



BUY Vieux Télégraphe Châteauneuf-du-Pape 2016 – Excellent Value with Investment Upside

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|-------------------------------------|--------------|
| Price (12x75cl) | £440 |
| Cru Investment Rating | "A" |
| Jeb Dunnuck Score | 96-98 |
| Price per Point (bottle) | £2.65 |
| Price Target (12x75cl) 18-24 months | £550 |
| Implied price performance | +25% |

- **2016** is one of the **top four scoring vintages** in the Southern Rhône in the last 30 years and **one of the best ever produced from Châteauneuf-du-Pape**.
- Vieux Télégraphe produced a stunning wine in 2016, achieving its **highest ever score (96-98)** from Jeb Dunnuck.
- VT 2016 is trading at a 45% discount to the similarly scored VT 2010, and at deep discount to comparable 2016 CNDPs.
- Cru has the **lowest global price** for VT 2016.

Domaine du Vieux Télégraphe has been run by the Brunier family for **six generations since 1891**. The historic vines of "VT" (as it is known to fans around the world) have an average age of 60 years old and are planted in Châteauneuf du Pape's ("CNDP") famous Plateau of La Crau. Their wines are consistently some of the best from CNDP and the whole Rhône Valley. VT is one of five CNDP producers included in the **Rhône's 10 most liquid wines**. **Top wines from CNDP command prices comparable to the greatest wine regions**: Beaucastel's CNDP Du Pape Hommage J Perrin 1989 (12x75cl) has a market price of £10,750.

Vieux Télégraphe CNDP 2016: Good Upside Potential versus other Vintages of VT

- Vieux Télégraphe ("VT") CNDP **2016 has the potential to score 98 points from the leading Rhône critic Jeb Dunnuck** (formerly Robert Parker's Rhône critic). If so, it will be the highest ever scored VT. Jeb Dunnuck wrote that the 2016 "*might just be the greatest wine from this estate to date.*" Back vintages of VT can command very high prices: the Dunnuck 95 point 1990 trades at £1,600 today (12x75cl).
- **VT CNDP 2016 is trading at a significant discount** to other top vintages from the estate (2010, 2007 and 2005). The most similar vintage in terms of quality is the 2010 which **trades at a 45% premium to the 2016**.

| Vintage | Wine Score | Overall Vintage Score | Market Price | Difference to 2016 |
|------------------------------------|------------|-----------------------|-----------------|--------------------|
| VT Châteauneuf du Pape 2016 | 96-98 | 96-99 | £ 440.00 | - |
| VT Châteauneuf du Pape 2010 | 97 | 98 | £ 640.00 | 45% |
| VT Châteauneuf du Pape 2007 | 96+ | 95 | £ 500.00 | 14% |
| VT Châteauneuf du Pape 2005 | 95 | 97 | £ 570.00 | 30% |
| | | | Average | 30% |

- The current pricing opportunity is partly caused by a **very modest release price** from the domaine for the 2016. There was only a small rise of £20 per case (12x75cl) over the 2015 price which only got 93 points from Jeb Dunnuck.
- Cru are able to offer a limited number of cases **at the en primeur first release price** which we believe is the **lowest price globally** listed anywhere.

VT CNDP 2016 is Undervalued versus Comparable Châteauneuf-du-Pape 2016s

| Wine | Wine Score (JD) | Market Price | Difference to VT |
|---|-----------------|-----------------|------------------|
| Vieux Télégraphe CNDP 2016 | 96-98 | £ 440.00 | - |
| Chapoutier CNDP Barbe Rac 2016 | 95-98 | £ 450.00 | 2.3% |
| Beaucastel CNDP 2016 | 94-97 | £ 480.00 | 9.1% |
| Clos du Caillou CNDP les Quartz 2016 | 96-99 | £ 502.00 | 14.1% |
| Roger Sabon CNDP Secret de Sabon 2016 | 95-97 | £ 580.00 | 31.8% |
| Saint Prefert CNDP Charles Collection Giraud 2016 | 94-96 | £ 720.00 | 63.6% |
| Marcoux CNDP VV 2016 | 95-97 | £ 912.00 | 107.3% |
| Average | | £ 583.43 | |

Near Term Supply Limited in Châteauneuf-du-Pape

- **Vieux Télégraphe CNDP 2017 will be in short supply.** As with many areas of France, there was a limited harvest in CNDP in 2017, with yields considerably down on 2016.

Ralph Garcin from Chateau de la Nerthe (in CNDP) said to *Decanter* that the 2017 vintage is of: *"beautiful quality but very low quantity due to the combination of coulure and drought."*

Jean-Paul Daumen of Domaine de la Vieille Julienne (in CNDP), reported to *Wine Spectator* that: *"the quality of the grapes was perfect ... but the yields are very, very low. About 50% less."*

- Significantly smaller yields of 30-50% will put **pressure on CNDP producers to rise prices in 2017.**

VT CNDP 2016: Price Target is £550 over 18-24 months (+25% Upside)

VT CNDP 2016 trades at an average discount of almost 30% compared to comparable back vintages of VT, and is 45% cheaper than the similarly scored 2010. Compared with a basket of its CNDP peers from 2016 (which are often lower rated) is it 33% cheaper.

We therefore have no hesitation in recommending this wine to buyers with a 12-18 month (or longer) time horizon. *Wine Advocate* predicts that this wine will drink until at least 2035, and so it has a very long period for price appreciation ahead of it!

Our **price target is £550 over 18-24 months**, giving 25% upside.

STORAGE NOTE: This wine will not be delivered until Q4 2018 - no storage costs will not be incurred until then.

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