

**The Latest Market Trends in Impressionist & Modern Art  
November 2017, New York**

The November 2017 sales brought fresh, not recently seen at auction material and a world record setting Leonardo Da Vinci painting that exceeded all expectations. The number of guaranteed lots is creeping up again leading to attractive post-sale data, but also to hyper-managed, arguably manipulated sales.

**AUCTION SUMMARY**

<p><b><u>Christie's, November 13, 2017:</u></b></p> <p><u>Impressionist &amp; Modern Art Evening Sale</u></p> <ul style="list-style-type: none"> <li>- Sale total: <b>\$480,414,000</b></li> <li>- % sold by lot: <b>88%</b> (60/68 lots)</li> <li>- % sold at a <b>hammer price above the high estimate: 16%</b> (11/68)</li> <li>- % sold at a <b>hammer price within the estimates: 53%</b> (36/68)</li> <li>- % sold at a <b>hammer price below the low estimate: 19%</b> (13/68)</li> </ul>	<p><b><u>Sotheby's, November 14, 2017:</u></b></p> <p><u>Impressionist &amp; Modern Art Evening Sale</u></p> <ul style="list-style-type: none"> <li>- Sale total: <b>\$269,598,600</b></li> <li>- % sold by lot: <b>92%</b> (59/64 lots)</li> <li>- % sold at a <b>hammer price above the high estimate: 33%</b> (21/64)</li> <li>- % sold at a <b>hammer price within the estimates: 36%</b> (23/64)</li> <li>- % sold at a <b>hammer price below the low estimate: 23%</b> (15/64)</li> </ul>
<p><b><u>Christie's, November 15, 2017:</u></b></p> <p><u>Post-War and Contemporary Art Evening Sale</u></p> <ul style="list-style-type: none"> <li>- Sale total: <b>\$788,942,250</b></li> <li>- % sold by lot: <b>84%</b> (49/58 lots)</li> </ul>	<p><b><u>Sotheby's, November 16, 2017:</u></b></p> <p><u>Contemporary Art Evening Sale</u></p> <ul style="list-style-type: none"> <li>- Sale total: <b>\$310,289,350</b></li> <li>- % sold by lot: <b>96%</b> (69/72 lots)</li> </ul>

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

Christie's achieved a tremendous result Monday night of \$480 million in their evening Impressionist & Modern Art sale and a robust 88% of lots sold. Undoubtedly, this is a very encouraging sign for market confidence worldwide. Although reminiscent of past glorious sales, such as Christie's November 2006 record sale including the Bloch-Bauer Collection (\$491.4 million), there is no doubt the market has evolved drastically over the past decade.

These strong results would not have been possible without the help and support of third party guarantors who's irrevocable bids provided precious energy to an otherwise hesitant room. At best the third-party guarantees encouraged others to participate, and, not least they prevented several works from returning to their consignors.

Impressionist & Modern Art collectors are no longer willing to part with quality works without the promise of a hefty price tag. Add to the mix the ongoing fierce competition for consignments between Christie's and Sotheby's, and it has become almost impossible for auction houses to secure works at reasonable estimates. As a consequence of the ambitious estimates, bidders are hesitant to raise their paddles.

Perhaps the most telling example of the evening was the wonderful and un-guaranteed *Contraste de Formes* by Fernand Léger (lot 14A). Adrien Meyer, first time auctioneer of the evening sale (we salute an excellent overall performance), was tentative in opening the bidding at a whopping \$56 million. No surprise, since the Fernand Léger auction record stood at \$39 million (another *Contraste de Formes* purchased at the reserve price by a lonely bidder in 2008). Although the painting was impeccable in quality, condition and provenance (and possibly one of the last opportunities to acquire a Léger cubist masterpiece), the room stayed quiet for an uncomfortably long time until a bid finally relieved the auctioneer and the onlookers from what could have become the night's biggest casualty. Two additional bids followed and Adrien's gavel came down at \$62 million (\$70 million with buyer's premium), a new record for the artist.

