

**The Latest Market Trends in Impressionist & Twentieth Century Art
October 2020, New York**

Following the June-July 2020 auctions, which delivered strong results, albeit in a narrow band of works by star artists, with decorative appeal and artistic quality, and against the low expectations of the first art market test of the COVID economy, the most recent October auctions of Impressionist, Modern, Post-War and Contemporary Art, were highly successful on the surface, but belied a thinning market. Christie's, and especially Sotheby's, brilliantly managed their small sales through guarantees, low reserve prices, and withdrawn lots, making the most of what the market had to offer. The message of the season was that the market is alive for those who need it, especially for works of the highest quality, but better to wait to sell while looking out for buying opportunities.

This was only the second season of the auction houses' transition to a hybrid format with a live auctioneer and an online audience. It has been largely successful, but with shortcomings. Most problematically, it doesn't suit Impressionist & Modern Art, which, relative to Contemporary Art, is smaller in format, more traditional in subject, and often doesn't translate as well onto a small screen. Further, the collector base is generally more conventional, long accustomed to traveling for the sales events, and may be more reluctant to participate from afar.

Increased Fees for Buyers

As of September 21, 2020, Christie's quietly raised their buyer's premium to 25% of the hammer price up to \$600,000, plus 20% of the hammer price from \$600,001 to \$6,000,000, and 14.5% of the hammer price over \$6,000,000.

For comparison, on August 1, 2020, Sotheby's added an "overhead premium" of 1% of a lot's hammer price, in addition to their buyer's premium, which presently stands at 25% of the hammer price up to \$400,000, 20% of amounts in excess of \$400,000 up to and including \$4,000,000, and 13.9% of in excess of \$4,000,000.

We find these buyer's commissions brazenly high, especially considering that they coincide with major cost-cutting measures like the elimination of paper catalogues, reduced staff counts, and minimal marketing. Is this what it takes to keep Christie's and Sotheby's alive? Longer term, it could be an Achilles heel for the duopoly should a viable competitor emerge with lower costs and lower commissions for comparable offerings.

AUCTION SUMMARY

<u>CHRISTIE'S - October 6th, 2020</u>	<u>SOTHEBY'S - October 28th, 2020</u>
<p><u><i>Impressionist & Modern Art Results from the 20th Century Evening Sale</i></u></p> <ul style="list-style-type: none"> - Sale total: \$126,217,500 - % sold by lot: 77% (20/26 lots) - % sold at a hammer price above the high estimate: 12% (3/26) - % sold at a hammer price within the estimates: 50% (13/26) - % sold at a hammer price below the low estimate: 15% (4/26) 	<p><u><i>Impressionist & Modern Art Evening Sale</i></u></p> <ul style="list-style-type: none"> - Sale total: \$141,075,600 - % sold by lot: 100% (36/36 lots) - % sold at a hammer price above the high estimate: 17% (6/36) - % sold at a hammer price within the estimates: 25% (9/36) - % sold at a hammer price below the low estimate: 58% (21/36)
<p><u><i>Contemporary Art Results from the 20th Century Evening Sale</i></u></p> <ul style="list-style-type: none"> - Sale total: \$182,786,500 - % sold by lot: 89% (25/28 lots) - % sold at a hammer price above the high estimate: 3% (1/28) - % sold at a hammer price within the estimates: 54% (15/28) - % sold at a hammer price below the low estimate: 32% (9/28) 	<p><u><i>Contemporary Art Evening Sale</i></u></p> <ul style="list-style-type: none"> - Sale total: \$142,840,700 - % sold by lot: 95% (39/41 lots) - % sold at a hammer price above the high estimate: 24% (10/41) - % sold at a hammer price within the estimates: 46% (19/41) - % sold at a hammer price below the low estimate: 24% (10/41)

CHRISTIE'S, 20TH CENTURY EVENING SALE – OCTOBER 6TH, 2020**Consolidated Departments, Thin Bidding**

