

COMMENTS ON THE ART MARKET

VOLUME 179

Rehs Galleries, Inc.
Rehs Contemporary Galleries, Inc.
5 East 57th Street, New York, NY 10022 - (212) 355-5710
www.rehs.com

Upcoming Events

November is here and our show season is underway. This week we will be exhibiting at the Antiques & Modernism show in Winnetka, Illinois. The preview party takes place on November 5 from 6:30 to 9:30 pm and general show hours are Friday and Saturday (the 6th & 7th) from 10:00 am to 6:00 pm and Sunday (the 8th) from 11:00 am – 5:00 pm.

Then, we will be back in New York City for the New York Art, Antique & Jewelry Show which will be held at the Park Avenue Armory (67th Street). The preview party will take place on November 20 from 6:00 – 9:00 pm and general show hours will be from Saturday through Tuesday.

Two weeks later we are in Palm Beach for the inaugural Palm Beach Jewelry Antiques Design Show. This one opens on December 3 with a preview party from 7:00 – 10:00 pm and then runs from Friday (December 4th) through Monday (December 7th).

For more information on these shows and links to complimentary tickets please see the Upcoming Shows list on our web site.

The Stock Market

By: Howard

Glad to see we are almost at the end of our year ... the past few months have been less than enjoyable. However, I am really pleased that we made it through October without a huge correction! In fact, we saw a steady increase in the DOW over the month. We opened on the 1st at 16,278 and closed out the month at 17,663 ... an almost 1,400 point increase – nice! I am also pleased to report that I never turned on one of the business channels and only checked my portfolio a handful of times; we were just way too busy in the gallery (which is a good thing).

With that 'almost 1,400 point gain' I figured my portfolio would be looking real nice at the end of the month ... and I was right – so without any further delay, here are the numbers for some of my favorites: JP Morgan (\$64.25 – up 5.38%), Exxon (\$82.74 – up 11.28%), GE (\$28.92 – up 14.67%), AT&T (\$33.51 – up 2.85%), Verizon (\$46.88 – up 7.75%), Wal-Mart (\$57.24 – down 11.72% - uh oh), Coke (\$42.35 – up 5.56%), DuPont (\$63.40 – up 31.54% - WOW, nice), Merck (\$54.66 – up 10.67%), Disney (\$113.74 – up 11.29%), Citi (\$53.17 – up 7.18%), Intel (\$33.86 – up 12.34%) and Bristol-Myers (\$65.95 – up 11.40%) --- this month the ups CRUSHED the downs! I really like that.

Really!

By: Amy

Well, the season is upon us...no, not the holidays just yet, but the fall auction season is just days away and we are all eagerly awaiting the frenzy. For now, I found a few items in the collectibles market that I think did just fine.

So, while I was doing some research this month, I learned that there are sales devoted solely to corkscrews...who knew? I guess there is a market for everything! We have all heard about unbelievable prices for fine wines at auction, so I guess if you are going to pop one of those open, you need a really

impressive corkscrew to do it. A Thomason corkscrew from 1802, with a japanned floral decoration, sold for \$8,250; a matching example is at the Musée du Tire-Bouchon in Ménerbes, France. Normally, Thomason pieces can be bought for just a few hundred dollars; but because of its exceptional condition and rarity, this one really went over-the-top. There was also an impressive looking cork extractor, manufactured in 1890 by James Frary of New England, which sold for a record price of \$13,600. This crank-style corkscrew was not only used for wine, but had a bird on a chain whose beak was used to break the wire on a champagne cork and the teeth inside the bird's body were used to grasp the cork. There was heated bidding for that one since his typical corkscrews sell for less than \$1,000. And finally, a rare example of an Edwin Sunderland "rack and pinion" corkscrew with a Patent mark from 1870 sold for \$18,000; looking at the picture it doesn't look so special, but what do I know. Check your kitchen draws ... who knows what might be lurking inside.

A note written by Charles Darwin recently made the news when it sold for a record price of \$197,000, far surpassing its estimate of \$70-90,000. The note was in response to a letter Darwin received from a young barrister named Francis McDermott, pointedly asking if he believed in the Bible and that Jesus Christ was the son of G-d; Darwin replied the next day stating he did not (not really a surprise from man who brought us the theory of evolution...lol). McDermott had promised not to publicize Darwin's response and true to his word, the letter remained unknown for over 100 years. Here is the note:

"Private
Nov. 24 1880
Dear Sir,
I am sorry to have to
inform you that I do
not believe in the Bible
as a divine revelation
& therefore not in Jesus
Christ as the son of God.
Yours faithfully
Ch. Darwin"

That note was really short and to the point!

