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COLLOQUIUM

Top-10 South African Fine Wines: To drink or to invest?

Dr Mesias Alfeus (Stellenbosch University)

DATE: Monday, 5 August 2024 | 16h00–17h00 SAST

VENUES:

- Neelsie Cinema, Stellenbosch University
- Online

ABSTRACT

Wine is a beverage to drink but some wines are also an experience, something more than just a drink. Because exquisite wines are expensive and can yield remarkable investment appreciation, many people consider wine not only a semi-luxury drink but also a profitable capital investment. This market has received not only attention from the stakeholders (producers and consumers) but also from the financial world, in particular from speculators, arbitrageurs and fund managers specialised in alternative investment.

In a study we constructed a new South African Fine Wine (SAFW10) index based on top 10 wines that confirm high-quality, liquidity and highly desirable asset. We examined the effects of adding this new wine index to a broader investment portfolio. Our analysis reveals that including South African wine assets can improve portfolio growth rates. This study is the first attempt to develop a wine index in the South African market, adding a valuable option to the financial instruments available to investors in local financial markets.

BIOGRAPHY

Mesias Alfeus is a Senior Lecturer in the department of Statistics and Actuarial Science at Stellenbosch University, and a Lead Principle Investigator for the NITheCS Quantitative Finance Research Programme. He is also on the board of directors at the South African Institute of Financial Markets (SAIFM) and serves on the editorial board for the *Journal of Futures Markets*.

He has a PhD in Quantitative Finance from the University of Technology Sydney (UTS) in Australia. He is a Mathematician by training with a BSc degree in Mathematics and Physics from the University of Namibia. He holds masters and honours degrees in Financial Mathematics, both with Cum Laude from Stellenbosch University. He holds a long list of academic awards, and was the winner of the 2018 International Young Investigator Training Program prize at the XIX Workshop on Quantitative Finance in Italy. He held an academic visiting position at the University of Padova, Italy. He has previously worked as a Risk Analyst at Namibian Financial Institutions Supervisory Authority, Research Associate at UTS Finance, Lecturer of Financial Mathematics at the University of Wollongong, Australia, and AIFMRM Postdoctoral Research Fellowship at UCT.

His papers have been published in many prestigious journals. His current research interests focus on Computational & Mathematical Finance, more specifically in numerical methods for pricing of options and model calibration including model empirical analysis.



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