

February '10

2010 Auction Analysis [us & european]

Back in Business?

The first contemporary art auctions of 2010 yielded results so strong that one may be mistaken that it was 2007. Total Volume for all three auction sales was £84,644,000, which is a 230% improvement from February 2009. The average auction price came in at £538,642, 72% higher than last year's February sale.

Another impressive aspect of the sales was; that of the 173 lots offered for sale at Sotheby's, Christie's and Phillips evening sales, only 14 lots failed to find buyers, which equates to only 8% of all lots bought in. This is a significantly more positive result than the 25% bought-in rate registered in February 2009.

The overall ArtTactic Auction Indicator also reflects the positive change in confidence, with the first positive reading (Indicator above 50) since February 2007. The current Auction Indicator stands at 59, a signal that the market is picking up steam and that the expectations of sellers, as well as buyers, are being met.

Sotheby's outperformed both Christie's and Phillips in terms of total value raised. The Sotheby's sale produced a record breaking sold lots percentage of 96% with only 3 lots unsold. They beat Christie's in terms of total volume, although the Sotheby's were putting up 77 lots for sale, against Christie's 51. Christie's achieved a higher average price per lot of £721,916, against Sotheby's £630,257. Christie's bought-in rate was 9.8%.

The Sotheby's sale was aided by the inclusion of rare and highly sought after pieces from the collection of Anna and Gerhard Lenz, Austrian based collectors who focused on artists from the Zero movement in the 1950s and 60s. Out of the 47 pieces from the collection 19 broke artist's records for price achieved at auction. Also 44 out of the 47 lots (93%) sold above the average estimate, with certain lots selling for 5 to 10 times their average estimate.

Overall the sales of last week showed that the market continues to recover from the downturn in 2009.

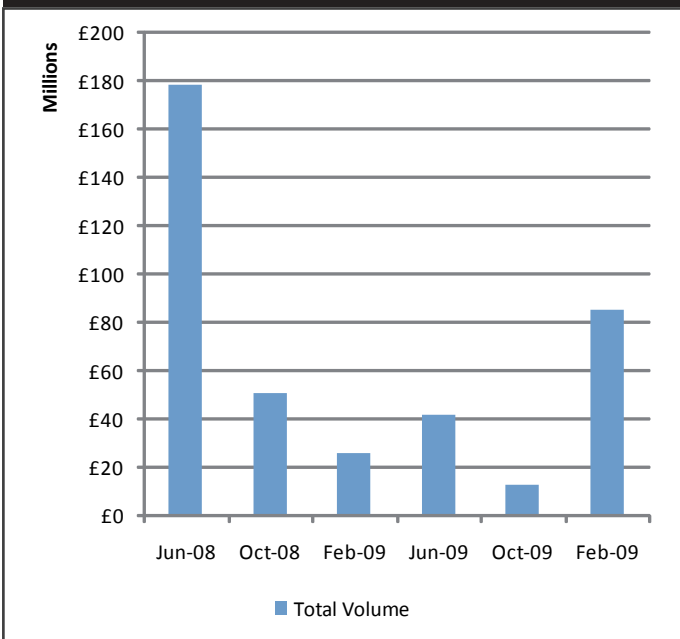
Comparison of Sotheby's, Christie's, and Phillip de Pury's February 2010 performances

	Sotheby's	Christie's	Phillips de Pury
Volume (excl. Premium)	£46,639,000	£33,930,000	£5,075,000
Low Estimate	£32,277,000	£26,220,000	£5,080,000
High Estimate	£45,166,000	£37,110,000	£7,310,000
Number of lots	77	52	43
Unsold Lots	3	5	6
Average Price (excl. Premium)	£630,257	£721,915	£137,162
Bought-ins	4%	10%	14%
Above Mid-Estimate	56	26	15
Below Mid-Estimate	16	19	22
ArtTactic Auction Indicator	78	58	41

