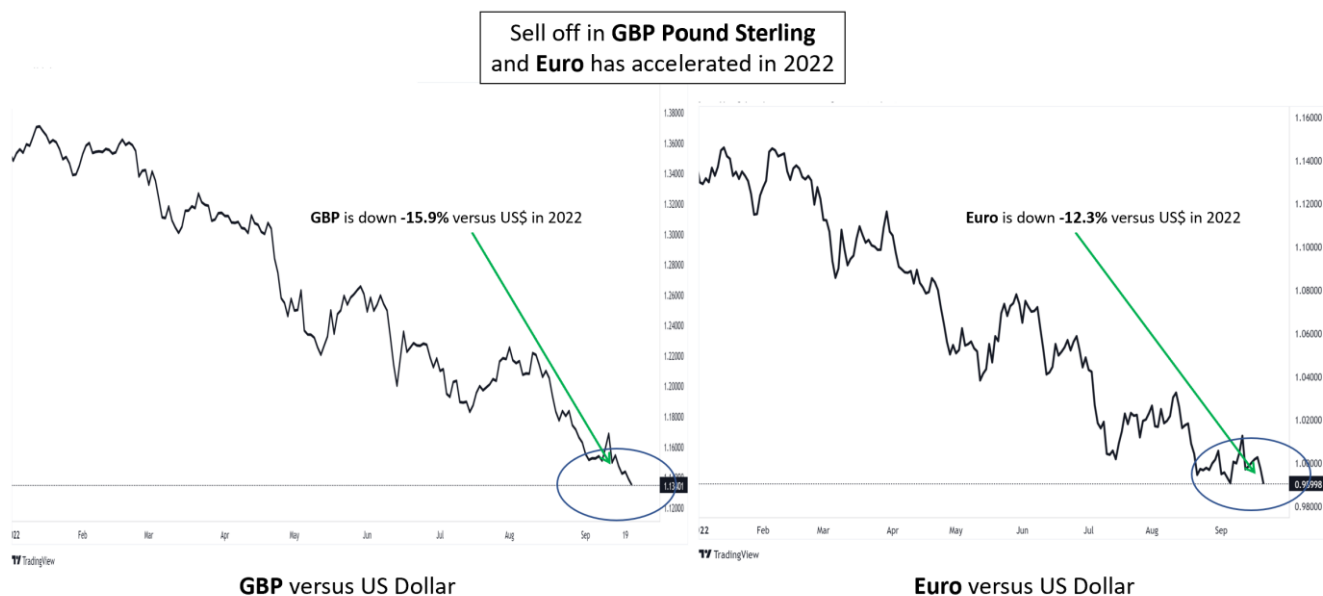
The last time the GBP was this low Ronald Reagan was president of the United States and Chaka Khan topped the music charts (**1985**). The Euro has also sunk to its weakest level versus the US Dollar since 2002. The collapse of its two main pricing currencies has huge implications for the fine wine market.



GBP versus US Dollar

## The Decline of GBP & Euro Accelerated in 2022

The long-term downtrend in GBP and Euro versus the US Dollar accelerated in 2022, with GBP down **-15.9%** and Euro down **-12.3%** this year alone.



These moves are making it cheaper and cheaper for buyers using US Dollar pegged currencies (or those like the SG\$ which tend to move with the US\$) to acquire fine wine and spirits. This heralds a big shift in relative purchasing power and is hastening the outflow of inventory from Europe to the east (to the **Middle East** and **Asia**) and to the west (to the **United States**).

## Buying Power of Dollar-Linked Currencies Skyrockets

Unlike oil, gold, silver, most commodities or bitcoin, **fine wine** prices are primarily set in Euros and GBP. This is because the majority of fine wine is produced in Europe, and the centre for fine wine trading remains (for now) in London.

But decline in GBP and Euro against currencies like the US Dollar, Singapore Dollar, Hong Kong Dollar and Emirati Dirham is hastening the 'de-Europeanization' of fine wine and spirits.

This is illustrated by the cost of our **Cru Recommended Portfolio** (the "Fab 40"). On the 1 January 2022 the portfolio cost approx. **GBP 200,000** (see below). Today (22<sup>nd</sup> Sept. 2022) that same portfolio costs **GBP 232,758**, an impressive sounding rise of **+16.4%**.

But for a buyer paying in Singapore Dollars. the same portfolio only costs 2.1% more than at the start of the year (SG\$ 364.0k versus SG\$ 371.7k). It is any wonder that sales of fine wine in Asia and the United States are booming once again?

