

# COMMENTS ON THE ART MARKET

## VOLUME 187

---

Rehs Galleries, Inc.  
Rehs Contemporary Galleries, Inc.  
5 East 57<sup>th</sup> Street, New York, NY 10022 – (212) 355-5710  
[www.rehs.com](http://www.rehs.com)

**HAPPY 4<sup>TH</sup> OF JULY**

### **Upcoming Shows**

This month we will be exhibiting at The Newport Antiques Show which runs from July 22 – 24 (Opening Gala, July 21). For more information, please visit the Upcoming Exhibitions page on our site.

---

### **Emails – More or Less**

By: Howard

I started writing Comments on the Art Market back in 2001 and since that time it has evolved from a few paragraphs (often less than 1 page) to a multi-pager with lots of interesting and, at times, light hearted stories. We all enjoy writing about the market and giving you our thoughts on its health, inefficiencies, dark side and occasional stupidity.

During the past 15 years we have expanded our emails to include artist updates (notices of works we buy and sell) as well as information about shows we will either be attending or hosting at the gallery (often including links to complimentary tickets).

We do not want to overburden anyone with our updates and if you ever feel you are getting too many, please let us know. We can always remove you from our Artist & Show Updates lists and only send you our monthly newsletter.

---

### **Stocks**

By: Howard

It was one crazy week for the financial markets and who knows what is in store for them over the coming months. I did watch some of the prognosticators on Sunday morning discussing Brexit ... one claiming things were not too bad and another figuring Armageddon was fast approaching. One wanted people to buy, another to sell and a third to hold tight. One really has to laugh! I even received numerous emails from brokers giving me login opportunities to listen to their 'experts' on what this all means. The saddest part of the whole mess is that I bet most people who voted for the 'exit' probably had no idea what they were voting for ... sheep heading to the slaughter. I assume that it will be some time before we really know what this means for the UK, EU and us! Right now, it is a great time to travel to the UK ... Pound is really low (on Monday it was in the \$1.31 range). As for some of my other 'favorite things' ... hope you bought that special person that nice piece of gold jewelry earlier this month. If not, it is probably going to cost you a little more now (\$1,325). Oil is holding steady ... still seems like a good time to take a long drive.

The only thing I can say is that for the most part, "we the people" are basically stupid. We have little to no idea as to what will happen if we choose option A or B. And to be honest, who really knows? Initial reactions are always overblown and once a little time has passed people realize that the world is not going to end. As the saying goes ... Stay Calm and Carry On! Monday will turn to Tuesday, the sun will rise and set, and life continues.

Almost forgot ... the DOW ---- right now you will need the Dramamine since the rollercoaster days are here again. The market opened the month at 17,754, rallied to a high of 17,986 on the 9<sup>th</sup>, was down to 17,675 on the 17<sup>th</sup> and up to 18,011 on the 23<sup>rd</sup>. Then the big one came --- BREXIT and the market dropped to 17,400 on the 24<sup>th</sup>, continued its slide on the 27<sup>th</sup> to 17,140 and then amazingly, closed out the month at 17,929. So were are up for the month? Are you kidding me? Personally, I am getting tired of this.

Now, as for my personal portfolio ... not bad! JP Morgan (\$62.14 – down \$3), Exxon (\$93.74 – up \$3.74), GE (\$31.48 – up \$1.36), AT&T (\$43.21 – up \$4.22), Verizon (\$55.84 – up \$5.22), Wal-Mart (\$73.02 – up \$2.27), Coke (\$45.33 – up a sip \$0.55), DuPont (\$64.80 – down \$2.37), Merck (\$57.61 – up \$1.13), Disney (\$97.82 – down \$2.47), Intel (\$32.81 – up \$1.24) and Apple (\$95.58 – down \$4.77) ... guess my broker is safe for another month.

