

ARTEMUNDI
GLOBAL FUND

AUCTION SEASON NOVEMBER 2012
NEW YORK



Jeff Koon's Tulips or Monet's Water Lilies?

The following report analyzes the autumn auction season in New York during the month of November 2012. The purpose of this study is to give a very broad idea of the current state of three particular art markets.

- Impressionist and Modern Art
- Post-War and Contemporary Art
- Latin American Art

The total of the auctions studied account for \$1,494,210,000 USD in sales and 2,293 lots offered, although it is only a small fraction of the global market, the results are useful to know the average prices, bought-in rates, top lots, etc.

RESULTS OVERVIEW

In general the results were not exactly as anticipated. The auction season had a difficult start considering that New York was suffering the consequences of hurricane Sandy and that there was political uncertainty because of presidential elections. However as the weeks passed the art market seemed to overcome these unsettling circumstances.

From all the 1,703 lots sold, 207 were transactions above 1 million and 32 surpassed the 10 million threshold. The average Bought-In (BI) rate was 26% and the average Price-Estimate (PE) rate was 1.31 meaning that almost all the lots sold achieved prices above the high estimate.

Impressionist and Modern Art results were not extraordinary because in general the offered lots were hardly remarkable. The highest bid was for Monet's *Nymphéas* (43 million) and as usual several pieces by Picasso sold extremely well.

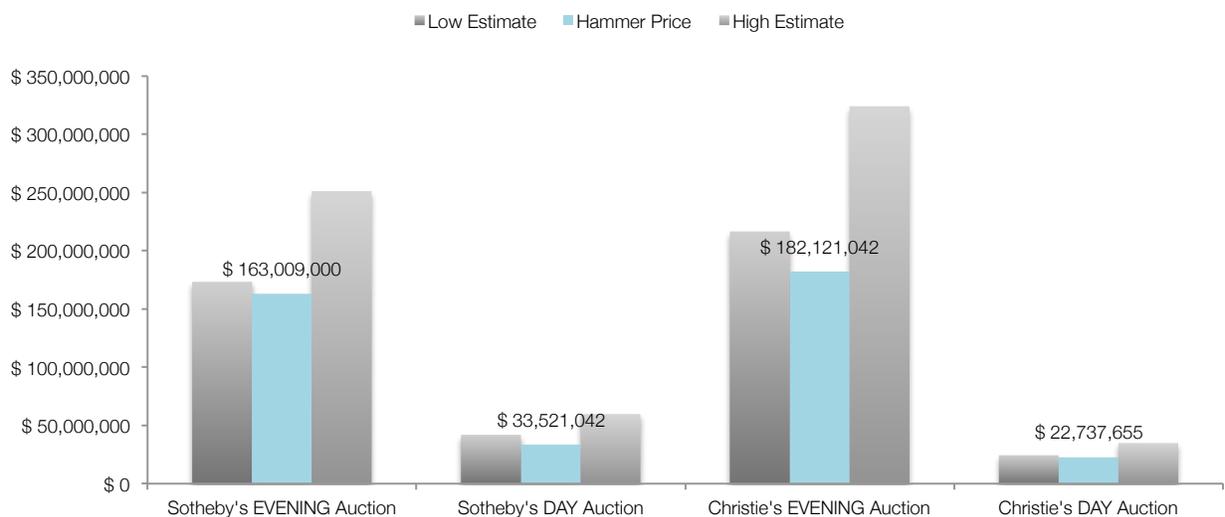
In Post-War and Contemporary Art both auction houses achieved totals above the high estimate and the general results were better than expected. The most important lot was an extraordinary piece from Mark Rothko that sold for 75 million.

As for Latin American Art the general outcome was a bit dull, the overall result was very good but there were no outstanding surprises or records established. The sale was more focused on lots from mid market.

