

The Latest Market Trends in Impressionist & Twentieth Century Art June 2021, London

Following the encouraging auction results so far this year, these final spring sales that took place in London and Paris over past week provided strong results, if not fireworks. Contrary to recent past seasons, Modern Art took the lead in the two evening sales (or morning, or afternoon, depending on where you reside) through the indefatigable Picasso, but Magritte, Kandinsky and Giacometti also attained strong results. Wall power, if not scale, emerged as a priority for buyers, in some cases ahead of art historical importance

Picasso Reigns

Nothing can go wrong with Picasso, even if at times it seemed close. His work remains the most reliable backbone of the Impressionist & Modern Art category. 100% of the nine works offered across the evening sales this season sold (save one withdrawn ahead of Sotheby's sale). Solid as a rock.

Banksy, NFTs, and Bitcoin (the good, the bad, and the ugly)

Did we witness Banksy fatigue this season? Of the four published in the London evening sale catalogues, one was withdrawn, and another sold far below its low estimate. Estimates for the artist have risen so quickly that perhaps the market is pulling back. The same goes for NFTs which were nowhere to be seen this past week. It seems that the real winner of the spring fever for NFTs may be the broader acceptance of cryptocurrency that has crept into the art market, with auction houses and consignors occasionally accepting payment in certain cryptocurrencies, as with the Banksy at Sotheby's. Further, successful cryptocurrency entrepreneurs and investors represent a much-needed new set of art market players. In the past, influxes of art buyers came from Japan in the 1980s, Russia in the aughts, and the Middle East and China in the 2010s. Perhaps the next Eldorado is not a country but a non-fiat currency.

Third-Party Guarantees & Mastering the Hybrid Format

Irrevocable bids were back, seemingly to their 2018-19 levels with around 40% of Christie's and Sotheby's London evening sales ultimately guaranteed by third parties. We take the high rate of lots backed by external guarantors to be a sign of confidence, with a pool of third-parties willing to own these works at the guarantee price or take a cut if outbid. By carefully managing their sales through third-party guarantees, withdrawing the few lots with little interest, and pressing consignors to lower reserves, Sotheby's and Christie's have mastered the new hybrid live auctioneer-online audience format and consistently performed well with at least 85% sold by lot. The auction houses' careful steering through the upheaval of the pandemic has laid the groundwork for confidence in the market as we head towards fall.

Joining Forces: Sales Across Categories and Locations

These virtual sales have further allowed auction houses to better coordinate and maximize the audience for various international sales. This season, Sotheby's held their Modern British Art evening sale, led by Freud's nearly £15 million (\$20.5 million) portrait of David Hockney, just before their main Modern & Contemporary Art sale, giving the more niche Modern British sale greater exposure. Meanwhile, Christie's combined the forces of their London and Paris teams by almost seamlessly passing the baton from the London 20th/21st Century Sale segment to a Paris leg of the same category prefaced by the single-owner Francis Gross Collection. It worked very well, and although salerooms will soon return, the gains made in virtual auctioneering are here to stay.

Asian Participation

Christie's and Sotheby's both touted historic levels of participation from Asian collectors, particularly for Impressionist & Modern Art, with works by Picasso, Chagall, and Degas, among others, won by Asian buyers. The auction houses have not been shy about their intent to continue developing this important and increasingly consistent market.

Women at the Rostrum

Notable, as it's not always been the case in recent years but is increasingly and welcomingly so, women auctioneers wielded the gavel in evening sales at both auction houses. Not only did they do extremely well despite the inherent difficulty pacing hybrid sales and the technical difficulties still bound to happen, but they made Jussi Pylkkänen, a great auctioneer in his own right, look a bit...historic?

Onto November!

With the spring season complete, we can now look forward to the fall. Despite the complexity created by the pandemic and Brexit, these June London sales did extremely well, demonstrating foresight and prudence as well as a forceful appetite for works with presence, vibrancy, and wall power. We look forward to November!