A stunning mother-of-pearl and black lac overlaid wood tray set a new auction record when it sold for £963K (\$1.46M) more than ten times its presale estimate of £60-80K (\$93-120K). This 16th Century tray is one of only a few remaining examples of mother-of-pearl objects from Gujarat (Western India) and is a really rare find. To date, all the other known examples of this quality and condition are in museum collections.

A WWII commemorative timepiece, presented to Sir Winston Spencer Churchill in 1946, recently sold for almost 5 times the high estimate when it garnered £485K (\$752K – est. £60-100K). The timepiece was designed by Louis Cottier for Agassiz and Co, a leading watchmaker, and was in beautiful condition. The dial depicts Saint George slaying a dragon with a trident as the hour hand and is an acknowledgement of Churchill's strength and leadership during the war. This was one of four timepieces commissioned by a group of Swiss citizens. The other piece included one depicting Joan of Arc planting a Lorraine Cross (the hour hand) on the French shore which was given to Charles de Gaulle; another showing a worker standing in front of burning industrial plants, with the hour hand, a five branched star, mirroring the communist insignia of the USSR that Joseph Stalin received and the last dial illustrated the Statue of Liberty as a symbol of freedom, and an olive branch (representing peace) as the hour hand which Harry Truman received. All were the great leaders of the Allied forces...really!!

Tales from the Dark Side

By: Alyssa

An Unnamed Vandal – has been charged with defacing several paintings exhibited at the Villa-Musee Jean-Honore Fragonard in Southern France. The museum celebrates the work of Rococo master, Jean-Honore Fragonard and features additional works by other important artists such as, Francois Gerard and Francois-Vincent. According to Le Parisien, in early September and mid-October, this unnamed artist defaced multiple works by the above artists causing both minor and major damages. The list of damages include, circular scribbles, long lines using a felt pen, poorly executed mustaches and even a large hole in the center of one of the canvases. This is not the first time an individual has decided to leave their mark on a priceless work of art.

Ahlers & Ogletree – this Atlanta auction house is being sued for breach of warranty by Camell Halim for \$468,000. According to the complaint, Halim successfully purchased two works during their June auction, which he now claims were misrepresented to him by the auction house -- the first, a set of Chinese scrolls, "Emperor Qianlong Calligraphy Couplet in Pink Silk" written by Chinese Emperor Ch'ien-Lung in 1757, for \$13,000 (est. \$20-40K) which he believed to be worth at least \$100,000 and a painting by the American artist Robert Henri titled *Spanish Girl with Flowers* from 1918 for \$9,000 (also estimated at \$20-40K) -- he believe this one was worth over \$368,000. Halim states that the auction house had contacted him, letting him know of the items for sale and then he had communicated to them his interest in the works and requested condition reports. Halim decided to bid over the phone, never actually seeing the works in person and ended up being the successful bidder on both. However, once Halim received his auction winnings, he realized both works were not as they were represented in the catalog descriptions or in emails sent between him and the auction experts. The complainant states that the painting is not an authentic Henri nor was the other lot comprised of two imperial scrolls.....lesson learned here – if it sells really cheap, there is usually a reason - BUYER BEWARE!

Jeremiah Kaylor – this 39 year old has been charged with ten counts of burglary after being busted for the theft of 11 paintings worth hundreds of thousands of dollars. According to police, during a span of two months, Kaylor (a squatter 'living' in a vacant San Francisco multi-million dollar mansion owned by Halsey Minor) entered the home and made off with 11 paintings using a moving van. Kaylor quickly unloaded the works via social media and to pawn shops; however, all but two works were quickly recovered. When police initially made the arrest, Kaylor claimed to have 'official' documents stating he had the right to stay in the home, since he was going to be the owner or proprietor of the house; these, of course, turned out to be fake.

Halsey Minor, the true owner of the home and paintings, has had his share of noteworthy news. In 2001 his net worth was pegged at \$180 million, in 2008 he sold his company CNET to CBS for \$1.8 billion and by 2013 he had filed for bankruptcy – the culprit was his expensive taste in real estate, art and the ponies. And just in case you can use an 18,000 square foot home with a 2,618 square-foot guesthouse, the San Francisco mansion which he purchased in 2007 for \$22M can be yours for a mere \$12.5M ... any takers? If so, please call, we would like to get a piece of the action!! LOL!!!

The Art Market

October was a rather slow month in the public arena, but the gallery was very busy. Over the past few weeks we have sold a number of really nice works by: Corot, Ridgway Knight, Rico y Ortega, Ziem, four by Cortes, three by Blanchard, Ken Salaz, Tony South, two by Anthony Mastromatteo, two by Mark Daly, two by Hollingsworth and two by Casey. We will continue to keep you updated as there are a few more in the works!