IMPRESSIONIST AND MODERN ART

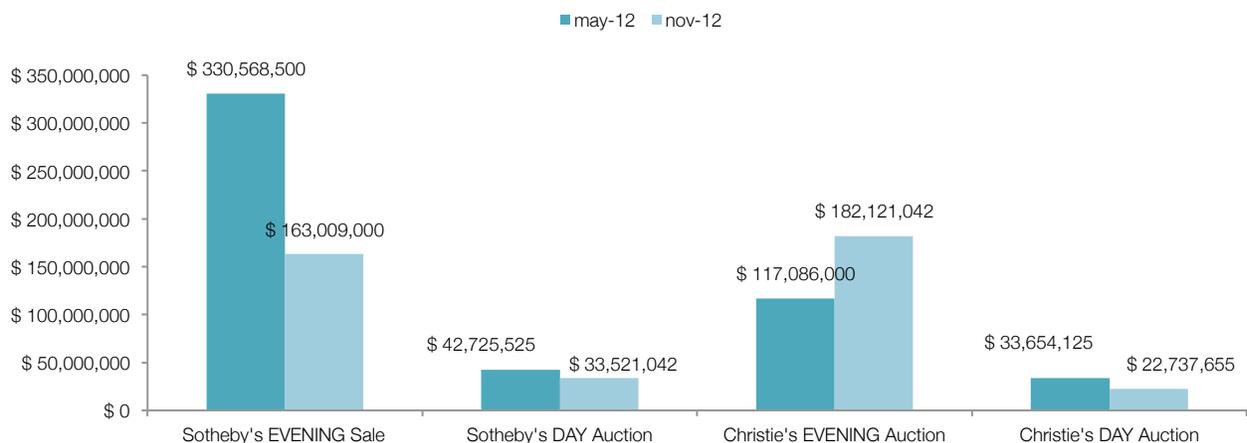
TOTAL SALES AND ESTIMATES

The graph shows the actual sale price (buyers premium included) together with the low and high total estimated. It is worth noticing that in every case the total sale was below the low estimate, indicating that either the lots were overpriced, that the demand for Impressionist and Modern Art is declining or that the quality of the lots offered was lower than what the buyers were expecting.



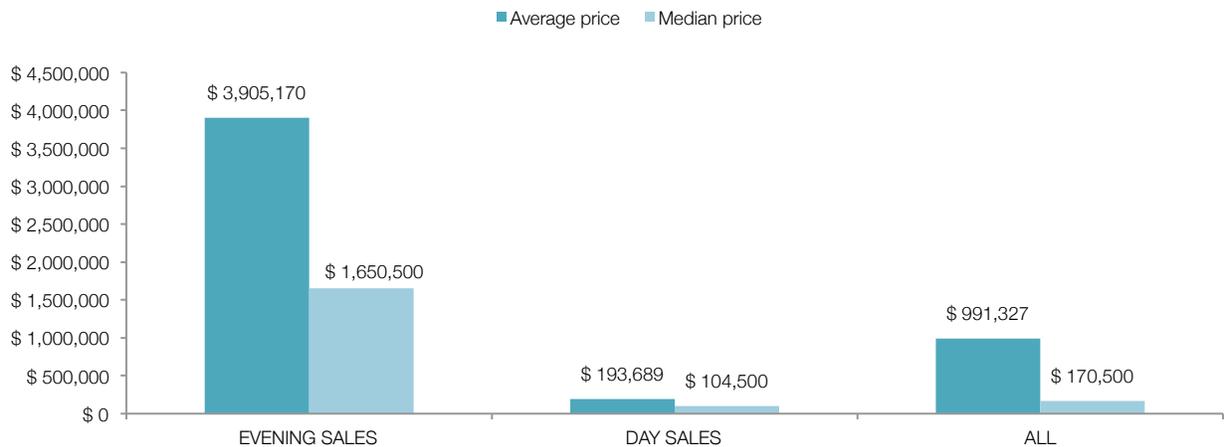
COMPARATIVE WITH SALES IN MAY 2012

This chart aims to compare the results of this November with the results achieved in the same auctions in May 2012.



