

**The Latest Market Trends in Impressionist & Modern Art
February 2019, London**

The First Sale Season of 2019

The February 2019 London sales of Impressionist & Modern Art provided the first important market gauge since the major sales in New York last November, and we were pleasantly surprised. Despite considerable talk of market uncertainty, works that deserved to soar certainly did and by-and-large the auctioneers' pre-sale estimates proved calibrated to buy-side appetite, helped by sales reasonably well-tailored to current buying tastes. With the exception of Christie's limp 21-lot (after two withdrawals) single-owner sale titled "Hidden Treasures," reportedly from the American Wallace collection, anxiety around Brexit and its impact on the pound may have helped Sotheby's and Christie's keep their estimates in check and matched to measured but willing bidders. This leaves us cautiously optimistic as we head towards the next important round of sales in New York in May.

Buyers were not scared away by Christie's and Sotheby's increases to their buyer's premiums announced earlier in February. The graduated buyer's premiums which are based on and added to a lot's hammer price now stand at:

Sotheby's:

- 25% of the hammer price up to and including £300,000 / \$400,000
- 20% of amounts in excess of £300,000 / \$400,000 up to and including £3,000,000 / \$4,000,000
- 13.9% of any amounts in excess of £3,000,000 / \$4,000,000

Christie's:

- 25% of the hammer price up to and including £225,000 / \$300,000
- 20% of amounts in excess of £225,000 / \$300,000 up to and including £3,000,000 / \$4,000,000
- 13.5% of any amounts in excess of £3,000,000 / \$4,000,000

Auction houses' pre-sale estimates are for the hammer prices and do not include the buyer's premium. Unless otherwise noted, prices given here are the aggregate of the hammer price and buyer's premium.

AUCTION SUMMARY

Sotheby's, February 26, 2019:

Impressionist & Modern Art Evening Sale

- Sale total: **£73,918,400 (\$96,833,104)**
- % sold by lot: **91%** (20/22 lots)
- % sold at a **hammer price above the high estimate: 27%** (6/22)
- % sold at a **hammer price within the estimates: 50%** (11/22)
- % sold at a **hammer price below the low estimate: 14%** (3/22)

Surrealist Art Evening Sale

- Sale total: **£13,789,400 (\$18,064,114)**
- % sold by lot: **71%** (12/17 lots)
- % sold at a **hammer price above the high estimate: 12%** (2/17)
- % sold at a **hammer price within the estimates: 53%** (9/17)
- % sold at a **hammer price below the low estimate: 6%** (1/17)

Christie's, February 27, 2019:

Impressionist & Modern Art Evening Sale

- Sale total: **£121,858,252 (\$159,634,308)**
- % sold by lot: **73%** (35/48 lots)
- % sold at a **hammer price above the high estimate: 21%** (10/48)
- % sold at a **hammer price within the estimates: 40%** (19/48)
- % sold at a **hammer price below the low estimate: 13%** (6/48)

The Art of the Surreal Evening Sale

- Sale total: **£43,566,251 (\$56,647,348)**
- % sold by lot: **91%** (31/34 lots)
- % sold at a **hammer price above the high estimate: 26%** (9/34)
- % sold at a **hammer price within the estimates: 38%** (13/34)
- % sold at a **hammer price below the low estimate: 26%** (9/34)

Sotheby's, Impressionist & Modern Art Evening Sale and Surrealist Art Evening Sale

Bravo Sotheby's!

Sotheby's presented a tidy 22-lot Impressionist & Modern Art evening sale (two lots were withdrawn ahead of the sale, typically for lack of interest), plus an additional 17 lots in their immediately following Surrealist Art sale. With this approach, they aimed for a high percentage of lots sold rather than a big overall sale total. The strategy worked with only two unsold lots in the Impressionist & Modern Art sale and five unsold in the Surrealist Art sale, four of which were valued under £1 million and thus did not have a huge impact on the bottom line. This success at Sotheby's, paired with the good results at Christie's, should provide reassurance for the season to come.

A Discount for Showing Your Hand Early

Seven lots at Sotheby's were guaranteed, all in the Impressionist & Modern Art evening sale and all by third-party irrevocable bids. This was less than a third of the sale, but focused on the more expensive lots, thus guaranteed lots accounted for over 50% of the sale's total. It appeared that only Kandinsky, *Deepened Impulse* went to its guarantor, hammering below its low estimate on a single bid at £6.1 million (\$8 million). This, however, exceeded the \$6.4 million it fetched at Sotheby's in 2015. The composition is uninspiring, and recent market exposure didn't help. The six other guaranteed lots were pursued above their low estimates. The fact that a solid bid existed for these guaranteed lots seemed to encourage other bidders the night of the sale, in turn providing important visibility into an otherwise opaque market. As presale chatter leaned gloomy, insight into this willingness to pursue was priceless. For the moment, the market for good works appears a little deeper than we'd feared.

