

FARTHINGHOE

FINE WINE | EST. 1975

Wine Investment Report

Market stabilisation, renewed confidence, and selective opportunities across global fine wine.

EXPERT INSIGHT. ENDURING VALUE

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Q2 | 2026

INTRODUCTION

Q2 at a Glance

After nearly two years of market correction, the fine wine market is beginning to show early signs of stabilisation.

Liv-ex indices softened slightly in March, but Q1 remained broadly flat overall. Buyer confidence is improving, with bid-to-offer ratios reaching two-year highs, while U.S. demand is returning steadily despite the tariff backdrop.

Bordeaux is regaining leadership, although Italy and Champagne remain resilient. Mature, proven wines continue to outperform speculative stock, and the outlook suggests selective value opportunities are emerging across global regions.



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Buyers initiated 62% of trades in Q1 2026 – the highest level since Q1 2024.

- Liv-ex, April 2026



Executive Summary

The first quarter of 2026 suggests that the fine wine market may finally be moving from correction toward stabilisation. Although Liv-ex's major indices recorded modest declines in March, the broader picture across Q1 was considerably more constructive than headline monthly figures imply. The Liv-ex Fine Wine 100 finished Q1 only marginally below flat on the year (-0.28% year-on-year), while several key sub-indices posted positive quarterly returns. Most importantly, market behaviour has improved materially beneath the surface. Bid-to-offer ratios across the Liv-Ex 50, 100 and 1000 now sit at their highest levels in two years, indicating a healthier balance between buyers and sellers and improving liquidity conditions. The market is not yet rising decisively, but confidence is returning incrementally.



What distinguishes the current phase from previous speculative cycles is the nature of demand. Buyers remain highly selective and increasingly focused on maturity, rarity, drinkability and brand strength. Proven wines with deep secondary-market liquidity are attracting renewed interest, while younger releases, less-established labels and highly speculative segments continue to struggle.

This shift reflects broader economic realities. Global growth remains subdued, interest rates remain elevated in most developed economies, and geopolitical uncertainty continues to shape investor psychology. Yet fine wine's role as a tangible, culturally rich, finite asset continues to resonate with collectors seeking diversification away from increasingly volatile financial markets.

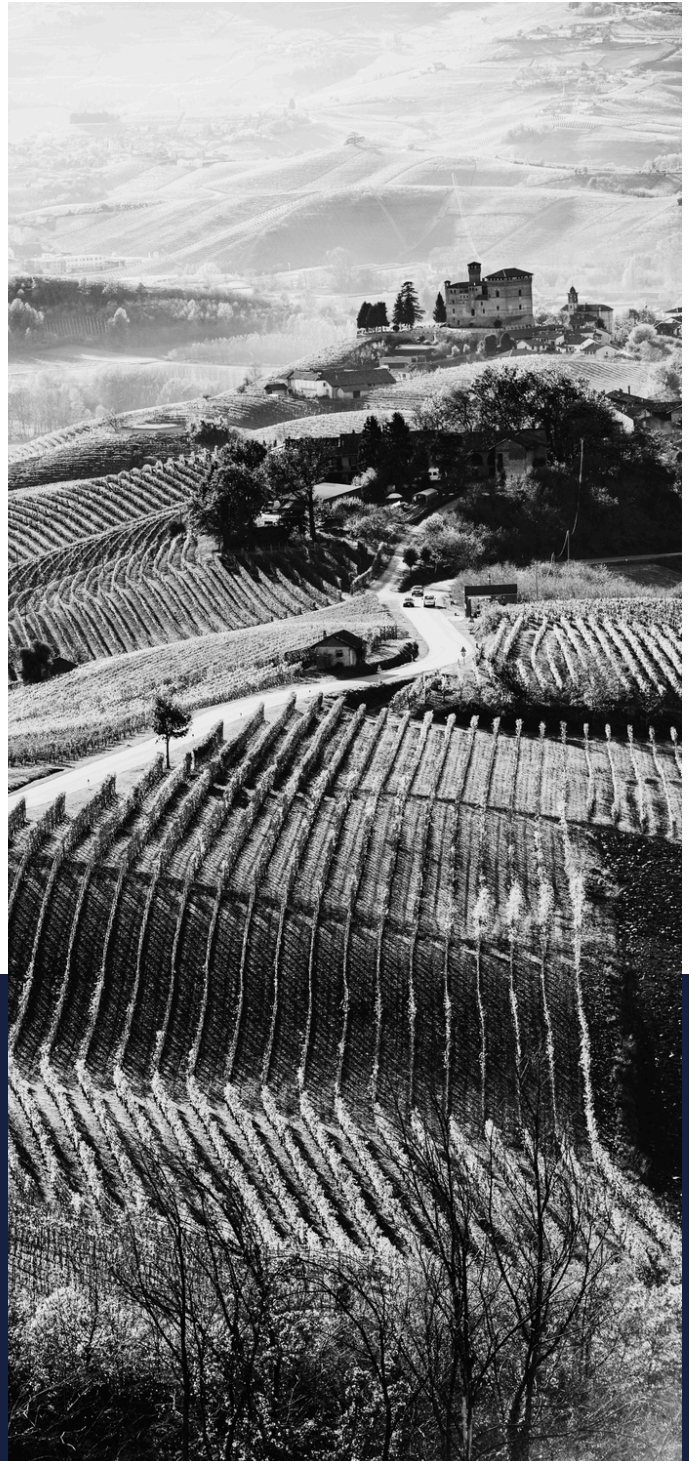
Within this environment, we believe the current market offers some of the most compelling long-term entry points seen for several years, particularly in mature Bordeaux, selectively in Burgundy, prestige Champagne, and top Italian estates.

