



## Is Nicolás Catena Zapata Now an Investment Wine?

<b>Nicolás Catena Zapata 2013</b> (6x75cl) IB	<b>S\$535</b>
Cru Investment Rating	<b>BBB</b>
Robert Parker Score	<b>96</b>
Price per Point	<b>S\$0.93</b>
Average Price per Point	N/A
Drinking Window	<b>to 2022</b>
Price Target (24 months)	<b>S\$700</b>
Implied Price performance	<b>+30%</b>

- Our clients have made good returns recently in South American names like **Almaviva** and **Seña**.
- We believe that the next **South American** top wine to take off could be **Nicolás Catena Zapata**.
- Nicolás Catena Zapata has all the attributes we require in an investment wine.
- **Almaviva** and **Seña** current vintages trade at a 100% **premium** to Nicolás Catena Zapata 2013, offering lots of scope for price 'catch up'.

### What Makes an 'Investment Wine'? – Three Tests:

1. Is the producer, or could the producer be, a *genuine* global fine wine brand?
2. Will the wine *improve in bottle* over many years?
3. Will global demand for this wine *stay strong / increase* over many years?

We believe that **Nicolás Catena Zapata** meets all three tests and is therefore an investment wine with significant potential.

Founded in 1902, **Bodega Catena Zapata** is probably Argentina's most celebrated wine estate. **Jancis Robinson** has written that "*Nicolás Catena Zapata is justly credited with putting Argentinean wines on the world map.*"

The family's **Adrianna Vineyard**, at almost 5,000 feet in elevation, has been called the 'Grand Cru' of South America. Anyone who has been lucky enough to visit, or who even looks at photos of, the vineyard cannot fail to be impressed by its majesty. Having such a distinctive vineyard is a great attribute when it comes to standing out in the global fine wine crowd.

The wine called **Nicolás Catena Zapata** was first produced in 1997. It is the Bodega's 'Bordeaux blend' with a South American twist. The twist is the addition of Malbec to the Cabernet Sauvignon (which predominates). Like Penfold's Grange, the wine is produced from the best parcels of different vineyards: La Pirámide, Adrianna and Nicasia. The wine is aged in French oak barrels for 24 months and has an additional 24 months in bottle before release.

### Nicolás Catena Zapata – Significant Discount to Almaviva and Seña

The most recent vintages of **Almaviva** and **Seña** trade at premiums of over 100% to **Nicolás Catena Zapata**. This is despite them all coming from South America and having the same or, in Almaviva's case lower, scores.

Wine	Country	Grape	Most Recent Vintage	RP Score	Price
<b>Nicolas Catena Zapata</b>	<b>Argentina</b>	<b>Cabernet Sauvignon blend</b>	<b>2013</b>	<b>96</b>	<b>SGD 535</b>
<b>Almaviva</b>	Chile	Cabernet Sauvignon blend	2014	94	SGD 1,146
<b>Seña</b>	Chile	Cabernet Sauvignon blend	2015	96	SGD 1,117

## Almaviva Shows the Potential for Nicolás Catena Zapata

The **Almaviva 2012** scores a (relatively lowly) **93 points** from Robert Parker. Two years ago this wine was trading around S\$585 / 6, which is close to where Nicolás Catena Zapata 2013 is trading today. But over the past two years this wine has jumped almost 100% to S\$1,130 / 6 today. This big increase has come despite Almaviva never having scored more than 94 points from Robert Parker (although other, less influential critics have been more generous). And it is worth bearing in mind that Almaviva produces some 180,000 bottles a year, versus just 55,000 for Nicolás Catena Zapata.

### 94 Point Chilean Almaviva 2012 Doubles in Price in Two Years



## Nicolás Catena Zapata 2013 – Good Value Compared with Back Vintages

The **Nicolás Catena Zapata 2013** scores 96 points from Robert Parker, who gives the wine a Drinking Window to 2022 (although in reality the wine will be appreciated for many years past this date). This gives it a great **price to points ratio**, and makes it a strongly attractive buy on a two year time horizon. We would also recommend collectors look to pick up the **2010** and **2008** at current prices also (if they can find them!).

Nicolas Catena Zapata (6x75cl) in Singapore				
Year	RP Score	Price	Price per Point	Drink to
2013	96	SGD 535	SGD 0.93	2022
2012	93	SOLD OUT	N/A	2022
2011	92	SGD 828	SGD 1.50	2022
2010	95	SOLD OUT	N/A	2023
2009	95	SOLD OUT	N/A	2035
2008	98	SOLD OUT	N/A	2028
2007	98	SOLD OUT	N/A	2032
2006	97	SOLD OUT	N/A	N/A
2005	98	SGD 754	SGD 1.28	2030
2004	98+	SOLD OUT	N/A	2058
2002	N/A	SOLD OUT	N/A	N/A
2001	94	SGD 942	SGD 1.67	2018

Pricing source: *wine-searcher.com* Singapore prices

**Robert Parker** note on Nicolás Catena Zapata 2013:

*The 2013 Nicolás Catena Zapata is a blend of 75% Cabernet Sauvignon and 25% Malbec from the La Pirámide, Adrianna and Nicasia vineyards. It is perfectly clean and focused, a noticeable improvement over the 2012 vintage. The Cabernet Sauvignon from this cool vintage seems to have a more restrained character that made me think of Cabernet Franc, very classical and serious. They have been harvesting earlier and earlier in search of balance and freshness, and the strategy has definitely worked. It has great freshness and focus, and the lower alcohol and acidity seem to make the wine integrate the oak very nicely. This has to be one of the finest vintages of Nicolás Catena Zapata. 55,000 bottles produced.*

Luis Gutiérrez reviewed 30<sup>th</sup> December 2016

**Catalysts for Price Appreciation of Nicolás Catena Zapata**

We would like to see Catena Zapata more clearly differentiate **Nicolás Catena Zapata** as the 'flagship' wine of the estate, and we believe this will happen over time. We would also like to see Catena Zapata distribute Nicolás Catena Zapata through more dedicated premium channels, perhaps even through the Bordeaux negociant system. We also believe that this is a possibility, and that either or both of these changes could be an additional catalyst for a price correction upwards.

But experience teaches us that whilst mis-pricings can prevail for a period, eventually the market sorts the wheat from the chaff and prices rise or fall to reflect relative value. On this basis **Nicolás Catena Zapata is clearly undervalued and should reward those buying now in advance of the crowd.**

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