



EUROTRADE

BUSINESS SERVICES Ltd.

### **Newsletter Italy July 2016**

From the point of view of the weather situation, we can say with certainty that the risk of late frost has been overcome. At the end of April/May, we had several quite fresh days and during the night the temperatures dropped just above zero degree, damaging a little bit the vineyards only in the valleys of some regions in Northern Italy and in Central Italy, in Abruzzo region.

There have been more or less heavy rains in almost all the Italian regions and, if during next month there will not be continuous heat waves with low rainfall, the risk of drought seems to be averted too.

From the prices point of view, in the last 2-3 months, we have seen a low and steady increase in prices due to vibrant sales which significantly reduced the availability of the product. Despite that, the prices of generic wines are still competitive compared to the Spanish ones, thanks to the lower transport costs mainly direction middle Europe.

Given this situation, we believe that Italy will face next harvest with very low stocks and tensed prices, at least at the beginning. All this, due also to quite poor harvests in several countries in the New World.

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