Over the summer, Christie's announced they would combine their Impressionist & Modern Art and Post-War & Contemporary Art evening sale departments into a single 20th and 21st Century Art team, which produced this autumn's sale of 20th Century Art. After four significant lots were withdrawn, together estimated at \$28.6-42.8 million, and likely due to low interest, Christie's offered 26 lots of Impressionist & Modern Art and 28 lots of Post-War & Contemporary Art, plus a fossilized Tyrannosaurus Rex skeleton named Stan, which sold for \$31.8 million, the second highest price of the sale. Consolidating a season's most important lots into a marquee sale is a logical move for the times, but being overshadowed by fossils, may work against the Impressionist & Modern Art market longer term. While several big prices were attained, the sale lacked for the colorful, decorative, commercially appealing works that soared in the summer sales leaving it with reasonable results and few surprises for somewhat ordinary and fully priced offerings. Altogether, 13 of the lots offered sold for hammer prices below their low estimate, 28 sold within estimate (though five lots, totaling \$88 million with buyer's premium hammered at their low estimate), and just five lots exceeded their high estimate. Paired with limited depth of bidding seen across the sale, we're left to conclude that, broadly speaking, the market for 20th century art offered at 2019 prices felt thin.

Impressionist & Modern Art: Logical Results, but Few Great Works on Offer

Christie's assembled a decent group of Impressionist & Modern Art, and in keeping with the success of their ONE sale in July, there was little discount on the estimates. Amidst the pandemic, this was no small feat, but consequently the results lacked excitement, even with two lots topping \$20 million. Picasso, *Femme dans un fauteuil* from 1941 was chased by two bidders and sold for \$29.6 million with buyer's premium, a logical price for a large-scale portrait of Dora Maar. Cézanne, *Nature morte avec pot au lait, melon et sucrier* appears to have sold to its third-party guarantor for \$28.7 million, a discount to the standard buyer's premium. This was a new record for a work on paper by Cézanne and was attained despite serious condition issues. No other Impressionist & Modern Art lots exceeded \$10 million. Six Impressionist & Modern Art lots were guaranteed by third parties. Aside from Stan the T-Rex, some of the most enthusiastic bidding of the sale was directed at Renoir, *Vase d'anémones*. The richly colored floral still life was chased by at least four bidders and sold for \$2.8 million with buyer's premium, significantly over its \$800-1.2 million estimate.

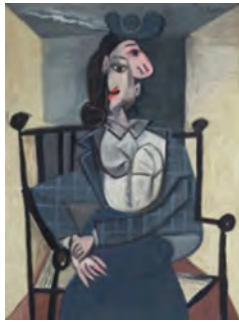
Renoir, *Vase d'anémones***Post-War & Contemporary Art: Big Prices Fell Shy of Even Bigger Expectations**

The top three Post-War & Contemporary Art lots offered came from the collection of Revlon chairman Ronald Perelman and all exceeded \$20 million. The evening's top lot was Twombly, *Untitled (Bolsena)* from 1969 which hammered at its low estimate of \$35 million, or \$38.7 million with buyer's premium. A somber late Rothko, *Untitled*, from 1967, hammered below its \$30-50 million estimate bringing \$31.3 million with buyer's premium. De Kooning, *Woman (Green)* hammered at its low estimate of \$20-30 million, selling for \$23.3 million with buyer's premium. Pollock, *Red Composition*, was being sold by the Everson Museum in Syracuse, New York to fund new acquisitions of art by women and artists of color. The only work by Pollock in the museum's collection, it hammed at its low estimate of \$12 million, apparently going to the third-party guarantor who paid \$13 million including buyer's premium, a \$1.1 million discount to Christie's standard buyer's premium. Four Post-War & Contemporary Art lots were guaranteed by third parties and two by Christie's themselves.

Experimenting with the Livestream Experience

Unlike Christie's \$420 million ONE sale of 20th Century Art held in July with four auctioneers in four sale locations, October's 20th Century evening sale was held in New York at the traditional time of 7pm, a simpler format, though one that possibly limited the enthusiasm of global participants unable to travel to the sales. To increase the novelty of the livestreamed sale (no clients were present in the saleroom as a precaution against the spread of COVID-19), Christie's added a pair of commentators in Richard Lloyd, a prints specialist, and Bonnie Brennan, a chairman of business development, along with bursts of downtempo music, and increased ambient noise, presumably with the aim of better approximating a lively saleroom experience. Christie's also ventured away from the traditional November sale date to hold their main autumn event on October 6th, giving the November 3rd U.S. Presidential election a wide berth and in consideration of ongoing uncertainty around the pandemic.

