

COMMENTS ON THE ART MARKET

VOLUME 155

Rehs Galleries, Inc.
Rehs Contemporary Galleries, Inc.
5 East 57th Street, New York, NY 10022 – (212) 355-5710
www.rehs.com

Dallas

Just a reminder that starting Friday (November 8) we will be exhibiting at the 4th Annual Dallas International Art, Antique & Jewelry Show. The exhibit takes place at Dallas Market Hall, 2200 Stemmons Freeway, and will run through Monday, November 11. For more information and a complimentary General Admission ticket, please visit the Exhibition page on our web site.

The Banksy Hunt & Art Market Hype!

“All pictures painted inside, in the studio, will never be as good as those done outside” – Paul Cezanne, a quote that has truly inspired one artist that has been sparking headlines consistently during the month of October. British born artist, Banksy, has been making his mark on New York since the first of October; promising one graffiti work of art a day scattered throughout the City for his show, “Better Out Than In.”

After the completion of each work he posts a picture to Instagram, which sends his followers on a scavenger hunt for the work. What is really cool about this is that once the piece has been found there is an 800 number the artist includes next to the work. By calling the number via cell phone and using the correct #number associated with the piece, an audio guide comes on the line to explain the work to the viewer.

What I found most interesting about the month long Banksy show was during day 13, the artist set up a pop-up shop in Central Park selling 100% authentic and original signed Banksy canvases for \$60 each. During the day only three buyers purchased his work – one was a man from Chicago who picked up 4 stating that he needed something for the walls of his new home – in all, the artist collected \$420. I know most New Yorkers are kicking themselves right now for not buying out the stand since his last work at auction made over \$100,000. Since then, everyone is on the lookout for the next time they can get their hands on a little art lotto!

Now for the real laugh ... in an attempt to test out the market, three men, Cicirelli, Pilgrim and Gross, decided to do a cultural experiment to see how fast the public would jump on the art bandwagon. The men set up a pop-up stand, exactly like the one Banksy hosted, with exact copies of the 40 paintings for sale. While Banksy sold only eight of his works, these men sold out of their entire stand! Even with a certificate of “inauthenticity” passersby were not going to let this opportunity slip by.....even though they were all fakes!

I'll add that I never support buying a fake work of art, but I must give it to these three men for pointing out how wrapped up the market gets during a frenzy.....Thanks Banksy!

One final note...Two months ago, a painting by K. Sager was bought at Housing Works, a New York City thrift shop, for \$50. On October 29, 2013, the work reappeared in the shop with a small yet very important alteration. Banksy added a seated Nazi soldier gazing out at the landscape and titled the piece “The Banality of the Banality of Evil.” The Thrift shop’s mission is “to end the dual crises of homelessness and AIDS through relentless advocacy, the provision of lifesaving services, and entrepreneurial businesses that sustain our efforts.” Housing Works put the piece up for auction Tuesday night and by the following morning the bidding reached \$211,000, by midday on Wednesday it hit

\$301,000 and when the bidding ended (8 pm on Thursday -- Banksy's final day in Manhattan) the new owner paid \$615,000 – holy \$^&%!

Stocks

Well, it was another month of ups and downs -- but by now, I think most of us are used to it. On the 1st we got as high as 15,208 and by the 9th we were down to 14,719 ... 3 weeks later we have climbed back up to the 15,600 range. Since May we have been stuck in this trading range. We are getting close to the end of 2013 and I am hoping for a great yearend rally!

Overall my portfolios have been holding their own (I have checked them a few times this month and most of the stocks are well into the black ... but I know that can change in the blink of an eye). By midday, November 1, here is where my favorites stood (ups and downs are compared to last month): Altria (\$37.20 - Up), JP Morgan (\$52.10 - Down), Emerson (\$66.60 - Up), Chevron (\$117.38 - Down), Exxon (\$88.82 - Up), GE (\$26.10 - Up), Berkshire B (\$115.02 - Up), AT&T (\$36.24 - Up), VOD (\$36.78 - Up), Verizon (\$50.46 - Up), Wal-Mart (\$76.76 - Up) and Coke (\$39.50 - Up), DuPont (\$60.99 - Up) and the newest one - Lowe's (\$49.38 - Up).

Really?!