## Cru Global Recommended List – Priced 1<sup>st</sup> January 2022 and Today

| Wine  | Size   | Year | Region      | Score       | Qty           | Total Value 1st Jan 2022 (GBP) | Total Value Today (GBP) | Total Value 1st Jan 2022 (SG\$) | Total Value Today (HK\$) |
|---|--------|------|-------------|-------------|---------------|--------------------------------|-------------------------|---------------------------------|--------------------------|
| Ausone  | 6x75cl | 2018 | Bordeaux    | 100 (WA)    | 1             | £3,350                         | £3,250                  | SGD 6,097                       | SGD 5,190                |
| Cheval Blanc  | 6x75cl | 2019 | Bordeaux    | 100 (WA)    | 2             | £5,378                         | £6,200                  | SGD 9,788                       | SGD 9,900                |
| Cos d'Estournel   | 6x75cl | 2016 | Bordeaux    | 100 (VN)    | 4             | £3,600                         | £3,800                  | SGD 6,552                       | SGD 6,068                |
| Cristal   | 6x75cl | 2013 | Champagne   | 98 (WA)     | 3             | £3,090                         | £4,650                  | SGD 5,624                       | SGD 7,425                |
| Cristal   | 6x75cl | 2008 | Champagne   | 100 (JS)    | 3             | £4,320                         | £6,030                  | SGD 7,862                       | SGD 9,629                |
| Dom Pérignon  | 6x75cl | 2008 | Champagne   | 98 (JS)     | 3             | £2,900                         | £3,645                  | SGD 5,278                       | SGD 5,820                |
| Domaine de la Romanée-Conti Richebourg Grand Cru          | 1x75cl | 2019 | Burgundy    | 98 (WA)     | 1             | £3,373                         | £5,650                  | SGD 6,139                       | SGD 9,022                |
| Domaine Dujac Clos de la Roche Grand Cru                  | 3x75cl | 2019 | Burgundy    | 97-99 (VN)  | 3             | £4,489                         | £10,050                 | SGD 8,170                       | SGD 16,048               |
| Domaine Georges Roumier Bonnes-Mares Grand Cru            | 1x75cl | 2015 | Burgundy    | 97 (VN)     | 3             | £4,650                         | £8,400                  | SGD 8,463                       | SGD 13,413               |
| Domaine Ponsot Clos de la Roche Grand Cru Vieilles Vignes | 6x75cl | 2016 | Burgundy    | 97 (WA)     | 3             | £5,220                         | £6,750                  | SGD 9,500                       | SGD 10,778               |
| Dominus   | 6x75cl | 2016 | Napa Valley | 100 (WA)    | 3             | £3,756                         | £4,200                  | SGD 6,836                       | SGD 6,707                |
| É. Guigal Cote Rotie La Mouline                           | 6x75cl | 2018 | Rhône       | 98-100 (WA) | 3             | £4,800                         | £4,410                  | SGD 8,736                       | SGD 7,042                |
| Gaja Barolo Sperss  | 6x75cl | 2016 | Piedmont    | 100 (WA)    | 2             | £3,300                         | £4,300                  | SGD 6,006                       | SGD 6,866                |
| Giacomo Conterno  | 3x75cl | 2014 | Piedmont    | 100 (WA)    | 2             | £5,100                         | £5,300                  | SGD 9,282                       | SGD 8,463                |
| Harlan Estate   | 6x75cl | 2016 | Napa Valley | 100 (WA)    | 1             | £6,000                         | £6,500                  | SGD 10,920                      | SGD 10,379               |
| Haut-Brion  | 6x75cl | 2016 | Bordeaux    | 100 (WA)    | 2             | £5,200                         | £5,500                  | SGD 9,464                       | SGD 8,782                |
| Jean-Louis Chave Hermitage                                | 6x75cl | 2018 | Rhône       | 99 (WA)     | 2             | £3,704                         | £5,500                  | SGD 6,741                       | SGD 8,782                |
| Krug  | 6x75cl | 2008 | Champagne   | 100 (JS)    | 2             | £6,412                         | £6,400                  | SGD 11,670                      | SGD 10,220               |
| Lafite Rothschild   | 6x75cl | 2019 | Bordeaux    | 100 (WA)    | 1             | £3,600                         | £3,850                  | SGD 6,552                       | SGD 6,148                |
| Lafite Rothschild   | 6x75cl | 2018 | Bordeaux    | 100 (WA)    | 1             | £4,133                         | £4,150                  | SGD 7,521                       | SGD 6,627                |
| Lafite Rothschild   | 6x75cl | 2016 | Bordeaux    | 99 (WA)     | 1             | £3,972                         | £4,150                  | SGD 7,229                       | SGD 6,627                |
