

COMMENTS ON THE ART MARKET

VOLUME 152

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

Upcoming Shows

Next up for us is the Baltimore Summer Antiques Show which runs from August 22 – 25, 2013. This is usually a pretty interesting event with close to 600 exhibitors. We plan on displaying a nice cross section of 19th, 20th and 21st century works of art. Included will be paintings by Corot, Dupré, Jacobsen, Knight, Munier, Vlaminck, Bauer, Bell, Combes, Davenport, Harris, Hollingsworth, Lovett, O'Neill, South, Swatland, Stobart and many others ... we hope to see some of you there.

There is a link to a complimentary ticket on the Upcoming Exhibitions page of our web site.

Rehs Contemporary – Julie Bell by: Alyssa

Over the past year and a half our contemporary gallery has tripled its roster and as the years go on we plan to continue growing and bring new talents to the gallery and our clients/friends. One particular component that has truly sparked our growth is our daily involvement with social media. Our freshly designed website allows visitors to browse effortlessly through our pages and our blog brings a new element to the evolution of our business. Up-to-date entries are shared instantly through all varieties of social media. Facebook, Twitter and LinkedIn are updated with our "Paintings of the Day" and news articles about the art world. It is with these forums we now have a chance to converse with almost anyone, hear their thoughts on our current/sold inventory and state of the market, as well as show us their talents. And with these new talents brings us our newest member of the ever growing Rehs Contemporary Family, Julie Bell.

Born in 1958, Julie began her career as a fantasy artist. Her outstanding skill has given her opportunities to work with major international corporations like, Nike, Coca-Cola and the Ford Motor Company. She has created fantasy book covers for over 100 publications, video-game covers for Sega, multiple album covers for Meat Loaf and even trading cards for the superheroes of Marvel and DC.

In 2000, Bell began a series of paintings featuring animals (wolves, horses, lions, etc.) in a more realistic manner and we are pleased to have her works at the gallery to present to the public; a selection is featured on our web site.

Really!? by: Amy

Dali - Most artists use a variety of mediums throughout their creative lifetime, but Salvador Dali may be considered one of the most diverse artist of all time. We all know Dali created paintings and sculpture, in addition, he wrote four books, designed furniture, fashion and jewelry. In a recent auction, a 1950's diamond set watch brooch, catalogued as *after Salvador Dali*, titled *The Eye of Time (El Ojo Del Tempo)* sold far above the high estimate (£8,000-£12,000) as a private American buyer, with a really "keen eye," paid £93,000 (\$142K with the buyer's commission) The brooch was created with diamonds, blue enamel

and platinum with a single cabochon ruby in the left corner, as well as a 17-jewel Movado watch movement. Dali said of this piece: "Man cannot change or escape his time. The eye sees the present and the future."

Alemaný & Ertman, New York, produced limited editions of the original jewels, including another example of *The Eye of Time*, now in the personal collection of Queen Sophia of Spain. The original jewels created by Dali are now on permanent exhibition at the Fundacio Gala-Salvador Dali.

Mercedes - For car enthusiasts, I know there are a few of you out there; automotive history was made when the car that took five-time champion Juan Manuel Fangio to the second of his Formula 1 world titles achieved a record-breaking figure of £19,601,500 (US\$29.6M). The auction house claims it is a new record for a car sold at auction, as well as a record for any F1 and for any Mercedes-Benz, beating the previous record of £10,086,400 set by a Ferrari in 2011. However, Fangio's W196 isn't the most expensive car sold; a private sale in 2012 saw a 1962 Ferrari 250 GTO raced by Stirling Moss sell for \$35M ... really?? For a car?? Must be a guy thing!!! ☺

Awards - And the piece that gets a gold medal this month for really exceeding its estimate is a simple George III silver medallion that sold after an incredible bidding battle. The medallion was a last minute entry to the sale, consigned by a local firm representing an estate; all the documentation detailing its descent in the family since the first half of the 19th century was included. The medallion was molded from a silver disc (under 2 in across) and struck with the maker's mark *WB* and bright cut with foliage and inscribed on one side *The Reward of Merit* and the other side with *Obtained by P. Baker for the greatest progress in arithmetic at Mr. Berry's Academy June 1818*.

Estimated at £60-80, it had considerable pre-sale interest from both UK and US clients, as well as from the relatives of the deceased based in the UK, who were hoping to hold onto the family heirloom. But expectations that it might be sold for a few hundred pounds proved wrong as two American bidders - one on the telephone and the other online - exchanged blows for a full five minutes, running the item up to £11,000 (\$17K).