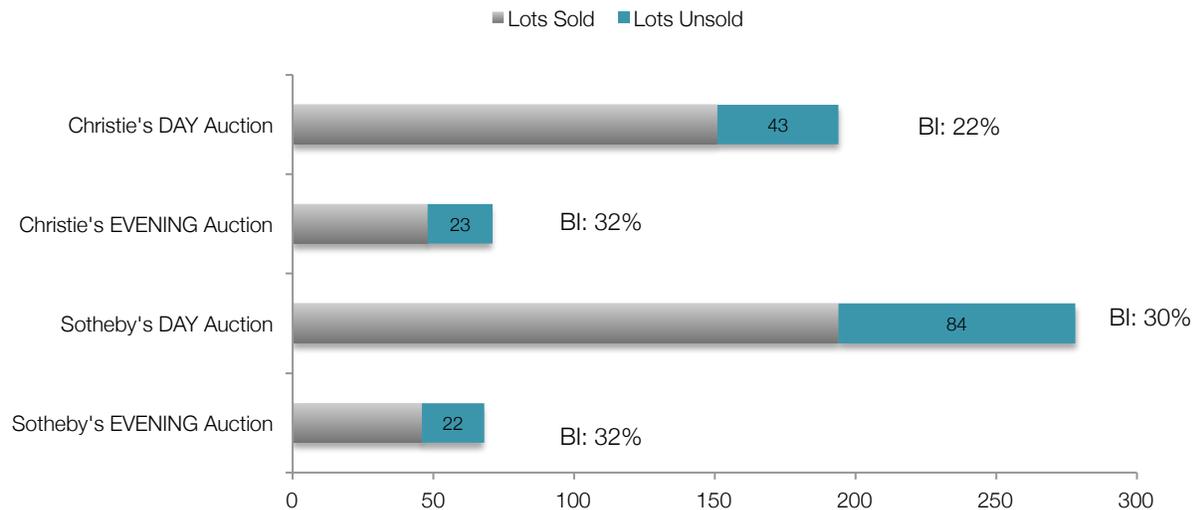
AVERAGE AND MEDIAN PRICES

The median represents the middle value of a series of numbers, meaning that exactly half of the values are below the median and the other half are above the median. It is interesting to observe that in every case the median is lower than the average price, implying that in general the average is biased upwards because of the extremely expensive artworks sold, this effect is even more noticeable in the evening sales where most of the "trophy" artworks were sold.



NUMBER OF LOTS SOLD, UNSOLD AND BOUGHT-IN (BI) RATE

In total there were 611 lots for sale, of these only 439 found buyers. The average bought-in rate of 29% was very high considering that there were two evening sales where the BI is usually very low.





TOP LOTS EVENING SALES

	ARTIST	ARTWORK	LOT #		PRICE
1	MONET	<i>Nymphéas</i>	41	Christie's	\$ 43,762,500
2	PICASSO	<i>Nature Morte Aux Tulipes</i>	9	Sotheby's	\$ 41,522,500
3	KANDINSKY	<i>Studie für Improvisation 8</i>	47	Christie's	\$ 23,042,500
4	PICASSO	<i>Femme à la Fenêtre (Marie-Thérèse)</i>	17	Sotheby's	\$ 17,218,500
5	MIRO	<i>Peinture (Femme, Journal, Chien)</i>	19	Christie's	\$ 13,746,500
6	PICASSO	<i>Le Viol</i>	30	Sotheby's	\$ 13,522,500
7	PICASSO	<i>Buste de Femme</i>	20	Christie's	\$ 13,074,500
8	BRANCUSI	<i>Une Muse</i>	36	Christie's	\$ 12,402,500
9	MONET	<i>Champ de Blé</i>	19	Sotheby's	\$ 12,122,500
10	GIACOMETTI	<i>La Jambe</i>	53	Christie's	\$ 11,282,500
				TOTAL	\$ 201,697,000
Share of total Impressionist and Modern Art Sale				50.2%	