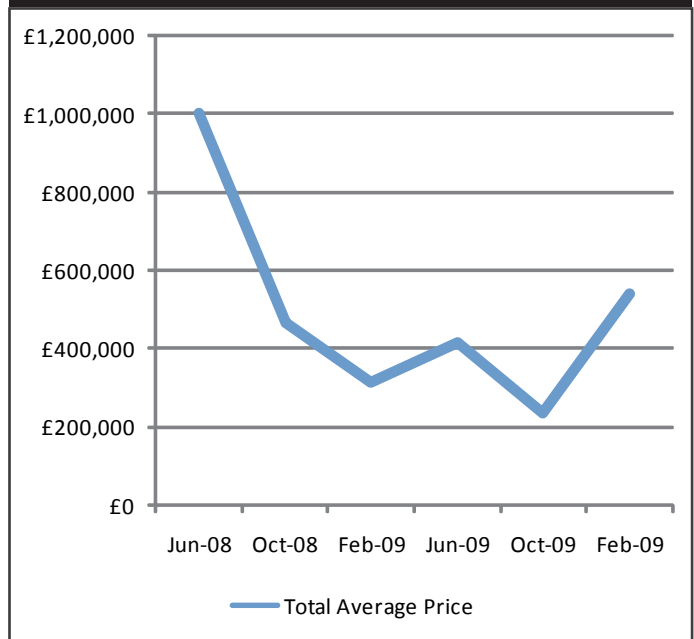
Top 10 Prices and Top 10 Price/Estimate - February 2010

Artist	Price	Auction House	Artist	Price/Estimate	Auction House
Yves Klein	£5,200,000	Christie's	Matthew Day Jackson	14.29	Christie's
Yves Klein	£3,650,000	Christie's	Frank Auerbach	12.71	Sotheby's
Willem de Kooning	£3,500,000	Sotheby's	Herman de Vries	10.80	Sotheby's
Yves Klein	£2,900,000	Sotheby's	Gerhard von Graevenitz	8.80	Sotheby's
Lucio Fontana	£2,700,000	Sotheby's	Adolf Luther	8.00	Sotheby's
Peter Doig	£2,500,000	Sotheby's	Christian Megert	6.50	Sotheby's
Piero Manzoni	£2,500,000	Sotheby's	Heinz Mack	5.67	Sotheby's
Lucian Freud	£2,500,000	Sotheby's	Gunter Ueker	5.60	Sotheby's
Lucio Fontana	£2,400,000	Sotheby's	Enrico Casrellani	5.13	Sotheby's
Martin Kippenberger	£2,250,000	Christie's	Turi Simeti	5.00	Sotheby's

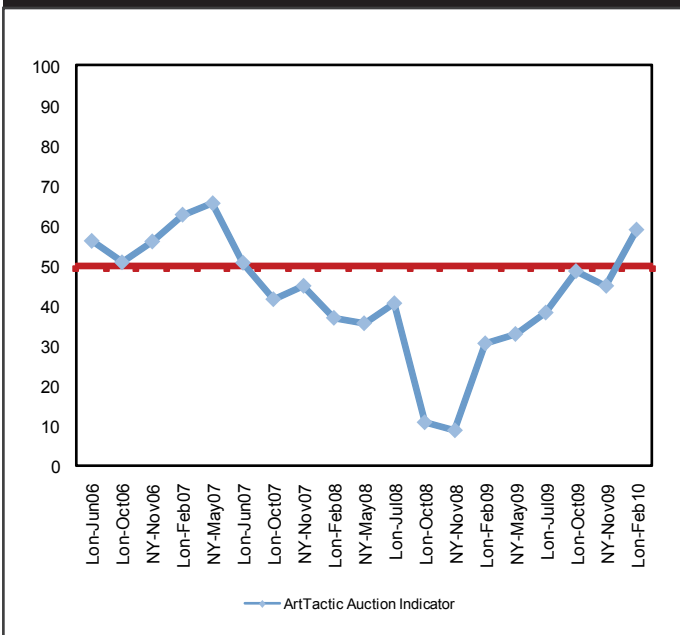
Total Evening Sales in GBP (Sotheby's, Christie's, Phillips)



Total Average Price in GBP (Sotheby's, Christie's, Phillips)



ArtTactic® Auction Indicator - February 2010



The ArtTactic® Auction Indicator analyses the relationship between the number of lots selling above the average estimate versus the number of lots selling below the average estimate. Indicator Value > 50 implies that there are more lots selling above the average estimate than below. This shows that there is upward pressure on prices in the market.

