

COMMENTS ON THE ART MARKET

VOLUME 162

Rehs Galleries, Inc.
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Timothy Jahn – Way To Go!

By: Amy

We extend a warm hearted congratulation to a fabulous artist, Timothy W. Jahn, who was recently awarded membership to the Allied Artists of America, Inc. (founded in New York City in 1914). Since its inception, the members of the organization play a vital role in furthering the continued success of contemporary American artists through its Annual National Open Competition in New York City.

Membership is by invitation only and each year a limited number of artists are selected by the membership committee and presented to the Board of the Directors to be voted on. Candidates are chosen on the basis of well established achievement, and typically have participated in three or more Annual Exhibitions.

Tim's painting, *Field Jager Corps of Hesse-Cassel*, was entered in an Allied Artists of America online competition and, in turn, he was awarded membership to the organization. This is quite an accomplishment, since Tim had only submitted one other work -- back in 2006. Yeah Tim!!!

ARC's 2013-2014 Salon Awards

Each year the Art Renewal Center hosts an online Salon competition. This year saw about 2200 entries which were narrowed down to 685 finalists. Among the winners are: Erik Koeppel's *Evening in the Yosemite Valley* (currently available at the gallery) received the American Fine Art Magazine Award of Excellence; Elena Green's *The Eye of the Day* (sold in our recent HVML exhibition) was awarded a purchase prize of \$2,700 and a \$500 Third Place prize.; Jason Brady's *The Burden* received a \$1,500 purchase price; Guy Combes' *The Blessing of Enkai* received an Honorable Mention in the Animal Category; Mark Lovett's *In the Parlor*, Terese Roger's *Peter's Denial of Christ* (available) and Kevin Moore's *Missred* were finalists in the Figurative Competition; David Palumbo's *Unknowable* was a finalist in the Imaginative Realism Category; Justin Wood's *Still Life with Grapes and Bread* (available), Todd Casey's *Rana Esculenta* and Joseph Dillon's *The Invisible Man* were finalist in the Still Life Category and Tanya Clark's *Cradle of Life* (available), Ricardo Martinez's *Luna de mi Soledad*, as well as works by Jason Brady, Sharon Hourigan, Stephen Yavorski, Susan Wallace Kierstin Young, Roger Long, Leah Waichulis, Deanna Skalka and Chelsea Herron made it to the drawing finals.

Congratulations to all the winners and finalists.

Barry Oretsky

By: Alyssa

As our contemporary gallery continues to flourish with new works, artists, and genres we are aware that there is an important sector of the contemporary market that we have never dealt with, but is busting at its seams -- Photography. Almost everyone today can call themselves a photographer with the invention of digital cameras and smart phones. Apps like Instagram allow us to take ordinary photos and transform them into captivating images. But what about the true photographer? You know the one who doesn't use pre-fabricated themes to alter their photos. Those who go out in the world, take beautiful images, and create amazing works of art.

Barry Oretsky, one of our long time realist painters, has had a passion for photography throughout his artistic career. It has been a long time coming and now, Barry is ready to release his first editions of original photographs. After capturing an image, Barry begins 'painting' colors, highlights and shadows with sophisticated computer software, until the image becomes mesmerizing.

Barry says, "These images are statements which arise from my practice as a Realist painter. I have, for the last 40 years, always utilized the camera as a means of composition and exploration of visual experiences that for me were the essence of the Realist tradition and the continuum it represented for 600 years. In my creative life, I have developed new means of transcription and exploration that have allowed me the opportunity to construct visual narratives that most reflect the distillation of my vision. In this regard, I am pleased to present imagery which takes me on an even more magical journey as a painter, photographer and visualist."

We are overly excited to bring the world of photography into our contemporary gallery and hope that you enjoy the new works we have to offer (illustrated below) as much as we do!



Homage to Magritte



Matera



Sirens

Dumb Things People Do at Art Fairs

This past month the Epoch Times published my article on dumb things people often do at art fairs and antique shows ... I am pretty sure that most times, they are unaware of their actions. If you would like to read this article, please visit our Blog or Press pages.

Stocks

Another month of the stock market treading water ... the opening number on May 1 was 16,580 and at the end of May we were at 16,717. During the 21 trading days we stayed in a fairly tight trading range – which was nice to see.

