

The Latest Market Trends in Impressionist & Twentieth Century Art May 2019, New York

Overall, the market for the best of Impressionist & Twentieth Century Art was full of life at the May 2019 auctions in New York with many price records set and considerable depth of bidding. For anything less than the best, the sales were well-managed by the auction houses, resulting in good sell-through rates and few big missteps.

One of the season's takeaways is that, in today's market, sellers of important works can dream of big prices, but if you want to sell, it is essential to carefully consider what the market offers. This was exemplified by the large number of works sold below their low estimate—25 or nearly half of Sotheby's Impressionist & Modern Art sale, for instance. We view this not necessarily as a misjudgment by Sotheby's, but, given the reality of the market, a success in convincing sellers to lower their reserve prices. There simply were not enough buyers at the wished-for prices, so to sell, one had to be willing to accept a little less. The auction houses evidently learned from Christie's hapless sale of the Wallace "Hidden Treasures" collection in February in London, in which nearly half of the 21 unguaranteed lots failed to find buyers.

Please find below our summary of the sales. As ever, estimates pertain to the hammer prices and the buyer's premium is added on top. Prices listed below include the buyer's premium unless otherwise noted.

AUCTION SUMMARY

<u>Christie's</u>	<u>Sotheby's</u>
<p><u>Christie's, May 13, 2019:</u></p> <p><u>Impressionist & Modern Art Evening Sale</u></p> <ul style="list-style-type: none"> - Sale total: \$399,041,000 - % sold by lot: 86% (54/63 lots) - % sold at a hammer price above the high estimate: 27% (17/63) - % sold at a hammer price within the estimates: 30% (19/63) - % sold at a hammer price below the low estimate: 29% (18/63) 	<p><u>Sotheby's, May 14, 2019:</u></p> <p><u>Impressionist & Modern Art Evening Sale</u></p> <ul style="list-style-type: none"> - Sale total: \$349,859,150 - % sold by lot: 93% (51/55 lots) - % sold at a hammer price above the high estimate: 22% (12/55) - % sold at a hammer price within the estimates: 25% (14/55) - % sold at a hammer price below the low estimate: 45% (25/55)
<p><u>Christie's, May 15, 2019:</u></p> <p><u>Post-War & Contemporary Art Evening Sale</u></p> <ul style="list-style-type: none"> - Sale total: \$538,971,750 - % sold by lot: 91% (51/56 lots) - % sold at a hammer price above the high estimate: 23% (13/56) - % sold at a hammer price within the estimates: 41% (23/56) - % sold at a hammer price below the low estimate: 27% (15/56) 	<p><u>Sotheby's, May 16, 2019:</u></p> <p><u>Contemporary Art Evening Sale</u></p> <ul style="list-style-type: none"> - Sale total: \$341,850,050 - % sold by lot: 89% (56/63 lots) - % sold at a hammer price above the high estimate: 35% (22/63) - % sold at a hammer price within the estimates: 44% (28/63) - % sold at a hammer price below the low estimate: 10% (6/63)

Christie's, Impressionist & Modern Art Evening Sale

Christie's launched the week with a strong and well-managed sale of 63 lots of notably fresh Impressionist & Modern Art. 86% of lots sold and records were set by Balthus, *Tbérese sur une banquette* at \$19 million and Bonnard, *La Terrasse* at \$19.6 million, results likely to reinvigorate the markets for these artists.

Other highlights included Cézanne, *Bouilloire et fruits* sold for \$59.2 million and van Gogh's *Arbres dans le jardin de l'asile* sold for \$40 million, both from the estate of magazine magnate S.I. Newhouse. Works by Modigliani also succeeded: the sculpture *Tête* sold for \$34.3 million and the portrait *Lunia Czechowska (à la robe noir)* from the estate of Drue Heinz sold for \$25.2 million. Estimated at \$12-18 million, this Modigliani was an example of a somewhat challenging work—dark, rigid and a bit bourgeois—with a condition issue, but a low estimate, doing very well. Similar was the case for Derain's fauve painting *Les voiles rouges* which looked as though it might not sell before a couple of bidders chased it to \$6.9 million. The estimate was \$4-6 million. Though a good painting, it failed to sell at Sotheby's three years ago with an estimate of \$15-20 million and no guarantee, demonstrating the stigma that can haunt a painting for years after public failure at auction. We applaud Christie's discipline on Picasso, *La Lettre (La Réponse)* sold for \$25.2 million and Vuillard, *La table de toilette* sold for \$8 million, both good paintings but with more limited audiences due to their subtlety and muted palettes.