By contrast, the third-party guaranteed René Magritte, *L'empire des lumières* (lot 12A), which had significant market exposure prior to the auction, used the irrevocable bid to its advantage. In this case, it gave bidders the confidence to chase the Magritte to its high estimate (\$14-18 million), achieving along the way a new record for the artist at \$20.6 million with buyer's premium. Magritte's iconic composition, which is the first in the series of 17 oil on canvas paintings of the same title, was always going to attract a wider audience than Léger's sophisticated, not-to-mention pricier, cubist work, though there is no doubt the former benefited from the opening guaranteed bid.



Magritte, *L'empire des lumières*

The case is even more evident for the five works by Monet, Pissarro, Delaunay and Redon consigned by the Rothschild Art Foundation, all of solid but not stellar quality. Besides the irrevocable bids provided by a third-party guarantor, the entire group raised only two additional paddles. If they hadn't been guaranteed, the evening's overall result would have been different. This was also the case for Léger, *Les quatre acrobates* (lot 34A), Lempicka, *Portrait de Kizette* (lot 63A), and two Picassos, *Buste de femme au chapeau* (lot 36A) and *Figure* (lot 56A), which sold without competition to their external guarantors.



Renoir, *Buste de femme, de profil*

Well done to Christie's team for securing buyers in the form of irrevocable bids for these works up to the very last minute, though it should be noted that only one of their top five lots was guaranteed, the Miró, which received a last minute irrevocable bid from a third party just before the sale. Does this all imply that the Impressionist & Modern Art market is weaker than what the flattering result suggests? We don't think so, but clues can be found in the unpredictability of Asia's new collectors. Though their participation can be fickle, this season their presence was felt with visible activity coming from several specialists based in Asia, whose clients took home van Gogh, *Laboureur dans un champ* (lot 28A), Picasso, *Femme accroupie* (lot 39A) and Renoir, *Buste de femme, de profil* (lot 25A), which sold for \$8.2 million with a last-minute irrevocable bid, among others.

In the end, Christie's guaranteed two works themselves in Matisse, *La blouse verte brodée* (33A) and Julio Gonzales, *Le Rêve* (37A), both of which sold, and found irrevocable bids for 15 lots, six of which were secured after the publication of the catalogue. Of the irrevocable bids, only three sold for hammer prices below their low estimate, implying that they went to the guarantor, a success indeed for both Christie's and the third-party guarantors who benefitted financially if they were outbid.

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



van Gogh  
*Laboureur dans un champ*  
Sold for:  
\$81,312,500  
Est. on request (\$45-65m)  
**2<sup>nd</sup> highest price at  
auction for the artist**

Léger  
*Contraste de formes*  
Sold for:  
\$70,062,500  
Est. on request (\$65m+)  
**Auction Record for  
the artist**

Picasso  
*Femme accroupie*  
Sold for:  
\$36,875,000  
Estimate: \$20-30m

Monet  
*Matinée sur la Seine*  
Sold for:  
\$23,375,000  
Estimate: \$15-25m

Miró  
*Peinture*  
Sold for:  
\$23,375,000  
Estimate: \$20-30m

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

A more modest sale, Sotheby's took advantage of the strong results from the previous evening admirably. Either by lowering reserve prices for mediocre works, or obtaining third party guarantees, the Impressionist & Modern Art team of specialists effectively addressed the market's freshly renewed confidence. The sale total came to just below \$270 million with an impressive 92% of lots sold.

This final result, however, was only part of the story and was hard earned by Sotheby's specialists. The saleroom notice, announced by auctioneer Helena Newman before the sale, included no fewer than 16 lots covered by third-party guarantees, in addition to one third-party guarantee that was listed in the sale catalogue. Nine lots were ultimately guaranteed by Sotheby's itself. Essentially, Sotheby's secured lots for sale by offering guarantees to the sellers (the sale catalogue indicated in-house guarantees for 21 lots), and then found third parties to irrevocably bid on 12 of these, plus another four lots.

Sotheby's top lot, Chagall, *Les Amoureux* (lot 8), featured an attractive and desirable subject of the artist embracing Bella Rosenfeld, his childhood sweetheart and first wife. Executed in 1928, the paint surface had unfortunately suffered from multiple restorations attempting to repair substantial craquelure and paint loss. The condition issues didn't curb interest for the work, which sold to a client of Russian specialist Irina Stepanova's client after a bidding war with Sotheby's chairman of Asia, Patti Wong, for a staggering \$28.4 million, a world record for the artist. Notably, this was one of the few lots in the sale with a truly attractive estimate at \$12-18 million and no guarantee. Well played by the sellers.

