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Fine wine market: a turnaround or a temporary lull

Liv-ex indices report a slowed decline, indicating increased buyer activity

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In recent developments, August provided indications of a potential softening in the fine wine market. As per the information shared by Liv-ex, a renowned fine wine marketplace, there has been a noticeable "deceleration" in the decline rate of its primary indices.

The Liv-ex Fine Wine 100, which is esteemed as the industry's benchmark representing the 100 most coveted fine wines, experienced a 1.3% drop, settling at 376.55 by the month's end. In tandem with this, the Liv-ex Fine Wine 50, an index monitoring the movement of the prestigious First Growths, also underwent a comparable decrease of 1.4% on a month-to-month basis.

Despite the year's overarching bearish trend as outlined by Liv-ex, one salient observation was the marked reduction in the decline rate across the indices. To provide a contextual perspective, the Liv-ex Fine Wine 1000, acclaimed for being the most encompassing gauge of the fine wine market, noted a mere 0.8% dip in August. This is in stark comparison to its notable 9.5% fall since the dawn of 2023.

A soft market typically swings in favor of buyers, and recent data seems to affirm this adage. August observed a surge in trading activities. Records indicate a positive trend in both the value and volume of trades conducted during this period.

Furthermore, Liv-ex shared that the market breadth exhibited growth. Specifically, an impressive number of 2,035 distinct labels underwent trading.

While these indicators do hint at a promising direction, it might be hasty to consider them as definitive signs that the market downturn has met its end. Addressing this speculation, Liv-ex commented, "Probably not yet."