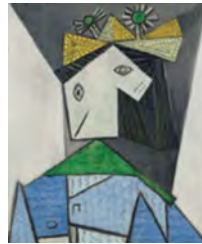
Top Impressionist & Modern Art Lots, Christie's, 20th Century Evening Sale



Picasso
Femme dans un fauteuil
Sold for:
\$29,557,500
Estimate: \$20-30m



Cézanne
Nature morte avec pot au lait
Sold for:
\$28,650,000
Estimate on request (\$25m)



Picasso
Femme au chapeau
Sold for:
\$9,520,000
Estimate: \$8-12m



Lempicka
Deux amies
Sold for:
\$9,405,500
Estimate: \$6-8m



Nolde
Herbstmeer XVI
Sold for:
\$7,344,500
Estimate: \$6-8m

Top Post-War & Contemporary Art Lots, Christie's, 20th Century Evening Sale



Twombly
Untitled (Bolsena)
Sold for:
\$38,685,000
Estimate: \$35-50m



Rothko
Untitled
Sold for:
\$31,275,000
Estimate: \$30-50m



De Kooning
Woman (Green)
Sold for:
\$23,260,000
Estimate: \$20-30m



Pollock
Composition
Sold for:
\$13,000,000
Estimate: \$12-18m



Stella
Benjamin Moore Paintings
Sold for:
\$8,833,000
Estimate: \$8-12

SOTHEBY'S, IMPRESSIONIST & MODERN ART EVENING SALE – OCTOBER 28TH, 2020

Strong Results, Even Better Sale Management

Sotheby's Impressionist & Modern Art Evening Sale achieved an impressive-under-any-circumstances “white glove” sale selling 100% of the 36 lots offered. An accomplishment indeed, and no less given that they published their online catalogue just over a week prior to the sale, allowing bidders little time to consider let alone examine the offerings. We wonder if the late publication of the catalogue, along with travel restrictions, related to what appeared to be staggeringly little participation from Asia—it's difficult to get excited about a painting you or your trusted advisor haven't seen. Nevertheless, the auction was successful due to excellent sale management on the part of the Sotheby's team through withdrawn lots, low reserves, and third-party guarantees. Three lots were withdrawn ahead of the sale meaning failure on the block would not impact the sold rate, though one of these, Giacometti, *Femme de Venise IV*, estimated at \$14-18 million and guaranteed by Sotheby's, was sold privately for an undisclosed sum. Notably, 21 lots, or 58% of the sale, sold for hammer prices below the low estimate showing that Sotheby's specialists did a remarkable job of convincing sellers to lower their reserve prices. This further indicates that Sotheby's estimates were too high in most cases.

Third Parties and Sotheby's Guarantee Over Half the Sale

After a slew of last-minute third-party guarantees were announced in the saleroom, most of which had been converted from guarantees directly by the auction house, a hefty 19 lots were backed by third parties and two more were guaranteed by Sotheby's. It appears six third-party guarantors received a discount to the full price with standard buyer's premium indicating they bought the lot, whether they pursued it above the guarantee price or not. Another five third-party guaranteed lots sold below their low estimate with minimal bidding, suggesting these were acquired by the third-party guarantor, albeit with no apparent discount negotiated.

Sale Highlights: Giacometti Sculpture & An Exceptional De Chirico

The top lot of the sale was Giacometti, *Femme Leoni* which sold for \$25.9 million including buyer’s fees, a strong price, bolstered by the withdrawal of the other Giacometti in the sale which was sold privately, and the presale announcement of Sotheby’s sale of Ronald Perelman’s 9-foot-tall Giacometti, *Grande Femme I* which reportedly carried a \$90 million reserve and minimum bid price in a confidential and sealed private bidding process. De Chirico, *Ariadne’s Afternoon* exemplified the market nucleus of masterpieces that sell well today. Attaining \$15.9 million with buyer’s fees, it established a new record for the artist, well deserved for an art historically groundbreaking work of the highest quality.

The Magritte Market

Demand for Magritte has been strong over the past few years with the top nine auction prices all achieved since 2017, but by pitching poor subjects with high estimates, Sotheby’s risked taking the oxygen out of what’s been a remarkably positive market. This October, Sotheby’s offered four Magritte oil on canvas paintings of varying quality and price. Three sold for hammer prices below their low estimates and the fourth hammered at its low estimate.