Eight works in the sale were guaranteed, ultimately two by Christie's and six by third parties, only one of which, Henry Moore's *Two Women and Child*, a work on paper, obviously went to the third-party guarantor at \$3 million.

An early Matisse, *Le guitarist debout*, estimated at \$3-5 million, attracted no interest and was withdrawn ahead of the sale. The nine works that did not sell, never really stood a chance. They were of lesser quality with ambitious estimates, a recipe for failure in already limited markets. The market for Matisse works on paper remains soft, as evidenced by *Femme nue couchée* which garnered no bids at the auctioneer's starting price of \$750,000, let alone its estimate of \$1.5-2 million.

After hopeful results for Impressionism in February, Christie's presented 14 Impressionist works with mixed outcomes. Only Pissarro, *Le jardin d'Octave Mirbeau, la terrasse, Les Damps* attained a hammer price over its estimate of \$3-5 million, ultimately selling for \$6.2 million. Two Impressionist lots did not sell, and five went below their low estimate. B-quality Impressionism remains a fragile market and estimates and expectations must be low for a work to stand a chance of selling currently.

Learning from the unfortunate results of the 21-lot Wallace collection, barely half of which sold, last February, Christie's succeeded in bringing down the reserves on a number of lots with little interest, including Léger *La grande parade (Le Cirque)* which sold for a hammer price of \$2.6 million, or \$3.1 million with buyer's premium against an estimate of \$6-9 million. Likewise, with Picasso, *Course de taureaux*, a pastel from 1901, which hammered at \$2.2 million, \$2.7 million with buyer's premium, but carried an estimate of \$3.5-5.5 million.

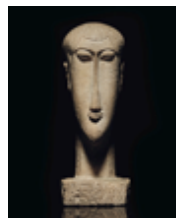
Top Lots, Christie's Impressionist & Modern Art Evening Sale



Cézanne
Bouilloire et fruits
Sold for:
\$59,295,000
Estimate on request
(\$40m)



Van Gogh
Arbres dans le jardin
Sold for:
\$40,000,000
Estimate on request
(\$25m)



Modigliani
Tête
Sold for:
\$34,325,000
Estimate:
\$30-40m



Modigliani
Lunia Czechowska
Sold for:
\$25,245,000
Estimate:
\$12-18m



Picasso
La Lettre
Sold for:
\$25,245,000
Estimate:
\$20-30m

Sotheby's, Impressionist & Modern Art Evening Sale

The week was led by Sotheby's sale of Monet, *Meules* which sold for \$110.7 million after an extended bidding war. The price is a new record for Monet and Impressionism and demonstrates the growing price gap between the very best and increasingly rare, and lackluster results for lesser Impressionist paintings which still abound in private collections. Four to five years ago, ordinary Impressionist works traded for more than they do today, but we've seen Monet's price record broken three times now in the past three years, twice by Haystacks.

Another deserved success was Caillebotte, *La rue Halévy, vue du sixième étage* which sold for \$13.9 million against an estimate of \$6-8 million. While not a big picture, it was beautifully painted and a boldly modern Impressionist work for its time.

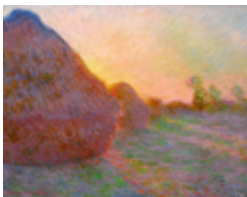
Sotheby's sold all eight of its Picassos on offer (a ninth was withdrawn before the sale). The peak of these was *Femme au chien* from 1962 which sold for \$54.9 million, well over its \$25-30 million estimate. The slightly smaller *Mousquetaire à la pipe* from 1968 sold for what is to us a more logical price of \$20.8 million at an estimate of \$20-30 million.

Four bidders vied for Soutine's majestic *La femme en rouge* which sold for \$11 million against an attractively low estimate of \$6-8 million.