On May 30th I studied my overall portfolio and noted that all of my stocks were still in the black ... what a nice feeling ... however, then I looked at each individual investment and found that most were down a little from last month! How can that be when the market was actually up a little for the month? Anyway, here are some of the specifics: JP Morgan (\$55.57 - down), Emerson (\$66.73 - down), Exxon (\$100.53 - down), GE (\$26.79 - down), Berkshire B (SOLD), AT&T (\$35.47 – down), VOD (\$35.01 - down), Verizon (\$49.96 - up), Wal-Mart (\$76.77 - down), Coke (\$40.91 - up) and DuPont (\$69.31 - up). I was happier with last month's results.

The Art Market

General Thoughts on the Recent Sales

By: Howard

I must be honest and say that I watched in amazement as artists' auction records were broken ... one after another ... all month long. The action in the Impressionist, 19th century and Pre-War/Contemporary markets was nothing short of astounding (you will read more about the specific sales shortly).

Buyers from across the globe were competing for the top works and there seems to be no shortage of money. So many of the more interesting works left their pre-sale estimates in the dust that a complete list would be far too long for our newsletter (which is pretty long already -- sorry) ... let's just say that the best works made, at times, unbelievable prices.

There is talk that certain segments of the art market are 'overheated', 'have reached their peak' or 'cannot go much higher'; however, we have been hearing these same cries for many years now and prices just seem to keep on rising. I wish I could tell you when the correction will come, but I dropped my crystal ball during the recent Contemporary sale and it is not working ... darn!

What is important to remember while dabbling in the art market is that you should buy works that you will enjoy living with for years to come. The market will correct itself at some point and as long as you do not have to sell at that moment in time, all should be fine ... at least history has shown that to be the case. If you are buying works in order to make a quick flip (profit) then keep flipping as fast as you can ... I have watched many of these 'wise-guys' get caught holding a large amount of works when previous corrections came ... and some of them were crushed financially.

Now on to the action ... and boy was there action!

Impressionist and Modern

By: Alyssa

It's that time again when the semiannual sales kickoff and collectors from around the world battle it out at auction for some of the newest Impressionist and Modern works to hit the market. First up was Christie's evening sale on the 6th which included works from the Viktor and Marianne Langen, Huguette M. Clark and Edgar J. Bronfman Collections ... 87% of the works had been off the market for ten plus years.

Three lots from the Clark estate racked up \$41M, much of which came from Monet's *Nymphaes*. An iconic Giverny water lily scene that has been in the Clark collection for over 80 years took the top spot in the sale. The bidding opened up at \$15M and thirty seconds later was done -- making \$24M (low end of the estimate was \$25M). With the buyer's premium the lot made \$27M and sold to Elaine Holt on behalf of her Hong Kong client -- what a surprise! By the end of this season the Clark estate will have sold about 400 works and all of the money will be put towards establishing a charitable fund devoted to arts and culture... Kudos!

Nine lots offered from the Langen collection sold, bringing in almost \$80M; the most important being Picasso's *Dora Maar* which was bought by the Langens in 1942. Painted during the occupation, Picasso expresses his anguish of the war through a series done of his mistress, Dora, who he shared a passionate love affair with from 1936 -- 1944. Picasso paints her "regally enthroned with her typical tricorne hat and elephantine nose." Reflecting back to early cubism, Picasso portrays her violently with harsh lines and edges, while constructing an image of her from both the side and front. Surprisingly, even though the work was never at auction it only sold for \$22.6M -- falling short of its \$25-\$30M estimate; nevertheless it was the second most expensive work in the sale.

The Bronfman collection brought in \$21M from eight lots --- the biggest score came from Picasso's *Mangeuse de pastèque et home écrivant* that sold for \$8M (est. \$7-\$10M).

Most of the lots in this sale skimmed by, bringing in just below or within the estimates. This comes with one exception, Amedeo Modigliani's *Jeune femme rousse assise* from 1919 (est. \$8M-\$12M). The auction opened at \$6M and quickly rose as phone bidders battled it out for the calm, collective and youthful male portrait. The action ended a minute and a half later at \$15.6M (\$18M with commission) ... this was the third most expensive work sold that night.

