

## The Latest Market Trends in Impressionist & Twentieth Century Art November 2019, New York

### Impressionist & Modern Art 2019: The Transitional Year That Was Not

Several factors worked against Christie's and Sotheby's Impressionist & Modern Art sales this season: few significant estates, lack of outstanding works, uncertainty about pricing, and the disappearance of some big whale buyers of the recent past. Nevertheless, Christie's and Sotheby's managed their sales well. Both were reasonably disciplined in their estimates, sought third-party guarantors to secure a high sell rates, and convinced sellers to lower their reserve prices leading to many lots selling for hammer prices well below their low estimates, but selling, nonetheless. In isolated instances, there were bidding wars which led to record prices. Broadly, however, we fear that overuse of third-party guarantees has maintained artificially high prices, leading to estimates that are out of touch with the thinness of the actual bidding pool, especially above \$20 million, and, in turn, shrinking an already slim group of would-be buyers, and the underbidders necessary to push buyers to their limits. Guarantees are a double-edged sword: without them, the results would have been much worse, but, at the same time, they are partially responsible for the downturn—overall evening sale totals receded to 2016 levels this season—as they obscure the realities of the market. 2019 could have been the year for the auction houses to scale back on guarantees, lower estimates and let the market regain a clear understanding of pricing, but it was not.

### Where Are the New Impressionist & Modern Art Collectors?

Furthermore, while arranging third-party guarantees for 20-50% of a sale may be effective for managing results in the short-term, what about the longer-term repercussions on a new generation of collectors? When new buyers are encouraged to act as guarantors, their motivation shifts away from the quality of the art, focusing instead on the immediate potential profit. Half the time this season (14 of 28 third-party guaranteed lots in Christie's and Sotheby's Impressionist & Modern Art evening sales appeared to go to the guarantor), this results in ownership at a price not truly proven in an auction setting for works desired more for the financial deal than the art itself. Will such new buyers maintain the interest to pursue collecting? Or, after taking home a few guaranteed lots, will they put their money and energy elsewhere? Some experienced collectors combine the acumen and taste to enter into irrevocable bids intelligently, but they are a minority. It is time to bring passion for great art back into the Impressionist & Modern Art market and cultivate a new generation of collectors, otherwise this market may continue to spiral downwards.

### A Picture-by-Picture Market

As we approach the end of 2019, our view is that prices of Impressionist & Modern Art of anything less than A+ quality (for example, Monet's *Meules*, a masterpiece from the haystack series, which set a price record for Impressionism at \$110.7 million at Sotheby's in May 2019), have been due for a downward correction that has been postponed by an abundance of willing irrevocable bidders, some extremely important estates like that of Peggy and David Rockefeller, and a steady stream of few but important buyers with big appetites and the means and desire to pursue works to ever escalating prices, all of which buoyed the market. But a rising tide, did not raise all boats. The current market is a picture-by-picture market. Signatures from blue-chip artists and glittering provenances are no longer enough to create a blanket bullish mood across the sale catalogue. Objectively, prices remain strong even for works that are only a little better than average, but it takes a willing vendor to listen to the market and curb expectations accordingly. Trying to defend overly ambitious estimates, that may have applied three or four years ago, but not now, is no longer an option. In light of the past week, our current recommendation to those considering selling is to expect less, or better yet, hold.

### A Note on Contemporary Art

About half of the lots in each of Christie's and Sotheby's evening sales of Contemporary Art carried guarantees, ultimately over 40% from third parties and a few by the auction houses themselves. This tells a few stories. One is that there is an abundance of people willing to place irrevocable bids on Contemporary lots, and that many sellers are inclined to take them, at a loss in upside for themselves. This points to speculation on the buy side, caution on the sell side, and a market that is more fragile than it may at first appear with big sale totals and high rates of lots sold.