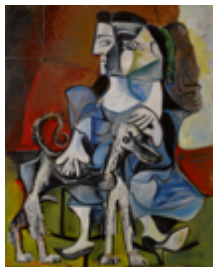
The evening and the week's biggest flop was Bouguereau, *La jeunesse de Bacchus*, which garnered zero bids against an estimate of \$25-35 million. It should have been guaranteed or withdrawn. Sotheby's no doubt hoped the Impressionist & Modern Art saleroom would be an auspicious environment for this important 19th century painting, which, executed in 1884, is contemporary to Impressionism, but the bidders disagreed. Moreover, monumental works never do well at auction. A better strategy would have been to quietly offer the work privately to the few museums with the funds and wall space for such a painting.

13 works were guaranteed (ultimately two by Sotheby's and 11 by third parties), and of these, seven appeared to sell to their guarantor. We assume the guarantor of the Monet, *Meules* is pleased with the result.

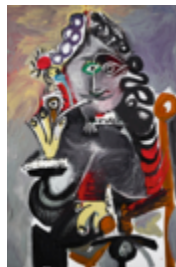
Top Lots, Sotheby's, Impressionist & Modern Art Evening Sale



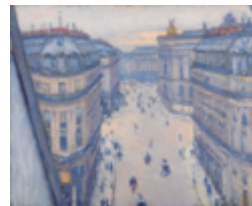
Monet
Meules
Sold for:
\$110,747,000
Estimate on request
(\$55m)



Picasso
Femme au chien
Sold for:
\$54,936,000
Estimate:
\$25-30m



Picasso
Mousquetaire
Sold for:
\$20,766,000
Estimate:
\$20-30m



Caillebotte
La rue Halévy
Sold for:
\$13,932,000
Estimate:
\$6-8m



Soutine
Le femme en rouge
Sold for:
\$10,970,000
Estimate:
\$6-8m

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

Christie's held an extraordinary sale of Post-War & Contemporary Art pillared by the estate consignments of S.I. Newhouse and Robert and Beatrice Mayer. The \$539 million sale total was their highest since the market peak in May 2015, when Christie's sold \$872 million of Contemporary Art in their evening sales.

At \$91.1 million, Koons' stainless steel *Rabbit* from 1986 became the most expensive artwork to sell by a living artist, edging out the prior record of \$90.3 million set by Hockney's *Portrait of an Artist (Pool with Two Figures)* last November. Both works hammered at \$80 million, but because Christie's raised their buyer's premium in the interim, the Koons price is slightly higher.

Christie's reset the Rauschenberg market with *Buffalo II* from the Mayer collection selling for \$88.8 million. The prior record was \$18.6 million set by Christie's in 2015 for a smaller work, *Jobanson's Painting*. In our view, a great example of a Rauschenberg combine would surpass this, and we anticipate the result for *Buffalo II* will encourage more Rauschenberg works to market.

The Warhol market appears to have softened slightly with two of Christie's three offerings hammering below their low estimate. *Liz (Early Colored Liz)*, estimated at \$20-30 million, hammered at \$16.8 million to Gagosian, or \$19.3 million with buyer's premium. The *Double Elvis (Ferus Type)*, estimated at \$50-70 million, hammered at \$48 million, or \$53 million with buyer's premium. Christie's sold a smaller single Elvis a year ago for \$37 million and a larger triple Elvis for \$82 million in 2014. Finally, their third Warhol, *Little Electric Chair* hammered for \$7 million, within its \$6-8 million estimate, or \$8.2 million with buyer's premium.

Hockney, *Day Pool with Three Blues (Paper Pool 7)*, of lesser quality than others from the series that have been recently auctioned, hammered at its \$9 million low estimate, likely going to the third-party guarantor. In all, 16 works were guaranteed, all but one by third parties.

Christie's offered two Basquiat paintings. *War Baby* failed to sell, and *Santo 3* hammered at \$4.3 million, below its \$5-7 million estimate.