AUCTION SUMMARY

SOTHEBY'S LONDON – June 29, 2021	CHRISTIE'S LONDON - June 30, 2021
<p><u>Impressionist & Modern Art Results from the Modern and Contemporary Art Evening Sale</u></p> <ul style="list-style-type: none"> - Total: £62,731,121 (\$86,862,102) - % sold by lot: 96% (25/26 lots) - % sold at a hammer price above the high estimate: 31% (8/26 lots) - % sold at a hammer price within the estimates: 38% (10/26 lots) - % sold at a hammer price below the low estimate: 27% (7/26 lots) 	<p><u>Impressionist & Modern Art Results from 20th/21st Century: London Evening Sale</u></p> <ul style="list-style-type: none"> - Total: £76,780,295 (\$106,000,649) - % sold by lot: 88% (23/26 lots) - % sold at a hammer price above the high estimate: 23% (6/26 lots) - % sold at a hammer price within the estimates: 50% (13/26 lots) - % sold at a hammer price below the low estimate: 15% (4/26 lots)
<p><u>Contemporary Art Results from the Modern and Contemporary Art Evening Sale</u></p> <ul style="list-style-type: none"> - Total: £45,294,150 (\$62,717,596) - % sold by lot: 90% (28/31 lots) - % sold at a hammer price above the high estimate: 19% (6/31 lots) - % sold at a hammer price within the estimates: 39% (12/31 lots) - % sold at a hammer price below the low estimate: 32% (10/31 lots) 	<p><u>Contemporary Art Results from 20th/21st Century: London Evening Sale</u></p> <ul style="list-style-type: none"> - Total: £42,519,250 (\$58,700,843) - % sold by lot: 88% (23/26 lots) - % sold at a hammer price above the high estimate: 23% (6/26 lots) - % sold at a hammer price within the estimates: 42% (11/26 lots) - % sold at a hammer price below the low estimate: 23% (6/26 lots)

Sotheby's, Modern and Contemporary Art Evening Sale, London

Freud & Hockney: Wall Power is Key



Freud, *David Hockney*

This season in London, Sotheby's preceded their main Impressionist & Modern Art evening sale with their Modern & Contemporary British Art evening sale highlighted by Freud and Hockney. The fantastic small portrait of David Hockney by Lucien Freud was Sotheby's star lot of the season, selling for nearly £15 million (\$20.5 million) against an estimate of £8-12 million. Size may not matter, but in the art market wall power does, and this work had plenty. Interestingly, wall power played a significant role for Hockney's own still-life, *Gladioli with Two Oranges* which sold for £4.2 million (\$5.8 million) with buyer's fees at an estimate of £1.5-2 million, nearly twice as much as Hockney's chair, which while a wonderful reference to van Gogh, lacked the vibrancy of the former and sold for £2.4 million despite a higher £2-3 million estimate. Wall power and presence have now become a driving force of the market.

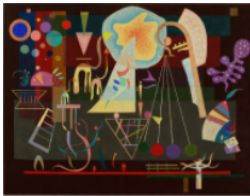


Hockney, *Gladioli with Two Oranges*

The Return of Impressionist & Modern Works on Paper

In the past few years, we've witnessed a certain drop of interest for works on paper with collectors, and new collectors especially, who've preferred canvases and larger scale works. This past week, however, great prices were achieved at Sotheby's for remarkable works on paper by Degas, Redon, Nolde, Matisse, Cézanne, and even a sketchy Monet pastel. Notably, these works shared very reasonable estimates, perhaps due to lowered expectations from vendors, but it paid off, and adds confidence for great works on paper to come to the market in the future.

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



Kandinsky
Tensions calmées
Sold for:
£21,224,700
(\$29.4m)
Est.: £18-25m



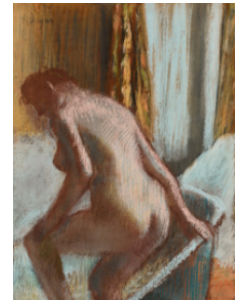
Picasso
Homme et femme
Sold for:
£9,390,000
(\$13m)
Est.: £8-12m