In the next article you will read about the sales in Asia, and while it is going to be really hard to top some of those incredible results, here are a few items from other markets that did catch my eye.

So would you buy a waterlogged, non-playable, broken violin??... Someone did! This little violin, which made headline news this past month, was played by Titanic bandmaster Wallace Hartley as the ship slipped below the waves on the morning of April 15, 1912 – few could have imagined the amount of interest, let alone the price, this item would bring.

The violin was given to Hartley as a gift from his fiancée Maria Robinson on the event of their engagement, but its importance lies in the fact that Hartley is credited with the decision to lead his eight-piece band into the historic hymn *Nearer, My God, to Thee* in an attempt to calm passengers as they boarded lifeboats. All eight men perished in the disaster. Hartley's remains were recovered on April 25, 1912, by the crew of the ship CS MacKay-Bennett.

After seven years of testing to prove the violin's authenticity, it was ready for the auction block and there was sizable interest from the US and the UK, although the bidding war did include a Chinese and an Australian bidder; and the starting bid on the books of just £50. (Really!) The final showdown came between a US collector and a British collector, both via the phone, and after a 10 minute battle, the Brit won the war.

The violin, as well as the leather luggage case initialed W. H. H. (Wallace Henry Hartley), in which Wallace placed the instrument before going into the freezing North Atlantic, was estimated at £300,000, and sold for £900,000 (\$1.4M) (plus 15% buyer's premium).

Another instrument that had a great deal of international interest was a baroque guitar by Matteo Sellas of Venice, from the second quarter of the 17th century. Sellas is considered to be one of the finest luthiers of his day, making his highly decorative guitars and lutes extremely valuable. This example features a pierced parchment architectural rose around the sound-hole, bone and ebony motifs and a fingerboard with mother-of-pearl and brass frets. There are two similar instruments in the National Music Museum in South Dakota - the top instrument museum in the world - as well as an almost identical guitar in the Metropolitan Museum of Art in New York.

This guitar was once the property of the renowned picture conservator Sebastian Isepp (1884-1954), chief restorer at the Kunsthistorisches Museum, who formed a collection of 35 stringed instruments. It had an estimate of £10,000-15,000, but with a lot of interest the bidding rapidly climbed to £48,000 (£56,000/\$66,300 with the commission) to a well-known dealer/collector possibly buying on commission.

A representative from the auction house stated, "But for some condition issues and the fact that Sellas used bone instead of ivory as inlay, it would have made £100,000." Really!!

And to get you prepped for the next article, at a recent auction a magnificent pair of 19th century Chinese carved rhinoceros horns exceeded all expectations. The intricately decorated horns were adorned with carvings representing the Chinese symbols of beauty, perseverance, healing and longevity. Originally, they belonged to Sir John Budd Phear, a high court judge from Ceylon (the former Sri Lanka) who left them to his son Gilbert, and subsequently were passed down through the family.

The pair had a pre-sale estimate of \$120,000-\$150,000, figures in line with previous results from similar horns sold. In a tense, crowded auction room, an astonished audience watched as the bids shot up from \$120,000 to the \$500,000 mark ...three bidders dropped out of the battle and two were left to fight it out. The final price was \$797,300, more than 4 1/2 times the estimate.

The Art Market

We are going to cover a number of warm-up sales that happened this past month (the BIG ones will take place in NYC in November). Along with the public sales, there were many art dealer fairs that reported strong sales across all levels of the market. We took part in The Affordable Art Fair and the Avenue Show ... both of which attracted a large audience and resulted in many sales.

Our galleries finalized deals on more than 20 works during the month ... among the traditional paintings were works by Ridgway Knight, Aston Knight, Laisement, Del Campo, Munier, Ronner-Knip, Leickert, Simbari, Blanchard and 5 by Cortes. The contemporary side saw many works head off to new homes ... among those were paintings by Swatland, Baez, Drake, Hollingsworth, Wood and Palumbo.

There is still strong interest in the art market and I will stress, once again, that if you are going to buy, then buy right.

The Asian Market

Earlier this month, Sotheby's Hong Kong offered a "buffet" of luxury goods. It was truly insane how much was sold in just 5 days (Oct 4th-8th) by one auction house. There were over a dozen individual sales with a multitude of categories ranging from contemporary Asian art to classical Chinese art, as well as sculpture, jewels and wine.