Market Overview

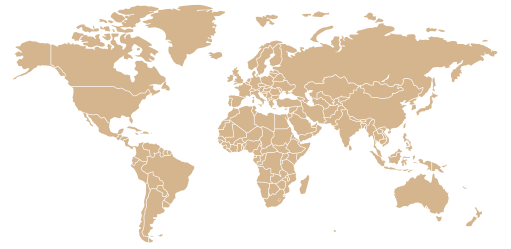
March 2026 marked the first monthly decline in the major Liv-ex indices since August of last year, though the weakness was relatively contained and should be viewed in context. The Liv-ex Fine Wine 100 fell 0.34% in March, while the broader Liv-ex 1000 slipped 0.40%. However, beneath these modest declines, several important market indicators improved significantly:

- Buyer-initiated trades reached 62% of total market activity in Q1 2026 – the highest level since Q1 2024.
- U.S. buyers accounted for 24.4% of March trading activity, their highest participation level since early 2025.
- Bid-to-offer ratios across all major indices continued to rise steadily, reflecting stronger underlying demand and tightening spreads.
- The strongest-performing regional sub-index in Q1 was the Left Bank 200, which rose 1.57% year-to-date, led by renewed demand for classically styled Bordeaux estates such as Grand-Puy-Lacoste, Calon Ségur and Carmes Haut-Brion.

The market's tone today is one of cautious accumulation rather than exuberance. Buyers are returning, but they remain valuation-sensitive and disciplined. Those that have returned are looking for on-vintages, and top producers.



Macroeconomic Environment



Global growth remains subdued, interest rates remain elevated, and geopolitical uncertainty continues to shape investor psychology.

● **United States**

Renewed participation continues to support recovery despite persistent tariff and inflationary pressures.

● **China and Asia**

Weak domestic confidence and slower luxury demand continue to weigh on Asian market participation.

● **United Kingdom and Europe**

Elevated borrowing costs and renewed energy volatility continue to pressure confidence across Europe.



UNITED STATES

The United States remains the most important driver of recovery in the global fine wine market. Despite ongoing tariff complexities and elevated interest rates, American participation in the market has strengthened steadily throughout Q1 2026. Liv-ex data shows U.S. wine accounted for 10.2% of March trade by value – its highest share since January 2022. Demand for leading Californian wines such as Screaming Eagle and Opus One

has remained notably resilient, reflecting the enduring purchasing power of the US market, and continued interest in domestic wines. Importantly, tariff uncertainty now appears better understood and increasingly priced into market behaviour. Collectors and merchants are adjusting accordingly, allowing trading activity to normalise after prolonged hesitation throughout 2024 and early 2025.



Despite this resilience, the escalation of conflict between the U.S. and Iran has materially altered the global macroeconomic outlook. Disruption to energy markets and instability surrounding the Strait of Hormuz have driven sharp volatility in oil prices throughout 2026, with Brent crude periodically trading above \$100 per barrel.

The consequence has been a renewed inflationary shock at a time when markets had expected central banks to begin easing monetary policy. Rising energy and transport costs are now feeding into broader consumer inflation, forcing the Federal Reserve into a significantly more cautious stance on interest rates. Expectations for rate cuts have been materially pushed back, while some analysts have warned that interest rates may remain elevated for considerably longer than previously anticipated.



