

COMMENTS ON THE ART MARKET

VOLUME 160

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Upcoming Show – Chicago

Later this month we will be heading back to the Windy City for the 2014 Chicago International Art, Antique and Jewelry Show. This fair runs from April 24 – 28 and will feature more than 100 exhibitors. We do want to point out that this year's show is different from the previous shows we attended. The Chicago International Show is being held at the Navy Pier (not the Merchandise Mart) and we are very pleased to provide you with complimentary general admission tickets (please visit our web site and print out as many as you need). We hope that some of our friends in the Midwest will stop by for a visit.

Stuart Dunkel

Our contemporary arm is delighted to welcome Stuart Dunkel to our roster of incredibly talented realist artists. Stuart works in a number of themes: landscape, still life and the one he has become most famous for ... mice. Now I know what you are thinking: Mice? Well, you really need to see the works to fully appreciate them ... all we can say is that Stuart is a master of the whimsical mouse. We know that you will enjoy seeing the works we will be offering (some of which have been added to our web site) and if you happen to be in Chicago this month, a few of his paintings will be on view at the show.

Stocks

Very recently some stock market 'experts' have warned that any day the market could take a correction ... and some are predicting it could fall by 50% (actually one report said 90%) -- oh my! Boy, do I hope they are wrong; otherwise 2014 is going to be one SICKENING WILD RIDE!

Overall, the stock market appears to have gone basically nowhere this past month. The DOW began March at 16,321 and on the 31st it was sitting at 16,457 ... we got as high as 16,457 and as low as 16,065 so traders were probably making money while us investors ended up treading water --- or so I figured.

Then I checked my portfolio and here was the action in my favorite stocks: JP Morgan (\$60.71 – Up \$4), Emerson (\$66.80 – up \$1.6), Exxon (\$97.68 – up \$1.4), GE (\$25.89 – up .40), Berkshire B (\$124.97 – up \$8.2), AT&T (\$35.07 – up \$3), VOD (\$36.81 – down \$4.3), Verizon (\$47.57 – down .01), Wal-Mart (\$76.43 - up \$1.7), Coke (\$38.66 – up .46) and DuPont (\$67.1 – up .50).

Now here is an interesting observation. During the month of February the market gained 1000 points and the value of my portfolio remained basically the same (in fact, some of my stocks were down). This month the DOW traded in a tight range, started and ended close to the same level and in the end most of my stocks and overall portfolio were up. Very strange!

Really!?

Once again, many impressive prices have been made in the antiques and collectables markets over the past month, and here are a few I found very interesting.

The first item is, let's just say, chiming; it is a long case clock (aka grandfather clock) made by one of the most well-known English clockmakers of the Restoration period, Joseph Knibb. [The Oxford English Dictionary says that the song, *My Grandfather's Clock* written in 1876 by Henry Clay Work, is responsible for the fact that a long case clock is also called a "grandfather clock." Briefly, the song, told from a grandson's point of view, is about his grandfather's clock. The clock is purchased on the morning of his grandfather's birth and works perfectly for ninety years, requiring only that it be wound at the end of each week. The clock rings 24 chimes when the grandfather brings his bride into his house; and before the grandfather dies, it rings an eerie alarm; the family recognizes that the grandfather is near death and gathers by his bed. When the grandfather dies, the clock suddenly stops, and never works again.]

This piece is possibly the earliest long case clock made by Knibb, and belongs to a group of less than half a dozen surviving examples made before he moved to London in 1670. As the clock was made in Oxford, it could also be the earliest long case clock made anywhere outside of London.

The clock's casing, standing 6 foot 3 inches tall, was manufactured with ebonized fruitwood veneers and moldings onto a pine shell. It has not been on the market for over a century as the provenance dates the last purchase to have been in Evesham, Worcestershire, in 1894 by the great grandfather of the consigner, who inherited it in 1972 from his grandmother.

