EUROTRADE

BUSINESS SERVICES Ltd.

Newsletter Spain – April 2023

To date we analyse that sales and shipments in Spain have not stopped growing since the beginning of the campaign (August 2022).

Admittedly, sales in Spain got off to a slow start due to the price situation in Italy, which was much cheaper, but as mentioned in our last market report, contracts and loadings have risen sharply, especially from the beginning of February until today. In current information we see that prices touched their threshold in week 12/2023 (between March 20th and 24th) and that price trend reversed from week 13/2023 (+/- March 27th). The reason are mainly two important factors; the first is directly related to supply and demand, since a large proportion of producers report that they have already tied up a very large part of their production, and the second factor, also very important, is that we are once again living through a period of the year without rain, and this factor is beginning to become very critical. We faced a similar situation last year but with the exception that Spain finally got the rains we had hoped for from April 2022. This important detail finally made it possible to obtain a normal 2022 harvest. On the other hand, long-term forecasts for this year already announce a severe drought for the whole month with <u>only 21mm of rain since January 1st</u> and abnormal temperatures of up to 30ºC in places. So we estimate that this will result in a very early flowering coupled with all the implications and potential risks that the vineyard might face in the coming months.

Today the prices for white wine and also for rosé wine have reversed their trend and prices are starting to rise week by week. This year they are clearly the most popular products on all international markets. The harvest for white grapes in Spain was correct, with no apparent defect. But to date, coupled with the factors “drought + large sales already established”, the boards of the cooperatives have quickly positioned themselves and are now very attentively observing the commercial activities and the daily meteorological developments, because despite everything, if this situation continues as expected (no rain), prices will quickly rise very sharply, especially since the white wines of the 2023 harvest will not be available before October 2023.

After the price of red wine reached €2.60 / €2.70 hº at the end of March 2023, prices are now gradually increasing. Today we still find producers willing to sell 11% red wines from €30.80/hl and 12% red wines at €33.60/hl (i.e. €2.80 hº), but we have no doubt that that in a few weeks they will be charging again from €2.90/hº and who knows, in May 2023 it will be over €3.00 hº again. Everything that seemed to have led to a possible crisis distillation has now been undone by market activation and drought seriously threatening this next crop. Knowing that the 2023 harvest red wines with malolactic fermentation will not be available before November 2023.

*** Today we strongly advise you to stock up as soon as possible, at least until wines from the new harvest become available, as we are sure prices are already at their lowest point.

GUIDELINE PRICES FOR SPANISH WINES PRICES EXW WINERY SUBJECT OF SALES CROP 2022 EXW. LA MANCHA

WINE WITH ORIGIN SPAIN – WITHOUT INDICATION OF VARIETAL OR CROP IN THE DOCUMENTS

TABLE WINE	BASE WINE FOR SPARKLING 10% F/C TA MIN 6	11% F/T Traditionally fermented	**12%** F/T Traditionally fermented	11% F/C Controlled fermentation	**12%** F/C Controlled fermentation	TREND
WHITE WINE	35,00 €/HL (€ 3,50 hº)	35,20 €/HL (€ 3,20 hº)	38,40 €/HL (€ 3,20 hº)	36,30 €/HL (€ 3,30 hº)	39,60 €/HL (€ 3,30 hº)	↗↗
ROSÉ WINE	37,00 €/HL (€ 3,70 hº)	37,40 €/HL (€ 3,40 hº)	40,80 €/HL (€ 3,40 hº)	39,60 €/HL (€ 3,60 hº)	43,20 €/HL (€ 3,60 hº)	↗

TABLE WINE	Red Wine 11% IC 5 MIN	Red Wine 12% IC 7 MIN	Red Wine 13% IC 8/9 MIN	TREND
RED WINE	30,80 €/HL (€ 2,80 hº)	33,60 €/HL (€ 2,80 hº)	39,00 €/HL (€ 3,00 hº)	↗