| Lafite Rothschild   | 6x75cl | 2010 | Bordeaux    | 100 (WA)    | 1             | £4,200                         | £4,550                  | SGD 7,644                       | SGD 7,265                |
| Lafleur   | 3x75cl | 2019 | Bordeaux    | 100 (WA)    | 1             | £4,342                         | £4,550                  | SGD 7,902                       | SGD 7,265                |
| Latour  | 6x75cl | 2010 | Bordeaux    | 100 (WA)    | 1             | £6,048                         | £6,250                  | SGD 11,007                      | SGD 9,980                |
| Latour  | 6x75cl | 2012 | Bordeaux    | 97 (DC)     | 2             | £4,524                         | £4,800                  | SGD 8,234                       | SGD 7,665                |
| Le Pin  | 3x75cl | 2018 | Bordeaux    | 97-99 (WA)  | 1             | £7,640                         | £8,000                  | SGD 13,904                      | SGD 12,774               |
| Leflaive Bâtard-Montrachet Grand Cru                      | 3x75cl | 2019 | Burgundy    | 96 (VN)     | 2             | £4,560                         | £6,800                  | SGD 8,298                       | SGD 10,858               |
| Léoville Las Cases  | 6x75cl | 2016 | Bordeaux    | 100 (WA)    | 3             | £3,585                         | £4,440                  | SGD 6,525                       | SGD 7,090                |
| Margaux   | 6x75cl | 2015 | Bordeaux    | 100 (JD)    | 1             | £5,270                         | £6,000                  | SGD 9,590                       | SGD 9,581                |
| Masseto   | 3x75cl | 2018 | Tuscany     | 100 (JA)    | 3             | £4,526                         | £5,550                  | SGD 8,236                       | SGD 8,862                |
| Mouton Rothschild   | 6x75cl | 2016 | Bordeaux    | 100 (WA)    | 2             | £6,220                         | £6,600                  | SGD 11,320                      | SGD 10,539               |
| Opus One  | 6x75cl | 2019 | Napa Valley | 97-99 (WA)  | 4             | £6,048                         | £6,048                  | SGD 11,007                      | SGD 9,657                |
| Penfolds Grange   | 6x75cl | 2013 | Australia   | 100 (WA)    | 2             | £4,599                         | £4,300                  | SGD 8,370                       | SGD 6,866                |
| Pétrus  | 3x75cl | 2018 | Bordeaux    | 100 (WA)    | 1             | £12,166                        | £13,500                 | SGD 22,142                      | SGD 21,557               |
| Salon Le Mesnil   | 3x75cl | 2002 | Champagne   | 100 (WE)    | 1             | £6,400                         | £6,850                  | SGD 11,648                      | SGD 10,938               |
| Sassicaia   | 6x75cl | 2019 | Tuscany     | 98 (WA)     | 3             | £4,064                         | £4,350                  | SGD 7,396                       | SGD 6,946                |
| Sassicaia   | 6x75cl | 2016 | Tuscany     | 100 (WA)    | 3             | £5,070                         | £5,850                  | SGD 9,227                       | SGD 9,341                |
| Screaming Eagle   | 3x75cl | 2018 | Napa Valley | 98 (VN)     | 1             | £9,446                         | £9,595                  | SGD 17,192                      | SGD 15,321               |
| Tignanello  | 6x75cl | 2018 | Tuscany     | 98 (WA)     | 10            | £6,150                         | £7,000                  | SGD 11,193                      | SGD 11,178               |
| Vega-Sicilia Único  | 3x75cl | 2009 | Spain       | 98 (WA)     | 7             | £4,816                         | £5,040                  | SGD 8,765                       | SGD 8,048                |
|   |        |      |             |             | <b>Total</b>  | <b>£200,018</b>                | <b>£232,758</b>         | <b>SGD 364,032</b>              | <b>SGD 371,668</b>       |
|   |        |      |             |             | <b>Change</b> |                                | <b>16.37%</b>           |                                 | <b>2.10%</b>             |

## Conclusion: Currency Moves have Implications for Everyone

Wherever you are, these huge currency moves have serious implications.

For US Dollar pegged / linked currency investors, the price of fine wine is falling. This is creating a '**once in a generation**' opportunity for buyers in the **United States, Middle East** and much of **Asia** (ex. Japan and China) to acquire inventory at bargain prices.

But for collectors in Europe, it matters too. The recent price action shows that fine wine can be an **effective hedge against currency weakness**. As the GBP and Euro sink, fine wine and spirits prices are driven upwards by global 'hard currency' demand.

So, there are reasons for everyone (cautiously) to welcome the long-term declines in GBP and Euro against the Greenback.

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