The medal will be making its way into a huge collection of 4000 presentation medals in the USA, which includes a section devoted to school reward medals.

So there you go...another month of auction records and prices that really blew past their estimates! ☺

Stocks

Well, maybe last month was the pause before the next assault on record levels! By the end of July we were at 15,500 (last month we ended at 15,024). I am also pleased to inform you that not once, during the month, did I listen to a stock report ... and no withdrawals!!

In addition, I did not check my portfolio all month ... so these numbers are actually from the close of business on August 1! Oh, the ups and downs relate to last month's close. Among my favorites are Altria (\$35.54 Up), JP Morgan (\$56.54 Up), Emerson (\$62.55 Up), Chevron (\$126.44 Up), Exxon (\$92.73 Up), GE (\$24.62 Up), Berkshire B (\$117.28 Up), AT&T (\$35.72 Up), VOD (\$30.35 Up), Verizon (\$50.01 Down), Wal-Mart (\$78.22 Up) and Coke (\$40.57 Up), DuPont (\$58.45 Up) and a new one Lowes (\$46.57 Up and in the black!!). As a matter of fact, every serious stock I own is currently in the black (remember, I still have 20M shares of SNRX which are worthless)!

Tales from the Dark Side

Dwayne Robert Kershner – this 51 year old Sonoma, California, antiques dealer was arrested on June 5 for passing bad checks, possession of drugs, fiduciary elder abuse, financial fraud and, at the time of his arrest, for resisting arrest. Mr. Kershner was operating the Front Door Antiques consignment shop and seems to have failed to pay some of his consignors, or gave them bad checks. Hummm ... wonder how that could have happened. Was it due to greed, drug abuse ... or maybe both?

Glafira Rosales – this name should be very familiar to all of you by now. She is the woman who sold all the fake paintings to/through Knoedler. Well, on May 21 she was arrested for filing false tax returns and for failing to disclose foreign bank accounts to the IRS. Rosales did not report at least \$12.5M she earned from the sale of the fake paintings ... kind of funny when you think about it. She made all that money selling fake works and now the IRS got her for not paying taxes on the ill gotten gains. As the old Blondie song says – one way or another I'm gonna find ya ... I'm gonna getcha getcha getcha!

Stephan Stoyanov Gallery – Jane B. Holzer has sued the gallery after a complex 'like kind exchange' transaction which included works by Kelley, Colen (the bubble gum artist) and Prince seems to have gone wrong. You need to read this one for yourself.

Radu Dogaru – who was arrested in January, is accused of stealing 7 works (including paintings by Monet, Matisse, de Haan and Freud) on October 16, 2012 from a Dutch museum. He, along with two accomplices, deactivated the alarm system, broke through an emergency door and were gone in under 2 minutes. The stolen works made their way to Dogaru's mother's home in Carcaliu (a remote village in Romania). Well, once Mama Dogaru heard that the paintings would be used as evidence against her son she did what any law abiding mother would do ... she burned the evidence! Remember - a mother loves her children even when they least deserve to be loved (Kate Samperi).

The Art Market

Well, July saw the auction rooms continue their assault on the market and once again the results proved that there is just too much mediocre merchandise hitting the market; however, when the right works appeared fireworks erupted.

The Old Masters – London by: Lance

The month began with the Old Master sales at both Sotheby's and Christie's, and while they are not our bread and butter, we like to give our readers a glimpse into all areas of the art market.

Up first was a modest evening sale at Christie's on July 2nd. The sale brought in a total of £23.85 million (\$36.28 M) with just 36 of the 52 lots selling (69%). These numbers work out to roughly £663K per lot sold (slightly over \$1M). The major work in the sale, *The Molo, Venice, from the Bacino di San Marco* by Canaletto, was the top lot and sold for £8.46M (\$12.87M) effortlessly surpassing its estimate of £4-6M (\$6-9.1M). Taking second was Sir Peter Paul Ruben's, *Head of a bearded man in profile holding a bronze figure* (now that is a creative title!), which sold for £1.7M (\$2.65M) on an estimate of £1.5-2.5M (\$2.28-3.8M). The third spot was a work by Lucas Cranach I entitled, *Christ on the Cross*, which went for £1.14M (\$1.73M) on an estimate of £500-800K (\$760K-\$1.2M).

