

COMMENTS ON THE ART MARKET

VOLUME 201

Rehs Galleries, Inc.
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FIRST --- Our thoughts and prayers go out to all who are suffering from the devastating effects of Hurricane Harvey. These natural disasters seem to be coming more frequently and with greater ferocity.

Gallery Hours for September

Please note that the gallery will be open Monday – Thursday 10:00 am – 5:30 pm and all other times by appointment.

Really!
By: Amy

The heat of the summer is coming to an end way too quickly, but the collectibles market just keeps getting hotter! The hottest item I found this month was a bottle of McDonald's Szechuan sauce that was auctioned off on eBay. The sauce, created for dipping McDonald's McNuggets, was available in packets for a short time while McDonald's was involved in a promotion for the 1998 Disney movie Mulan. The sauce had been all but forgotten about... until recently when Adult Swim (part of the cartoon network) aired the first new episode (since 2015) of the cartoon Rick & Morty. At the end of this episode, Rick, a mad scientist, goes on a rant for McDonald's to bring back the Szechuan McNugget Sauce. After that episode, fans began demanding that McDonald's bring back the sauce and seizing the opportunity for some publicity, McDonald's did ... well, sort of. They sent the creators of Rick and Morty a 64-ounce bottle of the sauce and launched a giveaway of 3 additional bottles...one of those bottles popped up on eBay. When the auction ended, it seemed that it sold in excess of \$15K, but the buyer with the winning bid never paid up. As a result, the second highest bidder (DJ deadmau5) is now the proud owner of the sauce. While we do not know exactly what he paid for this rare condiment, it must have been a blazing figure! I really hope DJ deadmau5 enjoys his McNuggets!

Speaking of Disney ... well, Disneyland (which, in my opinion, is one of the hottest and happiest places on earth to take your family) also made headlines. Recently a presentation map, created in 1953 by Walt Disney and Herb Ryman was sold. The map was used to secure funding for the original Disneyland Park in California. It was one of nearly 1,000 Disney artifacts auctioned and even though it fell short of the \$900K estimate, after the magical bidding frenzy ended, the map sold for \$709K; it is believed to be the most expensive Disneyland map ever sold – really!

This next item is electrifying – an original cover by Robert Crumb for his *Zap Comix #1* (1968). Crumb had become a well-known figure of the late 1960s counter-culture and the Zap comic was going to be his first venture into publishing. As this cover was very controversial, Crumb decided not to use it on his first issue, and went with something tamer to introduce his character Mr. Natural. This Zap cover was one of several pieces consigned by Graham Nash (of Crosby, Stills, Nash and Young) who has been an avid collector of comic book art and believes that this Zap cover is an important piece in Crumb's journey as an artist. It was expected to make \$100K but the bidding was so intense, the price jolted to \$526K!! Robert Crumb's work has been in high demand, supported by the sale of his Fritz the Cat cover art (1969) which sold earlier this year for \$717K!!

Since we recently returned from a show in Nantucket, I found this interesting item - a scrimshaw whale's tooth that was carved by Edward Burdett in the early 1930s. This piece shows a scene of the William Tell capturing a whale while another ship, the George and Susan, looks on from close by. On the reverse side is the whaleship the William Thompson. In addition, there is an inscription that reads, "Engraved by Edward Burdett of Nantucket Onboard the Ship William Tell." It is believed that he did about 20-30 pieces, but only were six are signed. Burnett was serving as a first officer on the Nantucket whale ship Montano and as the ship chased a harpooned whale, Burnett became tangled in the line and was pulled overboard; his body was never recovered. He died at the young age of 27 and therefore, there are very few examples of his work. The bidding started at \$100K and

there were 5-6 bidders until it hit \$220K, then it came down to just two. It finally sold for \$456K, an auction record for any scrimshaw – really!!

Tales from the Dark Side

By: Alyssa

The Metropolitan Museum of Art had an unfortunate month -- on two separate occasions, they had to forfeit important artifacts to the DA's office. According to reports, a 2,300-year-old marble bull's head sculpture and a vase dating from the same period were flagged as possible looted objects by museum researchers. It is believed that the marble sculpture may have been stolen from Lebanon during the civil war of the 1980s; while the immaculate kept vase, depicting Dionysus, god of the grape harvest, riding a cart pulled by a satyr, may have been stolen by grave robbers in Italy in the 1970s.