By the end of the evening, the sale racked up \$285.9M (est. \$244.5-\$360.4M), the highest total since May 2010, but they needed the buyer's premium to make it to the middle of their range. Of the 53 lots offered, 47 sold (89%); 9 lots sold above \$10M, 18 lots above \$5M and 43 lots above \$1M.

The next day was Christie's Day Sale. Here, 255 works were offered and 202 sold (79%) bringing in just under \$40M (this is their highest grossing Impressionist day sale since 2007 in New York). Four works sold for over \$1M, including Picasso's *Buste de Femme*, which brought in \$2.7M more than doubling its estimate, Kees van Dongen's *Fillette au bois* (est. \$1M-\$1.5M) & Van Gogh's *Oude Toren bij Zonsondergang* (est. \$800K-\$1.2M) both making \$1.9M and Henri Laurens, *La Negresse* which brought \$1.3M (est. \$600K-\$800K).

That wraps up Christie's two sales at \$326M...damn.

On the evening of the 7th, we switched over to Sotheby's where the top lot was Picasso's *Le sauvetage* (est. \$14M - \$18M) and four bidders jacked the price up to \$31.5M ... well beyond the high end. This work was bought by the seller ten years ago for \$14.8M -- less than half of what it sold for this month! In second we found Henri Matisse's *La Séance du matin* selling for \$19.2M just under the low estimate of \$20M and in third was Claude Monet's *Le Pont Japonais* making \$15.8M (low est. \$12M).

The sale included eleven works from the Jan Krugier estate which totaled \$32.9M, well above their combined high estimate of \$26.8M. The leading lot from the collection was Alberto Giacometti's bronze, *Femme de Venise V*, which sold for \$8.8M (high est. \$8M).

In the end, of the 71 works offered 50 sold (70% -- not the best sell-through rate for an evening sale) and the total take was \$219M (est. \$218.1-\$317.9M) ... so they only hit the range with the buyer's premium added in. It is interesting to note that about one-third of the sale's total value (\$63.9M -- 8 lots) was purchased by Asian collectors. Among those works were Matisse's *La Séance du matin*, three works by Claude Monet (including, *Le Pont Japonais*), Giacometti's *La Place* (selling for \$13M - low est. \$12M) and Miro's *San totre* for \$8M (high est. \$6M).

On the 8th, Sotheby's held their day sale and the leaders here were a Lyonel Feininger at \$3.2M (four times the high estimate of \$800k), a Georges Braque at \$3M (more than four times its high estimate of \$700k) and a Louis Anquetin at \$1.8M (also four times the high end of its range -- \$450K).

One item of special note was Salvador Dali's *The Eye of Time* ... known to be the finest jewel art the artist created. Originally conceived in 1949 as a gift to his wife, the platinum, diamond, ruby and blue enamel brooch brings together Dali's most iconic symbols; the eye and the clock. The final result for the piece was \$1.1M, three times the high estimate of \$350K! What makes this so interesting is that my mom (Amy) mentioned this work in one of her 2013 "Really!?" articles ... at that sale it carried an £8,000-£12,000 estimate and sold for £93,000 (\$142K) ... guess that was a Really good buy for the seller!!

By the end of the long session, of the 309 lots offered 261 sold (84.5%) and the take was \$66.4M -- a record for a New York Impressionist/Modern day sale. I found it interesting that all of the top ten works sold for more than \$1M and 9 of them left their estimates in the dust.

At the end of the two days, Sotheby's took in \$285.4M ... which was less than Christie's evening sale. Between the two rooms, about \$600M worth of art changed hands and while most people were now looking forward to the Contemporary sales, we were focusing on the 19th century sale.

The 19th century in New York **A Painting or Two Makes All the Difference** By: Howard

On the 9th of May, after all the Impressionist sales, the action turned to the 19th century. Again I ask: where are all the paintings (I should stress --- good paintings)? It is important to note that there were some very good works of art being offered here, as you will see shortly; but in general, there is very little great 19th century art coming to the New York auction market. People are always asking: why? The only reason I can give is ... collectors see no reason to sell.