The following night saw Sotheby's Old Master sale and the results were far better than their counterpart. Selling 79% of their lots (37 sold/47 offered) and generating £35M (\$53M) -- falling just short of the high end of the sale estimate. This works out to approximately £946K per lot sold (\$1.4M). The top lot here was *Saint Dominic in Prayer* by El Greco, selling for £9.15M (\$13.9M – est. £3-£5M / \$4.54M-\$7.58M) which is an auction record for a Spanish Old Master. In second was a work by Claude-Joseph Vernet entitled, *A view of Avignon*, which sold for £5.35M (\$8.1M – est. £3-£5M / \$4.54M-\$7.58M) and was a record for the artist at auction. Taking third was another work by El Greco and oddly enough it is also called *Christ on the Cross* (same title as the number three lot in the Christie's sale). This work sold for £3.44M (\$5.2M) on an estimate of £3-£5M (\$4.54M-\$7.58M).

Between the two Evening sales just over £58M (\$89M) worth of art was sold and when we add in the day sales totals of £9.6M (\$14.6M) we hit a week's total of £67.6M (\$103M). Now, when we left off last month we needed another \$400M to hit the \$1 Billion mark ... so they fell a bit short of that lofty goal. But wait, maybe the 19th century sales would fill the gap – not!

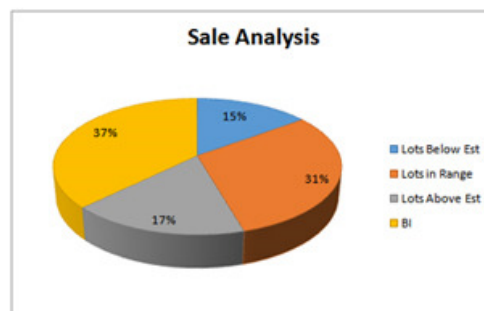
More from the 19th Century

Something Strange is Going on Here by: Lance

It should be no surprise to anyone that the auction houses always try to make their results seem impressive... even when they are not. This past month, something strange caught my eye when reviewing the results from Bonhams' 19th Century Sale of paintings, drawings & watercolors. Now, I do a more in depth analysis of 19th Century sales because we like to keep a close eye on the market that we deal in. Before I get into reviewing the sale, let me tell you what goes into the analysis. First I total the low estimates and the high estimates of each lot to obtain the pre-sale estimate range (this is usually provided by the auction house but, I prefer to do it myself). Next, I check each lot's selling price compared to its pre-sale estimate range to determine if a work sold above, below, or within the range (yes, this is as tedious as it sounds). Finally, I tally up the number of lots that sold above, the number that sold below, the number within the estimate range; as well as, the number of lots that did not sell --- commonly referred to as Bought In (BI). So you have an idea of what this information looks like, here is the actual data from the Bonhams' 19th Century Sale:

	Low Estimate	High Estimate	Sale Total	Sale Total + After Sales	Sale Total w/Prem
Pre-Sale Estimate	£2,499,000.00	£3,594,000.00	£2,189,500.00	£2,393,280.00	£2,891,305.00

Sale Analysis				
Lots Below Est	Lots in Range	Lots Above Est	BI	WD
20	41	23	50	0
14.93%	30.60%	17.16%	37.31%	0.00%
62.69%			37.31%	
100.00%				



Typically, my analysis would only include the Low Estimate, High Estimate and the Sale Total (not including the premium); the latter of which you can see is highlighted in red, meaning it was below the pre-sale estimate range. As I said earlier, there is something strange going on; Bonhams' published results did not match up with my figures and their official press release from Charles O'Brien states: "With 80% of lots sold and a sale total of just under £2.8 million, we were thrilled with the result yesterday." What else was I to do but figure out where these numbers came from? Well, it seems that Bonhams sold a number of lots after the sale and thought they could just plug them into the published sales results to boost their final numbers ... sneaky, sneaky, sneaky! When we add in these "after sale" sales (with the buyer's premium), it brings the total to £2.89M (\$4.39M – highlighted in yellow) and gives a sell-through rate of 72%, so the numbers released are still a bit off and I cannot imagine that Bonhams was actually "thrilled" with the results. Sorry Charlie!