According to an article in the New York Post, Zurich America (on behalf of Christie's auction house) is suing Delta Airlines for serious damages caused to a Gerhard Richter painting the auction room was shipping from New York to California. Allegedly, while the million-dollar work was in transit, it sustained \$2.6 million worth of damage, which significantly decreases the value of the work....at least it wasn't traveling United 😊.

Paris police are searching for two men that stole 15 mosaic works by the street artist know as Invader. According to The Art Newspaper, two men dressed in yellow jackets, claiming to be hired by the city of Paris, dismantled works from the exterior walls, packed them in a Mercedes, and drove off. Several onlookers photographed the men which hopefully will aid in identifying the thieves. As the works have called Paris home for 10 or 12 years and have been accepted by the building owners, this case is being treated as a robbery.

An update from October 1, 2016 – Volume 190:

Most days my mom and I will walk down to our favorite lunch spot one block west on 57th street. On the way, we pass Metropolitan Fine Arts & Antiques and wonder how such a large store with such unimpressive “trinkets” manages to pay the hefty rent on one of Manhattan's most expensive blocks. This month's news gave us some insight... Read the complete original story on our website.

Well, recently the New York Post reported that *Samuel Morano, 49, of Metropolitan Fine Arts & Antiques Inc., copped to one count of felony illegal commercialization of wildlife and his brother, Irving Morano, 47, pleaded guilty to one count of misdemeanor illegal commercialization of wildlife in exchange for no-jail sentences, according to the Manhattan district attorney's office.* As part of their sentence, the defendants forfeited about \$4.5 million worth of ivory seized during last October's investigation and were ordered to pay \$2,000 to NY State Department of Environmental Conservation, \$100,000 to the Wild Tomorrow Fund and another \$100,000 to the World Wildlife Fund.

Stocks

By: Howard

This was sure one busy show month for us. From the end of July through the end of August we attended three shows ... so there wasn't much time to keep an eye on the stock market. However, that did not stop me from checking in on the last day to see what happened.

On August 31, the Euro closed at \$1.191 (a slight gain); the Pound dropped - \$1.29; Crude fell -- closing at \$47.09, and Gold kept soaring – closing at \$1,326.5. Oh yes, the DOW ... we opened the month at 21,891 and closed at 21,948 ... ok, not much, but it was still a gain.

With a 50 plus point gain (remember last month it was up over 500 points) I was not expecting much ... and that is what I got, not much! JP Morgan (\$90.89 – down 91 cents), Exxon (\$76.33 – down \$3.71 - yuk), GE (\$24.55 – down \$1.06), AT&T (\$37.46 – down \$1.54), Verizon (\$47.97 – down 43 cents), Wal-Mart (\$78.60 – down \$1.92), Coke (\$45.55 – down 29 cents), DuPont (\$83.93 – up \$1.72 – finally something moving in the right direction), Merck (\$63.86 – down 2 cents), Disney (\$101.20 – down \$8.73 – NO!), Intel (\$35.47 – down 40 cents), Apple (\$164 – up \$15.27 – REAL NICE), Apache (\$38.37 – down \$11.11 – I am selling that one), and Microsoft (\$74.77 – up \$2.07). Of the 14 stocks listed, 11 were down and 3 were up --- the exact opposite of last month! I think I will forget about August.

The Art Market

Thoughts and The Sales

By: Howard

Finally, things have calmed down in the public arena ... well, at least for the month of August they did. I am going to take this opportunity to give you my thoughts and impressions of the past season.