AUCTION SUMMARY

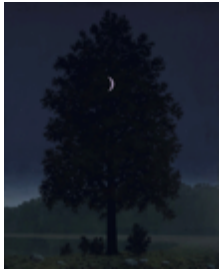
<u>Christie's</u>	<u>Sotheby's</u>
<p><b><u>Christie's, November 11, 2019:</u></b></p> <p><u>Impressionist &amp; Modern Art Evening Sale</u></p> <ul style="list-style-type: none"> <li>- Sale total: <b>\$191,911,500</b></li> <li>- % sold by lot: <b>90%</b> (52/58 lots)</li> <li>- % sold at a <b>hammer price above the high estimate: 22%</b> (13/58)</li> <li>- % sold at a <b>hammer price within the estimates: 31%</b> (18/58)</li> <li>- % sold at a <b>hammer price below the low estimate: 36%</b> (21/58)</li> <li>- <b>12</b> lots were <b>guaranteed by third parties</b>, <b>6</b> of which appeared to go to the guarantor</li> </ul>	<p><b><u>Sotheby's, November 12, 2019:</u></b></p> <p><u>Impressionist &amp; Modern Art Evening Sale</u></p> <ul style="list-style-type: none"> <li>- Sale total: <b>\$208,958,100</b></li> <li>- % sold by lot: <b>84%</b> (42/50 lots)</li> <li>- % sold at a <b>hammer price above the high estimate: 12%</b> (6/50)</li> <li>- % sold at a <b>hammer price within the estimates: 32%</b> (16/50)</li> <li>- % sold at a <b>hammer price below the low estimate: 40%</b> (20/50)</li> <li>- <b>16</b> lots were <b>guaranteed by third parties</b>, <b>8</b> of which appeared to go to the guarantor</li> </ul>
<p><b><u>Christie's, November 13, 2019:</u></b></p> <p><u>Post-War &amp; Contemporary Art Evening Sale</u></p> <ul style="list-style-type: none"> <li>- Sale total: <b>\$325,259,750</b></li> <li>- % sold by lot: <b>89%</b> (48/54 lots)</li> <li>- % sold at a <b>hammer price above the high estimate: 17%</b> (9/54)</li> <li>- % sold at a <b>hammer price within the estimates: 30%</b> (16/54)</li> <li>- % sold at a <b>hammer price below the low estimate: 43%</b> (23/54)</li> </ul>	<p><b><u>Sotheby's, November 14, 2019:</u></b></p> <p><u>Contemporary Art Evening Sale</u></p> <ul style="list-style-type: none"> <li>- Sale total: <b>\$270,643,850</b></li> <li>- % sold by lot: <b>92%</b> (46/50 lots)</li> <li>- % sold at a <b>hammer price above the high estimate: 28%</b> (14/50)</li> <li>- % sold at a <b>hammer price within the estimates: 40%</b> (20/50)</li> <li>- % sold at a <b>hammer price below the low estimate: 24%</b> (12/50)</li> </ul>

**Christie's, Impressionist & Modern Art Evening Sale**

Christie's opened the New York season with a solid evening sale of Impressionist & Modern Art totaling \$191.9 million with 90% of lots sold. Sure, the sale total was 30% below last year's, no price surpassed \$20 million, and three lots were withdrawn ahead of the sale, probably for lack of interest, but that is today's market. If Christie's had managed to secure one or two works in the \$40 million-plus range, the gap with last year's result would have been closed, but it was not the case. Christie's team had to manage an uneven and at times uninspiring group of works, lowering reserves whenever possible and taking advantage of two precious estates, those of James and Marilyn Alsdorf and Terry Allen Kramer, and the attractively low estimates that accompanied them.

The sale was not led by the usual trio of Monet, Picasso and Chagall, although they were present. Instead, the evening's top lots were a large-scale Magritte, *Le seize septembre*, from the Alsdorf estate, which sold for \$19.6 million, or \$17 million hammer against an estimate of \$7-10 million (estimates relate to hammer prices and exclude the buyer's premium); a spectacular, though late posthumous cast of Boccioni's *Unique Forms of Continuity in Space*, unusually and controversially based on a surmoulage, or a cast from an existing finished cast, rather than from the original plaster, sold for \$16.2 million, or \$14 million hammer against an estimate of \$3.8-4.5 million; and an unexpected sunlit Pissarro, *Jardin et poulailler chez Octave Mirbeau, Les Damps* sold for \$10.3 million, or \$8.8 million hammer against an estimate of \$4-6 million. Impressionist works were far from spectacular, but, nonetheless, all eight found buyers. While the current market for Impressionist & Modern Art cannot be described as exuberant, Christie's squeezed out every available bid and then some. Chapeau!