Another bubble? When one looks at some of the individual results of Frank Auerbach and Mathew Day Jackson, which were 10 and 13 times greater than their high pre-sale estimates, one can start to question whether we are again heading for a new period of euphoria. Or is it a symptom of the readjustment that has taken place in the market. Contrasting February 2007's top 10, which counted US blue chip names like Warhol, This year's Top 10 had a more European focus with artists such as Yves Klein, Lucio Fontana, Piero Manzoni, Lucian Freud, and Martin Kippenberger. The success of many of the European artists from the Lenz collection, could mean that we are starting to see a real shift in the type of artist that buyers are willing to pay top prices for.

A collective breath was exhaled by the art world last week. Confidence and expectation are back in the market and the upcoming May sales will show us the speed and direction of the market recovery.

[Sotheby's]

Fuelled by the inclusion of 47 artworks from the Property of the Sammlung Lenz Schönberg, Sotheby's enjoyed their second highest total for a London February Sale of Contemporary Art.

The 77 lot sale totalled £46,639,000 against an estimate of £32,277,000 – £45,166,00, marginally above the high pre-sale estimate. The result was 203% higher than February 2008. Even more encouraging, was this sale achieved 14% higher value than the New York November 2009 sale, a sale that despite being driven up the much publicised Warhol's *200 Dollar Bills* sale, was seen as real indicator of the contemporary art market's recovery. Therefore not only does this sale represent a great improvement in volume, but it also displays a healthier, well proportionate overall result, as no single lot dominated, to the same extent as in November 2009.

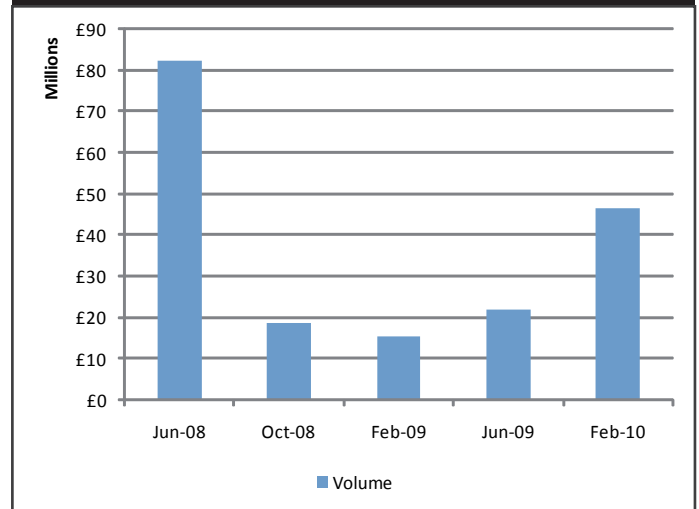
The Average Auction Price for Sotheby's was £630,257, a marginal 2% increase from February last year. The Sotheby's February sale achieved a high price-to-estimate ratio, and the ArtTactic Auction Indicator for Sotheby's jumped to 78, a figure that is well above the 61 level recorded at the peak of the market in July 2008. This figure has to be attributed to the success of the Lenz collection. If we look at the 30 lots that was not part of the collection, only 15 of these sold above the average estimate – giving us an ArtTactic Auction Indicator of 50, which is in line with Christie's evening sale. What it tells us is that the market is clearly willing to pay above market expectations for exceptional provenance.

The standout lot was the Frank Auerbach lot which, as mentioned, achieved £890,000 from an average estimate of £70,000.

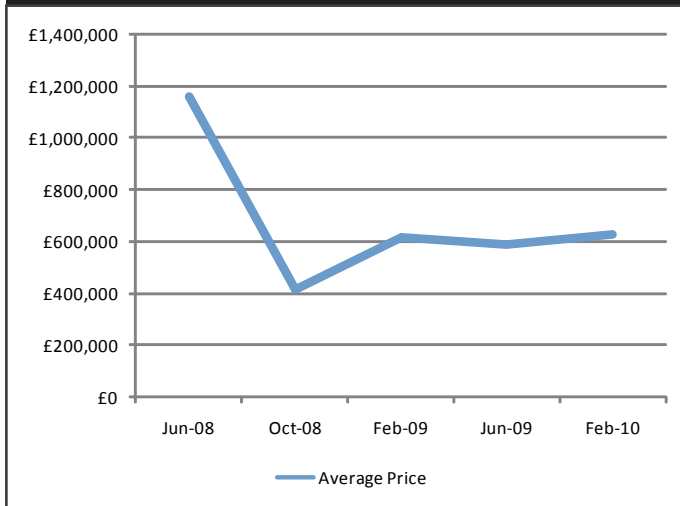
Top 5 Prices - Sotheby's Contemporary Evening Sale