While Patti Wong's client underbid the Chagall, they were successful on five of Sotheby's top ten lots, including two Monets, *Les Glaçons, Bennecourt* (lot 25) and *Les Arceaux de roses, Giverny* (lot 43) which featured celebrated subjects from important series, but were flat examples, lacking the desired luminosity. Both sold within estimate for \$23.4 million and \$19.4 million respectively, and contributed to the renewed strength of the Monet market this season.

The evening's top Picasso, *Buste de femme au chapeau* (lot 21) a portrait of the artist's lover Marie-Thérèse Walter from 1939, sold within the estimate at \$21.6 million, a realistic price in line with the quality of the execution and the appeal of the famous sitter, albeit painted several years after his most iconic compositions of her.

In our view, the gem of Sotheby's sale was a wonderful pointillist work by van Rysselberghe, *Port de Cette, Les Tartanes* (lot 45). Guaranteed by a third party, the work fetched a conservative \$6.2 million hammer (\$7.2 million with premium). Perfectly well executed at the height of his pointillist period, the work certainly deserved a few more bids.

van Rysselberghe, *Port de Cette, Les Tartanes*



Lacking the quality and diversity offered by Christie's this season, Sotheby's had to include in their sale several works of lesser importance. Diluting a sale with smaller lots can be risky, but nonetheless only five lots remained unsold. This is a telling sign of the renewed strength of the Impressionist & Modern Art market and of a very well managed sale by Sotheby's team. Chapeau!

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



Chagall  
*Les Amoureux*  
Sold for:  
\$28,453,000  
Estimate: \$12-18m  
**Auction Record  
for the artist**

Monet  
*Les glaçons, Bennecourt*  
Sold for:  
\$23,372,500  
Estimate: \$18-25m

Picasso  
*Buste de femme*  
Sold for:  
\$21,679,000  
Estimate: \$18-25m

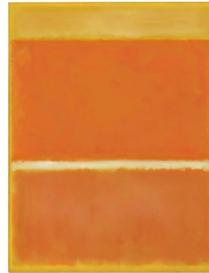
Monet  
*Les Arceaux de roses*  
Sold for:  
\$19,421,000  
Estimate: \$18-25m

Chagall  
*Le grand cirque*  
Sold for:  
\$16,034,000  
Estimate: \$10-15m

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

Christie's Wednesday night sale of Post-War & Contemporary Art was dominated by Leonardo Da Vinci's *Salvator Mundi*, painted around 1500, which sold for a record smashing \$450.3 million, the highest price ever paid for a work of art. The sale and various controversies surrounding the work's provenance, condition and prior sales have been heavily covered in the press so we won't go into detail here, but the 19-minute bidding war and eventual price achieved were breathtaking. The sale otherwise appeared healthy, achieving \$338.6 million without the Da Vinci (\$785.9 with) with records set for 14 artists and a respectable sold rate of 84% by lot.

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



Da Vinci  
*Salvator Mundi*  
Sold for:  
\$450,312,500  
Est. on request: \$100m+  
**Auction Record**

Warhol  
*60 Last Suppers*  
Sold for:  
\$60,875,000  
Est. on request

Twombly  
*Untitled*  
Sold for:  
\$46,437,500  
Est. on request

Rothko  
*Saffron*  
Sold for:  
\$32,375,000  
Estimate: \$25-35m

Twombly  
*Sunset*  
Sold for:  
\$27,312,500  
Est. on request

### Sotheby's, Contemporary Art Evening Sale

Sotheby's Thursday night sale of Contemporary Art had a tough act in following Christie's monumental sale of the Da Vinci the night before, but Sotheby's nonetheless performed well, totaling \$310.3 million and selling 96% of the 72 lots offered. A hefty 44 lots, or 61% of the sale was guaranteed either by Sotheby's or a third party, which contributed to the impressive sell-through rate. In a curious move, perhaps meant to rival Christie's inclusion of the Leonardo in their Post-War & Contemporary sale, Sotheby's included a 2001 Grand Prix winning Ferrari, which sold for \$7.5 million.