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



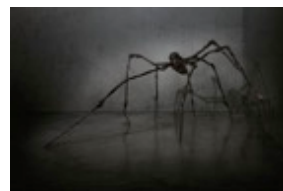
Koons
Rabbit
Sold for:
\$91,075,000
Estimate:
\$50-70m



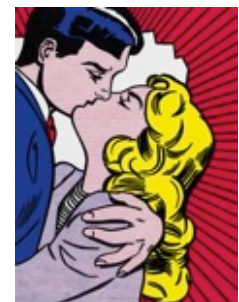
Rauschenberg
Buffalo II
Sold for:
\$88,805,000
Estimate:
\$50-70m



Warhol
Double Elvis
Sold for:
\$53,000,000
Estimate:
\$50-70m



Bourgeois
Spider
Sold for:
\$32,055,000
Estimate:
\$25-35m



Lichtenstein
Kiss III
Sold for:
\$31,135,000
Estimate:
\$30-50m

Sotheby's, Contemporary Art Evening Sale

Sotheby's also produced an outstanding evening sale of Contemporary Art, which emphasized post-war British and Abstract Expressionism, in contrast to Christie's Pop Art dominated sale the night before. Sotheby's sale was led by Bacon's powerful and primal *Study for a Head* which sold for \$50.4 million, followed by a brooding deep red Rothko sold for \$50.1 million. 17 of the works in the sale were guaranteed, only one—Bourgeois, *Arch of Hysteria*—by Sotheby's, the rest by third parties.

Like Christie's, Sotheby's results show a gentle softening of the Warhol market with two of their four—*Joseph Beuys (Reversal)* and *Colored Campbell's Soup Can*—going unsold. The others sold, *American Indian (Russell Means)* for \$6.3 million and *Flowers* for \$5.7 million, well over its appealing \$1.5-2 million estimate.

There was a cacophony of bidding on Dana Schutz, *Civil Planning* which sold for \$2.4 million at an estimate of \$300-400,000 as well as on Jonas Wood's *The Speller* which sold for \$1.7 million against an estimate of \$500-700,000.

Top Lots, Sotheby's, Contemporary Art Evening Sale



Bacon
Study for a Head
Sold for:
\$50,380,000
Estimate:
\$20-30m

Rothko
Untitled
Sold for:
\$50,095,250
Estimate:
\$35-50m

Bacon
Study for Portrait
Sold for:
\$14,501,500
Estimate:
\$12-18m

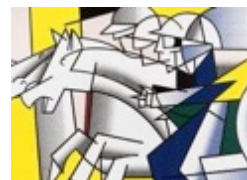
Wool
Untitled
Sold for:
\$14,000,000
Estimate:
\$12-18m

De Kooning
Untitled X
Sold for:
\$12,565,200
Estimate:
\$8-12m

Phillips, 20th Century & Contemporary Art Evening Sale

Phillips sale of 20th Century and Contemporary Art sold \$99.9 million of art across 45 lots, with a hefty 29 of them guaranteed, 12 by third parties and 17 by Phillips. Just one work, an abstract by Christopher Wool, went unsold. KAWS' *The Walk Home*, estimated at \$600-800,000 sold for \$6 million. Several primarily pop art works from Miles and Shirley Fiterman, were sold, including Warhol's portrait of David Hockney which sold for \$1 million, exceeding its \$400-600,000 estimate.