Artist	Title	Hammer Price
Willem de Kooning	<i>Untitled XIV</i> (1983)	£3,500,000
Yves Klein	<i>F 88</i> (1983)	£2,900,000
Lucio Fontana	<i>Concetto Spaziale New York 26</i> (1962)	£2,700,000
Peter Doig	<i>Saint Anton (Flat Light)</i> (1995-6)	£2,500,000
Piero Manzoni	<i>Achrome</i> (1958)	£2,500,000

Total Volume - Sotheby's Contemporary Evening Sale



Average Price - Sotheby's Contemporary Evening Sale



ArtTactic® Auction Indicator - Sotheby's Contemporary Evening Sale



Looking at the below ArtTactic Auction Performance map, one can see that for first 47 lots a.k.a. the Lenz collection, the buying was rampant. Only 1 lot from the collection went unsold and even that was close, as lot 40: Arman's *Dosilasolfamiredo* stopped bidding at £120,000, £30,000 short of its low estimate.

The performance of lots 46 to 79 was slightly more patchy, but still 13 out of the 30 lots sold above the average estimate. The performance map shows the exceptional run of competitive bidding in room, an auction which ran for over 3 hours.

ArtTactic® Sotheby's Auction Performance Map - Evening Sale 10 February 2010

Lot 1 ↑ H. MACK	Lot 2 ↑ O. PIENE	Lot 3 ↑ G. UECKER	Lot 4 ↑ J.SCHOONHOVEN	Lot 5 ↻ Y. KLEIN	Lot 6 ↻ L. FONTANA	Lot 7 ↑ E. CASTELLANI	Lot 8 ↻ P. MANZONI	Lot 9 ↑ T. SIMETI	Lot 10 ↻ G. COLOMBO
Lot 11 ↻ P. DORAZIO	Lot 12 ↑ C. MEGERT	Lot 13,14,15 ↑ R. OPALKA	Lot 16 ↑ R. OPALKA	Lot 17 ↻ G.GRAUBNER	Lot 18 ↑ G.GRAUBNER	Lot 19 ↻ A. BONALUMI	Lot 20 ↑ E. CASTELLANI	Lot 21 ↻ Y. KLEIN	Lot 22 ↻ Y. KLEIN
Lot 23 ↻ P. MANZONI	Lot 24 ↑ J. VERHEYEN	Lot 25 ↻ J. VERHEYEN	Lot 26 ↑ G. UECKER	Lot 27 ↻ R. GIRKE	Lot 28 ↑ A. LUTHER	Lot 29 ↑ H. GOEPPFERT	Lot 30 ↑ C. MEGERT	Lot 31 ↑ G.VONGRAEVENITZ	Lot 32 ↑ G.VONGRAEVENITZ
Lot 33 ↑ P. BURY	Lot 34 ↻ J.R. SOTO	Lot 35 ↑ F. MORELLET	Lot 36 ↑ F. MORELLET	Lot 37 ↑ V. VASARELY	Lot 38 ↻ L. FONTANA	Lot 39 ↻ L. FONTANA	Lot 40 ↓ ARMAN	Lot 41 ↻ ARMAN	Lot 42 ↻ L. FONTANA
Lot 43 ↻ J.SCHOONHOVEN	Lot 44 ↑ H. DE VRIES	Lot 45 ↑ W. LEBLANC	Lot 46 ↑ J. VERHEYEN	Lot 47 ↑ A.LUTHER	Lot 48 ↑ P. MANZONI	Lot 49 ↑ G.UECKER	Lot 50 ↑ C. OFILI	Lot 51 ↻ P. DOIG	Lot 52 ↻ A.GORMLEY
Lot 53 ↻ L. FONTANA	Lot 54 ↻ B.PALERMO	Lot 55 ↻ G.RICHTER	Lot 56 ↻ E.RUSCHA	Lot 57 ↻ A. WARHOL	Lot 58 ↻ P. MANZONI	Lot 59 ↻ E.CHILLIDA	Lot 60 ↻ L. FONTANA	Lot 61 ↑ P. DOIG	Lot 62 ↑ F. AUERBACH
Lot 63 ↻ F. AUERBACH	Lot 64 ↻ L. KOSSOFF	Lot 65 ↻ L.FREUD	Lot 66 ↻ L. FREUD	Lot 67 ↻ L.FREUD	Lot 68 ↻ L.FREUD	Lot 69 ↓ L. FREUD	Lot 70 ↻ L. FONTANA	Lot 71 ↻ W.DE KOONING	Lot 72 ↻ A.GURSKY
Lot 73 ↻ B. VIOLA	Lot 74 ↻ M. KELLEY	Lot 75 ↓ M. BARCELÓ	Lot 76 ↻ D.HIRST	Lot 77 ↻ B.MILHAZES	Lot 78 ↻ S. SCULLY	Lot 79 ↻ A.KIEFER			