While third-party guarantors are often seen as speculators looking for slices of profit in a bull market, in a flat market auction houses are willing to share their commissions (or offer a rebate on the buyer's premium, if you prefer) to the buyer who is willing to show his hand before the auction and commit to purchasing a lot. Undistorted price visibility is increasingly rare, and the auction houses understand its value. In some cases, irrevocable bids are helpful in bringing the real market to light.

Monet & The Impressionists

Monet's excellent *Le Palais Ducal*, estimated at £20-30 million, sold for £27.5 million (\$36.1 million), likely to an American buyer outbidding the guarantor. This is a new and well-deserved world record for a Monet Venice picture, topping the £23.7 million (\$35.8 million), for *Le grand canal* sold by Sotheby's in 2015. *Le Palais Ducal* has an exceptional surface and is one of, if not the best, of the Venice series. In a bubblier moment, one might have even hoped for a higher price, though this result was strong nonetheless. It was one of only three Impressionist works in the sale, demonstrating Sotheby's awareness of recent uneven results for Impressionist works, and caution in this area. The other Impressionist painting was Pissarro's decorative *Jeanne Pissarro dite Minette, assise au jardin, Pontoise*, which sold for £1.7 million (\$2.2 million). The final Impressionist work was Degas' sculpture *Cheval au Galop*, his most desired horse model, which fetched £3 million (\$3.9 million), just under the \$4.1 million world record for the model, achieved in 2012. Very strong results.

German & Austrian Art

Last November's strong results for German & Austrian Art was confirmed again this season with works by Schiele, Kirchner, Kandinsky and Schlemmer all exceeding their pre-sale estimates. Sotheby's unsold Schiele and Jawlensky were poorly resolved compositions with difficult subject matters that carried overly ambitious estimates, leading to their failure. Good result nevertheless!

Surrealism

77% of the Surrealist Art sales' total was obtained by the three top lots: Magritte, Picabia, and Man Ray (prices below). The Picabia was probably the most interesting result of the evening, fetching an unexpected £3.7 million (\$4.9 million) against its estimate of £1.5-2 million. It is a world record for one of the artist's so-called "transparence" works.

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



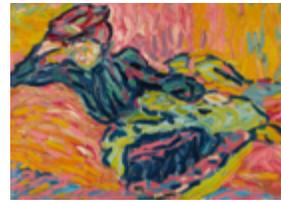
Monet
Le Palais ducal
Sold for:
£27,534,000
(\$36,069,540)
Estimate: £20-30m



Schiele
Trieste Fishing Boat
Sold for:
£10,676,800
(\$13,986,608)
Estimate: £6-8m



Kandinsky
Deepened Impulse
Sold for:
£6,093,800
(\$7,982,878)
Estimate: £5.5-7.5m



Kirchner
Girl on a Divan
Sold for:
£3,842,800
(\$5,034,068)
Estimate: £2.8-3.8m



Giacometti
Tête de femme
Sold for:
£3,255,000
(\$4,624,050)
Estimate: £1.8-2.5m

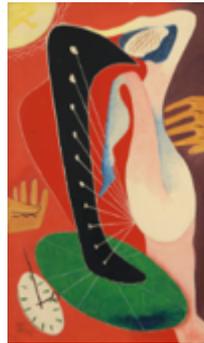
Top Lots, Sotheby's Surrealist Art Evening Sale:



Magritte
L'étoile du matin
Sold for:
£5,323,500
(\$6,973,785)
Estimate: £3.5-4.5m



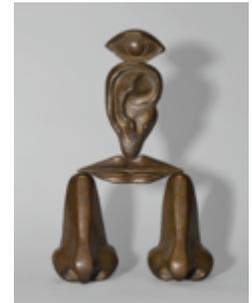
Picabia
Atrata
Sold for:
£3,728,900
(\$4,884,859)
Estimate: £1.5-2m



Man Ray
Femmelabarpe
Sold for:
£1,575,000
(\$2,063,250)
Estimate: £700k-1m



Magritte
La magie noire
Sold for:
£795,000
(\$1,041,450)
Estimate: £500-700k



Magritte
La race blanche
Sold for:
£471,000
(\$617,010)
Estimate: £300-500k

Christie's, Impressionist & Modern Art Evening Sale and The Art of the Surreal Evening Sale

Market Confidence Rebooted

Exceptional results were achieved by Christie's for both the Impressionist & Modern Art and The Art of the Surreal evening sales, eclipsing the disappointments of the first 21 lots offered by the Boston-based Wallace collection.