---

**Really!**


By: Amy

After all the major sales in May, you might have thought the art market would take a break – but the art world is 24/7 now, so the fun never ends....really! I usually do not cover paintings, but one fabulous work sold privately, although the sale was facilitated by an auction house. A painting titled *Dance in Tehuantepec* by Diego Rivera (who was married to Frida Kahlo) set a new record for Latin American art when it sold for \$15.7M. The South American buyer, Eduardo Costantini, told the press that he waited 20 years to acquire the painting; he had been unsuccessful purchasing the work when it came up for sale at Sotheby's in 1995. Really, 20 years? This does show you that patience is a virtue! Costantini is the founder and president of the Museum of Latin American Art of Buenos Aires, where he plans to exhibit the painting next March; until then, it will be at the Philadelphia Museum of Art this fall and then on display at ARCO, in Madrid, next February.

One of the world's most valuable handbags recently sold, a white matte Himalaya Niloticus Crocodile Diamond Hermès Birkin, – wow that is a mouthful! It sold to an anonymous private collector, after a frenzied bidding war, for an auction record setting \$300K – really?! Manufactured in 2008, the bag features 18K white gold and diamond hardware (totaling 8.2 carats) and is made from the skin of the Nilo crocodile, an almost-albino pale crocodile specifically bred for Hermès; it's what that gives the bag a “white Himalaya” color. Only one or two Diamond Himalayas are produced each year, heightening the tremendous interest in the bag – apparently handbags of this stature have become a *meaningful asset class* –really??

A 600-year-old blue and white dragon stem cup, known as the Thornhill Cup, sold in Hong Kong for HK\$41.6M (\$5.34M; £3.68M), a respectable result based on the HK\$22-44M estimate. The bidding began swiftly with quite a number of players on the phone and in the room, but once it climbed passed HK\$25M, it came down to two combatants – one on the phone and the other in the room. The cup, being sold on behalf of Staffordshire University, was part of a collection that was bequeathed to the school by Earnest Thornhill, a London pharmacist. The funds raised from the sale will be used to curate and conserve the remaining pieces of the collection and to create a new Ceramic Education and Research Facility at the school...a dream come true for Mr. Thornhill –really!

A Faberge jeweled frame that was originally commissioned by Queen Victoria as a gift for Queen Louise of Denmark was the star at the recent auction of Joan Rivers' private collection. The frame was well documented, inscribed "*Sept. 8th 1898 from V.R.I.*" and had been shown at various exhibitions over the years including St. Petersburg's State Hermitage Museum and London's V&A. Estimated to sell for about \$60K, it soared passed the estimate with a final price of \$245K! Not sure if star power contributed to this result, but it sure did for another piece in Rivers' collection – The Tiffany & Co. Doggie Bowl that belonged to her beloved Yorkie, Spike. It was estimated at just \$800 and ran past that estimate when it sold for \$14,000 –Really! Spike must really have that celebrity wow factor!

Wishing everyone a Happy 4<sup>th</sup> of July – enjoy your celebration! 

---

## Tales from the Dark Side

By: Alyssa

23 year-old Instagram artist Casey Nocket landed herself 2 years of probation for her questionable choice of canvas. According to the Denver Post, in 2014 Nocket created 7 works of art over a 26-day on US National Park boulders across the West. Using Nocket's Instagram pictures as the plaintiff's evidence, the young artist has no choice but to plead guilty on all seven misdemeanor counts. In addition to her probation, Nocket must complete 200 hours of community service, write a formal apology to the National Park Service and is banned from visiting any federally owned park lands during her probation. Thankfully, all but two works have been successfully removed from the rocks... we will learn how much restitution Nocket will have to pay in a later hearing.

During an anti-smuggling operation in Istanbul, authorities recovered an intricate jeweled dagger allegedly stolen in 2011 from the palace of former Libyan dictator Muammar Gaddafi. According to The Guardian, the ivory carved dagger encrusted with rubies, sapphires, emeralds and diamonds had been bought by a Turkish businessman for \$4.6 million who was later arrested when attempting to resell the dagger for \$10 million to a Saudi national.