- - Lot sold for more than double it's average estimate
- - Lot sold for more than it's average estimate
- - Lot sold for it's average estimate
- - Lot sold under it's average estimate
- - Lot was unsold

[Christie's]

Christie's had no "warming up" advantages that Sotheby's enjoyed from Mr and Mrs Lenz's consignment but still produced a solid sale well within the pre-sale estimate. The total came in at £33,930,00, which was 129% more than November 2009, but below the high pre-sale estimate of £37,110,000.

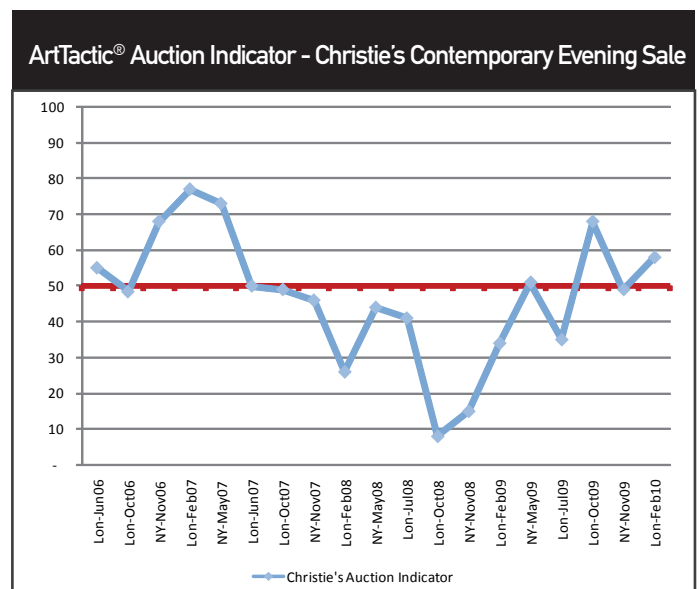
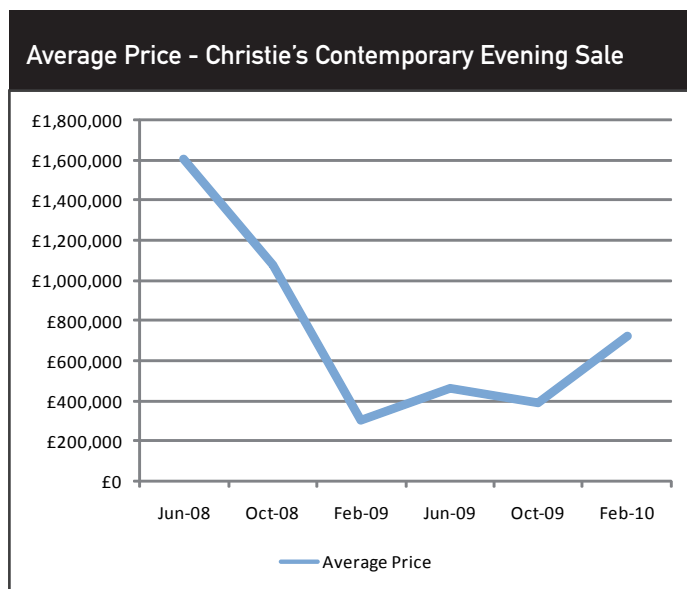
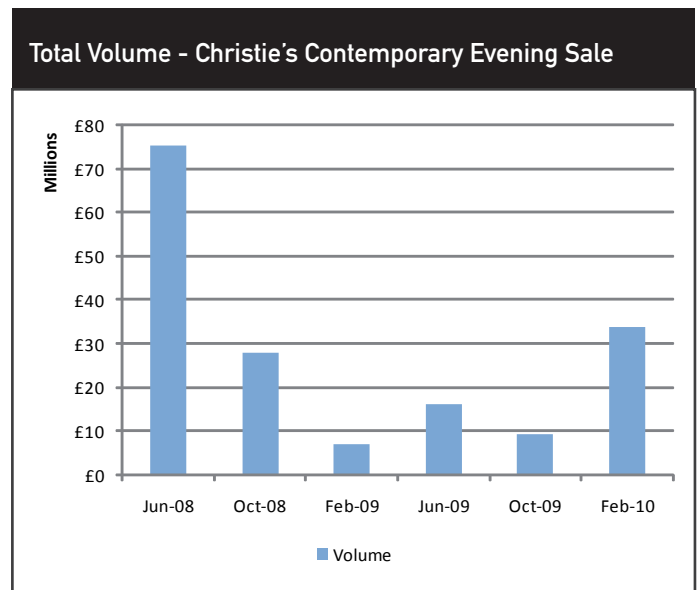
This result puts Christie's behind Sotheby's, but the sale still achieved the Top 2 lots in the form of Yves Klein's Relief éponge or (RE 47 II)(£5,200,00) and Anthropométrie (ANT 5)(£3,650,000). Furthermore Christie's achieved the higher Average Auction Price of £721,916, 15% higher than Sotheby's' £630,257.