When the catalog first arrived I was taken by a number of the illustrations: a beautiful small Boldini landscape, a huge Firmin-Girard flower market scene, a lovely Godward, a strong early Breton, a really nice Grimshaw and a few other choice bits. As we made our way through the viewing a number of the works held up to their images, while others were just not to my liking. We also realized that if we were going to be a player on any of the really good works, we would have to open our wallets pretty wide!

Since there were only 102 lots in the sale we decided to sit in the room. As you can guess, when the good lots appeared, the action was hot, fast and, in the end, expensive ... but then again, the good works always are. Taking the top position here was Firmin-Girard's *Le Quai aux Fleurs* which carried and \$300-\$500K

estimate and finally hammered down at \$2.55M (\$3.02M with commissions). Yes, that was one BIG price for one nice painting. Not only was it an auction record for the artist, but it was about 10 times the previous auction record (\$314K set in 2011).

Coming in second we had a tie: first, there was a very interesting piece by Raffaelli titled *Bonhomme venant de peindre sa barrière*. We figured that a bid of \$800K would have a good shot at buying it ... well, we were wrong! Estimated at \$700-\$1M, the work quickly ran to \$1.25M (\$1.5M with commissions); a strong price for a real collector's painting which was last seen on the market in 1998 and sold for \$464K. Then there was Waterhouse's *Fair Rosamund* ... a rather late example (done in 1916 ... the artist died in 1917). I was not personally impressed with the painting, but at least two people were since it made \$1.25M and carried a \$600-\$800K estimate (it was last on the market in 1988 and sold for \$101K). I did speak with the Waterhouse expert and was told that the artist created about 300 works in his lifetime and most of the great ones are in museums ... so if you want a fully finished one (even if it is very late) you are going to have to pay for it.

Rounding out the top 5 were Godward's *When the Heart is Young* at \$1.2M hammer (\$1.45M with commissions) and Courbet's *Deux bateaux sur la plage* which made \$620K (\$750K) falling short of its \$700-\$1M estimate.

As for the other works I mentioned earlier: the Boldini landscape made \$460K (\$557K with commissions – est. \$400-\$600K), we made an valiant attempt at the Grimshaw, but it hammered down at \$400K (\$485K with commissions – est. \$100-\$150K – it was last at auction in 1983 and sold for \$9,000) and the Breton made \$310K (\$377K with commissions – est. \$200-\$300K).

Of course, there were those pieces that got no action and among them were works by: Boldini, Raffaelli, Crane, Godward, Harlamoff, Elsley, Leighton, Bouguereau, Millet, Lhermitte, Lavery, Courbet and Munnings. I know: wow that is a pretty impressive list of artists. Going by the names you are correct; however as I have always stated, it is not just the artist you should be buying, but what is on the canvas (and how they are priced).

In the end, of the 102 works offered 63 sold (61.8%) and the total take was \$16.5M (the low end of their estimate was \$12.74M ... so they beat it). At last month's Christie's 19th century sale, 70 works were offered and 48 sold (68.5%) for a total of \$4.8M (well below the low end of their presale estimate - \$5.6M). So from those numbers, Sotheby's was the clear winner.

Finally, the top 3 lots in Sotheby's sale brought in \$6.03M (far more than Christie's entire sale) and the top 10 lots accounted for \$11.1M ... or 67.5% of their total sale; at Christie's the top 10 (actually 11) brought in \$3.35M or 69.6% of their sale.

What does this all mean? When the right works of art enter the market, the competition is fierce and old price levels are constantly being broken. I also find that the smart buyers are being very selective ... which is very encouraging.

25.93 Pounds

By: Lance

I am sitting here looking over the contemporary results and I can't help but think... "How many third world countries could you feed with the amount of money spent in one week?" Truthfully, you could probably feed some with just the top lot from one of the evening sales... Instead, the ultra-rich made it rain money in New York City.