Old Taste Falls Short

A risk the auction house specialists face in pursuing a desirable collection over several decades is the creeping escalation of estimates given to maintain the owner's interest. By the time such collections finally come to auction, what was once a highly desirable group, can suddenly seem dated and overpriced. Is this what happened to Christie's and the Wallace Collection?

It became apparent during the viewing that the collection felt flat and less relevant than when it was assembled a few decades ago. Combined with high estimates, no guarantees, and little leeway on the reserve prices, the auctioneer was bound to struggle. Two lots were withdrawn ahead of the sale, probably due to little interest. Of the remaining 21 lots offered, just 12 sold, including the highlight Cézanne which scraped by at a hammer price of £18.5 million (\$24.2 million), or £21.2 million (\$27.8 million) with buyer's premium, well below its £20 million unpublished estimate.

The sole surprise came from a lovely, light-filled and beautifully-executed landscape by Renoir, *Sentier dans le bois*, which exceeded its £7.5-10.5 million estimate selling for £12.7 million (\$16.6 million), a price not seen for Renoir in a long time.

Start with a Flop, End with a Bang!

Auctioneer Jussi Pylkkanen remained composed after this opening debacle and rightly so as the rest of the sale was a success, with several record prices and results exceeding expectations. With the help of 11 third-party guarantees, the remainder of the Impressionist & Modern Art evening sale was solid, with just four unsold lots and six lots well exceeding their high estimates. The contrast could not have been greater, and quality was the ultimate winner.

19th Century Leads the Sale

Who would have thought both evening sales would be led by paintings from the 19th Century? As with the Venice Monet at Sotheby's the previous evening, Christie's was led by Signac and Caillebotte, both from the collection of the late David Graham, setting new world records in each case.

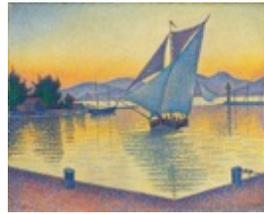
Signac's extraordinary *Le Port au soleil couchant, Opus 236 (Saint-Tropez)* sold for £19.5 million (\$25.5 million) surpassing the artist's prior record price set in 2007 by more than \$11 million. It is reassuring to see that the market is still capable of identifying the very best quality even outside current trends. Caillebotte's *Chemin montant* has a marvelous provenance, participated in the 1882 Seventh Impressionist Exhibition, and is imposing in scale. The perspective of the composition, with a very high horizon line, was criticized when first shown in the 19th century and skeptics remained on the fence when first sold in 2003 for \$6.7 million, its low estimate. This time, bidders simply could not let it go. The painting fetched a staggering £16.7 million (\$22 million), a new world record and the first time since 2011 that a Caillebotte has sold at auction over \$10 million, underscoring the rarity of his large compositions and continuing appetite for the artist. Both paintings were acquired by a mysterious couple bidding in the room and, were it not for their participation, the outcome may have been very different.

With these results, combined with the aforementioned prices attained by Cézanne and Renoir, it is refreshing to see Impressionist and Post-Impressionist works at the forefront of the market. Welcome back! Nevertheless, it is worth noting that both auction houses were cautious and selective in this area. As we saw with the unsold Monet, *Saule pleureur et bassin aux nymphéas* and Van Gogh, *Portrait de femme: buste, profil gauche*, the market is not deep enough to support inflated estimates for lackluster works. Overall, the sale was extremely successful and well-managed by Christie's team of specialists. Well done!

Surreal Success

The Art of the Surreal portion of the evening was 99% sold by value. It was led by René Magritte, *Le lieu commun*, which fetched £18.4 million (\$24 million), the second highest price attained by the artist at auction. Olivier Camu, who has led Christie's Surrealist sales for 18 years, clearly knows his market. The sale total came to an impressive £43.6 million (\$56.6 million), 75% of which came solely from works by Magritte, seven in total, comprising all of the top five lots. Bravo!