For financial markets, this has created a more challenging environment defined by tighter liquidity, weaker risk appetite and increased volatility across both equities and alternative assets. For fine wine specifically, higher financing costs and reduced speculative capital are likely to continue weighing on younger and less liquid segments of the market. However, periods of geopolitical instability and persistent inflation also tend to strengthen demand for tangible, finite assets with intrinsic long-term value characteristics. Consequently, mature, globally recognised wines with strong secondary-market liquidity are expected to remain comparatively resilient as has been the case throughout Q1.



CHINA & ASIA

China continues to present a significant macroeconomic challenge for global luxury markets. Domestic confidence remains weak, the property sector remains fragile, and consumer demand has yet to recover meaningfully despite ongoing government stimulus efforts. The additional inflationary pressure created by higher global energy prices has further complicated the outlook for Asian growth, particularly among import-dependent economies.

As a result, Asian participation in the fine wine market remains subdued relative to previous cycles. Demand from mainland China for speculative Burgundy and ultra-premium Bordeaux remains significantly below peak levels, while Hong Kong and Singapore continue to account for the majority of meaningful regional trading activity. The Broader slowdown

in China continues to weigh on confidence across luxury assets, though any sustained improvement in domestic demand or policy stimulus could provide an important tailwind for fine wine markets later in 2026.



UNITED KINGDOM & EUROPE

The outlook across the UK and Europe has become increasingly fragile amid slower growth, elevated borrowing costs and renewed energy-market volatility stemming from the Iran conflict. Higher oil and gas prices are once again feeding through into inflation expectations, reducing the likelihood of rapid interest-rate cuts from either the Bank of England or the European Central Bank.

This environment is placing additional pressure on consumer confidence, corporate investment and broader luxury spending across Europe. Fiscal pressures also remain elevated, particularly in the UK, where higher debt-servicing costs and weak productivity growth continue to constrain economic flexibility.

What this means for Fine Wine

For fine wine markets, the implication is a continuation of the current trend toward selective, value-oriented buying behaviour. Investors and collectors are increasingly prioritising liquidity, brand strength and maturity over speculative growth potential. While broader market conditions remain challenging, this environment continues to favour top-tier wines with established global demand and long-term scarcity value. The emphasis is on wines for consumption, rather than speculation.





Regional Insights

Bordeaux

Bordeaux has quietly re-emerged as one of the strongest areas of relative value within the fine wine market. After several years of correction — driven largely by the sharp decline in Chinese demand and broader macroeconomic weakness — mature Left Bank wines now offer compelling entry points when viewed against historical pricing, relative scarcity, and qualitative value versus other leading regions.

The Left Bank 200 was the best-performing Livex sub-index in Q1 2026, rising 1.57% year-to-date, reflecting renewed confidence in the region's most established estates. Collectors are increasingly gravitating toward, mature vintages, proven First Growths, and highly rated “super seconds” with deep secondary-market liquidity. With big scores, the ability to age for many decades to come, and strong underlying consumption demand, Bordeaux from the 80's and 90's continues to look incredibly attractive in the current environment. En Primeur campaigns,

however, remain under considerable pressure. Buyers are demanding meaningful discounts relative to physically available back vintages before committing fresh capital. The Bordelais will have watched carefully as Château Pontet-Canet — awarded 98-100 points by William Kelley and released only modestly above last year's pricing — received a relatively muted market response, highlighting the market's continued valuation sensitivity.

Burgundy

Burgundy remains one of the market's most nuanced regions. The Burgundy 150 index fell modestly in March and remains below its 2022 highs, though pricing now appears to be stabilising. The speculative excesses seen during the pandemic-era boom have largely dissipated. Today's buyers are considerably more selective, favouring: elite domaines, proven vintages, and wines with strong drinking demand.

This environment increasingly favours genuine collectors and drinkers over short-term speculators. Top white Burgundy continues to stand out, as consumption rates are much higher here. Wines from Raveneau, Coche-Dury, Ramonet, Roulot and Leflaive remain underpinned by real consumption demand and limited production, offering stronger structural support than some of Burgundy's more speculative red labels, especially across top vintages.



Champagne

Champagne continues to display resilience relative to many other regions, again underpinned and driven by real consumption. The Champagne 50 index remains one of the better-performing major categories over longer time horizons. Historically, Champagne has also tended to act as an early indicator of improving sentiment within the wider fine wine market, with renewed price momentum often appearing here first during periods of recovery.

Prestige cuvées from globally recognised houses continue to attract demand, particularly in larger formats. Magnums of: Salon, Bollinger, Dom Pérignon, Cristal, and Krug appear increasingly attractive after recent market corrections. Champagne's unique combination of luxury branding, celebration culture and genuine consumption continues to underpin real long-term demand.