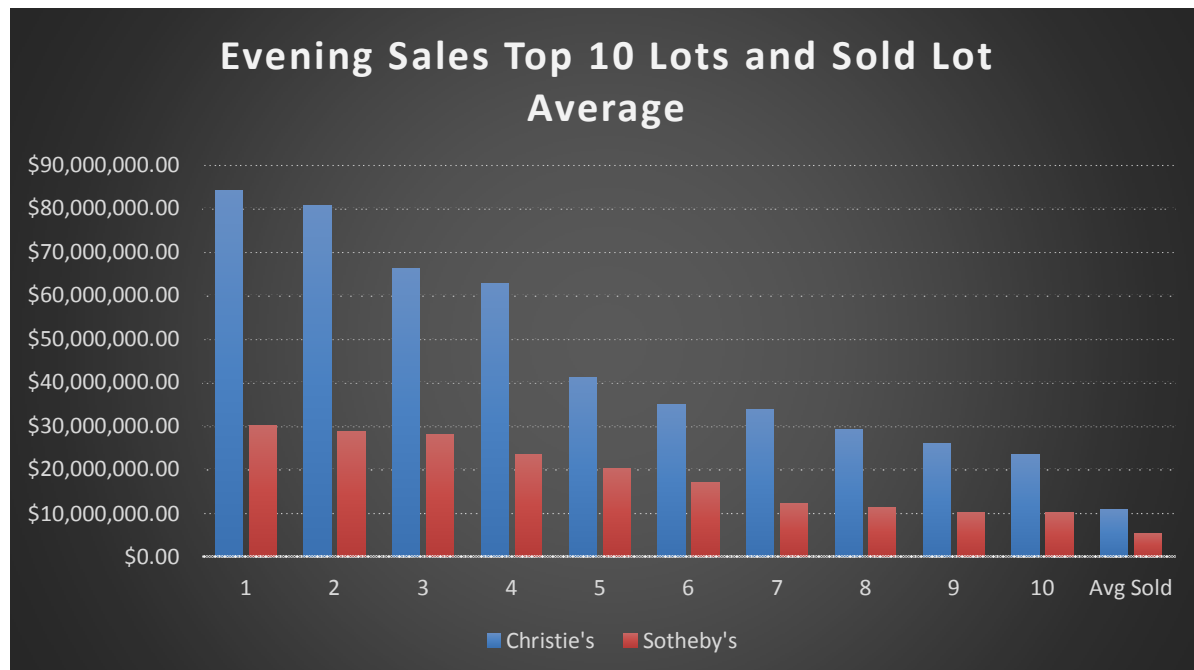
Early this month the big boys held their major Post-War and Contemporary sales and the numbers were a bit mind-numbing. With totals for the week pushing \$1.5 billion (rivaling the GDP of Belize - \$1.49B), I would assume both Christie's and Sotheby's were more than satisfied with the results. So with that, let's get right into it.

The first sale, Christie's "If I Live I'll See You Tuesday," was a preview of what the rest of the week had in store... It was a unique sale, curated by Christie's, with just 35 lots. The top lot of the evening set a new world record at auction for Martin Kippenberger. His work *Untitled*, painted in 1988, was estimated to bring between \$9-12M but ultimately realized just over \$18.6M. Peter Doig's *Road House* also set a new auction record for the artist, narrowly beating its \$9.5-11.5M estimate, selling for \$11.9M. Rounding out the top three was *Aqualung* by Jeff Koons, which nearly surpassed its estimate of \$9-12M, selling for \$11.6M. Of the 35 lots on the block, 34 found a buyer; good for a 97% sell-through rate and a gross of \$134M, a bit over the \$93-126M estimate range. Certainly not a bad way to kick things off.

The following evening was the major money maker, Christie's Evening sale. I'll start off by letting you know that the top three lots were all "estimate on request," so we cannot compare their expected results to their actual results; nevertheless, I think it is safe to assume the sellers were happy with the numbers. Leading the pack was Newman's *Black Fire I*, realizing over \$84M and setting a new auction record for the artist. Taking second was a triptych by Francis Bacon, *Three Studies for a Portrait of John Edwards*, similar in scale to the one sold by Christie's a few months ago. This work, painted in 1984, only brought \$80.8M; merely 56% of what the other triptych sold for -- in November 2013, *Three Studies of Lucien Freud* was purchased by Elaine Wynn, the former wife of Steve Wynn, for more than \$142 million! Now, I know you were getting worried since any contemporary sale would not be complete without a work cleverly titled... *Untitled*, so thank you Rothko! Painted in 1952, this large canvas featuring two shades of blue separated by an orange stripe sold for a whopping \$66M. The list goes on and on, two Warhol's -- *Race Riot* at \$62M and *White Marilyn* at \$41M, a Basquiat brought \$34 million, Koons' *Jim Beam -- J.B. Turner Train* (which I am convinced is actually filled with bourbon) sold for \$33M. The top three lots here actually accounted for 31% of the entire sale, and with 68 (94%) of the 72 lots selling at astronomical prices, it isn't hard to believe that the evening sale alone flirted with 3/4 of a billion dollars (the best pre-sale estimate I was able to get was "In the region of \$500 million"). WOW!

