

**The Latest Market Trends in Impressionist & Modern Art
June 2018, London**

The June 2018 Impressionist & Modern Art auctions in London were a tale of two sales. Sotheby's led off with a difficult sale, nearly half of which was guaranteed by Sotheby's or a third party, and which brought their lowest London sale result since 2012. Christie's followed with a strong sale, which, counter to recent trends, only had two guaranteed lots which received last-minute irrevocable bids from third parties. It was Christie's second highest June sale total since 2012. We attribute the difference in results primarily to Christie's lower estimates and fewer B-quality Impressionist works, as well as to the strategy difference with Sotheby's opting to offer sellers guarantees and then trying to sell-off the guarantees to third parties before the sale, whereas, this time, Christie's went back to basics and focused on generating bids in the sale room. While the London sales are typically smaller and somewhat more niche in focus than the New York sales, it will be interesting to see how the lessons of this past week impact the next season in New York in November.

AUCTION SUMMARY

Sotheby's, June 19, 2018:	Christie's, June 20, 2018:
<p><u>Impressionist & Modern Art Evening Sale</u></p> <ul style="list-style-type: none"> - Sale total: £87,496,600 (\$115,495,512) - % sold by lot: 72% (26/36 lots) - % sold at a hammer price above the high estimate: 14% (5/36) - % sold at a hammer price within the estimates: 30% (11/36) - % sold at a hammer price below the low estimate: 28% (10/36) 	<p><u>Impressionist & Modern Art Evening Sale</u></p> <ul style="list-style-type: none"> - Sale total: £128,081,750 (\$169,067,910) - % sold by lot: 84% (37/44 lots) - % sold at a hammer price above the high estimate: 20% (9/44) - % sold at a hammer price within the estimates: 45% (20/44) - % sold at a hammer price below the low estimate: 18% (8/44)

Sotheby's, Impressionist & Modern Art Evening Sale

The London auction season began with Sotheby's sale of Impressionist & Modern Art on Tuesday evening. Despite being a trim 36-lot sale, 10 lots remained unsold and another 10 sold for hammer prices below their low estimate. The two top lots—Picasso, *Buste de femme de profil (Femme écrivain)*, an uninspired portrait of Marie-Thérèse that had been shopped around the private market, and Giacometti, *Le Chat*—both guaranteed by third-party irrevocable bids, sold to their guarantors at hammer prices below Sotheby's unpublished expectations, respectively reaching prices of £24 million hammer or £27.3 million with buyer's premium (estimate: £34m) for the Picasso and £11 million hammer or £12.6 million with buyer's premium (estimate: £11.4 million) for the Giacometti. It was a difficult evening for Sotheby's.

The sale probably suffered from buyers' fatigue after the voluminous and much-hyped New York May sales, but even with a reduced number of lots, the offerings were poor and lacked the quality or enticing estimates to stimulate interest.

Unusually, Monet and Picasso, usually the sales' unshakable pillars, did poorly, showing new selectivity even for these two blue chip artists. Three of the four Monet paintings Sotheby's offered failed to find buyers and two of these—*Le Port de Zaandam* and *Citrons sur une branche*—were guaranteed by Sotheby's themselves, who now own them. The four Picasso paintings offered all sold, though three sold below their low estimates.

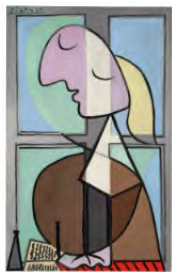
Both sculptures by Giacometti were guaranteed and sold, though it is clear that the market has dipped for the sculptor who was considered a major market protagonist a few years ago and currently stars in a retrospective at the Guggenheim Museum in New York. Giacometti's famous *Le Chat* fetched \$20 million in 2010 but sold this week for the equivalent of just \$16.7 million.

German Modernists fared poorly as group at Sotheby's with works by Liebermann, Macke, Marc, Nolde and Russian-born Jawlensky all failing to sell.

Of the 36 lots in the sale, 14 were supported by financial guarantees, five by third-party irrevocable bids and nine by Sotheby's themselves. It seems doubtful that Sotheby's intended to keep so many financial guarantees and more likely they were unable to sell-on these financial commitments to third parties. To secure sufficient works for a sale today, even a small one, the houses must often offer sellers the security of a guarantee, but following the May sales, where guarantors so often found themselves as lone bidders, the diminished appetite is understandable. We wonder if the high number of guarantees proved a distraction for Sotheby's staff, who likely spent too much precious time leading up to the auction looking for irrevocable bids rather than encouraging bids from potential buyers.