Overall, the art world appears to be moving along, with a few exceptions, at a more normal pace ... the frenzy we experienced a few years ago seems to have subsided, at least for the moment. Buyers are taking a little more time to think about the works they are considering and in the end, that is a good thing. When there is a great rush to 'get that painting', prices seem to escalate much too quickly and when things cool off a bit, there are always people left 'holding an expensive bag'. Now, when that bag is a Hermes Birkin that might not be so bad (women do love those bags and are always willing to pay big bucks to have them); however, when it is a Lucien Smith (in May of 2014 his *Mystic Pizza*, painted in 2012, sold for \$149,000 and resold in March of 2017 for \$53,000) or a Damien Hirst (*Lullaby Winter* sold in 2007 for \$7.4M and resold in 2015 for \$4.6M) it can hurt!

The auction rooms have been feeling the slowdown and that was most evident when Sotheby's reported its second quarter earnings. While revenue was up more than 5% to \$314.9M, net income fell 14% from the previous year to \$76.9M ... and, of course, their stock has suffered – falling from \$56.76 to \$44.13 over the past 30 days. About 1 week ago, the auction room announced it is going to raise the buyer's premium – I guess it is their way to trying to improve the bottom line. I am still struggling with the fact that it always seems to be the buyer that pays more ... never the seller. Let's face it, the auction rooms are working for the seller. Maybe they need to start focusing on their expenses and stop giving away so much ... in order to get some of those top lots they often need to give the seller part of the buyer's commission; or they bring in a 3rd party guarantor who gets part of the action.

Since the beginning of the year we have covered a lot of ground ... from Old Master to 19th Century to Impressionist to Contemporary. For the balance of this article, I am going to stick with what I know best, the 19th century.

Over the past season, I covered 11 sales devoted strictly to 19th century works. Sale sizes ranged from 39 to 123 lots and the sell-through rates were between 52 and 79.5% - a wide range. There were 943 works offered for sale and 623 sold (66%). The top five sales were all had a sell-through rate in the 70% percent range:

Orientalist – 39 works offered, 31 sold – 79.5% - well, that was a really small and strong one.

19th century European & Orientalist – 123 offered, 93 sold – 75.6% - much bigger, but also strong.

Victorian, Pre-Raphaelite & British Impressionist – 65 offered, 47 sold – 72.3% - not bad.

Victorian, Pre-Raphaelite & British Impressionist – 117 offered, 84 sold – 71.8% - pretty close.

19th century European – 70 offered, 49 sold – 70% - just squeaked in!

What we found is that good quality, fresh to the market, works were in demand at many price levels and among the top sellers were:

Hammershoi's *White Doors, Strandgade 30* - £1.45M (\$1.87M)

Sohlberg's *From Værvågen, The Fisherman's Cottage* - £1.21M (\$1.53M)

Waterhouse's *Isabella and the Pot of Basil* - £1.157M (\$1.49M)

Opiz's *The Arrival of the Mahmal at an Oasis en Route to Mecca* - £945K (\$1.2M)

Moore's *Topaz* - \$1.15M

Godward's *Julia* - \$1.09M

The interesting part about this is that there has been a push in the press to make us believe that the British Victorian market is all but dead. Well, Waterhouse, Moore and Godward are all British Victorian artists ... so while all the artists are physically dead, their market is not.

I will continue to emphasize that people need to look past the surface of a sale to understand why it did, or did not, do well. The auction rooms are having a tough time finding truly fresh material (we saw that upwards of 38% of the works in one sale had been on the market in the past 10 years, with some of the works appearing more than once during that time). In addition, their estimate ranges were wrong far more than they were right. I can only assume that there is some serious competition between the two big rooms and sellers are playing one

against the other. I can tell you that many times, pushing for a higher estimate will only backfire. These days, having a work not sell is a really bad thing! Other factors that need to be taken into account when trying to understand specific prices are condition, subject matter, size and period ... all very important parts of the equation and things most people tend to overlook.

Where the market goes from here is anyone's guess and as we have seen over the years, nothing is a guarantee. What we do try to stress is that if you acquire art for its beauty (regardless of the style), over the years you will derive great appreciation from it and hopefully some monetary appreciation as well. Like my father always said: art is one of the few things that can appreciate while you appreciate it!

The Gallery

By: Lance

While things may have slowed down for the summer at the auction houses, we've been keeping up the pace. To be honest, this year has been pretty busy for us... so while we did a bit of reflecting on this year's auction results, I thought we could also give a little recap with what has come and gone through the gallery so far in 2017.

