



Is Nicolás Catena Zapata Now an Investment Wine?

Nicolás Catena Zapata 2013 (6x75cl) IB	£265
Cru Investment Rating	BBB
Robert Parker Score	96
Price per Point	£0.46
Average Price per Point	N/A
Drinking Window	to 2022
Price Target (24 months)	£345
Implied Price performance	+30%

- 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 almost 100% higher than 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
Nicolas Catena Zapata	Argentina	Cabernet Sauvignon blend	2013	96	£ 265
Almaviva	Chile	Cabernet Sauvignon blend	2014	94	£ 513
Seña	Chile	Cabernet Sauvignon blend	2015	96	£ 475

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 £284 / 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 £540 / 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.

93 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 **2008** and **2009** at current prices also (if they can find them!).

Nicolas Catena Zapata (6x75cl) Lowest Market Price				
Year	RP Score	Price	Price per Point	Drink to
2013	96	£ 265.00	£ 0.46	2022
2012	93	£ 540.00	£ 0.97	2022
2011	92	£ 332.00	£ 0.60	2022
2010	95	£ 300.00	£ 0.53	2023
2009	95	£ 288.00	£ 0.51	2035
2008	98	£ 300.00	£ 0.51	2028
2007	98	£ 330.00	£ 0.56	2032
2006	97	SOLD OUT	N/A	N/A
2005	98	SOLD OUT	N/A	2030
2004	98	£ 663.00	£ 1.13	2058
2002	N/A	SOLD OUT	N/A	N/A

Pricing source: *wine-searcher.com* and *Liv-ex.com*

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 30th 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.**

IMPORTANT NOTICE

This report has been issued or approved for issue by an entity forming part of Cru (as defined below) and has been forwarded to you solely for your information and should not be considered as an offer or solicitation of an offer to sell, buy or subscribe to any securities or any derivative instrument or any other rights pertaining thereto ("financial instruments"). Cru is not authorised by the Financial Conduct Authority in the United Kingdom to offer investment advice or to make investment recommendations. This note does not represent investment advice or an investment recommendation.

This report is intended for use by professional or business clients only. This report may not be reproduced without the consent of Cru.

The information and opinions expressed in this report have been compiled from sources believed to be reliable, but, neither Cru, nor any of its directors, officers, or employees accepts liability from any loss arising from the use hereof or makes any representations as to its accuracy and completeness. Any opinions, forecasts or estimates herein constitute a judgement as at the date of this report. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or estimates. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied is made regarding future performance. This information is subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the product or products mentioned. Cru is not agreeing to nor is it required to update the opinions, forecasts or estimates contained herein.

The value of any products mentioned in this report can fall as well as rise. Foreign currency denominated products are subject to fluctuations in exchange rates that may have a positive or adverse effect on the value, price or income of such products.

This report does not have regard to the specific instrument objectives, financial situation and the particular needs of any specific person who may receive this report. Investors should seek financial advice regarding the appropriateness of investing in any products or investment strategies discussed in this report.

Cru (or its directors, officers or employees) may, to the extent permitted by law, own or have a position in the products of any company or related company or products referred to herein, and may add to or dispose of any such position or may make a market or act as a principal in any transaction in such products. Directors of Cru may also be directors of any of the companies mentioned in this report. Cru (or its directors, officers or employees) may, to the extent permitted by law, act upon or use the information or opinions presented herein, or research or analysis on which they are based prior to the material being published. Cru may have issued other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Those reports reflect the different assumptions, views and analytical methods of the analysts who prepared them.

For the purposes of this disclaimer, "Cru" shall mean: (i) Cru London Limited; (ii) Cru Asia Limited and (iii) from time to time, in relation to Cru London Limited and/or Cru Asia Limited, the ultimate holding company of that entity, a subsidiary (or a subsidiary of a subsidiary) of that entity, a holding company of that entity or any other subsidiary of that holding company, and any affiliated entity of any such entities.

This publication is confidential for the information of the addressee only and may not be reproduced in whole or in part, copies circulated, or disclosed to another party, without the prior written consent of an entity within Cru. Products referred to in this research report may not be eligible for sale in those jurisdictions where an entity within Cru is not authorised or permitted by local law to do so. In particular, Cru does not allow the redistribution of this report to non-professional investors or persons outside the jurisdictions referred to above and Cru cannot be held responsible in any way for third parties who effect such redistribution or recipients thereof. © 2017.