The next day, Christie's was at it again with their morning and afternoon sessions (note: morning and afternoon results have been combined). The morning session featured some of the more sought after works; the top lot of the day was Andy Warhol's *Six Dollar Signs*, which I definitely would have bid on if I had a few million laying around. With an estimate of \$1.5-2M, I should have known my \$500 bid didn't stand a chance; the work ultimately sold for a bit over \$3M. Rothko saved the day again with another *Untitled*, selling for \$2.6M (est. \$1.5-2M); good for second. In third was another Warhol, *Pink Marilyn*, which sold for \$2.1M on a \$1-1.5M estimate. Together, the two sales totaled more than \$95M and sold 340 (80%) of the 424 lots.

Later in the day, Sotheby's held their evening sale and while there were some impressive results, in no way did they challenge their rival. The top lot of the evening was *Six Self-Portraits* by Andy Warhol; a classic image of Warhol with disheveled hair repeated on six canvases in various colors. The set fell right in the middle of the \$25-35M estimate, as they went for just over \$30 million (Hey, that's only \$5 million each... not so bad, right?). Taking second was Richter's *Blau*, which was also accurately estimated to sell between \$25-35M, bringing \$28.7M. Possibly the coolest piece in the sale took the third spot, Jeff Koons' *Popeye*. Standing at 78 inches tall, this colorful statue of the iconic cartoon is depicted with a pipe in his mouth, holding a can of spinach while flexing his massive muscles. I mean, really, who doesn't need one of these? And the buyer was... none other than Steve Wynn, who shelled out just over \$28M for this jacked up sailor. In the end 12 of the 79 lots did not find a buyer, only good for 84% sold and a total of \$364 million. The numbers sound good on their own but Christie's sale offered fewer works, sold more lots and more than doubled this sale's total. Oh, and before I forget... Lot 29... Mark Rothko's... *Un...wait for it, wait for it...titled*, sold for \$12.2M (est. \$8-12M).



The frenzy came to a close on Thursday with Sotheby's morning and afternoon sessions, which were comparable to Christie's sales (Again, both session's results have been combined). The top lot was a large

Warhol, *Mercedes-Benz W 196, 1954*, nearly doubling its \$1.5-2M estimate as it realized \$3.97M. A Sigmar Polke brought \$3.3M on an \$800K-1.2M estimate, and did I mention it was another *Untitled* (damn, these guys are clever). Finally, Mark Bradford's *Clapback* sold for \$2.04M (est. \$600-800K) which is good for third. The two sales totaled more than \$96M and sold 367 (80.8%) of the 454 lots offered, nearly identical to their counterpart.

And if you are still wondering about the title to this section ... it's the total weight of the Christie's and Sotheby's catalogs (minus the "If I Live I'll See You Tuesday" catalog – which I did not have)! Bye-bye trees.

Final Comments

By: Howard

In the end, over the two week period in New York, the Impressionist/Modern and Post-War/Contemporary sales chalked up over \$1.9 billion in sales ... that is one amazing number (if you add in the American Paintings – which we will cover next month – it eclipsed \$2 billion). We need to turn back the clocks to May of 2008 in order to find an equally mindboggling number ... at that point, the same set of sales brought in just \$1.6 billion ... so we have surpassed the bullet train days of 2008. I should remind everyone that May of 2009 found us at far lower numbers ... the total take for the same series of sales was a measly \$400 million - -- I love it when \$400 million is a measly number!

It is going to be interesting to see if 2014 is when it all comes to an end, or if this is just another stop on the Shanghai Maglev's travels through the art world (in case you are wondering – the Shanghai Maglev is currently one of the fastest trains in the world ... top speed – 430 km/h ... funny thing, the Chinese are one of the biggest players in today's art market)!!!