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



Bacon  
*George Dyer*  
Sold for:  
\$38,614,000  
Estimate: \$35-45m

Warhol  
*Mao*  
Sold for:  
\$32,404,500  
Estimate: \$30-40m

Lichtenstein  
*Female Head*  
Sold for:  
\$24,501,500  
Estimate: \$10-15m

Bourgeois  
*Spider IV*  
Sold for:  
\$14,679,200  
Estimate: \$10-15m

Basquiat  
*Cabra*  
Sold for:  
\$10,953,500  
Estimate: \$9-12m

## MARKET TRENDS

### To bid or not to bid? That is the Asian question

The new Asian clients differ significantly from the Russian clients who joined the market over a decade ago; for one thing, they are less predictable. There is no doubt that Chinese appetite is strong for blue-chip names like van Gogh, Modigliani, and Picasso, but their interest doesn't yet extend past this small group of artists, even when outstanding quality is offered. The situation is likely to evolve over time, but until then, the market must fall back on its traditional American and European collectors who by experience and maturity are more price and quality sensitive. The third-party guarantees act as a reassuring buffer and safety net between these two very different markets.

### Van Gogh forever

Christie's evening sale was led by the forever fashionable Vincent van Gogh. *Laboureur dans un champ* from 1889 is not his best work but had all of the iconic elements to please: thick brushstrokes, high horizon line, and a powerful sun dominating the composition. With these iconic elements and the ever-increasing rarity of good and fresh van Gogh paintings from his most important period of 1888-90, it is no surprise this work stirred interest. Asian clients chased the work with determination and came very close to breaking the 27-year-old record price of \$82.5 million achieved by *Portrait du Dr. Gachet* in 1990. The result reflected more the demand for a very rare artist than the quality of the work itself.

### Comeback of the Impressionists and the Nabis?



Pissarro, *Jardin de Kew, Londres, près d'un étang*

Christie's offered nine Impressionist works and Sotheby's offered another eleven. The verdict was crystal clear: only the vibrant, most luminous compositions draw interest such as Pissarro, *Jardin de Kew, Londres, près d'un étang* (Christie's, lot 17A) which sold for \$4.7 million with buyer's premium. Enticing estimates are also key, as with Monet, *Matinée sur la Seine* (Christie's, lot 26A) which sold for \$23.4 million against an estimate of \$15-20 million. Sketchy and somber compositions are harder to sell, as was the case with Monet, *Coucher de soleil à Lavacourt* (Christie's, lot 53A) which did not sell, and Monet, *Champ d'iris à Giverny* (Sotheby's, lot 40), which, boosted by Mellon provenance, sold for \$4.1 million. Perhaps more worrisome, Renoir, both early and late, still needs to find its price point in the current market, and this past week drew little interest across the board.

Nabis works performed very well. Perhaps due to the outstanding quality of two compositions by Vuillard, a wonderful and intimate self-portrait *Autoportrait à la canne et au canotier* (Christie's, Lot 50A) sold for \$5.3 million and *Misia et Vallotton à Villeneuve* (Christie's, Lot 49A) sold for a well-deserved record price of \$17.8 million. It will be interesting to see how the overall Nabis market benefits from these results.



Vuillard, *Misia and Vallotton à Villeneuve*

### Intellectual collection from Europe succeeds!

Christie's sale also included 11 works from a highly sophisticated European collection (the first half of the collection was sold by Sotheby's a few years ago). Dada works by Picabia, Suzanne Duchamp, Jean Crotti, Man Ray and Max Ernst were commercially a bit of an unknown, but strategic estimates and good presentation led to surprisingly strong results, a sign that the market still recognizes quality, even outside blue chip names.