Christie's ArtTactic Auction Indicator currently stands at 58, which is an improvement from November 2009's level of 49. The current level suggests there is certain equilibrium between sellers' buyers' expectations with more than half of the sale selling above the average estimate.

In fairness, if one looks at Sotheby's sale without the Lenz collection, the sale gives an Auction indicator of 50. That coupled with Christie's achieving the top 2 prices, suggests that the auction performed better on the more traditional lots.

Moving to the Performance Map, one can see that Christie's performance was not as overwhelmingly positive as Sotheby's. But none the less 26 out of the 52 sold at the high-end of the estimate or above, signaling that Christie's had a solid auction. The composition of the auction does not follow any significant pattern, and the success of the sale was based on a lot by lot basis.

Top 5 Prices - Christie's Contemporary Evening Sale		
Artist	Title	Hammer Price
Yves Klein	<i>Relief éponge or (RE 47 II) (1961)</i>	£5,200,000
Yves Klein	<i>Anthropométrie (ANT 5) (1962)</i>	£3,650,000
Martin Kippenberger	<i>Fliegender Tanga (Flying Tanga) (1982-3)</i>	£2,250,000
Andy Warhol	<i>Dollar Sign (1981)</i>	£2,000,000
Peter Doig	<i>Concrete Cabin West Side (1993)</i>	£1,800,000



ArtTactic® Christie's Auction Performance Map - Evening Sale 11 February 2010

Lot 1 M. DAY JACKSON	Lot 2 H. SUGITO	Lot 3 J. VASCONCELOS	Lot 4 GILBERT & GEORGE	Lot 5 GILBERT & GEORGE	Lot 6 M. KIPPENBERGER	Lot 7 P. DOIG	Lot 8 A. KIEFER	Lot 9 N. RAUCH	Lot 10 J. MUÑOZ
Lot 11 A. WARHOL	Lot 12 A. BOETTI	Lot 13 P. MANZONI	Lot 14 L. FONTANA	Lot 15 Y. KLEIN	Lot 16 Y. KLEIN	Lot 17 R. HAMILTON	Lot 18 R. LICHTENSTEIN	Lot 19 A. BOETTI	Lot 20 J. DU BUFFET
Lot 21 L. FONTANA	Lot 22 A. TÁPIES	Lot 23 A. LÓPEZ GARCÍA	Lot 24 A. TÁPIES	Lot 25 A. POMODORO	Lot 26 N. DE STAËL	Lot 27 N. DE STAËL	Lot 28 F. AUERBACH	Lot 29 F. AUERBACH	Lot 30 F. AUERBACH
Lot 31 G. BROWN	Lot 32 G. BROWN	Lot 33 P. DOIG	Lot 34 J. SAVILLE	Lot 35 D. HIRST	Lot 36 R. SHAW	Lot 37 P. REGO	Lot 38 R. B. KITAJ	Lot 39 S. SCULLY	Lot 40 A. KIEFER
Lot 41 A. KAPOOR	Lot 42 A. KAPOOR	Lot 43 A. KAPOOR	Lot 44 M. KIPPENBERGER	Lot 45 R. STINGEL	Lot 46 R. PRINCE	Lot 47 A. WARHOL	Lot 48 P. MCCARTHY	Lot 49 O. KAWARA	Lot 50 J. BALDESSARI
Lot 51 A. BOETTI	Lot 52 L. FONTANA								