As Sotheby's is now the owner of Marini, *Piccolo cavaliere* in addition to the two aforementioned Monet paintings, it will be interesting to see how their guarantee strategy evolves going into the next major round of sales next November in New York.

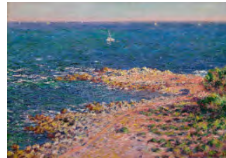
Top Lots, Sotheby's, Impressionist & Modern Art Evening Sale



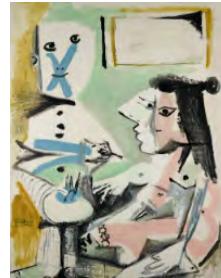
Picasso
Buste de femme
Sold for:
£27,319,000
(\$36,061,080)
Estimate on request (£34m)



Giacometti
Le Chat
Sold for:
£12,642,000
(\$16,687,440)
Estimate on request (£11.4m)



Monet
La Méditerranée
Sold for:
£7,150,800
(\$9,439,056)
Estimate: £6.5-8.5m



Picasso
Le Peintre et son modèle
Sold for:
£6,432,500
(\$8,490,900)
Estimate: £7.5-9.5m



Kandinsky
Gabriele Münter
Sold for:
£5,303,500
(\$7,000,620)
Estimate: £3-5m

Christie's, Impressionist & Modern Art Evening Sale

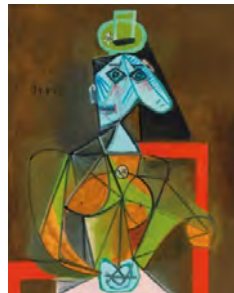
Christie's had rather the opposite of Sotheby's poor results, delivering a solid auction on Wednesday night and selling 84% of the 44 lots on offer. A balanced 20 lots sold for hammer prices within estimate, with another nine going above their high estimate, and eight going below their low. Two lots in particular vastly exceeded expectations. Franz Marc's *Drei Pferde*, a small gouache on paper of horses, his best-known subject, sold for £15.4 million (\$20.4 million) against its estimate of £2.5-3.5 million. A lifetime cast of Rodin's *Kiss* in the 34-inch (86.4 cm) height sold for £12.6 million (\$16.6 million) against its estimate of £5-7 million.

As expected, Monet and Picasso were the top two lots of the sale. Monet, *La Gare Saint-Lazare, vue extérieure* from the estate of Perry and Nancy Bass sold for £25 million (\$33 million), or at a hammer price of its unpublished estimate of £22 million (an almost identical result to the Rockefeller estate's same-sized work from the series sold by Christie's last month). Picasso, *Femme dans un fauteuil (Dora Maar)* sold for a hammer price just shy of its £18 million estimate but totaling £19.4 million (\$25.6 million) with buyer's premium. The Picasso was one of two lots in the sale guaranteed by third parties, but unlike the other, Monet, *Coup de vent*, which sold to its guarantor for £4.7 million (\$6.2 million), the Picasso went one bid above the guarantee to a Chinese Christie's representative.

Again, the opposite of Sotheby's the night before, Christie's succeeded in selling all five of the German and Austrian works on offer, three for hammer prices over their high estimates. Admittedly, the quality was superior and the estimates more enticing.

A group of four lifetime bronzes by Camille Claudel, a companion and pupil of Rodin, sold to a single bidder on the phone through a Christie's Asia representative.

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



Monet
La Gare Saint-Lazare
Sold for:
£24,983,750
(\$32,978,550)
Estimate on request
(£22m)

Picasso
Femme
Sold for:
£19,358,750
(\$25,553,550)
Estimate on request
(£18m)