Guarantees

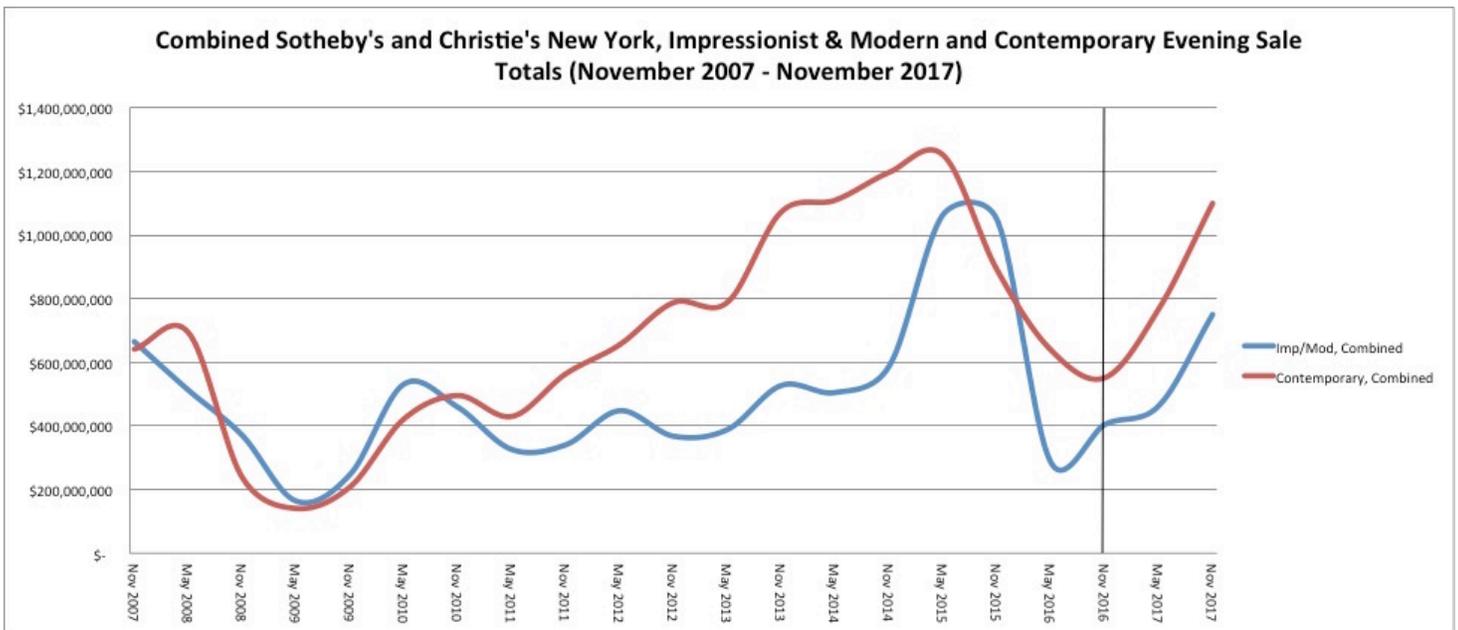
In total, 17 of Christie’s and 26 of Sotheby’s Impressionist & Modern Art lots were guaranteed either in-house or by third party irrevocable bid. This raises concerns about how much consigned lots are being shopped around and how this effects the interest of bidders. If the houses are showing potential consignments to potential irrevocable bidders, they are exposing the works, which often dampens interest. For works for which the houses are seeking irrevocable bids after the publication of their catalogues, it shows desperation, which similarly can dissuade potential buyers. It’s worth considering these potential drawbacks when consigning.