The London Contemporary Sales

By: Howard

Towards the middle of the month our first glimpse of the upcoming season took place in London with a series of Contemporary and Modern sales. Phillips started off the action and on the surface it appeared that we were in for an impressive season – when the right works are offered.

On the 14th of October Phillips presented their evening sale and taking the top slot was Twombly's *Untitled*, 2006 which brought £7.9M (\$12M – est. £8-12M) –this work last sold in 2011 for \$9.04M – so there was a little profit. In second was Mark Bradford's *Constitution IV* at £3.78M (\$5.74M – est. £2-3M) – which was an auction record for the artist – and in third was Christopher Wool's *Untitled, 1994* at £2.26M (\$3.45M – est. £1.5-2.5M). So far, so good... however, there were some additional results that make me think all is not so good in this market.

Lot 25 was an Urs Fischer titled *Horse Fraud* (2010) which sold for £363K (\$560K – est. £4-600K) –this same work was last sold at Christie's November 2013 evening sale for \$785K (est. \$800-\$1.2M) ... so the owner took a big loss and lot 29 was a Josef Albers *Homage to the Square* that last sold in 2011 for \$600K ... this time around it brought £339K (\$523K – est. £250-350K) – another loss. In addition, there were 18 works from the collection of Dr. Frederic Brandt (the 65 year old Miami dermatologist who committed suicide last year) all of which had third party guarantees – so those were all sold before the sale even started.

In the end, this small sale of just 36 works found 36 buyers ... a 100% sell-through rate (considered a "white glove" sale) and the total take was £31.5M (\$47.8M – estimate range was £24.1-36.1M). So on the surface the numbers seemed very good; however, there were works that sold for less than they did a few years

earlier. Now this may be nothing more than the fact that the works were put back on the market too quickly and needed a little more time to age – but...

Phillip's also had a day sale on the 15th which added another £6M to their total for the week. And in case you are wondering, the October 2015 evening sale doubled their 2014 sale (£31.5M/\$47.8M vs. £14.8M/\$23.6M) in which they offered 46 works and sold 37 (an 80% sell-through rate).

On the evening of the 15th Sotheby's presented two sales: The Italian Sale and Contemporary Art. The Italian sale was first and the top lot here was Fontana's *Concetto Spaziale, La Fine di Dio* which made £15.9M (\$24.7M – est. £15-20M) and was a record for the artist's work at auction. Alberto Burri took second and third with *Bianco Plastica 1* at £2.64M (\$4.08M – est. £1.5-2M) and *Combustione M.2* at £1.8M (\$2.8M – est. £600-800K). Rounding out the top five were two more Fontana works: *Concetto Spaziale* at £1.57M (\$2.4M – est. £800-1.2M) and *Concetto Spaziale, Attese* at £1.5M (\$2.3M – est. £1.2-1.5M). When the session ended, of the 51 works offered, 40 sold (78.4%) and a total take of £40.4M (\$62.5M) ... low end of the presale estimate range was £35.2M (\$54.6M) ... and according to the post-sale release, more than 80% of the works offered had never been at auction before.

The Contemporary Art sale came next and the top slot was taken by Basquiat when his *Untitled (The Black Athlete)* brought £4.07M (\$6.3M – est. £3.5-4.5M). This was followed by Warhol's *Lenin* at £3.06M (\$4.7M – est. £2.5-3M) and Agnes Martin's *Untitled* at £2.84M (\$4.4M – est. £2.5-3.5M). The fourth and fifth slots were filled by a Richter at £2.6M (\$4M – est. £1.8-2.5M) and a Borremans at £2.05M (\$3.2M – est. £600-1M). There were a number of works, including those by Wool, Grotjahn, Warhol, Richter, Twombly, Condo, etc. which failed to find buyers. When this session was over, of the 53 works offered, 38 sold (71.7%) and the total take was £36.4M (\$56.3M) ... the low end of the presale estimate range was £32.9M (\$51M) – so they squeaked past when the buyer's premium was added in.

Between their two evening sales, the room sold 78 of the 104 works offered (75%) and generated £76.8M (\$118.8M – combined estimate range was £68.2-£94.7M). Not great, but not bad. And for fun, one final statistic: the top 10 lots in the Italian sale accounted for 74% of the sale's total while the top 10 lots in the Contemporary sale account for 60%.