Rhône Valley

The Rhône Valley continues to offer some of the most compelling relative value in the global fine wine market, particularly within the Northern Rhône. Unlike more speculative regions, the Rhône market remains overwhelmingly driven by genuine consumption demand rather than financial engineering or momentum-led buying. As a result, pricing behaviour here has historically been far more rational and sustainable: older vintages gradually appreciate over time as bottles are consumed and supply naturally diminishes.

We continue to believe that certain producers within the region – most notably Domaine Jamet – represent exceptional value at current levels. Jamet’s Côte-Rôtie stands comfortably alongside many of the world’s greatest wines in qualitative terms, yet recent vintages remain available at approximately £600 per six bottles, a striking contrast to comparable top Burgundy or Bordeaux estates. If the Rhône has historically never quite reached the speculative heights of Burgundy or Bordeaux, this may ultimately prove to be an advantage. The Northern Rhône in particular possesses many of the attributes collectors increasingly seek: scarcity, age-worth-

ness, critical acclaim, strong consumption demand and stylistic uniqueness. In many respects, the region combines elements of both Burgundy and Bordeaux – offering terroir-driven complexity alongside structure and longevity. As the fine wine market broadens beyond its traditional core regions, we believe the Northern Rhône is particularly well positioned to benefit from increased global collector attention. For patient long-term buyers, the region continues to represent one of the market’s clearest areas of underappreciated quality and value.

Italy

Italy remains one of the healthiest and most consistent sectors of the global fine wine market. The Italy 100 index posted positive year-to-date growth in Q1 2026, although this is distilled into a few Super Tuscans and leading Brunello producers who continue to trade actively: Sassicaia 2022 traded at £1,856 per 6x75, Tignanello 2022 at £1,048, and Biondi-Santi Brunello 2019 at £1,208. Italy benefits from: broader global consumption demand, relatively attractive pricing versus Burgundy, and increasing international collector recognition.



The region increasingly appears to represent one of the fine wine market's strongest long-term structural growth stories. In the near term, however, it is the leading Super Tuscans – particularly Sassicaia and Tignanello – whose exceptional liquidity and global recognition continue to drive market activity and investor demand.

United States & Rest of World

The continued recovery in U.S. participation has strengthened the market for top Californian wines, with Opus One and Screaming Eagle among the most actively traded wines globally during March. While demand for U.S. wines in the UK remains relatively limited – largely due to their high pricing relative to comparable wines from Bordeaux, Italy or the Rhône – strong domestic American demand continues to underpin the market's overall resilience and long-term performance. California's enduring appeal lies in: limited production, substantial domestic wealth, and increasingly global recognition among collectors.

The depth of the U.S. luxury market continues to provide significant structural support for the region's leading estates, even during periods of broader market weakness. Beyond the major regions, parts of the "Rest of the World" category continue to attract growing collector interest, particularly where wines combine scarcity, strong critical reputation, and comparatively attractive pricing relative to more established benchmark regions.



Portfolio Positioning

The market currently rewards real selectivity. We continue to favour: mature Bordeaux with proven liquidity, top Champagne in large formats, Northern Rhone opportunities, elite white Burgundy, a few top Super Tuscans. The current correction has created opportunities to acquire exceptional wines at substantial discounts to recent highs.

Importantly, consumption-led demand is once again becoming the dominant force in the market. Wines that people genuinely wish to drink are proving considerably more resilient than those driven primarily by speculation. This means that it pays to focus on the very best, both producer and vintage. The people who continue to consume are those that want the best, not off-vintages of top domaines/wines. Conversely, we remain cautious on: very young wines at ambitious release prices, speculative Burgundy labels, particularly red, and wines heavily reliant on weaker Asian demand.

Outlook

The outlook for the remainder of 2026 is cautiously constructive. While macroeconomic risks remain elevated, the fine wine market increasingly appears to be building a base after a prolonged correction. Improving bid-to-offer ratios, rising buyer participation and recovering U.S. demand all suggest underlying confidence is gradually returning.

We do not expect a rapid bull market. Rather, the most likely scenario is a gradual recovery led by: mature, highly liquid wines, globally recognised producers, and regions supported by genuine consumption demand. For long-term collectors and investors, this remains one of the most attractive periods for selective acquisition seen in several years.



Trends to watch | Q2 & Q3 2026

- 01 — Bordeaux En Primeur pricing discipline
- 02 — Continued recovery in U.S. buyer participation
- 03 — Stabilisation in Burgundy pricing
- 04 — Growing relative strength in Italy
- 05 — Champagne magnums attracting renewed collector interest
- 06 — Bid-to-offer ratios continuing to improve
- 07 — Consumption-led demand reshaping the market



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