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[Phillips de Pury]

Phillips Evening sale went for a much more cutting-edge approach, presenting artists and art works rarely seen at Sotheby's and Christie's. In terms of total sales, Phillips improved 35% from their November 2009 result. Their average price level saw an increase of 13% from November 2009 and a 37% increase from February last year.

Phillips ArtTactic Auction Indicator currently stands at 41, which is still below 50. But despite this, Phillips' sale last week saw an increase of 46% in the ArtTactic Auction Indicator, suggesting that the more cutting-edge contemporary art market is generating more demand.

The Phillips sale had two interesting characteristics. Firstly; household names will still sell such as Donald Judd, Jean-Michel Basquiat and Gerhard Richter. Secondly, the sale also saw a successful sale of lot 19, which was a stencilled print on an oil painting piece by Banksy. Many saw this

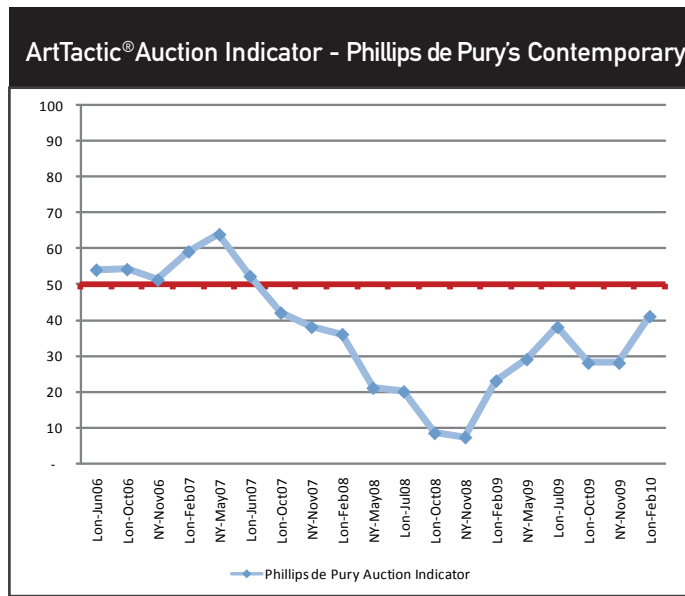
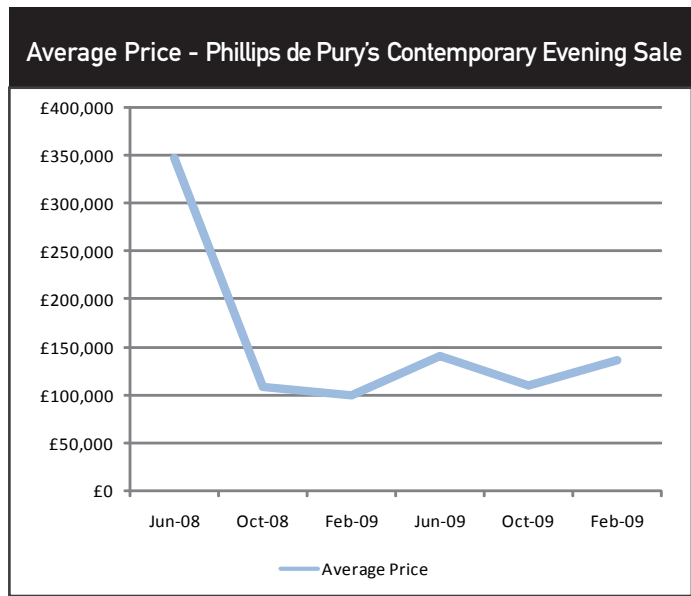
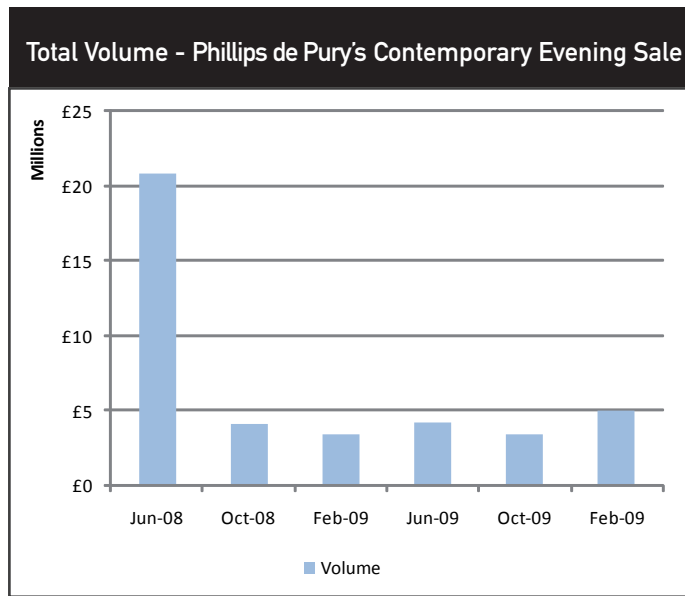
lot as a signifier for the future direction of the urban art market, which after this sale seem to have received much needed support. The lot achieved £100, 000, 25% more than its high estimate.