The next day they offered their general sale of contemporary art with Anish Kapoor, Lichtenstein and Auerbach taking the top three slots. When that sale ended, of the 301 works offered, 214 sold (71.1%) and the total take was £13M (\$20.2M) ... so for the week, they generated £89.8M (\$139M).

That evening, Christie's put on their show of Italian and Contemporary works and up first were the Contemporaries. Grabbing the pole position was Peter Doig's *Cabin Essence* from 1993-94 at £9.6M (\$14.9M – estimate upon request – word is they were figuring about £9M, but I guess they did not want to put that on paper). In a distant second was an *Abstraktes Bild* by Richter at £2.7M (\$4.1M – est. £1.8-2.5M) and in third was a Kippenberger with a very long title at £2.4M (\$3.8M – est. £1.8-2.5M). Rounding out the top five were a Warhol at £1.85M (\$2.9M – est. £1.5-2M) and a Gerald Laing at £1.2M (\$1.9M – est. £450-650K – I am sure that seller was pretty happy). Of the 54 works offered, 46 found buyers (85%) and the total take was £35.6M (\$55M – estimate range was £30.7-42.6M) – here too squeaking past the low end with the buyer's premium.

After a very short recess, it was the Italian's turn and this sale was a hot one. Taking the top position was Alberto Burri's *Rosso Plastica M1* at £3.4M (\$5.3M – est. £2-3M), in second was Fontana's *Concetto Spaziale, Attese* (he loves using that title) at £2.8M (\$4.3M – est. £1-1.5M) and in third was Fabro's *Italia dell'emigrante* at £2.7M (\$4.2M – blowing away its £600-800K estimate). Another work by Fontana and one by Morandi rounded out the top five. When the dust settled, of the 59 works offered, 53 found buyers (90%), the total garnered was £43.2M (\$66.8M – presale estimate range was £23.6-35.1M ... so they blew that away) and auction records for 5 artists were set.

When combined, their two evening sales saw 113 works offered, 99 sold (87.6%) and a total take of £78.7M (\$121.8M). The totals for the two main salerooms were pretty even \$118.8 vs \$121.8, but the sell-through rate at Christie's was much better 87.6% vs. Sotheby's 75%. And while I am at it, the top 10 lots in Christie's Contemporary sale account for 64.7% of the total while the top 10 in the Italian sale were responsible for only 54.5%.

Christie's ended the week with their day sale which saw works by Klein, Polke and Pistoletto capture the top three spots, a total take of 11.4M (\$17.6M) and a sell-through rate of 89% (171 works offered and 152 sold) ... so for the week, they generated £90.1M (\$139.4) ... basically a tie with their main competitor.

The real test for the Contemporary market will be the upcoming sales in New York City where there are at least 8 works with 'Estimate on Request' and numerous works estimated to sell for more than \$10M – these include paintings by Pollock, Fontana, Bacon, de Kooning and Koons and oodles more (18 to be exact) set to bring more than \$5M. The fun is about to begin.

The 19th Century in New York

By: Lance

Well, here we are again... We're early in the auction season and have our first 19th Century sale under our belts. As always, the results reflect the quality of work being offered and as you will see shortly, the great pieces coming to the auction block are few and very far between.

Before we get into the numbers, let me set the scene: Flanking each side of the room were a number of Christie's employees ready to man/woman the phones situated in front of them ... a total of 15 to be exact ... giving the impression that there was going to be some serious activity. This was juxtaposed against the whopping 14 people (myself included) who cleared their morning schedule to make it over to the sale. In front of the room, Anders Zorn's *Clarence Johnson Barker* was on display; a fairly small watercolor at 13 x 18 inches which didn't do much in the way of exciting anyone (I guess I should note this was also the cover piece; wouldn't have been my choice). The room was very quiet. The sale began.

The first big failure of the day happened quickly. Lot 5, a large canvas by Lhermitte (which had some issues) failed to find a buyer in the range of \$350-450K; the 'bidding' topped out at \$280K. A bit later on was another big loser... lot 28, a Bouguereau carrying a \$700K-1M estimate, sputtered out in the low 600s ... it also had some issues.

As the sale progressed people trickled in... by the time we got to lot 31, the top lot of the day, the crowd had swelled to 19 people! That top spot belonged to Hungarian artist Mihaly Munkacsy's *Interieur d'un salon* at \$325K and needed the buyer's premium to bump it up to \$395K, which landed it in its estimate's sweet spot of \$350-450K (the 7th most expensive work by the artist at auction). Munkacsy was awarded the Gold Medal at the 1870 Paris Salon; making him an overnight sensation at the age of just 26... he would go on to be one of the most sought-after artists through the 1870s and 80s. While very few of his works appear on the market today, his important paintings typically bring several hundred thousand dollars with an auction record of over \$1M (*By the Stream* – Sotheby's London, 2004).