The clock has been pictured in a number of key reference works including *The Knibb Family, Clockmakers* and *The First Twelve Years of the English Pendulum Clock* (both by Ronald A. Lee) and *Early English Clocks* by Dawson, Drover and Parkes.

There was a bidding frenzy to £130,000 (\$214,592) (est. \$130,000 – 200,000) before two bidders battled it out in the room and it sold for £286,800 (\$473,363).

Strong results were recently seen at a Judaica sale. A distinguished portrait from 1887 of Yom Tov Lipman Heller sparked some aggressive bidding and when the battle was over, the work hammered down at \$120,000 -- ten times its pre-sale estimate of \$12,000-18,000.

Rabbi Heller (1578-1654), more commonly known as 'Tosfos Yom Tov', was one of the major Talmudic scholars in Prague and in Poland during the "Golden Age." This 19th-century painting by Paul Krüger is based upon a work by Samuel van Hoogstraten entitled "Old Man in Window" (1653), which currently resides in the Kunsthistorisches Museum, Vienna.

In the same auction, another fascinating lot, a one-of-a-kind contemporary miniature Torah Scroll, drew significant attention. Claimed to be the smallest written scroll, at just a fraction under 2 inches high, it was housed in an eye-catching, elaborate custom silver ark. Each sheet (made of vellum, a thin parchment) holds the standard, hand-written Hebrew text of the Torah, in columns, from Genesis to Deuteronomy — but the letters are 1/32 of an inch high, smaller than in a mezuzah or set of tefillin. The removable, sterling silver case that holds it contained a built-in magnifying glass to aid reading. The lot sold for \$140,000, just within the estimate of \$100,000-150,000.

One more lot in this sale that induced an enthusiastic response and yielded a surprising result was the first Jewish prayer-book (in German) published in America (New York, 1856). The book was estimated at \$8,000-10,000 and after some competitive bidding, reached \$50,000.

Now let's move from the religious to the fanatic (sports memorabilia). A pocket watch that once belonged to Babe Ruth (a championship ring of sorts, given to him for winning the 1923 World Series with the Yankees), went for \$717,000. Though it brought less than expected (they were hoping for at least \$750,000), that really is still a lot of money for a watch!

A 'foul' bit of history was made when a shard of the broken bat that Roger Clemens whipped at Mike Piazza in the first inning of Game 2 during the 2000 World Series was auctioned. The bat was consigned by Jeff Mangold, the Yankees strength and conditioning coach from 1984-88 and 1998-2006, who took the shard after the game. If you don't recall the incident, during Piazza's at-bat, his bat broke when he fouled off a pitch. While Piazza held on to the bat's handle, the barrel flew between the pitcher's mound

and the first base line. Clemens, later saying he originally thought it was the ball, picked up the bat and threw it in Piazza's direction. As the two approached each other, the benches cleared. This little piece of baseball history sold for \$47,500. Really!

The biggest round of applause came after the sale of Joe Jackson's game-used bat from 1911, his rookie season. The bat's enormous size, 35 inches and 42 ounces, matched the hammer price: \$956,000. "Shoeless" Joe Jackson, as everyone knows from the movie "Field of Dreams," (one of Howard's favorite movies) had humble beginnings, but may be the best "natural" hitter who ever lived. Unfortunately his career was cut short by the 1919 Black Sox scandal in which he was banned for life from organized baseball for throwing that year's World Series.

Lastly, this prizewinning item created some excitement... the boxing gloves worn by Muhammad Ali (Cassius Clay at the time) when he upset Sonny Liston for the heavyweight title in 1964. They were originally bought in an auction from the estate sale of Ali's former trainer Angelo Dundee in Dec. 2012 for \$385,848. They were a real knockout as they just sold again for \$836,500. Really!

The Art Market

Thoughts on the Market

March was a pretty slow one in the public/auction arena. While there were many sales covering many categories, very few included paintings (Alyssa will cover one of the smaller sales below and Lance will touch upon the wine sales). What March did highlight were the dealers ... through the big art fairs (Maastricht & the Armory Show) and gallery exhibitions.