The initial three sales (Oct 4th and 5th) featured wine; the first of which consisted of 555 lots directly from Domaine Clarence Dillon Wine Cellars followed by two single-owner sales. Of the three sales, the top lot was 6 bottles of Romanee Conti 1990 Domaine De La Romanee Conti bringing HK\$1.16M (\$150K). In all, the auctions totaled HK\$94M (\$12M), easily surpassing the high estimate of HK\$76M (\$10M). Additionally, 96% of the lots sold in the first sale followed by 100% in the second and third sales; a mark that would be mind-blowing in an art auction.

The evening of the 5th saw Sotheby's Hong Kong 40th Anniversary Evening Sale which featured 61 paintings. Of the 61 works offered, 55 found buyers yielding a sell-through rate just over 90%. The top lot was Zeng Fanzhi's *The Last Supper* which brought HK\$180M (\$23M – est. was 'on request') - a world record for any contemporary Asian art as well as a world record for a work by a living Chinese artist. In total, the sale took in over HK\$1.1B (\$145M) which works out to HK\$20.5M (\$2.67M) per lot sold.

In addition to the evening sale, there were 5 other painting sales (Oct 5th-7th): Contemporary Literati, Modern and Contemporary Southeast Asian Paintings, 20th Century Chinese Art, Contemporary Asian Art, and Fine Chinese Paintings. Of the 5 sales, the top lot came from the Fine Chinese Paintings Sale where Zhang Daqian's *Spring Dawns upon the Colorful Hills* sold for HK\$34.8M (\$4.46M – est. HK\$3.8-5M/\$486-\$640K). In second & third were works from the 20th Century Chinese Art sale: Wu Guanzhong's *Lotus Flowers* was expected to bring HK\$6-\$8M (\$768k-\$1M), but when the hammer fell the price was HK\$22.5M (\$2.8M) and Zou Wou-Ki's *2.6.70* that made HK\$18M (\$2.3M – est. HK\$8-\$12M/\$1-\$1.5M). Between the 5 sales, 960 works were offered and 840 found buyers. The collective take was HK\$789M (\$102M) and over 87% of the works sold! It looks like the painting market in Asia is still incredibly strong as we move into the buying season.

Following the final painting sale, the Magnificent Jewels and Jadeite sale took place. Well, I'll get right to it... the blockbuster of the week was a massive diamond, in fact it was the largest diamond ever sold at auction. The 118.28-carat oval D flawless type IIa, brought HK\$238M (\$30.6M) a world record for a white diamond at auction. In all, 247 of the 331 (74.6%) lots were sold giving the sale a total take of HK\$744M (\$95.4M), the highest total for a jewelry sale in Asia.

October 8th was the final day of sales and started off with Qing Imperial Porcelain – A Kyoto Collection which had just 6 lots. All six pieces sold and the top lot here was a 16 ¾ inch vase described as 'A fine and magnificent celadon-glazed 'longevity' Ruyi-handled vase (seal mark and period of Qianlong)' which ended up selling for HK\$88.6M (\$11.4M), nearly six times the high estimate of HK\$10-15M (\$1.2-\$1.9M). As a whole, the sale brought HK\$ 150.4M (\$19.25M) and obviously had a sell-through rate of 100%.

About 15 minutes later, a small 5 7/8 inch bowl had its own sale. Now this was no ordinary bowl (even though I could swear my grandma has a set of 12 of these in her kitchen cabinet), see this bowl is a Sublime Blue and White 'Palace' Bowl (mark and period of Chinghua) and is "elegantly potted with smooth rounded sides barely flaring at the rim, finely painted in muted washes of cobalt-blue accented with sharp outlines of a deeper hue, the exterior with a musk-mallow scroll undulating gently around the sides issuing four luscious blooms with tender flaring petals...(*quoted from Sotheby's catalog*)" blah blah, you probably already fell asleep reading this. It is amazing how much you can say about a tiny white bowl but this particular soup holder sold for a whopping HK\$141M (\$18M)!