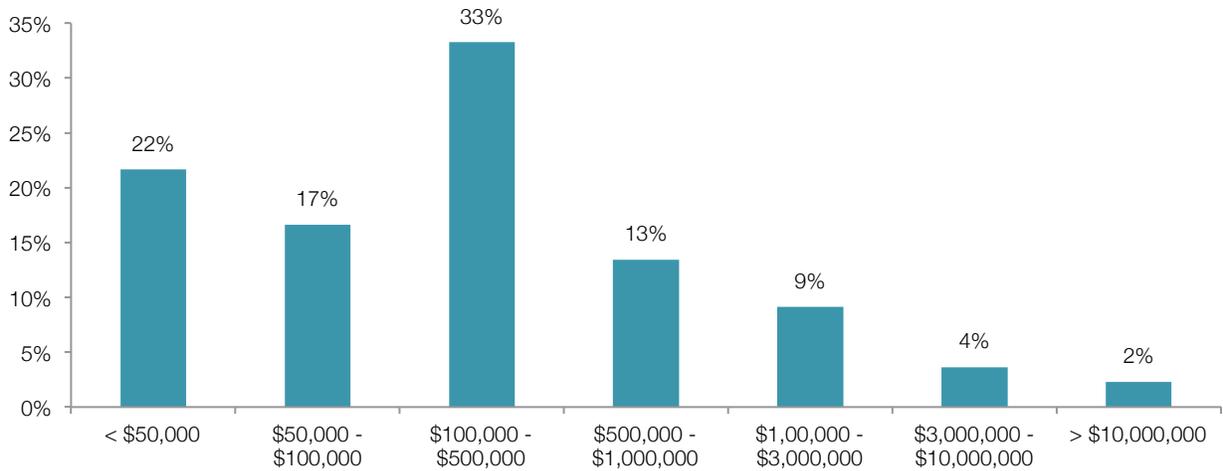
TOP LOTS DAY SALES

	ARTIST	ARTWORK	LOT #		PRICE
1	DONGEN	<i>Deux Nus aux Ballons</i>	158	Sotheby's	\$ 1,314,500
2	PICASSO	<i>Tête D'Homme</i>	122	Sotheby's	\$ 1,142,500
3	KANDINSKY	<i>Rapallo, Boote</i>	410	Christie's	\$ 1,022,500
4	LÉGER	<i>La Table dans le Jardin</i>	195	Sotheby's	\$ 902,500
5	RENOIR	<i>Paysage près de Cagnes</i>	357	Christie's	\$ 866,500
6	MIRO	<i>Femme Assise III/IV</i>	458	Christie's	\$ 842,500
7	PICASSO	<i>Tête D'Homme Barbu</i>	311	Sotheby's	\$ 842,500
8	RODIN	<i>L'Orpheline Alsacienne</i>	186	Sotheby's	\$ 812,500
9	RODIN	<i>Baiser, 4ème Réduction ou Petit Modèle</i>	360	Christie's	\$ 782,500
10	DALÍ	<i>La Noblesse du Temps (Stillness of Time)</i>	335	Sotheby's	\$ 752,500
				TOTAL	\$ 9,281,000
Share of total Impressionist and Modern Art Sale				2.3%	



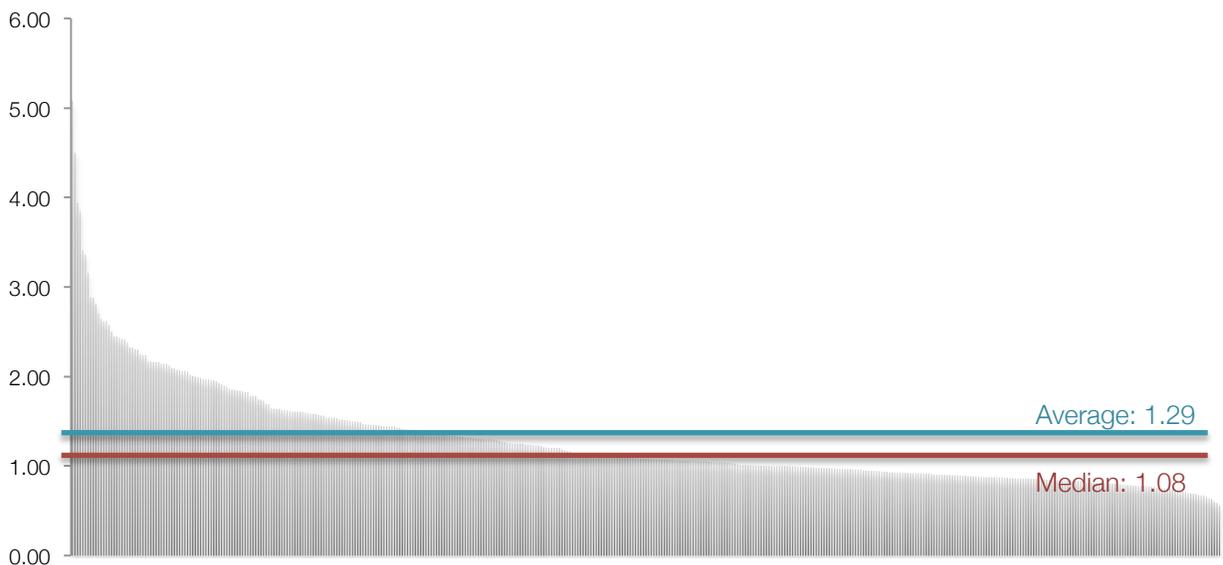
PRICE DISTRIBUTION OF LOTS SOLD

This graph shows how many artworks were sold in each corresponding price range; it is useful to know this rank because it could be interpreted as the price range where artworks are more liquid. As can be observed in the following chart most of lots were sold in the \$100,000 - \$500,000 price range.