A number of our biggest contemporary artists have moved some major works this year... Early on, Timothy Jahn's largest painting to date, *Red Handed*, found a buyer, along with sizable works by Ben Bauer and John Stobart. Bauer went on to sell a total of three large works in the first half of 2017, while another major Stobart was placed into a private collection in that same period. Anthony Mastromatteo's work started gaining some significant traction too - more than 50 of his 1x1 inch paintings have been snatched up along with a set of 9 12x12 inch paintings... most recently his large work, titled *The Other (no. 2) Amazonamachy*, found a new home. Our biggest movers on the year include: Erik Koeppel, who's seen 6 works pass through the gallery including one major work; Mark Daly, with more than a dozen works finding buyers; fifteen David Palumbo paintings have sold, including *Revealing*, the centerpiece from Skin & Tonic (and the cover of American Art Collector's April issue); and the biggest winner so far... Stuart Dunkel with 26 works and coming in a close second is Todd Casey with 25.

On the 19th Century side of things, we also saw some serious action... Two major works by Julien Dupre along with two incredible landscapes by Emilio Sanchez-Perrier, passed through the gallery early on in 2017. We also saw excellent examples of work by Wegmyr, Perrault, and Vibert get snatched up by private collectors. As many of you probably already know, we've also had great success with Parisian street scenes... more than 10 works by Blanchard and an astounding 32 works by Edouard Cortes have found new homes.

The most encouraging part of it all is that the pool of collectors coming to us is so diverse... a number of the sales this year have been to first time buyers who are just starting out their collections, while a handful have been placed into significant American collections. Whether they are new to the game or a seasoned veteran, young or old, one thing is for certain... they love great art.

The Rehs Family

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Gallery Updates: The gallery is open Monday through Thursday during the month of September and all other times by appointment. We are also getting ready for our upcoming ARC Select show which will open at the gallery on October 28th ... this is going to be an impressive exhibit featuring works by Emanuele Dascanio, Marc Scheff, Daniel Gerhartz, Sergio Lopez, Tim Rees and Vanessa Lemen. Please check our press release (on the press page) for more info and a few images!

Web Site Updates: We also added and/or sold paintings by: Palumbo, Mastromatteo, Casey, Dunkel, Koeppel, Daly, Vibert, Berthelsen, Kluge ... along with many more paintings by Blanchard & Cortes. Below is a small selection of the recent additions:

TRADITIONAL



Edouard Cortes
Soir d'Hiver



Edouard Cortes
Place de la Republique



Antoine Blanchard
Avenue des Champs-Elysees

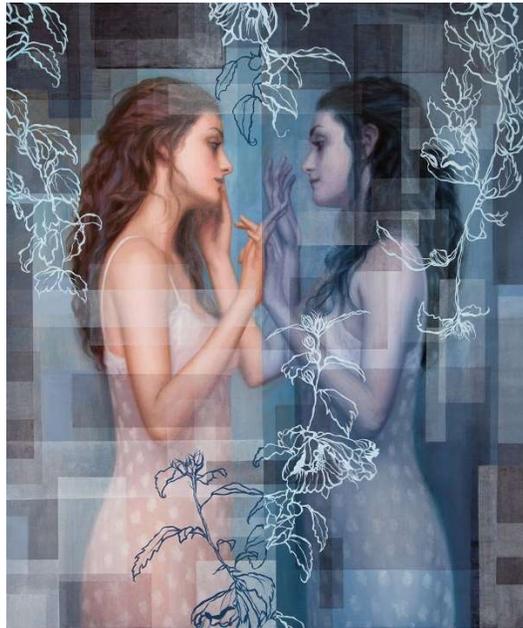
CONTEMPORARY



Anthony Mastromatteo
A City Upon a Hill



Dorian Vallejo
One Design of the Vivacious Many



Dorian Vallejo
Our Lives We Share



Mark Daly
The Angelique, Morning Sun



Ken Salaz
Rainbow in the Desert - Catalina Mountains near Tucson



Ken Salaz
Catskill Sunset - 9.2.16

Next Month: We shall see.