

A Comparative Study of Wine Auction Prices: Mouton Rothschild Premier Cru Classé

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Abstract:

Auctions of selected wines have regularly taken place internationally and from natural reasons they have mostly involved the finest wines as e.g. the top wines from Bordeaux. In order to analyse specific auction wine prices, the Mouton Rothschild (Medoc Premier Cru Classé) has been selected for investigation, where auction data have been collected from the USA (The Chicago Wine Company), Denmark (Bruun Rasmussen, Selected Wines Auctions) and from other sources as well. The price development of this specific icon wine is expected to be influenced by a lot of factors, although theoretically investment decisions concerning e.g. icon wines ought not to be highly sensitive to short-run business conditions. The empirical findings exhibit that the auction prices of the Mouton Rothschild differ relatively much between the auction houses, and the time series analysis reveals only weak evidence of co-movements between wine prices and selected business cycle indicators.

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Keywords: Wine auction prices, Mouton Rothschild, business cycles.

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