Published reports from Maastricht seemed to only highlight the big ticket items that sold – works by Calder, Picasso, Cranach, Brueghel and Strozzi all in the multi-million dollar range; however after speaking with a number of dealers who participated, the overall impression is that there was considerable interest in the more affordable works of art ... one dealer even remarked that while they had a number of important works by major artists, all of their sales were generated by the "more affordable" artists. Look, it is always nice to read that a \$3 or \$4 million work of art was sold by a dealer, it is even better to learn that the general art market is alive and well and this is what many of us have been waiting to see. I have always stated that when the general art market gains momentum, we are in a much healthier cycle. If this continues, then we should see stronger results at the lower levels of the market and broader strength at all levels.

During March and continuing through April 11, our contemporary gallery is presenting *Heroes, Villains, Myths, Legends* ... an exhibition highlighting the immense talent from just one contemporary school of Realist artists – the Ani Art Academies. Works in this exhibit are in the more affordable range (\$500 - \$12,500) and as of today, close to ½ of the exhibition has been sold ... there are still many fabulous and affordable available works in case you are interested. In addition, we have sold paintings by some of our other artists including Tony South, Dave Palumbo, Justin Wood and Todd Casey ... all in the very affordable range. This is just more fuel to the fire that interest is increasing.

On top of that, there has been a great deal of activity in the main part of our business --19th & early 20th century works of art. Paintings by Antoine Blanchard, Eugene Boudin, Edouard Cortes, Paul Dougherty, Daniel Ridgway Knight, Maurice de Vlaminck and Edward Charles Williams found new homes ... and there are many other works whose sales are in various stages of completion (we will have many more sale updates shortly). I can tell you that the market for works in the \$20,000 - \$500,000 range is as strong as ever; again, this is a very good sign for the overall art market. Our biggest problem is ... finding really good quality works that are in great condition to replace the sold ones! But we are seasoned hunters and know that we will bag a few ... at least I hope so!!

The month of April should be another busy one for us and the general art market. Our current exhibition will come down on the 11th and then we need to pack and ship all the sold works. On top of that, the IRS Art Advisory Panel meeting will take place that same week and we also need pack and ship all the works we will have on display at the Chicago International Art, Antique and Jewelry Show which runs from April 24 – 28. In the public arena, we will begin to see more minor sales ... getting us all ready for the BIG ONES in May.

Now on to a couple of reviews...

Victorian & British Impressionist

By: Alyssa

The Christie's South Kensington, Victorian & British Impressionist Art Sale shed some pretty interesting insights on the growth and comeback of the middle sector of the art market. No, the sale did not make millions upon millions of dollars like the contemporary sales....it did not even break £1 million. But 92 of the 117 lots offered, equating to 79%, were sold. So, if the contemporary sales bring in hundreds of millions of dollars, why does the small sale tell us so much about the current standings of the market? Increasing sales at the lower and mid-range auctions means NEW BUYERS (and the return of the general art collector)!

When the large sales are held, millionaires and billionaires fight it out for the newest "Warhol" to hit the market, while the rest of the world watches in awe and amazement that someone has THAT MUCH money. These "Big Honchos" do not typically invest in the works offered at the smaller sales which, during the past few years, has caused many works to land on the failing side of their estimates ... yes, there have been some very big "buy-in/unsold" numbers.

The V&B Impressionist Sale had a pre-sale low estimate of £570,800 (\$947K) and brought in well above that at £709,375 (\$1.17M). So, if the big guys aren't investing their money in this area of the art market, and the more affordable sales are doing well, a good guess is that new buyers and new money are entering the field. A great feeling for us over here – YES! There is still a future in the art business!