The Turkish anti-smuggling operation also led police to \$20 million worth of looted paintings, lecterns and calligraphic works during another raid in Istanbul. The smuggler, identified only by the initials M.N.K., was caught by undercover police posing as an Arab tourist who claimed they could resell the loot to New York and London buyers.

And sometimes there is a bright side to the Dark Side ...

Two Old Master paintings have been recovered after they were discovered on a private register of lost and stolen paintings. With no connection to the theft, the current British owner, who was in the process of storing the works in a facility near London's jewelry quarter, surrendered all rights to the works. According to The Telegraph, both paintings were stolen in 1994 during two separate heists, one from former Italian prime minister Emilio Colombo and the other from an accountant. Now, two decades later, *Battaglia* by Aniello Falcone and *Concerto a quattro personaggi ed un bevitore* by Valentin de Boulogne will return home to Italy.

---

## The Art Market

By: Howard

We are not even going to try and guess what Brexit means for the art market since our crystal ball fell on the floor and smashed into a thousand pieces some time ago. We are trying to glue it back together, but the pieces are so small and the magic may have been lost! During the past week there have been a number of art related sites stating that they will be publishing all the art world's comments concerning Brexit --- give me a break. Do you really think most art dealers have a clue what this means? I can tell you, we do not. Your guess is as good as anyone's. What happens to the art world will all depend on the buying public. Will people spend or will they hold tight? Will some financial 'experts' push the idea that art is a safe haven? I can tell you they will, since I have already seen it. Truthfully, only time will tell. What we do know is that a few months from now, this will all be water under the bridge and everyone's attention will turn to the media circus we call ... our presidential election!

Let me stress the following ... buy works of art that excite you, that you want to own and that you want to live with. Do not buy because you think prices will rise and you will make a killing. I am not saying this will not happen, but nobody can guarantee it. The art market is no different than any other market ... prices rise and fall. Artist go in and out of favor – over the years we have seen many hot contemporary artist's crash and burn. And unlike most other markets, the condition of works can change. Make your journey though the art world an adventure ... and along with way, bring home a few souvenirs. Now on to the action ...

The month of June was not short on supply for the art market ... there was plenty of offering in the London, Paris and Hong Kong sales (before and after the vote). I will begin by saying that we are only going to cover a few of the sale – there were just far too many (Modern & Post-War British; Tableaux et

Dessins Anciens et du XIX Siecle; British & European Art; Impressionist & Modern Art; Contemporary, etc.) and the number of works offered exceeded 1500 ... and that was just in the sales we follow. There is just no way the market can absorb it all in the span of a few weeks so there are going to be a lot of disappointed sellers --- with or without Brexit.

### **Impressionist & Modern – Post War – Old Master & 19<sup>th</sup> Century**

By: Howard

First up were the Impressionist and Modern works at Sotheby's in Paris and taking the top position was Marc Chagall's *Les Maries sous le baldaquin* at €963K (\$1.08M – est. €1.2-1.8M ... so it had a low reserve). In second was Man Ray's *Mademoiselle H...* at €651K (\$730K – est. €350-500K) and in third was Redon's *Profil sous une arche* at €603K (\$680K – est. €250-350K). Rounding out the top 5 were a small Renoir landscape at €591K (\$663K - est. €250-350K) and a van Dongen at €555K (\$662K – est. €300-400K).

Now there were some big misses ... among them were a Chagall at €1.2-1.8M, a Leger at €1-1.5M and a van Dongen at €5-700K. In addition, there were some works that are sure to have put smiles on their seller's faces; these included a Martin at €207K (est. €70-100K); a Kupka drawing at €111K (est. €20-30K), a Lebourg for €35K (est. €7-10K) and an Anto Carte at €459K (est. €60-80K).

In the end, of the 125 works offered, 93 sold (74.4%) and the total take was €10.32M (\$11.6M) low end of the estimate range was about €11.45M; so even with the buyer's premium they missed it.