VARIETAL WINES 100% WITH INDICATION OF VARIETAL AND CROP IN THE DOCUMENTS

White Wine Varietal 100% * crop 2022		€ Indicatif 12%	TREND
WHITE WINE AIREN	3,50 €/hgd	€ 42,00/HL	↗
WHITE WINE MACABEO	3,60 €/hgd	€ 43,20/HL	↗
WHITE WINE VERDEJO	4,00 €/hgd	€ 48,00/HL	=
WHITE WINE MOSCATEL	6,00 €/hgd	€ 72,00/HL	↗
WHITE WINE SAUV. BLANC	5,30 €/hgd	€ 63,60/HL	=
WHITE WINE CHARDONNAY	6,00 €/hgd	€ 72,00/HL	=
Rosé Wine Varietal 100% * Crop 2022		**€ Indicatif 12%**	**TREND**
ROSE TEMPRANILLO	3,50 €/hgd	€ 42,00/HL	=
ROSE GARNACHA	3,70 €/hgd	€ 44,40/HL	=
ROSE BOBAL	3,70 €/hgd	€ 44,40/HL	=
Red Wine Varietal 100% * Crop 2022		**€ Indicatif 12%**	**TREND**
RED WINE TEMPRANILLO	3,50 €/hgd	€ 40,80/HL	=
RED WINE SYRAH	3,80 €/hgd	€ 45,60/HL	=
RED WINE CABERNET SAUV.	4,00 €/hgd	€ 48,00/HL	=
RED WINE MERLOT	4,50 €/hgd	€ 54,00/HL	=

Concentrate / rectified grape must concentrate 65 Brix – on the base of must prices crop 2022

INDICATIVE PRICE SUBJECT TO CONFIRMATION * PER TANK TRUCK / FLEXITANK EXW Spain.

100% VITISVINIFERA	PRICE KG	PRICE HL	PRICE % PA	TREND
Rectified grape must concentrate 65 BRIX	EUROS 1,45	EUROS 192,10	EUROS 3,67	=
White grape must concentrate 65 BRIX	EUROS 1,30	EUROS 172,30	EUROS 3,29	=

Preview of the 2023 harvest in Spain …

from the website METEO Ciudad Real -- Servicio meteorológico y climatológico online de Ciudad Real - Precipitación

Rainfalls Updated 28/03/2023	Rain in Liters in Autum Sept. – October and November	Rain in Liters in Winter December – January and February	Rain in Liters in Spring March – April and May	Rain in Liters in Summer June – July and August	Total Rain in Lts	Total production Mio/HLS Region La Mancha
2022/2023	54,00	120,00	0,0			¿ ?
2021/2022	142,20	107,4	20,2	24,0	293,80	crop 2022 = 20,00
2020/2021	124,20	124,8	94,2	40,8	384,00	crop 2021 = 21,00
2019/2020	137,40	72,60	161,80	6,8	378,60	crop 2020 = 22,00
2018/2019	128,60	26,20	78,40	6,4	239,60	crop 2019 = 19,00
2017/2018	61,60	113,80	264,80	16,60	456,80	crop 2018 = 29,08
2016/2017	165,00	102,80	108,40	31,00	407,20	crop 2017 = 19,45
2015/2016	87,80	56,80	174,20	2,20	321,00	crop 2016 = 24,42
2014/2015	159,40	64,80	77,60	35,20	337,00	crop 2015 = 22,94
2013/2014	139,60	237,40	54,80	14,40	446,20	crop 2014 = 25,12
2012/2013	299,40	129,60	256,20	11,80	697,00	crop 2013 = 33,03
2011/2012	89,00	26,60	121,40	10,80	247,80	crop 2012 = 19,00
2010/2011	147,60	243,20	130,60	2,40	523,80	crop 2011 = 18,90
2009/2010	42,80	391,80	98,20	49,10	581,90	crop 2010 = 21,60
2008/2009	129,40	67,30	71,80	32,00	300,50	crop 2009 = 20,00

April 2023