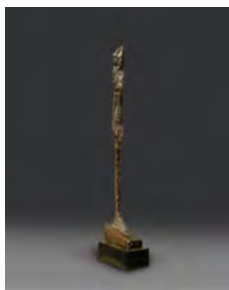
Success for Decorative Works with Attractively Low Estimates

Bonnard’s sweet and decorative painting *La chevelure d’or* hammered at its high estimate of \$3.5 million, or \$4.3 million with buyer’s fees. Mary Cassatt’s Degas-influenced *The Sun Bath, With Three Figures* exceeded its high estimate of \$2.5-3.5 million, hammering at \$3.6 million, \$4.4 million with buyer’s fees. Picasso’s attractively estimated *Le Peintre I* hammered for \$2.35 million, over its \$1-1.5 million estimate, reaching \$2.9 million with buyer’s fees.

A Positive Message for the Market

Beyond a fully sold auction and some strong prices for good works, Sotheby’s sent the message that the Impressionist & Modern Art market is alive for those who must or desire to sell now. While \$141 million was a modest sale total relative to the past few years, it was more than double Sotheby’s New York’s \$62.8 million Impressionist & Modern Art sale in June of this year, and if you add the private sales of the withdrawn Giacometti, *Femme de Venise IV*, estimated at \$14-18 million, and the sale of Giacometti, *Grande Femme I* for upwards of \$90 million, the total would be more typical, even for non-pandemic times.

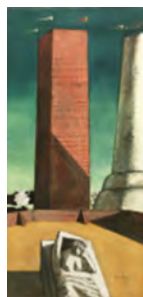
Top Lots, Sotheby’s, Impressionist & Modern Art Evening Sale



Giacometti
Femme Leoni
Sold for:
\$25,916,400
Estimate: \$20-30m



Van Gogh
Fleurs dans un verre
Sold for:
\$16,007,300
Estimate: \$14-18m



De Chirico
Ariadne’s Afternoon
Sold for:
\$15,890,400
Estimate: \$10-15m



Magritte
L’Ovation
Sold for:
\$14,052,000
Estimate: \$12-18m



Man Ray
Black Widow
Sold for:
\$5,779,200
Estimate: \$5-7m

SOTHEBY’S, CONTEMPORARY ART EVENING SALE – OCTOBER 28TH, 2020

Major Museum Withdrawals and an Unsold Rothko

Sotheby’s opened its evening sale of Contemporary Art with the announcement that five works had been withdrawn from the sale including the Baltimore Museum of Art’s Brice Marden, *3*, estimated at \$10-15 million, and Clyfford Still, *1957-G*, estimated at \$12-18 million. The museum’s proposed deaccession of these works, along with their Warhol, *The Last Supper*, valued at \$40 million, aroused controversy and conflict between the institution and their board as well as the Association of Art Museum Directors. After these substantial withdrawals and the failure of Rothko, *Untitled (Black on Maroon)*, estimated at \$25-35 million, the sale totaled \$142.8 million, the lowest a major Sotheby’s New York Contemporary Art evening sale has seen since May 2011.

Despite Setbacks, A Well-Managed Sale

Regardless of these disappointments, it was a well-managed sale with just two unsold lots and 50% of the sold lots selling for hammer prices within their estimates. 19 of the 41 lots offered carried irrevocable bids from third parties, eight of which list a final price with a discount to the standard full price with buyer’s fees, implying that these went to the guarantor, although guarantors aren’t always remunerated in this way. Another four lots were guaranteed by Sotheby’s themselves.

Highlights: Design and Matthew Wong

Ultimately, the evening’s top lot was not a painting or sculpture, but a trio of Alfa Romeo concept sports cars offered as a single lot and sold for \$14.8 million with buyer’s fees. The lot hammered at \$13.25 million, below its estimate of \$14-20 million and seems to have sold to its guarantor who received a discount to the full buyer’s premium. A dining table designed by Carlo Mollino offered by the Brooklyn Museum was pursued by at least five bidders above its estimate of \$2-3 million to a hammer of \$5.15 million, or \$6.2 million with buyer’s fees. As with all of his works recently offered at auction, the late Matthew Wong’s *Dialogue* was chased by several bidders; estimated at \$200-300,000, it hammered at \$1.37 million, \$1.7 million with buyer’s fees.