The middle to lower end of the contemporary auction market, which Phillips represents, is clearly seeing signs of revival.

Phillips de Pury's Performance Map mirrors the middle ground results, with nearly equal number of positive sales to negative sales. There were not any standout performance lots , but on the flip side there were only 3 bought ins. Overall a solid performance for Phillips de Pury.

Top 5 Prices - Phillips de Pury's Contemporary Evening Sale

Artist	Title	Hammer Price
Donald Judd	<i>Untitled (87-29 Studer)(1987)</i>	£620,000
Jean-Michel Basquiat	<i>Untitled (1984)</i>	£600,000
Jean-Michel Basquiat	<i>Cash Crop (1984)</i>	£600,000
Gerhard Richter	<i>Abstraktes Bild (707-1)(1989)</i>	£530,000
George Condo	<i>Father & Son (2008)</i>	£450,000



ArtTactic® Phillips de Pury Auction Performance Map - Evening Sale 12 February 2010

Lot 1 G. HILDEBRANDT	Lot 2 L. ERLICH	Lot 3 D. AITKEN	Lot 4 U. RONDINONE	Lot 5 M. GROTJAHN	Lot 6 J. BALDESSARI	Lot 7 B. VIOLETTE	Lot 8 J. KOUNELLIS	Lot 9 R. STINGEL	Lot 10 M. ELMGREEN
Lot 11 M. MANZELLI	Lot 12 C. SHERMAN	Lot 13 A. WARHOL	Lot 14 J. BASQUIAT	Lot 15 M. KIPPENBERGER	Lot 16 D. COLEN	Lot 17 G. CONDO	Lot 18 J. BASQUIAT	Lot 19 BANKSY	Lot 20 P. MANZONI
Lot 21 AI WEI WEI	Lot 22 G. TURK	Lot 23 G. PERRY	Lot 24 P. PASQUA	Lot 25 W. DELVOYE	Lot 26 J. MEESE	Lot 27 A. REYLE	Lot 28 P. HALLEY	Lot 29 G. RICHTER	Lot 30 D. JUDD
Lot 31 K. NOLAND	Lot 32 F. ACKERMANN	Lot 33 G. HUME	Lot 34 H. NITSCH	Lot 35 J. MEESE	Lot 36 F. WEST	Lot 37 S. JENSEN	Lot 38 T. KOH	Lot 39 W. TILLMANS	Lot 40 M. BONVICINI
Lot 41 T. RUFF	Lot 42 T. REHBERGER	Lot 43 T. EMIN							

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