The highlight of the sale was Keeley Halswelle's *Waiting for the Blessing of Pope Pius IX at St John Lateran, Rome*; at £37,500 (\$62,250) the work was right in line with its estimate of £30,000 – £50,000 (\$50-83K). This painting is a smaller version of Halswelle's 1879 Royal Academy entry, and was most likely commissioned by an admirer of the Royal Academy piece. It is also interesting to note that the painting has been at auction twice in the "recent" past, once in 2012 – when it was unsold – and prior to that in 1991 where it sold for £16,500.

The next priciest lot was Frank Cadogan Cowper's *Ecce Ancilla Domini! (The Annunciation)* ... a pair of paintings, one featuring Angel Gabriel and the other of Mary slumped over in bed. The work illustrates Cowper's influence from Rossetti, co-founder of the Pre-Raphaelite Brotherhood, a small group of well-known 19th century artists who shunned the academies approach of teaching art and reflected back towards the works of Raphael and Michelangelo. With an estimate of £20,000 and £30,000 (\$33-50K), this work made just over the high estimate at £32,500 (\$54K).

The third highest price was for Harold C. Harvey's *Summer*. Estimated at £20,000 and £30,000 (\$33-50K), it sold for £23,750 (\$39.5K). Born in Cornwall, Harvey spent most of his career painting the working class and landscapes of his hometown. *Summer* captures a woman picking flowers in a garden with a vast landscape of rolling hills behind her. The painting was offered at auction twice in the past, 2013 and 1989, both times it was unsold.

While the three works above took gold, silver and bronze – there are a few more honorable mentions. Sir Alfred James Munnings' *A quite stretch of the river* was estimated at £6,000 – £10,000 (\$10-16.5K) yet it made £20,000 (\$33K). This Munnings, a sporting artist, is a very loose impressionistic landscape of two men who seem to be pitching hay by the river. Painted early in his career, 1900, this work made quite a good price for the size, date and subject.

Another work that stood out was Tom Mostyn's *The Garden Pool*. Estimated at £1,500 -£2,500 (\$2,500-4,150) this work made £12,500 (\$20.7K). Now here is the most interesting part, on June 23, 2013 this same painting was sold at a small sale and brought 1,000 EUR ... that is what we call a "quick flip" ... not to mention a pretty good return on the investment!

Finally, my last honorable mention was found on page 64 of the catalogue: Edward Seago's *Walton Backwater* which carried an estimate of £7,000 – £10,000 (\$11.6-16.5K) brought an impressive £20,000 (\$33K). Only seven years ago this work was bought by the seller for £10,800.

With a mid-range sale like this doing well and works doubling the prices they made only a few short years ago it is a clear indication that the art market is on the rise. New buyers and new money are pushing the market upward which, in turn, helps create a very healthy and strong market.

Keep Calm and Stomp On

By: Lance

Let's take a break from all this art talk for a minute and discuss an equally hot item in today's market... Wine. The month of March featured a few big wine auctions with absolutely insane quantities changing hands.

The first week of the month, Sotheby's New York held a sale titled, "Finest and Rarest Wines Featuring the First Ever Offering of Rare Burgundy Direct from the Drouhin Family Cellar." With over 1,000 lots up for grabs, I would have to assume this sale dragged on all day, but the results were absolutely astounding. The top lot was a of La Tâche 1990 Domaine de la Romanée-Conti methuselah (methuselah – for those who don't know, is a large 6 liter bottle) bringing \$73,500 on a \$50-70K estimate. Romanée-Conti (Burgundy, France) is regarded as one of the greatest vineyards in the world, as the wine it produces is among the most sought after and most expensive. Taking second was lot 578 - a dozen bottles of Château Lafite 1982, selling for \$42,875 (est. \$27,500-35K) to a buyer in Asia. Château Lafite, owned by the Rothschild family since the 19th century, has been a consistent producer of some of the world's most expensive reds. In third was lot 598 – 11 bottles of Le Pin 1990 (doesn't a case usually contain 12 bottles? I wonder if the owner got home from a long day of work and said, "Screw it... crack open a bottle of the good stuff"), bringing over \$33K on an estimate of \$16-22.5K. Of the 1,024 lots, just 20 did not sell, which is less than 2%! Additionally, every lot featuring wine from the Drouhin Family cellar found a buyer (100%) and 79% of those lots sold above their estimate. As a whole, the sale was expected to bring between \$1.9-2.7 million and with the buyer's premium, the sale easily surpassed those figures at \$3.2 million. In fact, without premiums included (\$2.6M) the sale still nearly reached the high estimate.