Top Lots, Sotheby’s, Contemporary Art Evening Sale



Alfa Romeo
B.A.T. 5, 7, 9D
Sold for:
\$14,840,000
Estimate: \$14-20m

Calder
Sumac 17
Sold for:
\$8,307,000
Estimate: \$6-8m

Basquiat
Black
Sold for:
\$8,134,650
Estimate: \$4-6m

Stella
Untitled
Sold for:
\$8,077,200
Estimate: \$5-7m

Basquiat
Jazz
Sold for:
\$6,928,200
Estimate: \$4-6m

PRIVATE SALES & THOUGHTS FOR THOSE CONSIDERING SELLING

The Private Market is Alive, but Cautious

From what we’ve witnessed in the past month of auctions, what we’ve heard, and from our experience, there remains demand for the best works at high but justifiable prices. However, the number of buyers at the loftiest levels are few. For most works, now is not the best time to sell, and we would remain cautious, but the market is alive for those who need or want it.

As Auctions Face Challenges, Private Sales Have Advantages

Given the challenges in today’s art market, the pendulum is swinging towards private sales and away from auction as the more advantageous approach to selling and buying, especially for works of high quality but which may be less commercial. For example, at Sotheby’s, we felt Man Ray’s exceptional cubist *Black Widow (Nativity)* from 1915 could have reached a higher price if sold privately—it hammered at \$4.8 million, below its \$5-7 million estimate, or \$5.8 million with buyer’s fees. The risk of disappointment if not failure at auction is high, and guarantees come at a cost to the seller. The risks can be more carefully managed through a targeted private selling approach, but the same principals apply: you can be bold with the pricing of a masterpiece, if you’re willing to listen to the market’s response, but for anything less, prices must be conservative or will work against the seller.

MUSEUM SALES

Updated Standards for American Museum Sales

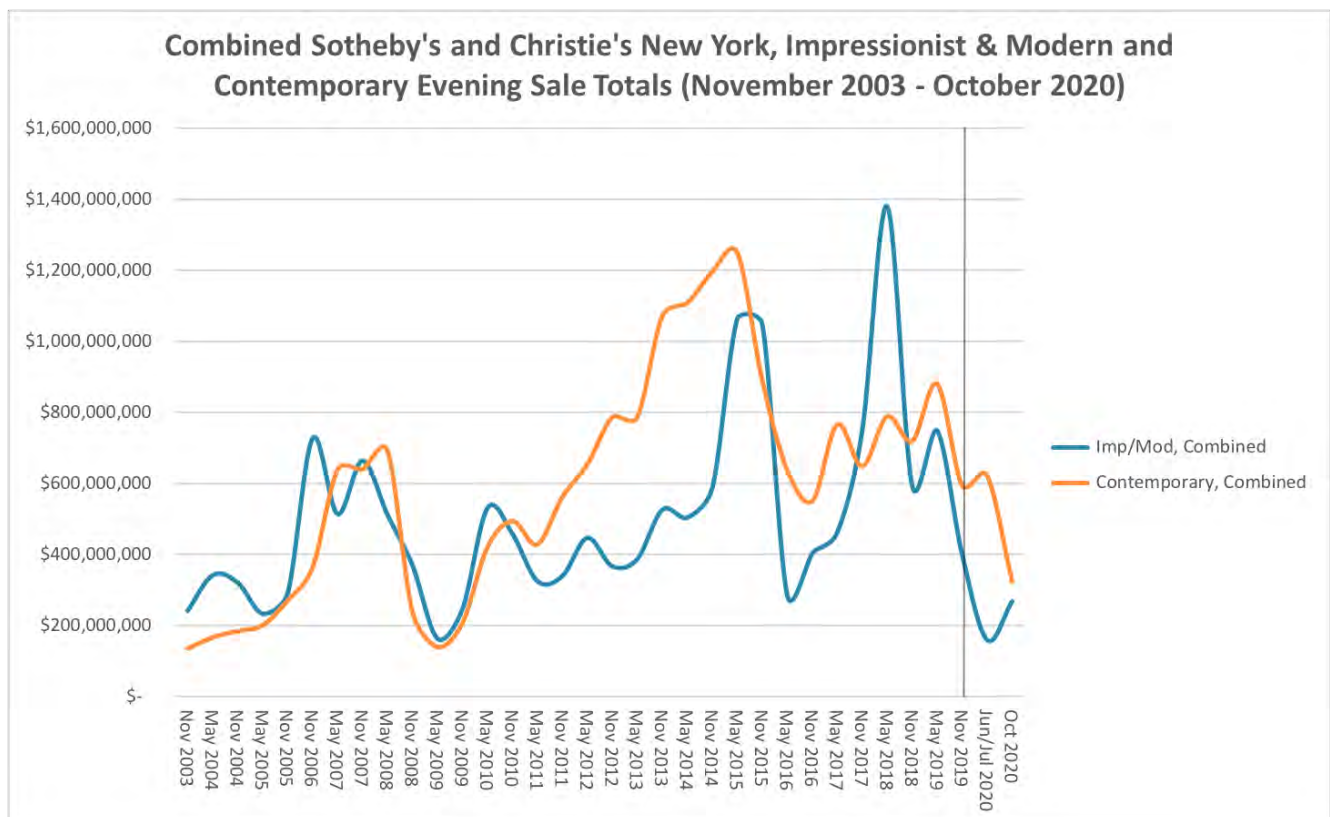
Prior to the pandemic, the sale of art by museums was largely restricted to raising funds for new acquisitions. In April, the Association of Art Museum Directors, which promotes ethical practices within the field, relaxed their museum sale standards for the next two years such that funds from deaccessioned works can also be applied to direct care of existing collections.