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



Cézanne
Nature morte

Sold for:
£21,203,750
(\$27,776,913)
Est. on request (£20m)

Signac
Port au Soleil Couchant

Sold for:
£19,501,250
(\$25,546,638)
Est. on request (£12m)

Caillebotte
Chemin montant

Sold for:
£16,663,750
(\$21,829,513)
Est. on request (£8m)

Renoir
Sentier dans le bois

Sold for:
£12,691,250
(\$16,625,538)
Est.: £7.5-10.5m

Monet
Au bord du fjord

Sold for:
£5,313,750
(\$6,961,013)
Estimate: £4.5-6.5m

Top Lots, Christie's The Art of the Surreal Evening Sale:



Magritte
Le lieu commun

Sold for:
£18,366,250
(\$24,059,788)
Estimate: £15-25m

Magritte
Le pain quotidien

Sold for:
£3,371,250
(\$4,416,338)
Estimate: £2-3m

Magritte
Moments musicaux

Sold for:
£2,411,250
(\$3,158,738)
Est.: £750k-1.25m

Magritte
La belle captive

Sold for:
£2,171,250
(\$2,844,338)
Estimate: £2-3m

Magritte
Composition on a Sea Shore

Sold for:
£2,051,250
(\$2,687,138)
Estimate: £2-3m

Contemporary Art: Sotheby's, Christie's, & Phillips

Sotheby's evening sale of Contemporary Art totaled £93.2 million (\$123 million) with 91% of lots sold. The night was led by Basquiat's *Apex* sold for £8.2 million (\$10.9 million), the only work of the evening to exceed \$10 million, though another five works sold between \$5 million and \$10 million.

Christie's evening sale of Post-War & Contemporary Art totaled £79.3 million (\$104.7 million) and 93% of lots sold. The top lot was Hockney's large 1969 double-portrait, *Portrait of Henry Geldzabler and Christopher Scott* which sold for £37.6 million (\$50 million), or a hammer price of £33 million, over its £30 million estimate. The work came from the collection of Barney Ebsworth, most of which was sold by Christie's last November, however, the sale of this Hockney was delayed so as not to compete with Hockney, *Portrait of an Artist (Pool with Two Figures)*, which they sold last fall for a record \$90.3 million. It seems Hockney's market has finally found its logical place, below Francis Bacon and above Lucian Freud.

Phillips evening sale of 20th Century and Contemporary Art totaled £36.4 million (\$48 million) with 89% of lots sold. Richter's *Fighter Jet* brought the second highest price for a Contemporary work this week at £15.5 million (\$20.5 million).

SEYDOUX & ASSOCIÉS fine art

million), recouping for Phillips much of the \$24 million it paid to former owner, the late Paul Allen, when their third-party guarantor in the 2016 sale of this work failed to pay.

The Season's Top Five Contemporary Lots:

Christie's



Hockney
Henry Geldzahler
Sold for:
£37,661,250
(\$49,712,850)
Est. on request (£30m)

Phillips



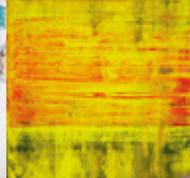
Richter
Fighter Jet
Sold for:
£15,532,500
(\$20,502,900)
Estimate: £10-15m

Sotheby's



Basquiat
Apex
Sold for:
£8,227,950
(\$10,860,894)
Est. on request (£5r)