Later in the month, Christie's held two auctions, "Fine and Rare Wines (New York)" and "Fine and Rare Wines from an Esteemed Connoisseur's Private Collection (Hong Kong)." The March 24th sale in New York was comparable to Sotheby's sale. It boasted strong results, although the quantity of product on the block was roughly half of what its counterpart offered. The top lot of the day was lot 62 - a dozen bottles of Château Lafite-Rothschild 1982 bringing over \$35K (est. \$26-38K). I would assume the buyer of lot 578 at the Sotheby's sale (two weeks earlier) was a little upset considering he paid about \$7,000 more for the exact same wine. Or maybe he bought them both and can dollar average!! The second and third lots tied at \$19,600 ... 10 bottles of Pétrus 2001 on an estimate of \$12-16K and 2 bottles of Domaine de la Romanée-Conti 1988 with an estimate of \$14-18K. In the end, 491 of the 502 lots found a buyer, good for 98% (It would be nice to see sell-through rates like that in a 19th century auction) and totaled \$1.35 million (est. \$1.04-1.48M), roughly \$2,765 per lot sold.

The big winner this month was the Hong Kong sale. With nearly 1,000 lots, the results were by far the most impressive. Perhaps unsurprisingly, the top lot was 6 bottles of Domaine de la Romanée-Conti – vintage 1990. The winning bid, from a private buyer in Asia, was HK\$980K (\$126K – est. HK\$600-800K/\$77.6-103.5K), which works out to \$21K per bottle. In second was another lot of 6 bottles of Domaine de la Romanée-Conti; however they were vintage 1995. With an estimate of HK\$350-480K (\$45-62K), the buyer ultimately forked over HK\$857.5K (\$111K) for this six-pack. The third spot went to 3 magnums of Petrus – Vintage 1961, selling for HK\$673K (\$87K) on an estimate of HK\$300-450K (\$39-58K). When all was said and done, 938 of the 970 lots sold (96%) and the total take was over HK\$62 million (\$8.08M) on a presale estimate of HK\$39-58 million (\$5-7.5M). It is becoming increasingly clear that the market for luxury goods in Asia is booming. Between the three sales I discussed, of the top nine lots, 6 went to Asian buyers. In addition, Asian buyers bought the top 10 lots from the Hong Kong sale.

Drink up!

The Rehs Family

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Gallery Updates: Our *Heroes, Villains, Myths, Legends* exhibit continues through April 11 and the we head off to Chicago for the International Art, Antique and Jewelry show – April 24 – 28.

Web Site Updates: As I mentioned earlier many works passed through the gallery this month. In fact, more than 35 contemporary and 19th century paintings and drawings found new homes. In addition, we have added a number of new pieces to the web site ... some are illustrated below:

TRADITIONAL



Louis Aston Knight
A River Landscape – Fall
32 ¼ x 26 inches



Edouard Leon Cortes
Place de la Concorde
13 x 18 inches



Antoine Blanchard
Place de la Concorde
18 x 21 ½ inches



Anna K. Zinkeisen
Floral
50 x 40 inches

CONTEMPORARY



James N. Hollingsworth
Hover
24 x 24 inches



David Palumbo
Gunslinger
10 x 10 inches



Timothy Jahn
Cost
10 x 8 inches



Stuart Dunkel
Curious Strawberry
4 x 5 inches



Stuart Dunkel
Strawberry Scalp
4 x 5 inches



Brandon D. Drake
The Razor's Edge
11 x 14 inches

Next Month: The warm-up sales.