On the 13<sup>th</sup> and 14<sup>th</sup> we moved across the Channel to find Sotheby's offering their Modern & Post-War British Art and the top lot here was a Barbara Hepworth at £1.87M (\$2.65M – est. £500-800K), a Michael Andrews took second at £1.27M (\$1.8M – est. £500-700K) and in third was an Elisabeth Frink at £725K (\$1.03M – est. £600-800K). By the end of this session, of the 141 works offered 107 found buyers (76%) and the total take was £10.66M (\$15.1M).

On the 16<sup>th</sup> we traveled back to Paris for the Tableaux et Dessins Anciens et du XIX Siecle sale with the top lot being a lovely Louyse Moillon still life from 1629 that brought an auction record €1.14M (\$1.3M – est. €450-650K). When finished, this sale found buyers for 101 of the 150 lots offered (67.3%) and the total take was €4.5M (\$5.1M) – low end of the estimate range was €3.14M.

We then get to the UK on June 23<sup>rd</sup> (Brexit vote day – uh oh) when Bonhams had their Impressionist & Modern Art sale. Top work here was a 'nothing much' Renoir landscape (7 ½ x 11 inch sketch) that brought £279K (\$374K - est. £150-200K) – amusingly, their pre-sale press release classified this as a major work. If that is a major work, how would one classify his *Dance at the Moulin de la Galette* or *Luncheon of the Boating Party*? Super Major? Super Duper Major? Coming in second was a Rodin bronze at £165K (\$221K – est. £120-180K) and third was snatched by a Lebasque which garnered £153K (\$205K – est. £180-250K). Of the 76 works on the catalog, 48 sold (63%) and the sale's total was a rather lackluster £2.03M (\$2.7M). Let's face it, given the day it could have been a lot worse!

The following week saw the world financial markets running for cover, but there was no such luck for the art market ... plenty of sales already on the calendar.

### **The Good, The Bad and The Brexit**

By Lance

Each year just as summer is getting started, Sotheby's and Christie's London offer up their Impressionist & Modern works; it's never quite the same as their New York equivalent, neither by volume or value, but nevertheless there are usually a few great pieces to be had and some great prices paid. This year was no different and with the Brexit vote looming just days after the sales, both houses had to combat some great uncertainty as well. Before the sales even began, judging by the pre-sale estimates, we were expecting a 20% drop from last year's numbers.

Sotheby's opened the week with a lean 27-lot sale (compared to 50 lots last year); auctions have already been dealing with a shortage of top level works, so the Brexit vote only further exacerbated this painfully obvious problem. There were just three major works in the sale, accounting for 90% of the pre-sale estimate (£81.2-101.4M/\$119-149M), but only two sold. The top lot of the evening was a Cubist work by Picasso, *Femme Assise*, which set a new auction record for any Cubist work as it found a buyer at £43.3M (\$63.6M – Est. excess of £30M) ... the work last sold at Sotheby's in 1973 and brought just

£340K! Closely behind was Modigliani's *Jeanne Hebuterne*, which breached its £28M estimate as it made £38.5M (\$56.6M); the seller, arms dealer Wafic Said, purchased the work at Christie's in 1986 for just £1.9M. These two works were the highest prices achieved in the London market in the last 5 years, proving that even in tough times there are buyers for exceptional works. That said, there was one big failure on the evening... a life-size cast of Rodin's *Eve*, which was expected to bring £8-12M (the highest estimate for a posthumously cast Rodin bronze) failed to attract a single bid. Rounding out the top three was Gauguin's *Nature morte aux pommes*, selling to Acquavella Galleries for £3.4M (\$5M – Est. £2.2-2.8M). The final numbers were actually respectable given the precarious situation the UK economy was facing; while the results represent a 42% drop from Sotheby's sale last year, they still managed to move 89% of the material on the block (24 sold of 27 offered) and brought £103.2 (\$151.9M) total, which was just above the top end of the estimate at £101.4M (\$149.1M).

