We investigate the fine wine market from a weak-form efficiency viewpoint using the Liv-ex index family for the period of January 1993-February 2010. The ARMA spectral estimations of variance ratios show that the random walk hypothesis can be rejected regardless of whether the prices are quoted in USD or GBP and regardless of whether inflation is considered. The wine returns exhibit large positive autocorrelation, resulting in variance ratios that are above unity, which means that, aside from the random walk, a stationary component characterizes wine prices. The large stationary component can be associated with the illiquidity of wines and the inefficiency of young wines, which varies by wine classification. The random walk component of wine prices seems to be driven by the market factor. Due to the currency risk, a US wine investor faces a larger risk than his UK counterpart, although wines hedge against inflation in both currencies.

**Keywords:** Wine, Alternative investment, Market efficiency

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