Museum Deaccessions this Fall

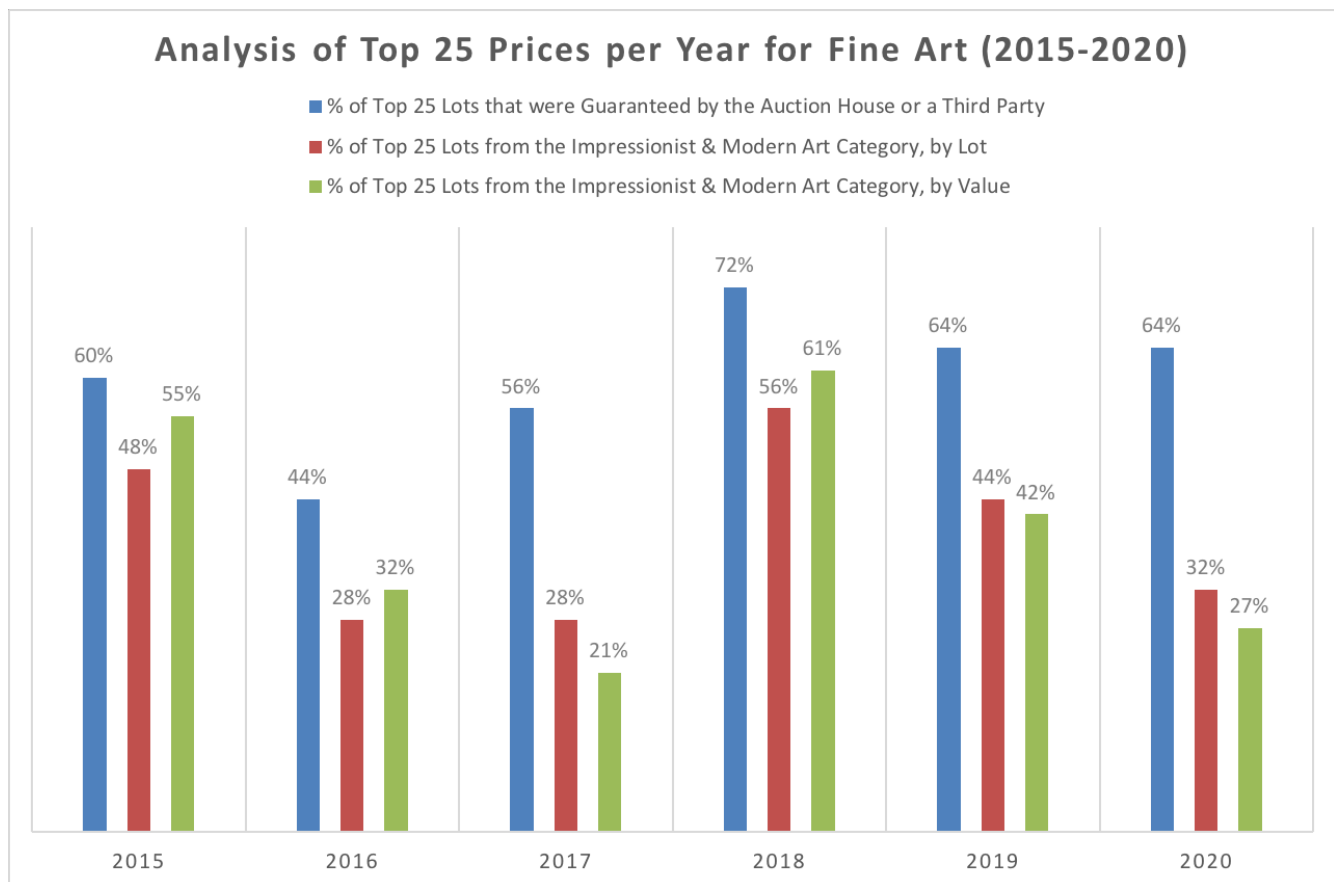
This fall, the financially strained Brooklyn Museum offered seven works in Sotheby’s New York evening sales (and five more elsewhere), which totaled nearly \$20 million to support the care of the museum’s collections. The ostensibly more financially secure Baltimore Museum of Art, however, provoked considerable ire over its decision to deaccession three Contemporary Art canvases by Clyfford Still, Andy Warhol and living artist Brice Marden, who had donated his work to the museum, together estimated at \$65 million. The controversy rested primarily on the reasons for selling which included creating an endowment that would free up budget for staff-wide pay increases. Elsewhere, the United Kingdom’s Royal Opera House sold Hockney, *Portrait of Sir David Webster*, commissioned from the artist in the 1970s, for £12.9 million (\$16.8 million) at Christie’s London to shore up its budget. In addition to these, and the aforementioned Pollock sold at Christie’s, a number of smaller institutions auctioned works this fall including the Indianapolis Museum of Art at Newfields in Indiana, the Modern Art Museum of Fort Worth in Texas, The Laguna Art Museum of California, the Montclair Art Museum in New Jersey, and the Springfield Museums of Massachusetts. It is telling of the state of many privately funded museums that after eight months of intermittent lockdown, they are already finding themselves needing to sell in order to maintain their collections and keep their doors open. Museums were some of the key consignors this season, and we anticipate seeing more deaccession in the near future.

