



Fine Wine Market Decode: December

Market Sentiment: Enquiries to Sell

- Enquiries to sell totaling:
£2,152,704
- Number of clients looking to sell decreases by 9%
- Tory majority sees Sterling rally, and retrace post-election gains

After a tumultuous year, it seems rather fitting that the year's final month should revolve around volatility. It is not news that a general election stimulates the currency market, but many people will have predicted quite how elastic the rally and retracement would in fact turn out to be.

The election result saw Sterling push through a longstanding resistance line for the first time in over 6 months, driven by an optimistic market looking to throw weight behind renewed political certainty.

The size of the move was considerable and had all the hallmarks of a significant market move. Unfortunately for those who had cut short positions swept up in the speed of the move, this breakout was extremely short-lived. The days following the result saw a swift and total retracement, with Sterling only managing to stay marginally higher than its position at the start of the month.

This is good news for the UK fine wine market, and for prices within it. Many feared a Tory majority would send Sterling rallying, sending prices falling. Instead, fears of a harder Brexit have tempered this rally, while also providing some much needed certainty to the market.

While the election then quickly became a viable vehicle for short-term positive relief from a deflated second half of the year, it did little to dislodge sufficient focus from the enormous Brexit-shaped elephant in the room.

Although enquiries to sell remained steady, by number they decreased, as many investors chose to hold until post-election. As we head into the new year, this volatility in Sterling will remain key to investors decisions in the short-term.