**Top Lots, Christie's Impressionist & Modern Art Evening Sale**



Magritte  
*Le seize septembre*  
Sold for:  
\$19,570,000  
Estimate:  
\$7-10m

Boccioni  
*Forme uniche della  
continuità nello spazio*  
Sold for:  
\$16,165,000  
Estimate:  
\$3.8-4.5m

Picasso  
*Femme dans un  
fauteuil*  
Sold for:  
\$13,327,500  
Estimate:  
\$12-18m

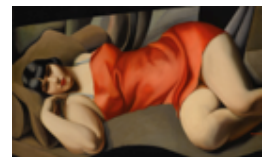
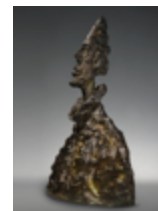
Pissarro  
*Jardin et poulailler chez  
Octave Mirbeau*  
Sold for:  
\$10,263,000  
Estimate:  
\$4-6m

Magritte  
*Le Sabbat*  
Sold for:  
\$9,922,500  
Estimate:  
\$8-12m

**Sotheby's, Impressionist & Modern Art Evening Sale**

Like Christie's the night before, Sotheby's presented a by and large well-managed sale of Impressionist & Modern Art, which included some excellent works, although no blockbusters estimated above \$30 million, along with some more ordinary material. Bidding was mostly measured, especially for the evening's top three lots, all guaranteed by third parties: Monet's *Charing Cross Bridge*, a good but not stellar example from the series, sold for \$27.6 million, or \$24 million hammer, the highest bid of the week, against an estimate of \$20-30 million; Caillebotte's marvelous *Richard Gallo et son chien Dick, au Petit-Gennevilliers* sold for \$19.7 million, or \$18 million hammer against an estimate of \$18-25 million (in our opinion, this was a far better example with less market exposure than Caillebotte's *Chemin montant*, which set the artist's record at £16.7 million, \$22.2 million, at Christie's in February 2019); and Signac's *La Corne d'Or (Constantinople)*, sold for \$16.2 million, or \$14 million hammer against an estimate of \$14-18 million. Though on another day, any of these top three lots could have fetched more, this was a solid showing for Impressionist and Neo-Impressionist paintings. There were unexpected bidding wars for unguaranteed lots by Giacometti, *Buste d'homme (Diego au blouson)* which sold for \$14.3 million, or a hammer of \$12.3 million against an estimate of \$6-8 million (another cast from the same edition, albeit with a lesser patina, sold at Christie's in May 2018 for \$9.1 million), and Lempicka, *La tunique rose*, which sold for a record \$13.4 million, or a hammer of \$12.3 million against an estimate of \$6-8 million.

**Top Lots, Sotheby's, Impressionist & Modern Art Evening Sale**



Monet  
*Charing Cross Bridge*  
Sold for:  
\$27,600,000  
Estimate: \$20-30m

Caillebotte  
*Richard Gallo et son chien*  
Sold for:  
\$19,686,000  
Estimate: \$18-25m

Signac  
*La Corne d'Or*  
Sold for:  
\$16,210,000  
Estimate: \$14-18m

Giacometti  
*Buste d'homme*  
Sold for:  
\$14,273,700  
Estimate: \$6-8m

Lempicka  
*La tunique rose*  
Sold for:  
\$13,362,500  
Estimate: \$6-8m

**Christie's, Post-War & Contemporary Art Evening Sale**

Christie's Post-War & Contemporary Art evening sale earned the highest sale total of the week at \$325.3 million and sold eight works above \$10 million, but these impressive numbers belie significant challenges. Nearly half of the 54 lots offered were guaranteed, all but one by third party guarantors, and 23 lots, 44% of the sale, sold for hammer prices below their low estimate. A gargantuan record was set by the evening's top lot, Ruscha's *Hurting The Word Radio*, guaranteed by Christie's themselves, sold for \$52.5 million, or \$46 million hammer, well over its \$30-40 million estimate.