SALE CATEGORY COMPARISON

The following chart shows the New York evening sale category totals for Impressionist & Modern Art and Contemporary Art at Christie’s and Sotheby’s since November 2003. Significant last-minute withdrawals from both Christie’s and Sotheby’s New York, along with fewer than typical lots offered, contributed to reduced sale totals.



AN ANALYSIS OF THE TOP 25 PRICES FOR FINE ART EACH YEAR, 2015-2020



ARTICLES RELATED TO THE RECENT IMPRESSIONIST & TWENTIETH CENTURY ART AUCTIONS:

<https://news.artnet.com/market/will-museum-deaccessions-keep-trending-upwards-amid-relaxed-guidelines-1913011>

<https://www.theartnewspaper.com/comment/a-flood-of-art>

<https://www.wsj.com/articles/the-family-feud-behind-a-32-million-t-rex-named-stan-11603309221>

<https://news.artnet.com/market/christies-london-to-paris-october-2020-1917577>

www.artmarketmonitor.com/2020/10/06/280000-viewers-watch-christies-live-streamed-evening-sale-featuring-rothko-twombly-and-a-t-rex-make-341-m/

www.artmarketmonitor.com/2020/10/09/some-wanted-christies-live-stream-to-be-more-serious-but-the-341-m-sale-wasnt-playing-around/

<https://news.artnet.com/market/christies-evening-october-2020-1913623>

<https://www.theartnewspaper.com/news/sotheby-s-28-october>

<https://news.artnet.com/market/sothebys-giacometti-sealed-bid-sale-1917102>

<https://www.artnews.com/art-news/market/following-baltimore-museum-withdrawals-giacometti-van-gogh-lead-sothebys-284-m-october-sale-1234575321/>

<https://www.nytimes.com/2020/10/30/arts/design/baltimore-museum-brooklyn-art-auction-sothebys.html>

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