Another 10 lots went by before the next big miss... The aforementioned cover piece by Anders Zorn was estimated at \$500-700K and failed to find a buyer. The sale then proceeded to rally off five more unsold lots until the next big bust, John Atkinson Grimshaw's *Spirit of Night* which was estimated at \$700K-1M had its bidding top out at \$520K. After this, the already hollow room had fallen below its initial attendance figure... we were down to 12 people (including me).

The second best lot of the day was near the end of the sale ... a very, very, nice Montague Dawson titled *The Glorious American – The 'Constitution'*, estimated at \$120-180K. Bidding for the 40 x 50 inch canvas went fast (we dropped out at \$210K) and finally settled at 260K plus the premium, yielding a figure of \$317K. With the work featuring a large ship brandishing an American flag, it's not hard to understand why there was heavy competition. Rounding out the top three were two lots that fell into a tie at \$240K (\$293K w/ premium); the first, a work by Emile Munier, which has seen better days, blew by its \$100-150K estimate and a street scene by Beraud which fell short of its \$300-\$500K estimate. Other notable lots included works by Courbet (\$275K – est. \$250-350K), Edwin Lord Weeks (\$275K – est. \$250-\$350K), Carl Vilhelm Holsoe (\$167K – est. \$50-\$70K) which saw heavy bidding from 5 parties and a Paul Helleu (\$221K – est. \$100-\$150K). We always stress that people need to buy right and this last piece makes for a great lesson. In 1988 the current seller bought that work at a Christie's London sale for an astonishing £776K (\$1.34M) against a realistic estimate of £100-150K (\$173-\$259K). Then in 1991 they put it up at Sotheby's with a \$225-\$275K estimate and it passed. It appeared again in a 1999 Sotheby's sale with a \$400-\$600K estimate and failed, and then in 2014 it was the cover of a Christie's London sale with a £200-300K estimate and suffered the same fate. Finally, in 2015, it carried a realistic estimate and sold in the range of its original, realistic, estimate from 1988. I am sure that seller was not a happy camper.

Overall, the sale was fairly underwhelming, but that was to be expected. More than 47% of the works failed to sell and 16 of the 38 sold lots failed to meet the low end of their estimate (without the buyer's premium). I'll leave you with the final figures... 38 sold lots for a grand total of \$3.9M, so they averaged just over \$100K per sold lot (WITH the buyer's premium) though as a whole, they expected between \$7.1-10.4M. Since

people are not offering the really good 19th century works in the public form it is very difficult to use these sales as a barometer of its health.

P.S. We heard that the Anders Zorn (cover lot) was sold privately after the sale... it's anyone's guess what the purchase price was.

The Rehs Family

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Gallery Updates: Shows in Illinois, New York and Florida are on the horizon and Janet Whitmore's research on Dupré is moving along (she is uncovering lots of interesting bits and pieces).

Web Site Updates: Works by many of our favorite artists have made their way through the gallery this month; among them were: Corot, Knight, Rico, Ziem, Cortes, Blanchard, Salaz, Casey, South, Hollingsworth, Daly and Mastromatteo. We have added a number of new works to our web site by Cortes, Kluge, Blanchard, Bauer, Jahn, Daly, Palumbo, Casey, Dunkel, Hourigan, Pousette-Dart and Mastromatteo; below is a small selection of the recent additions:

TRADITIONAL



Antoine Blanchard
Place de la Madeleine



Edouard Cortes
Place Pigalle, Hiver



Constantine Kluge
Place de la Madeleine

CONTEMPORARY



Ben Bauer
September Fields, Lowry, MN



Mark Daly
Old Trinity Flags in Winter



Ben Bauer
Simply Calm



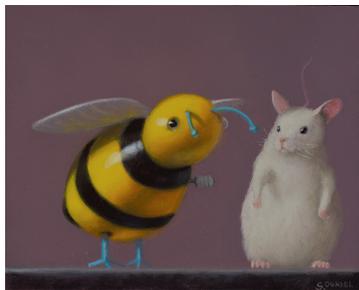
Sharon Hourigan
Cranberries



Timothy Jahn
Side Effects



Helen Crispino
The Magnificent Majestic



Stuart Dunkel
Danger



David Palumbo
A Kiss with Teeth



Stuart Dunkel
Consult



Anthony Mastromatteo
Pink Flamingo



Chris Pousette-Dart
A Night in November



Todd Casey
Red Roses

Next Month: The BIG ones!