**Top Lots, Christie's, Post-War & Contemporary Art Evening Sale**



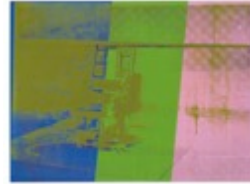
Ruscha  
*Hurting the Word Radio*  
Sold for:  
\$52,485,000  
Estimate: \$30-40m



Hockney  
*Sur la terrasse*  
Sold for:  
\$29,501,250  
Estimate: \$25-45m



Richter  
*Vogelfluglinie*  
Sold for:  
\$20,478,000  
Estimate: \$18-25m



Warhol  
*Big Electric Chair*  
Sold for:  
\$19,000,000  
Estimate: \$18-25m



Klein  
*Barbara (ANT 113)*  
Sold for:  
\$15,597,500  
Estimate: \$12-18m

**Sotheby's, Contemporary Art Evening Sale**

Sotheby's delivered a carefully managed evening sale of Contemporary Art totaling \$270.1 million with few unsold lots and most works selling within or above their estimates. There were a few bidding wars that pushed lots above their high estimates, namely: Clyfford Still's *PH-399*, estimated at \$12-18 million, which hammered at \$21.1 million, or \$24.3 million with buyer's premium (the third party guarantor was surely pleased); Kazuo Shiraga's *Untitled*, estimated at \$1.8-2.5 million, which hammered at \$4.1 million, or \$4.9 million with buyer's premium; and Jean Dubuffet's *Papa Tromblon (Portrait)*, estimated at \$1.8-2.5 million, which hammered at \$3.7 million, or \$4.46 million with buyer's premium.

**Top Lots, Sotheby's, Contemporary Art Evening Sale**



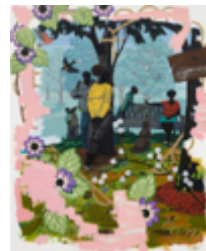
De Kooning  
*Untitled XXII*  
Sold for:  
\$30,105,800  
Estimate: \$25-35m



Rothko  
*Blue Over Red*  
Sold for:  
\$26,461,000  
Estimate: \$25-35m



Still  
*PH-399*  
Sold for:  
\$24,296,900  
Estimate: \$12-18m



Marshall  
*Vignette 19*  
Sold for:  
\$18,488,000  
Estimate: \$6.5-7.5m



Marden  
*Number Two*  
Sold for:  
\$10,920,600  
Estimate: \$10-15m

**Phillips, 20<sup>th</sup> Century & Contemporary Art Evening Sale**

Phillips totaled \$108.1 million with their evening sale of 20<sup>th</sup> Century & Contemporary Art, a more than 20% increase in value over their sale one year ago. All but two of the 40 lots offered found buyers for a rate of 95% sold by lot. Though predominantly a sale of Post-War & Contemporary works, Phillips offered three Impressionist & Modern paintings: Picasso's 1948 *Femme assise dans un fauteuil* sold for \$4.8 million, Miró's 1952 *Paysan Catalan inquiet par le passage d'un vol d'oiseaux* sold for \$4.6 million, and Giacometti's third-party guaranteed 1957 *Portrait of G. David Thompson* sold for \$4.2 million.

