

COMMENTS ON THE ART MARKET

VOLUME 139

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Stocks

So I guess we are back to the rollercoaster days of a few years ago ... ugh! At the beginning of the month we almost dropped below 12,000 and then just a few short weeks later we almost hit 12,900; on the day I wrote this the Dow was hovering in the 12,600 range. Bad news, followed by good news, followed by bad news ... down, up, down, up I am sick! I am thinking of selling it all and putting the money in my mattress --- I am just not sure how comfortable it would be to sleep on my money since the cushiony part is gone!

To be honest, I rarely checked my portfolio during the month (maybe 3 or 4 times), but by the end of June I had to see where my favorites ended up: GE \$20.13 (up); MCD \$88.33 (down); VOD \$28.21 (up); CITI \$27.10; BofA \$7.77 ☹; JPM \$36.78 (up); INCYTE \$23.15 (up); Pfizer \$22.61 (up) and my real favorite RIMM \$9.18 ☹☹ - yuk!

The Art Market Continues (Like the Energizer Bunny)

After all the activity in NYC last month I was looking forward to some down time ... then it hit me – now we have to deal with all the sales in London; and there were plenty of them! Before I get into these results I want you to keep in mind that I still believe there is just far too much product coming to the market. I know the sales are smaller in size today, but there are still too many of them. After all the material offered in NYC, do we really need as much, or more, coming to the market in London? No! In addition, NY had to add a few more works as well. I will add that while writing this newsletter more catalogs were arriving for sales in July! ENOUGH!!

Victorian & British Impressionist

On the very last day of May the action started in London with a Victorian & British Impressionist Art sale. Taking the top slot here was a signature image by Dante Gabriel Rossetti that eclipsed its £1-£1.5M estimate to sell for £2.17M (\$3.4M). Coming in second was Leighton's *Bacchante* at £1.16M (\$1.8M -- falling short of its £1.2-£1.8M est.) and in third was Alma-Tadema's *In the Rose Garden* which beat its £400-£600K estimate when it made £960K (\$1.5M). In addition, there were a number of paintings by Seago that did remarkably well – 13 in total and all sold within, or well above, their estimates.

Among the more notable misses were Richmond's *Sarpedon....* (est. £200-£300K); Godward's *His Birthday Gift* (est. £80-£120K); Osborne's *A Grey Morning in a Breton Farmyard* (est. £200-£300K); Foster's *A Market Day on the Giudecca, Venice* (est. £120-£180K) and a couple of Grimshaws. When the sale ended, of the 107 works offered 64 sold (59.8%) and the total take was £7.9M (\$12.3M) which beat the low end of their estimate (£6.5M).

Old Masters

We then jumped back to NYC for two Old Master sales ... which overall were not too impressive. First up was Sotheby's whose top lot was The Pseudo Dalmasio Degli Scannabecchi's *Madonna & Child* which made \$795K (est. \$250-\$350K); this was followed by Colantonio's *Blessed Leonard of Assisi* which brought \$555K (est. \$60-\$80K) and then Van Brussel's *Still Life of Flowers* made \$375K (est. 150-\$200K). Among the works that failed were a pair of Domenichini's (est. \$400-\$600K) and a d'Hondecoeter (est. \$300-\$400K).

When this sale ended, of the 114 works in the catalog, only 63 sold (55%) and the total take was \$5.2M ... not very good.

The next day Christie's presented their sale and I am sure that after the competition's experience they were more than a little worried (I actually sat through this sale since my daughter is interning with the Old Master & 19th century departments this summer and she assisted with the setup of the sale). Top lot here was a restituted Romanino painting of *Christ Carrying the Cross* which brought \$4.6M (est. \$2.5-\$3.5M). This was followed by a beautiful pair of Robert paintings that were being sold by the Met which made \$1.9M (est. \$800-\$1.2M) and in third was another Met work by Brueghel at \$687K (est. \$200-\$300K).

By the end, of the 99 works offered 60 (60.6%) had found new owners – not the best, but the total take was \$12.6M ... about 2 ½ times that of Sotheby's.

European Paintings

The following week we were back in London for the European Painting sales ... once upon a time these sales were made up of strictly 19th century works, but now they have incorporated some modern and contemporary works (many of which were for the Greek market). Our period always seems to get diluted in one way or another! Anyway, on with the show.

