

COMMENTS ON THE ART MARKET

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Shows

I am sure you are comfortably seated at home reading this. Well, we are currently at the 67th Street armory exhibiting at the Spring Show NYC through May 2.

After that, you can either stop by the gallery for a visit, or we will be in Baltimore during August and then we are off to Dallas in October; more on those shows in upcoming newsletters.

Stocks and More

I am really amazed to see gold still heading north ... over \$1500 an ounce (10 years ago it was around \$250) ... and silver is closing in on \$50 (\$4.50 ten years ago) – makes me think back to the 1970s and the Hunt brothers! We all know what happened to them.

The Dow has been hovering in the 12500 range and most of my stocks are holding up (I do stress most). Citi is in the \$4.5 range; Oracle close to \$35; Altria just over \$26; CTL near \$40; GE around \$20 (reported good results this month, but the street wonders if it will continue); Intel moving towards \$22; MCD near \$78; VZ near \$37; AT&T \$31; National Semiconductor \$24 (TI is going to buy them in a shares-for-cash deal!) and then there is RIMM \$53 and BofA \$12.

Overall, it seems as though we are still in a somewhat upward trend, but as we all have seen in the past that could change in an instant.

More Tales from the Dark Side & Updates

The fun just never seems to end. Here are some new stories and a couple of updates:

Leigh Morse – former director of Salander-O'Reilly Galleries was found guilty of one count of scheming to defraud and found not guilty of grand larceny – most of the jurors believed it was lawful for Morse to arrange that proceeds from the sales be wired into her personal bank account because the owners of the sold works may have been paid later ... according to her lawyer, Morse was owed \$315,000 in back commissions.

Thomas Doyle – charged with illegally acquiring a Corot painting will go to court in September. I covered this story a few months ago and will give you an update in the fall.

Susan Burns – this 'crazy lady' attacked a fabulous painting by Gauguin that was on loan to the National

Gallery in Washington, D.C. Ms. Burns attempted to tear the painting from the wall and smash it with her fists while screaming "this is evil". Luckily the work had an acrylic shield surrounding it. The Gauguin painting features two bare breasted Tahitian women and is a major work from the period. It was also noted that Ms. Burns stated the work was "very homosexual. I was trying to remove it. I think it should be burned ... I am from the American CIA and have a radio in my head..." I think I once saw that character on TV! In addition, it was revealed that Ms. Burns had been arrested, in the past, for carjacking, disorderly conduct, trespassing, and assault on a law enforcement officer. Maybe it is time to lock her up?

New Orleans Auction Gallery – well, on April 1 this well known establishment filed for Chapter 11 bankruptcy. For more on this and other TALES, please see our online version.

Art Market Pre-Gaming

Most of us are familiar with the term 'Pre-Gaming' (when one drinks heavily before a function begins – typically relating to underage kids drinking before they go out for the evening. Why you may ask: because it is a lot cheaper to 'take' the liquor from their home and nobody proofs them). Well, I am using the term to note the warm-up sales that took place in April --- before the big games that will take place in May.

At the very end of March Sotheby's put forth a sale in Paris of Orientalist works and while the sale included everything from paintings to jewelry, I will focus only on the works of art – 62 pieces in all.

Taking top honors was Jacques Majorelle's *Souk el Khenis à Marrakech* which made €150,750 (\$207K) - on a €120-€160K estimate. Coming in second was Majorelle's *Les Borjs Verts, Anemiter* at €120,750 (\$165K) - est. €90-€120K; and taking the third spot was ... hummm ... you guessed it, Majorelle's *Souk à Marrakech* at €79,950 (\$110K) - est. €40-€60K. As you may be able to tell, this was not a humdinger of a sale since the top three lots were by an artist that most of our readers probably never heard of.

When this sale ended, of the 62 works of art, 12 were unsold for a sell-through rate of about 81% and the total take was €1.14M (\$1.56M) – the expected range was €884K – €1.24M (\$1.22M - \$1.71M) – so hitting the middle of the range with the buyer's premium added in.

From there we moved to NYC where Sotheby's offered their 'less expensive' American Paintings on the 8th -- the overall results were ok. In the top position there was a two way tie: Harry Walcott's *The Cotillion* (est. \$40-\$60K) and Fairfield Porter's

Farmhouse, Southampton (\$35-\$45K) each brought \$110,500; and bringing up the top three was Montagne Cary's *Warring Tribes* at \$80,500 (est. \$30-\$50K).

In general these sales contain a lot of 'stuff', but one can usually find hidden gems if they know where to look (sorry, I am not giving away that secret). When the session was over, of the 180 works offered, 138 found new owners for a sell-through rate of 76.6% and a total take of \$2.6M (with the buyer's commission); the low end of the estimate range was \$2.09M.