The Rehs Family

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Gallery Updates: Keep in mind that our summer hours have begun. For the months of June & July the gallery will be open Monday – Thursday: 10 am – 5 pm.

Web Site Updates: This month was another busy one with many sales including works by Koekkoek, Brandeis, Blanchard, 4 by Cortes, Wood, Drake, Baez and 2 by Dunkel. In addition, we have added a number of new pieces to the web site ... some are illustrated below:

TRADITIONAL



Daniel Ridgway Knight
A Helping Hand



Daniel Ridgway Knight
Drying the Clothes



Louis Aston Knight
Cottage by the River



Alonso-Perez
The Postman

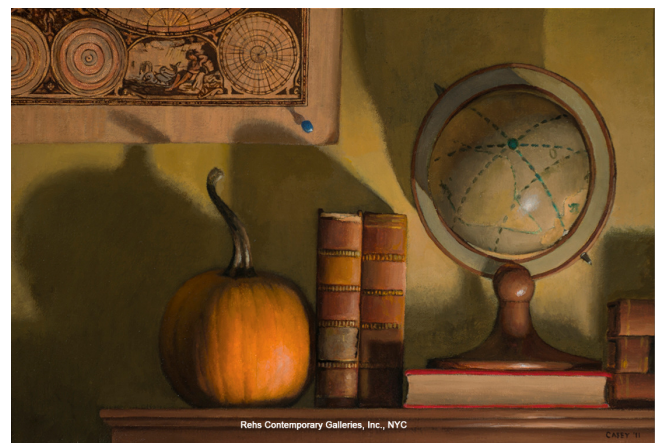


Anthony Thieme
Tourettes sur Loup

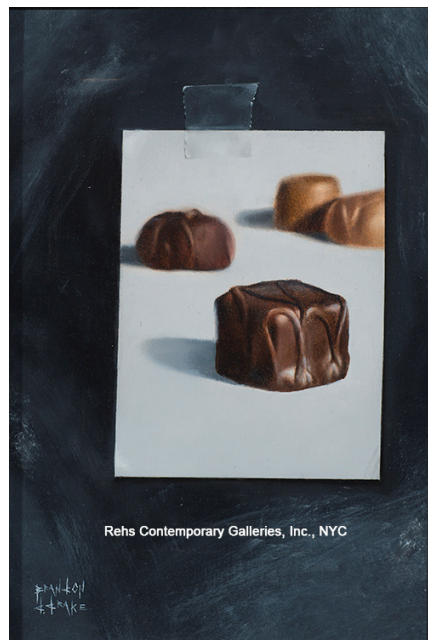
CONTEMPORARY



Ben Bauer
Grant Township Farm by Moonlight



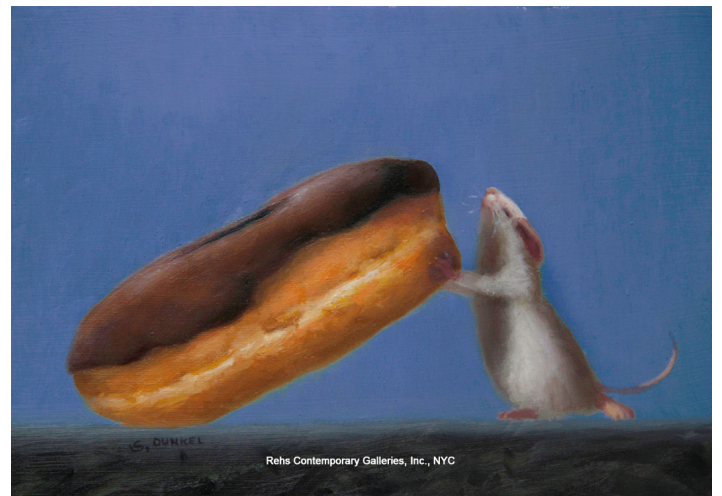
Todd Casey
Pumpkin with Globe and Books



Brandon Drake
Little Treats



Stuart Dunkel
Holy Cow



Stuart Dunkel
Bringing Home the Bacon



David Palumbo
Dreams

Next Month: Will finish up our coverage of the May sales.