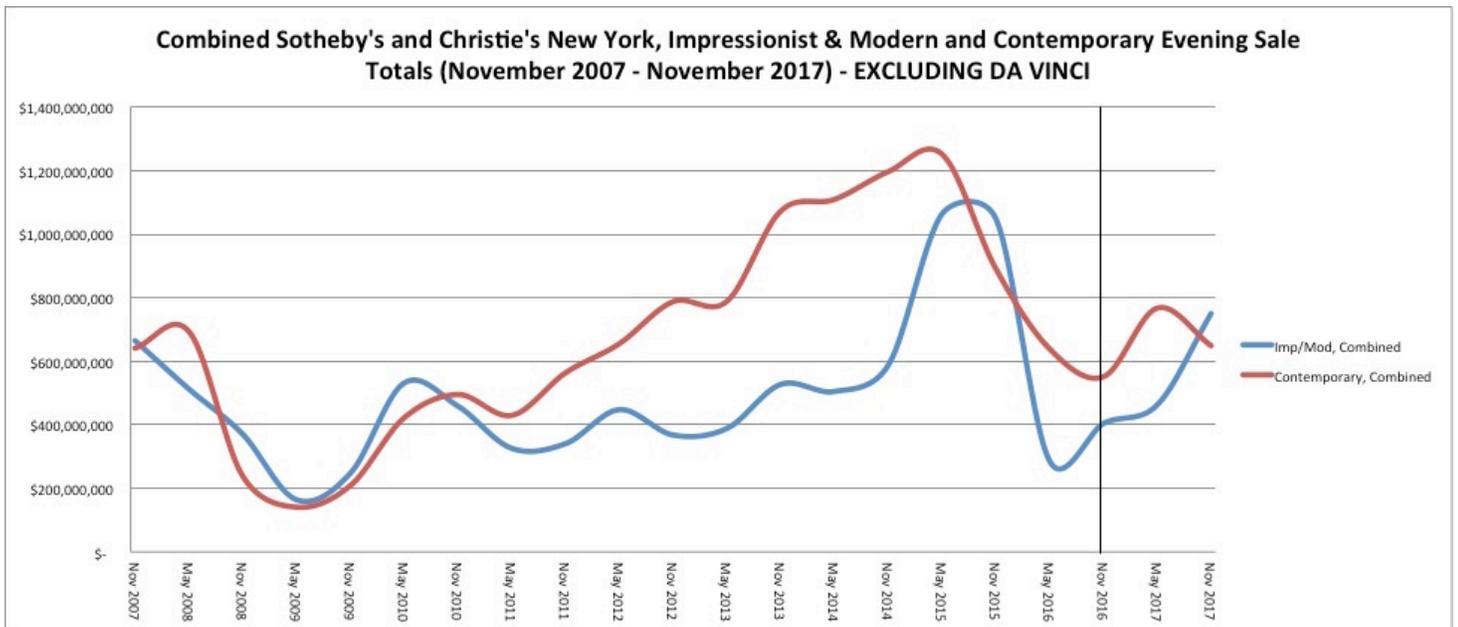
**PRIVATE SALES**

In the past three months we’ve seen tremendous appetite in the private market for works of quality. The market health has persuaded some collectors to reshuffle their collections leading to rare opportunities for buyers and sellers alike.

**SALE CATEGORY COMPARISON**

This season, the categories of Impressionist & Modern Art and Post-War & Contemporary Art showed a recovery from the dip in 2016, which we attributed to the auction houses scaling back of guarantees to protect their own profits. This season, sale values were up, along with guarantees. Notably, when you remove the overachieving old master, Leonardo Da Vinci, from the Contemporary totals, Impressionist & Modern bested the more speculative Contemporary segment for the first time since 2015.





#### ARTICLES RELATED TO THE NOVEMBER 2017 IMPRESSIONIST & MODERN ART SALES:

<http://www.artnews.com/2017/11/13/christies-strong-imp-mod-sale-beats-high-estimate-479-3-m-haul-led-81-3-m-van-gogh/>

<https://www.nytimes.com/2017/11/13/arts/christies-fall-auction-impresionist-modern-van-gogh.html>

<https://news.artnet.com/market/christies-impresionist-modern-evening-sale-1147166>

<http://theartnewspaper.com/news/christies-postwar-and-contemporary-auction-nets-dollar7859m,-with-a-big-assist-from-leonardo-da-vinci>

<https://www.nytimes.com/2017/11/14/arts/design/chagalls-romantic-love-story-leads-sothebys-impresionist-sale.html>

<https://news.artnet.com/market/sothebys-impresionist-and-modern-evening-sale-fall-2017-1147592>

<https://www.wsj.com/articles/leonardo-da-vinci-painting-salvator-mundi-sells-for-450-3-million-1510794281>

<https://www.rts.ch/info/culture/arts-visuels/9091952-de-vinci-picasso-basquiat-les-dix-tableaux-les-plus-chers-aux-encheres.html>

<https://www.artsy.net/article/artsy-editorial-386-million-bacon-leads-310-million-sothebys-sale-post-war-contemporary-art>

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