Picasso
Crustacé et bouteille
Sold for:
£3,524,000
(\$4.9m)
Est.: £2.8-3.5m



Léger
Étude - les constructeurs
Sold for:
£3,479,471
(\$4.8m)
Est.: £3-4m



Degas
Le bain
Sold for:
£2,677,000
(\$3.7m)
Est.: £1.5-2m

Top Contemporary Art Lots, Sotheby's, Modern and Contemporary Art Evening Sale



Twombly
Untitled
Sold for:
£7,781,400
(\$10.8m)
Est.: £5-7m



Warhol
Dollar Bills
Sold for:
£6,804,750
(\$9.4m)
Est.: £6-8m



Warhol
9 Gold Marilyns
Sold for:
£6,517,500
(\$9m)
Est.: £5.5-8m



Koons
Two Ball 50/50 Tank
Sold for:
£2,798,000
(\$3.9m)
Est.: £2.5-3.5m



Banksy
Laugh Now
Sold for:
£2,435,000
(\$3.4m)
Est.: £2.5-3.5m

Christie's, 20th/21st Century: London Evening Sale

Giacometti's Falling Man

What a wonderful sculpture, perhaps one of the most important of the 20th Century. Yes, it sold for £13.7 million (\$18.9 million) at Christie's, but still didn't garner the depth and enthusiasm of bids it deserved. The air gets a lot thinner above £10 million, understandably so. Lower priced sculptures by Giacometti fared well with *Tête de long cou* selling for £1.7 million (\$2.4 million) with buyer's premium, and *Buste d'homme (Lotar II)* from the collection of Francis Gross selling for €3.3 million (\$3.9 million) with buyer's premium.

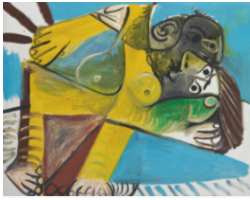
Paris: Francis Gross Collection & 20th/21st Century

With the exception of Magritte, *La Vengeance* from the Francis Gross Collection offered in Paris, which hammered at €12.5 million, above its €6-10 million estimate, or €14.6 million (\$17.3 million) with buyer's premium, a staggering price considering its relatively modest size, the other lots in the sale hammered near their low estimate. While successful overall, the Paris offerings lacked the wall power to attract competitive bidding, especially from Asia.



Magritte, *La Vengeance*

Top Impressionist & Modern Art Lots, Christie's, 20th/21st Century: London Evening Sale



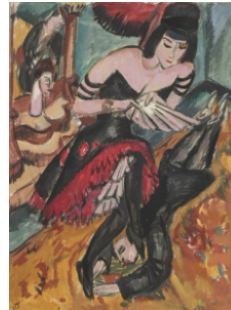
Picasso
L'Étreinte
Sold for:
£14,697,000
(\$20.3m)
Est.: £11-16m



Giacometti
Homme qui chavire
Sold for:
£13,703,000
(\$18.9m)
Est.: £12-18m



Kandinsky
Noir bigarré
Sold for:
£8,848,795
(\$12.2m)
Est.: £8-12m



Kirchner
Pantomime Reimann
Sold for:
£7,140,000
(\$9.9m)
Est.: £6-9m



Picasso
Homme au chapeau
Sold for:
£5,880,500
(\$8.1m)
Est.: £5-7m

Top Post-War & Contemporary Art Lots, Christie's, 20th/21st Century: London Evening Sale



Basquiat
Untitled
Sold for:
£5,995,000
(\$8.3m)
Est.: £4-6m



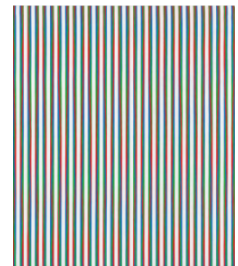
Banksy
Subject to Availability
Sold for:
£4,582,500
(\$6.3m)
Est.: £3-5m