In any event, let's get on with the ACTUAL results from the lots that were sold during the actual auction (prices shown are without the buyer's premium). The top lot in the sale was Sir Edward John Poynter's *The Ionian Dance* which was the featured lot and brought £250,000 (\$380K - est. £300-400K/\$460-610K) falling £50,000 short of its low estimate. In second was Grimshaw's *Glasgow docks*, bringing £170,000 (\$258K - est. £150-200K/\$230-300K) and taking third was *Out into the dark and silence* by Stanhope Alexander Forbes at £150,000 (\$228K - est. £120-180K/\$180-270K). Aside from the top lots, there was a work by William Bartlett which soared past its £7-10K (\$11-\$15K) estimate to hammer at £70,000 (\$106K) ... an impressive number!

It appears this was just another typical summer sale featuring some good, some ok and some not-so-good Victorian, Dutch, Swiss, Orientalist, Neo-Classical, etc. works of art. The reality is, the sale had no "star" lot, only sold 63% of the works during the sale and fell short of the low estimate. Just a little more fuel for the – there are too many sales fire!

Victorian & British Impressionist – Another One Hit Wonder
by: Howard

This past month's sale of Victorian and British Impressionist works at Christie's once again illustrated my point that there are far too many mediocre works of art coming to the market and buyers are being very selective. However, like all the recent sales, when the right work/works appear with the right estimates, in the right condition, amazing results can be achieved. This was another sale that falls into my category of: what a difference a painting can make.

Taking the top position here was a large watercolor by Burne-Jones – *Love Among the Ruins* – that sold for an over-the-top price of £13.2M (£14.8M/ \$22.1M - with commissions) and crushing its £3-£5M estimate. Even more interesting is the fact that there were 4 or 5 bidders at the £10M level! In second was Millais' *Sisters* at £2M (£2.3M/\$3.4M – with commissions), just making its £2-£3M estimate and in third was Leighton's sculpture *An Athlete Wrestling with a Python* which made £410K (£494K/\$735K – with commissions), beating its £250-£350K estimate ... all three were auction records. Rounding out the top five were Millais' *Portrait of Lady Campbell* at £400K (£482K/\$728K with commission – est. £400-£600K) and Arthur Wardle's *A Fairy Tale* at £280K (£482K/\$728K with commission – est. £150-£200K) ... the latter making another auction record.

Along with these great results were a number of works that did not find homes; these included Armstrong's *A Girl Watching a Tortoise* (est. £150-£250K), Landseer's *Merry Trick & Mark Hall...* (est. £200-£300K), Watts' *Portrait of Laura Gurney...* (est. £60-£80K), Lady Butler's *To the Front...* (est. £70-£100K), Herring Senior's *The Gamekeeper's Shack...* (est. £60-£100K), Ansdell's *Going to the Lodge...* (est. £100-£150K) and other works by Riviere, Sharp, La Thangue, Munnings, Harvey and Seago (they had 10 Seagos in the sale and 4 were unsold – just too many for one summer sale).

Of the 123 works offered only 71 sold (57.7%) and the total take was an amazing £19.36M (£22.2M, \$33.5M, with the buyer's commissions) – the presale estimate range was £10.1-£15.6M. According to the auction room, this was their highest total ever for this category. Digging a little deeper we find that the top 10 works brought £17.2M (£19.5M with commissions) or about 90% of the sale's total. In addition, the number one lot – Burne-Jones's *Love Among the Ruins* – accounted for 66.9% of the sales total ...like I always say, what a difference a painting (in this case a watercolor) can make.

Now I know they are all excited about the overall results for this sale, but let's be real; without the Burne-Jones this sale would have fallen far short of expectations. Removing that one lot from the sale would have resulted in a presale estimate range of £7.2-£10.6M and the sale would have grossed £5.2M.

Again, it is really time to trim the fat and reduce the number of sales. Fewer, smaller and stronger sales are the way to go.

The Rehs Family

© Rehs Galleries, Inc., New York – August 2013

Gallery Updates: For the month of August we are open Tuesday – Thursday from 10 am – 5:30 pm. And if you are in the Baltimore area between the 22nd and 25th, please stop by our booth.

Web Site Updates: We have added a number of new pieces to the site, a few of which are shown below:

Recent Additions



Justin Wood
Beer & Peanuts: 14" x 11"



Ansel Adams
Bridalveil Fall: 19 1/4" x 14 3/4"



Timothy Jahn
Berrytini: 10" x 8"



Julie Bell – *Secrets* – 24" x 24"



Julie Bell
Alpha Wolf – 17 ¾" x 23 ¾"



Ben Bauer
Day Break in Rural Minnesota – 20" x 24"



Guy Combes – *Breaking Cover* – 22" x 36"

Next Month: Not sure ... but we are thinking!