Sotheby's



Richter
Abstraktes Bild
Sold for:
£6,918,100
(\$9,131,892)
Estimate: £6-8m

Sotheby's



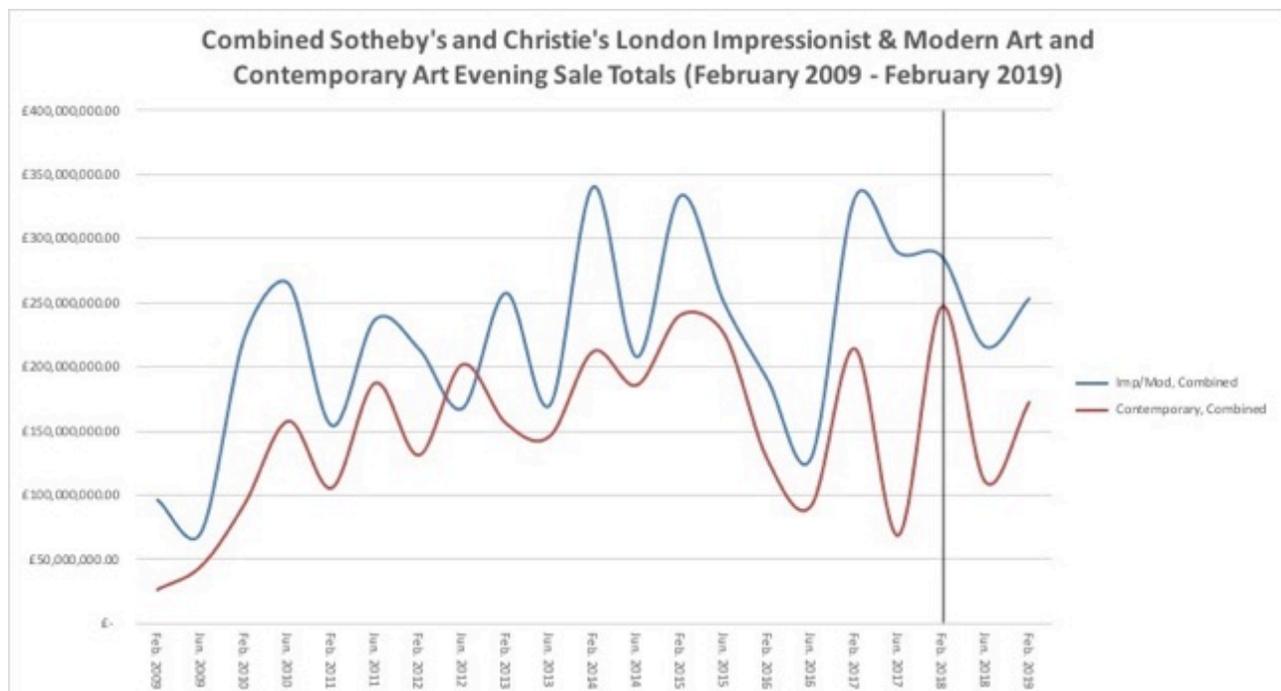
Lichtenstein
Vicki!
Sold for:
£5,811,550
(\$7,671,246)
Estimate: £5-7m

PRIVATE SALES

Today's market does not point decisively to the merits of buying and selling privately or at auction, rather buyers and sellers must assess opportunities and select the optimal route for them or a particular work. Selling privately has the advantage of discretion and a targeted offering, without the risks associated with auction.

SALE CATEGORY COMPARISON

Both Impressionist & Modern Art and Contemporary Art, as categories offered across Christie's and Sotheby's evening sales, are down from one year ago, though this may reflect the auction houses' evening sale strategies more than the market as a whole. Sotheby's has recently offered fewer more carefully selected lots in their evening sales. Christie's has focused on winning important collections, such as this season's Wallace and Graham groups. Christie's strategy has positioned them to offer more volume and post higher sale totals, but they also risk the results of offering less appealing works at uncomfortably high estimates.



Source: Seydoux & Associés, 2019

ARTICLES RELATED TO THE FEBRUARY 2019 IMPRESSIONIST & MODERN ART SALES:

<https://www.bloomberg.com/news/articles/2019-02-27/princeton-alums-are-said-to-be-sellers-of-100-million-art-trove>

<http://www.artnews.com/2019/02/27/28-1-m-Cézanne-25-8-m-signac-and-24-3-m-magritte-lead-christies-imp-mod-and-surrealist-evening-sale/>

<http://www.artnews.com/2019/02/26/36-4-m-monet-14-2-m-schiele-lead-solid-sothebys-imp-mod-surrealist-sales-london/>

<https://www.theartnewspaper.com/news/the-good-the-pricy-and-the-surreal-overpriced-impressionist-and-modern-art-collection-flops-at-christie-s-but-signac-caillebotte-and-magritte-glow>

<https://www.bloomberg.com/news/articles/2019-02-27/currency-trading-invades-london-s-art-auctions-in-brexit-shadow>

<https://www.antiquestradegazette.com/news/2019/sotheby-s-and-phillips-raise-buyer-s-premium-with-new-rates-higher-than-christie-s>

<https://news.artnet.com/market/sothebys-earnings-fourth-quarter-1477324>

<https://www.artsy.net/article/artsy-editorial-new-records-signac-caillebotte-set-christies-impressionist-modern-sale>

<https://news.artnet.com/market/sothebys-contemporary-sale-1481206>

<https://www.theartnewspaper.com/news/sotheby-s-put-female-artists-first-in-contemporary-sale-but-men-still-end-up-on-top-of-results>

<https://news.artnet.com/art-world/gerhard-richter-jet-fighter-back-to-phillips-1469710>

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