Calder
Untitled
Sold for:
£4,342,500
(\$6m)
Est.: £3.5-5.5m



Haring
Untitled
Sold for:
£4,301,250
(\$5.9m)
Est.: £3.9-4.5m



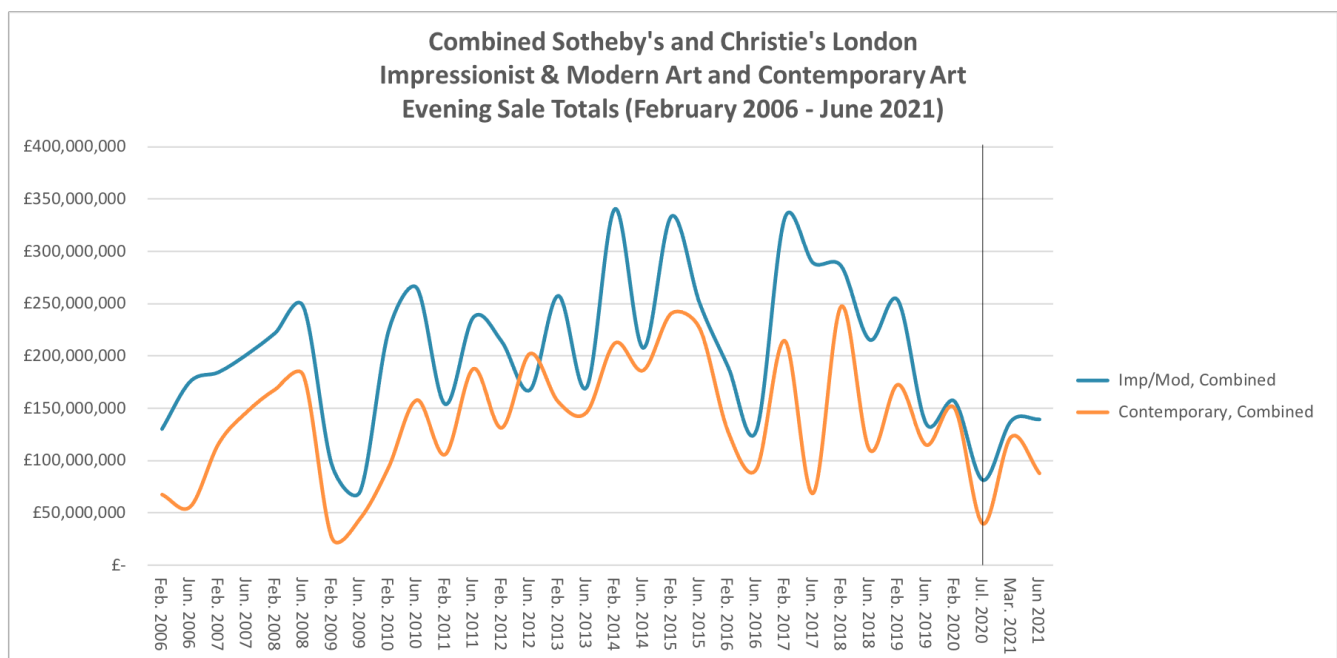
Riley
Zing 2
Sold for:
£3,262,500
(\$4.5m)
Est.: £1.8-2.2m

PRIVATE SALES

This spring, we have seen a good appetite for private sales, even for works unseen in person by the buyer. Notably, the works selling either have a fair price or are of truly stellar quality, with little in between.

SALE CATEGORY COMPARISON

The following chart compares London-only evening sale category totals for Impressionist & Modern Art and Contemporary Art at Christie's and Sotheby's since 2006. While the auction houses have in the past year combined what used to be separate Impressionist & Modern Art and Contemporary Art evening sales into single 20th Century Art sales, for the purposes of this chart, we have parsed the results into the more traditional categories.



ARTICLES RELATED TO THE RECENT AUCTIONS:

<https://www.artnews.com/art-news/market/20-7-m-freud-portrait-and-speyer-family-trust-216-m-sothebys-london-sales-1234597297/>

<https://www.theartnewspaper.com/news/asian-buyers-and-british-artists-boost-sotheby-s-gbp156-2m-hybrid-sales-in-london>

<https://news.artnet.com/news-pro/theres-much-less-order-ever-auction-houses-entering-post-lockdown-era-theyll-never-1985055>

<https://news.artnet.com/news-pro/christies-marathon-relay-sale-london-paris-1984949>

<https://news.artnet.com/news-pro/sothebys-london-june-2021-sales-report-1984342>

<https://www.theartnewspaper.com/news/christie-s-june-london-sale-asian-bidding>

These materials have been provided for educational purposes only and are not to be relied upon in making any particular purchase, sale or other decision; have been assembled from various public sources and considered to be reliable but no representation or warranty is given as to their accuracy or completeness and should not be relied upon as such; and finally that the opinions stated are those of the individuals preparing the summary based on the information available and also not to be relied upon.