Moving on from the "overpriced" bowl ... later that morning two sales were held concurrently. The first was Chinese Art through the Eye of Sakamoto Goro which featured 63 sculptures and brought in HK\$111M (\$14.28M). The second featured 497 lots of Important Watches and Clocks of which 454 lots sold (91.4%). The top timekeeper here was a Patek Philippe Magnificent Fancy Carp and Rock Crystal Pearl Fountain Clock which sold for HK\$7.2M (\$926K). In all, the sale took HK\$175M (\$22.5M), easily surpassing the presale estimate of HK\$109M (\$14M).

The week drew to a close with the final two sales in the afternoon, one minor and one major. The first was Important Ming Porcelain with 17 of the 20 items finding buyers. The top lot here was a blue and white ewer Ming Dynasty, Hongwu Period which sold for HK\$18M (\$2.3M); this one piece accounted for over 1/3 of the sale total of HK\$47M (\$6M). The final sale of Fine Chinese Ceramics and Works of Art featured a bronze figure of a seated Shakyamuni Buddha that brought HK\$236.44M (\$30.3M) --- total for this sale was HK\$809M (\$103M).

The week of sales was wildly successful as the Sotheby's saw its highest total ever for a series in Hong Kong. The sales combined for a staggering HK\$4.2B (\$538M), breaking over a dozen records and setting numerous new benchmarks in a variety of categories. The Asian collectors seem to have an unquenchable thirst for luxury as the pulse of the market continues to race.

The Americans

Early in the month, Sotheby's held their American Paintings, Drawings and Sculpture sale in New York. This mid-level auction offered 182 lots including works by Avery, Burchfield, Benton Peto, Cropsey, and a private collection of Andrew Wyeth watercolors.

The top lot in the sale was a double sided watercolor by Wyeth. On an estimate of \$35-45,000, this piece achieved nearly \$200,000! Additionally, 9 of the 11 works from this small collection found a buyer. Coming in second was Thomas Doughty's *Hunters with a Dog in a Landscape*, selling for \$161,000 on an estimate of \$15-25,000. Rounding out the top three was *Rocky Surf off Rhode Island*, a painting by William Trost Richards which sold for \$155,000, topping its estimate of \$80-120,000.

Of the 182 works offered, 130 pieces sold, which works out to a 71% sell through rate. In all, the sale took in \$2.964 million which just broke the low end of the presale estimate of \$2.909-4.2 million. The sale was not terrible, but certainly nothing spectacular... but it shows that good paintings by the right artists (and in good condition), are performing well.

The 19th century European

Well, the action in our market began at the end of October and the offerings were pretty slim. Now before I get into this review, it is important to remember that the auction rooms are subject to what is presented to them ... and if very few really good works come across their desk then the sale is not going to be very strong.

When the catalog first arrived, it appeared that there may be a number of interesting works, but as I have found in many recent instances, I was a little disappointed after viewing the sale.

Of course there are always a few nice works and among my favorites from the catalog were a small Tissot (15 x 20 inches) being sold by the Met which carried a \$2.5-\$3.5M estimate (pretty high for such a small work), a large E.B. Leighton – *To Arms!*.... which was estimated at \$400-\$600K, A Reggianini – *The Poetry Lesson* – est. \$150-\$250K, a nice Pasini – *On the Steps of the Mosque, Constantinople* – at \$100-\$150K and Montague Dawson's *Henry Morgan's Ship off Gorgona in the Pacific* at \$200-\$300K.

The sale started off with a dozen works being sold by the Toledo Museum of art ... many of which were from the Barbizon School. Now I cannot say that they were outstanding examples; however, they all sold and a few flew by their estimate: a Rousseau that had a fair bit of restoration made \$68,750 (est. \$20-\$30K), a late Diaz made \$75,000 (est. \$25-\$35K) and a Daubigny (which I felt was a little sloppy looking) made \$52,500 (est. \$25-\$35K). I will add that after the first 12 lots sold I thought this might turn out to be a pretty good sale for them ... but the tide soon changed.

A rather uninteresting Corot (just looked very weak) did not hit the mark (est. \$150-\$200K) while another, which was just a little too dark for me, did sell at \$197,000 (est. \$180-\$220,000). There was a large Breton which brought \$185,000 (est. \$200-\$300K – I do hope this one never gets cleaned) and a large Elizabeth G. Bouguereau (which has seen better days) found a buyer at \$125K (est. \$250-\$350K --- yes that was way below the estimate ... I was surprised that it sold). A small, grey and rather thin Beraud could not reach its \$70-\$100K estimate while a very large Bonheur of two horses never hit its \$400-\$600K estimate ... they did run the bidding up to \$380K. Towards the middle of the sale a Boldini made its second appearance in the year – last time it carried a \$1-\$1.5M estimate and failed while this time it had a \$600-\$800K estimate and succumbed to a similar fate --- unsold.