By the middle of the month the action moved to London where both Christie's and Sotheby's offered minor sales of Old Master, 19th Century and British works of art; to be honest, it is a good to see these types of sales since just a short time ago, some of the works included would have been used as filler for the major sales.

The first Christie's sale took place on the 13th (Old Master & 19th Century Art – it was nice that each period had its own section). The morning session was devoted to the Old Masters while the afternoon was all 19th century ... so I will limit my comments to that part.

Taking the top slot from the 19th century was a still life by Franz Petter's at £37,250 (\$61K) – est. £10-£15K; and in second place were works by Bouvard and Cortès at £25,000 (\$41K). I will add that among all the stuff, there were a couple of interesting works (at least from the photos). Frank Boggs' *On the Seine at the Pont St. Michel* brought £22,500 (\$36K) – est. £12-£18K and Marchetti's *Refreshments* made 13,750 (\$22K) – est. £5-£7K; both looked nice.

In the end, of the 219 works offered in the afternoon session, 138 sold and 81 were returned to their owners for a sell-through rate of 63% and a total take of £625,050 (\$1.01M) – not a great sale; but hey, there was activity in the lower levels ... and this is what the market needs in order to see a broad based recovery.

On the 14th, both Sotheby's and Christie's had sales featuring Old Master and British Paintings ... and if they could both have sales on the same day (one in the morning and one in the afternoon) it shows how lean they were. Now I have stated in the past that they needed leaner sales, but I also stressed the need for mean, and there was very little mean here.

Each sale was heavily weighted towards the Old Master works, with some early British Paintings included; since they had very little that interested me I will only give the highlights.

At Sotheby's the top lots were: a Venice scene by Guardi at £145,250 (\$235K) – est. £80-£120K – and from the photo it looked like it had some serious condition issues; *Portrait of Lady Jane Seymour* by Manner of Hans Holbein the Younger at £99,650 (\$161K) – est. £6-£8K; and a still life cataloged as Strasbourg School, mid 17th Century at £97,250 (\$157K) – est. £10-£15K. The last two blew away their estimates.

When the morning ended, of the 267 works offered 157 sold (sell-through rate of 58.8%) for a total take of

£2.74M (\$4.44M) – 267 works in a morning session – wow!

The Christie's sale's top lot was *A Capriccio of Roman Ruins...* by Panini that made £253,250 (\$410K) – est. £120 – £180K; followed by *The Piazza San Marco...* from the Circle of Canaletto at £241,250 (\$391K) – est. £40-£60K; and a still life by Hulsdonck at £211,250 (\$342K) – est. £70-£100K. When the session ended, of the 97 works offered, 64 sold (a sell-through rate of 66%) and a total take of £2.52M (\$4.08M).

From the numbers it is obvious that Christie's had the stronger sale with a £39K (\$63K) average price per lot compared to Sotheby's £17.5K (\$28K).

What everyone needs to keep in mind is that the market does need outlets for 'stuff', but on the flip side, the estimated values need to be in line with the item being offered. In addition, until the market is back in full swing, some of the 'stuff' should be held aside for better days.

I need to add that there were other sales that took place during April ... the above are only a select group.

The Upcoming Sales

As I mentioned, April was the pre-game – trust you are all feeling the effects! May is when the serious competition gets underway (at least in the public forum). The catalogs (some of which are very heavy) have started to pour in and several of the sales look interesting while others have made me wonder ... why did they even bother?

A number of the departments have been careful to focus in on high quality works and created much smaller sales. Others are going for the bulk and still others are having small sales without much meat (at least from the catalogs a couple of the London sales do not look very promising).

The 19th century sale in NY is a rather small one and they focused in on higher estimated works; it will be interesting to see what the works actually look like. Included is a rather unimpressive (in my humble opinion) Alma-Tadema that is estimated at \$3-\$5M (same estimate as *The Finding of Moses* which made \$36M) ... it will be interesting to see if they can pull another rabbit out of their hat – if they do, I want to know where they buy their hats! However, one always needs to remember that in the auction forum all it takes is a high reserve and one potential buyer to make a sale.

Anyway, May should be a very interesting month for the art market.

Howard L. Rehs
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Gallery Updates: Our new Catalog was recently mailed out ... trust you all enjoyed it.

Web Site Updates: Works by the following artists have, or will be, added to our web site: Ridgway Knight, Murphy, de Lavault, Cortès, Pattein, Berthelsen, Blanchard, Banks, Swatland and Harris.

Next Month: The BIG sales.