On the 11th, Sotheby's offered their European Painting sale and there were a few interesting results here. Taking the top position was Hammershoi's *Ida Reading a Letter* which blew past its 500-700K estimate to sell for £1.7M (\$2.67M) – an auction record for the artist and for any Danish work of art at auction. And as for the balance of the top 5, they were all works by Hammershoi – he was the flavor of the day and all easily beat, or crushed, their estimates.

Now you might think ... not bad, must have been a very strong sale – well, that was not the case. Yes, the Hammershoi's did amazingly well ... in all these 5 lots brought in £4.3M; however, you will soon see that was a large percentage of the sales total. In addition, there were some big misses including: Bocklin's *Odysseus und Polyphemus* (est. £800-£1.2M) which I really did not like; Mir's *Serra de Tramontana, Mallorca* (est. £200-£300K); Springer's *The Wijdstraat...* (est. £100-£150K); Koekkoek's *A Summer Landscape...* (est. £100-£150K); Schelfhout's *Winter Landscape...* (est. £100-£150K) and of the 34 Greek works, only 13 sold – hum, wonder why that happened?

When the sale was over, of the 144 works offered only 70 sold (48.6%) ... a very low number ... and the total take was £6.5M (\$10.15M); so even with the buyer's premium added in they fell short of their presale estimate of £6.8M - £9.98M. Look, if it weren't for the serious action on the Hammershoi's, this sale would have been a disaster ... but like I always say: what a difference a painting or two can make.

The next day Christie's offered their 19th century European Art sale which, unlike the competition, only included 19th century paintings – YES!

Taking top honors in the sale was Sorolla's *Pescadores...* which brought £938K against an estimate of £500-£800K. In addition, his *Pescador de quisquillas...* took second place with £481K (est. £400-£600K) and in third we found a Delacroix sketch at £361K (est. £300-£500K).

Among the works that did not pass muster were: Sorolla's *A la Orilla del Mar* (est. £700-£1M); Zuloaga's *Anita Ramirez in Yellow* (est. £250-£350K); Robert's *Procession before the Tombs of the Caliphs...* (est. £300-£500K); Boldini's *Figura di donna distesa* (est. £120-£180K) – a rather confusing work; and Zandomenighi's *Femme en bleu qui lit* (est. £150-£250K).

At the end of the day, of the 98 works offered 51 sold (52% - a little better than the competition) and the total take was £5.01M (\$7.8M) while the low end of their range was £6.7M – so a bit short.

Once again, the results from these sales prove that the market is still not ready to absorb all the material being thrown at it. I am pleased that the salerooms have reduced the size of their sales, now it is time to reduce the number of sales. I still do not see why, at this point, they need individual Victorian and 19th century sales. The New York sales include all that material in one sale; so should the London sales – at least until the lower end of the market is back in full swing.

Impressionist & Modern

By this time the press was abuzz with the idea that close to \$1 billion worth of art might end up changing hands in London over the next few weeks --- the real question was: would that happen? I had my doubts.

The week started off with Sotheby's evening sale and it did hit a lot of 'bumps in the road'. Taking top honors here was Miro's *Peinture* at £23.56M (\$36.9M, or about €29.3M – est. £15-£20M) – this painting was last on the market in 2007 when it brought €11.6M ... nice increase. In second was Picasso's *Homme Assis* at £6.2M (\$9.7M – est. £6-£9M) and third was taken by Bonnard's *Nu Debout* at £4.5M (\$7.1M - est. £4.5-£5.5M).

Among the biggest failures were a nude by Otto Dix (est. £4-£6M); a seated figure by Munch (£2.5-£3.5M); a Delvaux nude at £2-£3M; a Pissarro at £1.8-£2.5M and a Leger at £1.2-£1.8M.

By the end of the evening, of the 48 works offered only 33 sold (68.8%) ... not very good for an evening sale ... and the total take was £75M (\$117.7M) – the presale range was £72.9 - £102.6M (\$114-\$161M). So they needed the buyer's premium to squeak past the low end. Now, here is what happened last year ... 35 lots offered 32 sold (91.4%) and a total take of £96.9M (\$157.5M) – adds fuel to my fire that: in the current economic climate, less is more!!!

The next morning they offered their day sale and the top lot was a Delvaux at £691K (\$1.08M – est. £350-£500K). But when the 232 lot sale was over, only 143 works found buyers (61.6%) and the total take was £14.1M (\$22.2M).