Marc
Drei Pferde
Sold for:
£15,421,250
(\$20,356,050)
Estimate:
£2.5-3.5m

Rodin
Le Baiser (34 in.)
Sold for:
£12,608,750
(\$16,643,550)
Estimate:
£5-7m

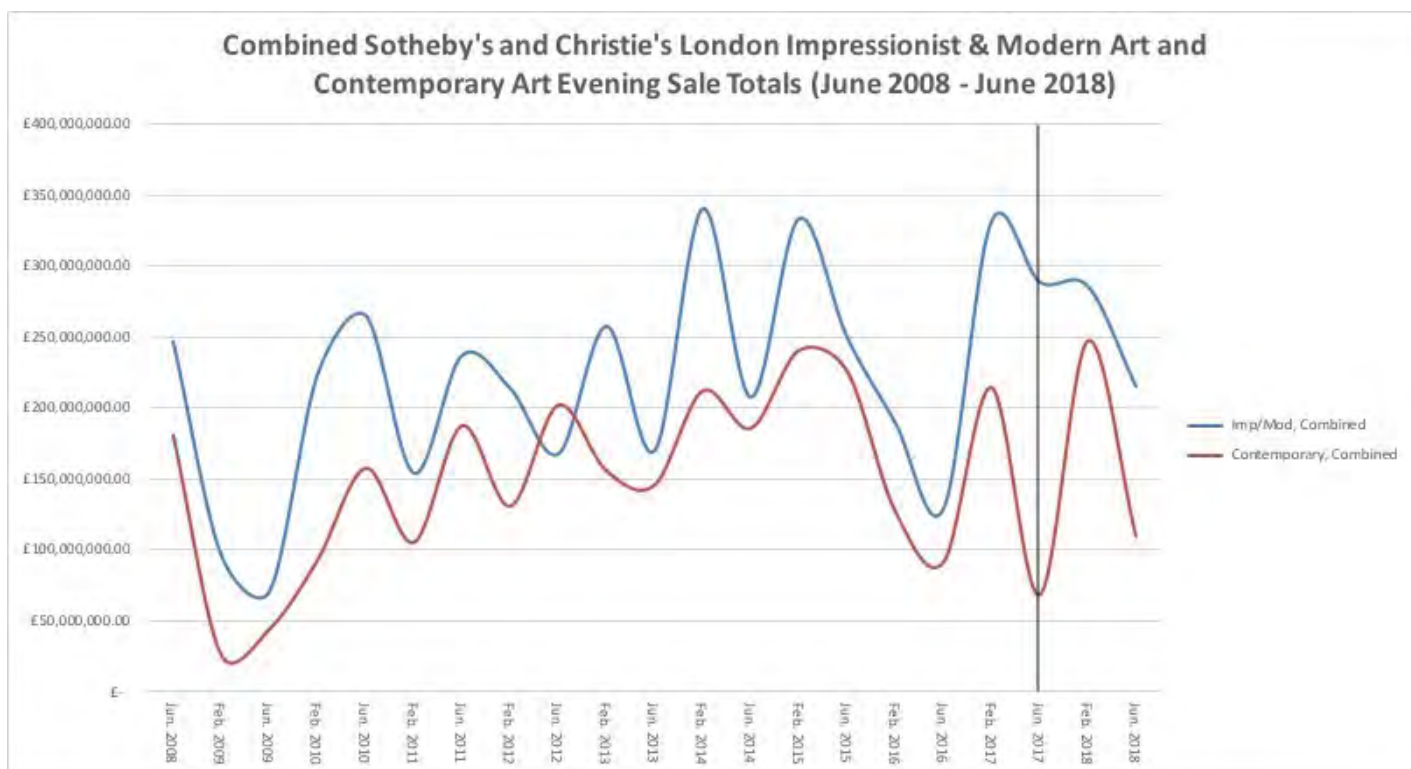
Malevich
Landscape
Sold for:
£7,883,750
(\$10,406,550)
Estimate:
£7-10m

PRIVATE SALES

From our vantage, private sales this year remain robust and global. Insofar as third-party guarantees at auction are essentially private sales executed in the public auction arena, it was interesting to see Sotheby's struggle despite having guaranteed almost half of their sale. There is certainly a case for doing a private sale privately, which is that it doesn't overexpose the work on the market and it keeps the price confidential.

SALE CATEGORY COMPARISON

As was the case one year ago, Christie's has ceased its June London Post-War & Contemporary Art evening sale, leaving Sotheby's who put together a fine sale led by Freud and Hockney. Sotheby's sale attained £110 million, up significantly from the £69 million brought by the same sale one year ago.



Source: Seydoux & Associates, 2018

ARTICLES RELATED TO THE JUNE 2018 IMPRESSIONIST & MODERN ART SALES:

<https://news.artnet.com/market/sothebys-impresionist-modern-sale-london-2018-1306055>

<https://www.theartnewspaper.com/news/supply-wrung-out-end-of-term-feel-to-london-impresionist-and-modern-art-sales>

<https://news.artnet.com/market/christies-impresionist-modern-sale-london-1306988>

<https://www.artsy.net/news/artsy-editorial-top-lots-underperform-picasso-dominated-impresionist-modern-evening-sale-sothebys-london>

<https://www.bloomberg.com/news/articles/2018-06-19/sotheby-s-fails-to-hit-low-estimate-at-london-modern-art-auction>

<https://www.artsy.net/news/artsy-editorial-solid-1683-million-impresionist-modern-art-auction-christies-helps-london-sales-rebound>

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