Smack in the middle of the sale was their star lot – James Tissot's *In the Conservatory* which carried at pretty strong \$2.5 - \$3.5M estimate. This was a fabulous image and the Met's provenance was a nice touch; but on the day, they could only muster interest at the \$1.7M level -- hammer price (\$2.045M with commissions).

About ¾ of the way through the sale we hit the Orientalist works – normally a strong part and when the right work appeared, the prices were good:. Of the 14 works in this category 7 sold with the top price achieved by Zonaro's *Pescatori alla bilancia*... at \$317K (est. \$40-\$60K) and the biggest miss was Ralli's *Les confitures de roses a Megara* which failed at \$500-\$700K ... in fact, this looked like a very nice painting, but with the Greek market all but lost, there were no takers right now.

The sale wound down with that really nice painting by Montague Dawson – *Henry Morgan's Ship off Gorgona in the Pacific* – which we underbid at \$270K and sold at \$280K hammer (\$341K with commissions) ... missed it by 'that much'!

Oh, as for the other works I mentioned at the beginning of this article, the Leighton sold for \$485K, the Reggianini passed and the Pasini made \$209K.

When the session ended, of the 93 works in the catalog 92 were offered (one was withdrawn) – 60 sold and 32 failed, leaving a sell-through rate of 64.5% (not very good) and the total take at the hammer was \$6.038M (presale estimate was \$9.5 - \$13.7M) ... when the buyer's commissions are added in, the total reached \$7.35M; still far short of the low estimate. And just in case you are wondering, of the 60 sold lots, 25 were below, 23 within and 12 above their presale estimates.

I must add that in the 19th century arena, the salerooms are doing their best to create smaller sales; but with very few really good works being offered to them they are having a difficult time creating a blockbuster. I guess people are just holding on to the good works ... and why not?

Gallery Updates: For the month of November we are open Monday – Friday from 10 am – 5:30 pm.

Web Site Updates: As I mentioned earlier, many works pass through our web site this month; in addition, we have added a number of new pieces to both the traditional and contemporary sections ... a few of which are illustrated below:

Traditional



Sidney Richard Percy
Heather in the Highlands (1872)



Louis Aston Knight
A Summer's Day, La Rivière
One of a pair



Louis Aston Knight
Along the River, Beaumont
One of a pair



Louis Aston Knight
Pink Phlox, Normandie

Contemporary



Justin Wood
Still Life with Plums & Pitcher



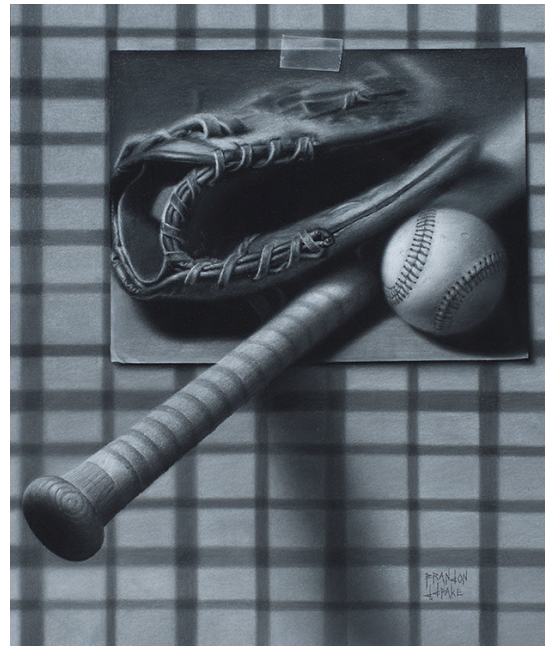
Holly Banks
Kittens at Play



James Hollingsworth
Fire Truck #3



Brandon Drake
Minutiae



Brandon Drake
Off the Wall

Next Month: The BIG sales, baby!