Christie's had its chance on Wednesday, the evening before the Brexit vote, and some people were surly feeling unsettled to say the least. The day of the sale three consignors pulled their works... two Picassos each carrying a £2-3M estimate as well as a Magritte, which was expected to bring £1.4-1.8M; that left 33 works up for sale. The top lot, as expected, was Modigliani's *Madame Hanka Zborowska* at £8.2M (\$12.1M – Est. £5-7M), which was last sold privately through Arthur Tooth's gallery in the 30s. Far off in second was Wassily Kandinsky's *Esquisse pour Autour du cercle* at £1.7M (\$2.5M – Est. £1.5-2.5M), followed by *Le petit flutiste* by Chagall at £1.4M (\$2.1M – Est. £700k-1M). Uncharacteristically, failures were in abundance tonight... 12 of the 33 lots did not find a buyer. That included the guaranteed Monet (Est. £4.5-6.5M) which Christie's is on the hook for, a large Picasso estimated at £2.8-4.8M, an impressive Kandinsky (Est. £2-3M), along with a handful of other works. Look, the reality is the Brexit vote wasn't the only factor at play here... Christie's spent a lot of time promoting another major sale the following week celebrating their 250<sup>th</sup> anniversary, which definitely took some of the air out of this sale. Not to mention that there were works in the anniversary sale that should have been included here: a bronze by Henry Moore which would have bolstered this sale by roughly £15-20M, 2 Hepworth's £3-5M & £600-900K and a Chadwick at £1.4-1.8M. But yet, Christie's made the decision to prop up a weak sale with lofty estimates and it happened to coincide with a political turmoil. As I have always said, if lower caliber work is offered up, especially when buyers are more selective than ever, you can be sure that the results aren't going to sparkle. By the end of the evening, Christie's had sold just 21 of the works (64% - abysmal for an evening sale) for a total of just £25.6M (\$37.8M – Est. £32.8-48.7M) – Christie's worst showing for an Impressionist and Modern Art Evening sale in over a decade. That total is just about a quarter of Sotheby's total from the night prior, so I think that is a major testament to the lower quality works that Christie's offered.

As I am sure it is clear to you by now, there are so many factors that contribute to the success or failure of any given auction. The bottom line is, there will always be demand for works that are regarded as the highest quality, but the rest of the market is finicky and any single event can throw a wrench into the picture; that is just one of the risks you take when selling at auction.

With a bit of hindsight, now that the UK actually (shockingly) decided to #Brexit, it was probably a safe move if some Brits decided to hold off on bidding last week. In the days after, the Pound collapsed to its lowest level since 1985, as it dropped approximately 8% against the Dollar and Yen while the Euro strengthened by roughly 6%. It will be interesting to see how that impacts the Post-War & Contemporary sales in London as American and Asian buyers will be playing with money that has significantly more buying power ... a little teaser for next month's article, prices were STRONG!

The Rehs Family  
© Rehs Galleries, Inc., New York – July 2016

**Gallery Updates:** The gallery is open Monday – Thursday during July. In addition, we will be exhibiting at The Newport Antique Show from the 22<sup>nd</sup> – 24<sup>th</sup>.

**Web Site Updates:** During the past month a number of great works found new homes and we have added some real interesting works to our Available Inventory ... below is a small selection of the recent additions:

## TRADITIONAL



Constantin Kluge  
*Cathedrale de Senlis en Automne*



Constantin Kluge  
*Montaigne et George V*



Louis Aston Knight  
*Cottage Garden, Normandy*



Emilio Sanchez-Perrier  
*L'Etang a Friaucourt, Ault*



Rosa Bonheur  
*Stags in a Winter Landscape*

## CONTEMPORARY



Ben Bauer  
*Late Summer Soybeans – Ellsworth*



Ken Salaz  
*Storm on Monterey Coast*



Todd Casey  
*East Meadow*



Brandon Drake  
*Old Gold*



Stuart Dunkel  
*Rabbit Hunter*



Tony South  
*368 Horses*

**Next Month:** More art market updates – yes, they just never stop!