Top Lots, Phillips, 20th Century & Contemporary Art Evening Sale



De Kooning
Untitled XVI
Sold for:
\$10,268,000
Estimate:
\$8-12m

Basquiat
Self Portrait
Sold for:
\$9,500,000
Estimate:
\$9-12m

Bradford
Helter Skelter II
Sold for:
\$8,475,250
Estimate:
\$8-12m

Lichtenstein
Horse and Rider
Sold for:
\$5,955,000
Estimate:
\$6-8m

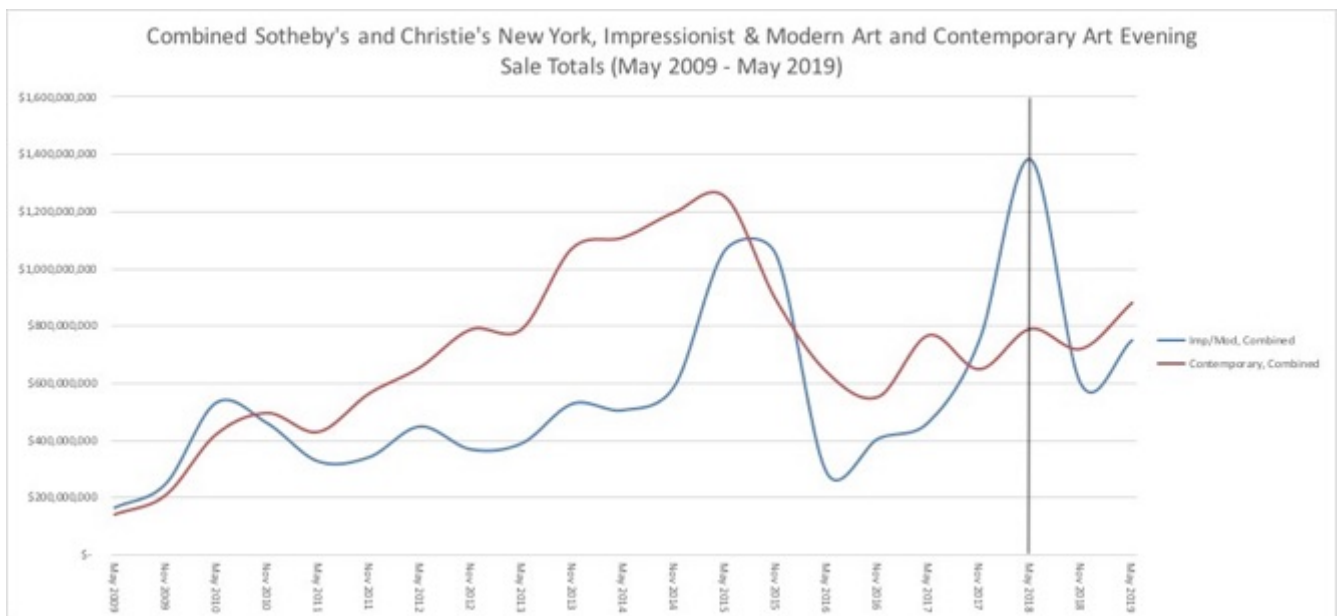
Calder
Black Gamma
Sold for:
\$5,477,500
Estimate:
\$5-7m

PRIVATE SALES

Each work in today’s market has two prices: the dream price and the reality price. Whether you are selling at auction or privately, if you wish to sell today, go ahead and ask for your dream price, it could happen, but be prepared to give due consideration to lower offers you receive. We saw this with the number of lots sold below their estimate this week, indicating high estimates, but low reserves. These sellers aimed high, but listened when they learned they would need to lower their expectations if they wanted to sell. We’ve seen a similar dynamic in private sales this year with some good offers declined by sellers who later, upon further consideration, chose to accept the offer; in most cases the offer disappeared after it was declined the first time.

SALE CATEGORY COMPARISON

Though the top-valued lot of the week was Monet, *Meules*, an Impressionist masterpiece, the Impressionist & Modern Art category was shy of the Contemporary Art category for the evening sales this week. Overlooking the Impressionist & Modern Art peak one year ago in May 2018, which was due to Christie’s massive sale of the Peggy and David Rockefeller collection, both categories appear to be steadily creeping upward, remain below 2014-15 levels.



ARTICLES RELATED TO THE MAY 2019 IMPRESSIONIST & TWENTIETH CENTURY ART AUCTIONS:

- <https://www.wsj.com/articles/investor-speculation-grows-in-art-auctions-11557780259>
- <https://news.artnet.com/market/christies-impresionist-modern-auction-1544419>
- <https://www.nytimes.com/2019/05/13/arts/design/christies-auction-cezanne-newhouse.html>
- <http://www.artnews.com/2019/05/16/christies-postwar-contemporary-2/>
- <https://www.wsj.com/articles/jeff-koonss-rabbit-sculpture-sells-for-91-million-11557970798>
- <https://www.nytimes.com/2019/05/15/arts/jeff-koons-rabbit-auction.html>
- <https://www.bloomberg.com/news/articles/2019-05-16/steel-rabbit-by-koons-sells-for-record-91-million-at-auction>
- <http://www.artnews.com/2019/05/16/philips-nets-99-9-m-at-contemporary-art-evening-sale-led-by-10-2-m-de-kooning/>

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