Combined, their two sales brought in £89.1M (\$139.8M) with 176 (62.8%) of the 280 works offered finding buyers. And in case you are wondering what the combined totals were for 2011 --- they offered 266, sold 190 (sell-through rate of 71.4%) and grossed £111.6M (\$181M).

That evening Christie's sales began and once again they had to be a little worried ... but as we shall see they seemed to have better material and the results followed.

Taking the top slot here was Picasso's *Femme Assise* which made £8.5M (\$13.4M – est. £5-£7.5M); in second came Magritte's *Les Jours Gigantesques* which crushed its £800-£1.5M estimate to sell for £7.2M (\$11.3M) to billionaire Wilbur Ross and Picasso took the third position with *Femme au Chien* at £6.98M (\$10.98M – est. £6-£9M). Now I should add that the top lot in this sale was supposed to be Renoir's *Baigneuse*, a 26 x 21 inch nude from 1888 that carried a £12-£18M estimate. It was announced that before the sale it was sold in a private transaction ... that seems a little odd. The painting last sold in 1997 for almost \$21M, so maybe the sellers were a bit nervous and when the right offer presented itself they jumped on it. Who can blame them? Not me!

This sale also included 14 Degas bronzes cast by the A.A. Hebrard foundry from the original plaster molds in 1921 (3 years after the artist died). The overall low end for the group was £4.75M and they brought in £11M – not bad for works which the artist never saw or touched! Frankly, I just do not understand the prices paid for these posthumous works ... but what do I know?

As with all these sales there were a few works that just did not go; among them were a Munch at £2.5-£3.5M; Vlaminck at £2.8-£3.5M; Kandinsky at £2.5-£3.5M and a Picasso at £2.8-£3.5M.

When their sale was over, of the 70 works offered, 56 sold (80%) and the total take was £92.6M (\$145.5M), well within their presale range of £74.5-£108.7M. Their corresponding 2011 sale had 92 works offered 80 sold (87%) and the total take was £140M (\$227M) – this was a rare case of: more was better.

On the 21st they had their day sale and the general results were in line with the competitions. Taking the top slot here was a very early Picasso titled *Retrato de Modesto Castillo* which was done in 1895 (Picasso was 14) and carried a £100-£150K estimate ... then the battle was over, the new owner paid £2.17M – WOW! Next came a rather sketchy, ok, I will use the word Impressionistic, coastal view by Renoir that made £1.55M (est. £350-£550K) and then there was a Magritte that made £589K (est. £500-£700K).

Of the 153 works offered 95 sold (62.1%) and the total take was £14.3M. For their two sales, they offered 223, sold 151 (67.7%) and garnered £106.9M (\$168M) – so overall they beat the competition.

Now, when we combine all the works offered during the week we find that 503 works were offered, 327 sold (65%) and the gross was £196M (\$308M) – a long way from \$1 Billion! But wait, we still need to know what happened with the Contemporary sales the following week ... I will cover those next month since this month's coverage is long enough.

Final Thoughts

I will continue to preach the need for fewer, smaller and stronger sales. The selling season is far too long and the amount of material being offered is far too much. The world economy is still somewhat unstable and this must be taken into consideration as the auction rooms continue to present material. Remember, that I only cover the BIG sales that take place ... there are hundreds of other sales happening each month with all sorts of material vying for the ever precious Dollar/Pound/Euro.

Howard L. Rehs

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Gallery Updates: Another reminder that our next show will be in Baltimore during the month of August and after that we have another show in NYC during September.

Web Site Updates: First we have posted new biographies on Guy Combes, Gregory F. Harris and Mark Lovett. In addition, a number of works made their way through the gallery this month; included were paintings by: Corot, Cortes, Lovett and Jahn. We have also added a number of new works to the web site ... some of which are illustrated below:

TRADITIONAL



Charles Leickert

Cijfers schaatsen op een bevroren rivier



Francesco Bergamini

The Altar Boy's Sermon



Jean B.C. Corot - *Campagne de Naples*



Edouard Cortes - Porte St. Martin



Edouard Cortes - Attelage en Normandie

CONTEMPORARY



Bart Walter - Tipping Point - \$3,500.00



Bart Walter - Tiger Study - \$6,000.00



Mark Lovett - Green Satin - \$12,500.00



Sally Swatland - Small Discoveries - \$7,500.00

Next Month: Still more sales coverage!