**Top Lots, Phillips, 20<sup>th</sup> Century & Contemporary Art Evening Sale**



Basquiat  
*The Ring*  
Sold for:  
\$15,035,000  
Estimate: \$10-15m



Guston  
*Smoking II*  
Sold for:  
\$7,657,500  
Estimate: \$6-8m



Warhol  
*Late Four Foot Flowers*  
Sold for:  
\$7,430,500  
Estimate: \$6-8m



Picasso  
*Femme assise*  
Sold for:  
\$4,820,000  
Estimate: \$5-7m



Miró  
*Paysan Catalan*  
Sold for:  
\$4,580,000  
Estimate: \$7-10m

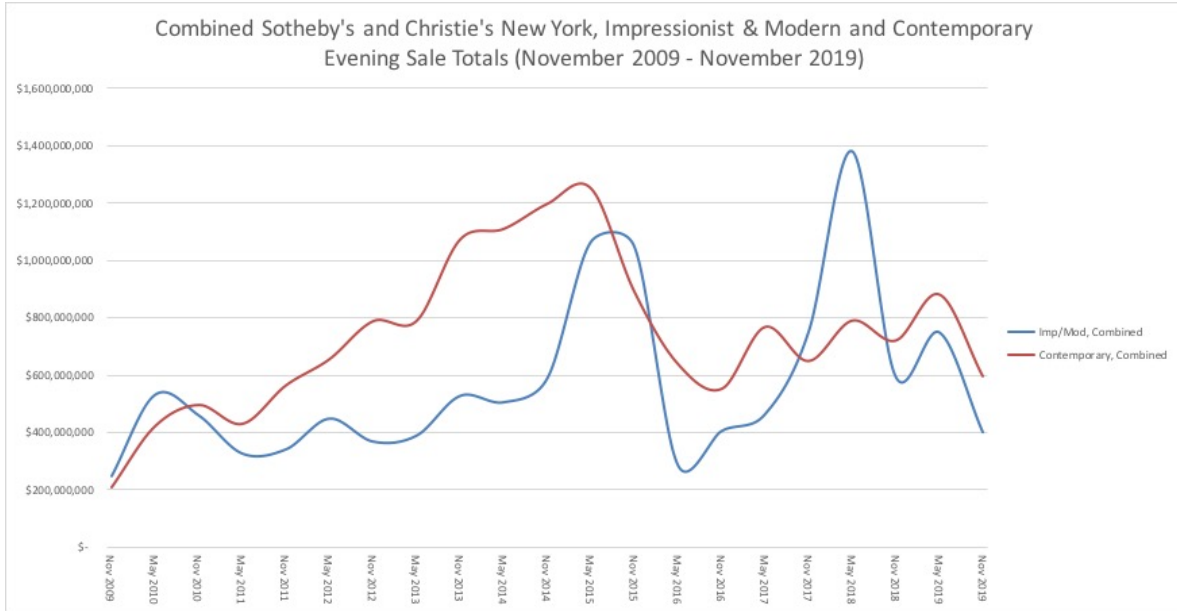
**PRIVATE SALES**

Reflecting on the past year, 2019 was relatively quiet in the private market. In several instances, we saw unbridgeable price mismatches between sellers and buyers. This may well be related to the fact that auction prices have been held up in recent years by third-party guarantees, rather than set by unimpeded auction mechanics. The reality is, buyers are out there, but often at lower prices than sellers these days desire. If you want to sell in today's market, we recommend offering works at justifiable prices, and giving serious consideration to what the market offers. If sellers aren't serious about doing this, it's a good time to hold.

One group actively bidding this November was the dealers. If they're buying, they think the market will return.

**SALE CATEGORY COMPARISON**

Sale totals for Sotheby's and Christie's evening sales for both Impressionist & Modern Art and Contemporary Art were down this November, akin to November 2016 levels. Nonetheless, the deflation in sale totals this year relative to the past few years contributed to the sales feeling flat, largely a consequence of few ultra-high-value lots.



**ARTICLES RELATED TO THE NOVEMBER 2019 IMPRESSIONIST & TWENTIETH CENTURY ART AUCTIONS:**

<https://news.artnet.com/market/auction-guarantees-bubble-pop-1698762>

<http://www.artnews.com/2019/11/12/magritte-christies-imp-mod-new-york/>

<https://www.theartnewspaper.com/comment/comment-or-the-complicated-history-of-boccioni-sculpture-is-no-barrier-to-record-price-at-christie-s-in-new-york>

<https://news.artnet.com/market/sothebys-impresionist-modern-fall-2019-1701504>

<https://www.bloomberg.com/news/articles/2019-11-13/sultry-lover-sets-record-at-chilly-new-york-city-art-auction>

<http://www.artnews.com/2019/11/14/christies-ed-ruscha-contemporary-art-auction/>

<http://www.artnews.com/2019/11/14/phillips-contemporary-evening-sale-november-2019/>

<https://www.nytimes.com/2019/11/15/arts/design/for-auctions-its-no-froth-but-steady-thats-the-new-normal.html>

<http://www.artnews.com/2019/11/15/sothebys-de-kooning-contemporary-auction/>

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