PRICE-ESTIMATE (PE) RATIO

The PE ratio is calculated by dividing a lot's sale price by its average estimated price (average of high and low estimates). If the PE is exactly equal to 1 it means that the lot was sold just exactly in the average estimated price and if it is larger than 1 it indicates that the lot was sold above the estimated average. In this case, a median of 1.08 means that the lots sold were accurately estimated and the average of 1.29 implies that most lots sold achieved a price above or around the high estimate.

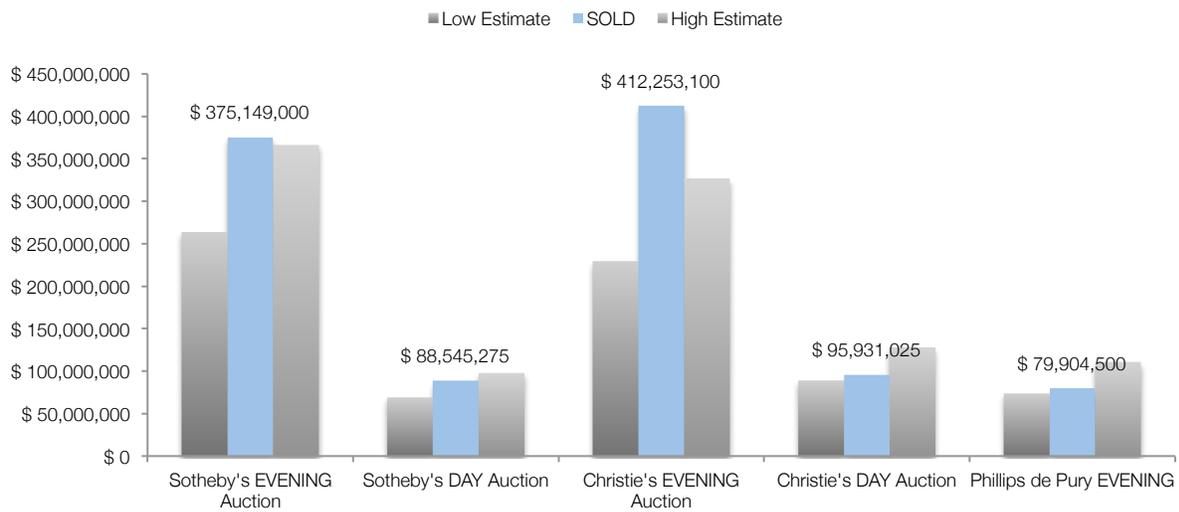




POST-WAR AND CONTEMPORARY ART

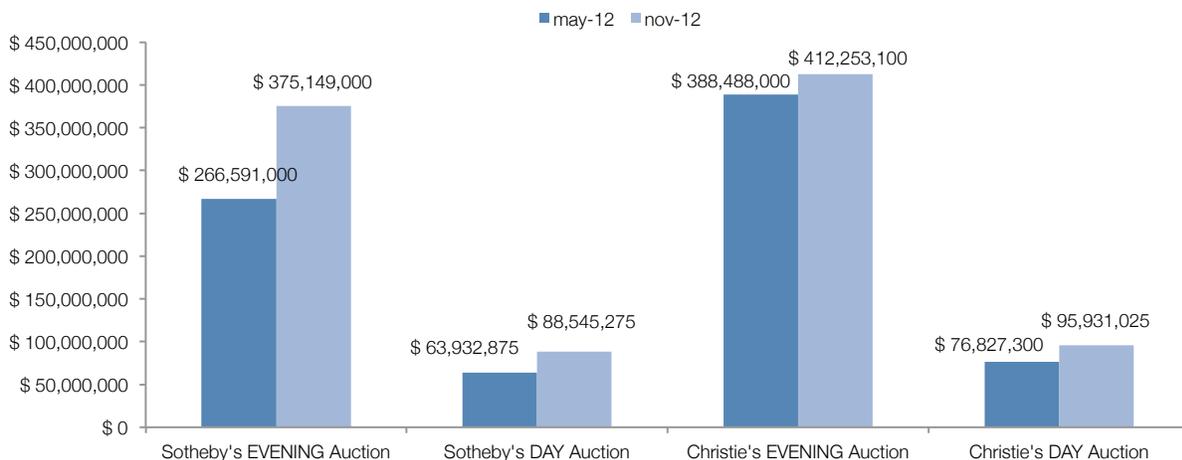
TOTAL SALES AND ESTIMATES

The overall results in this art category were extraordinary; in every case the total sold was either above the high estimate or in the estimated price rank. In Sotheby's the total sold was the highest ever achieved at the auction house.



COMPARATIVE WITH SALES IN MAY 2012

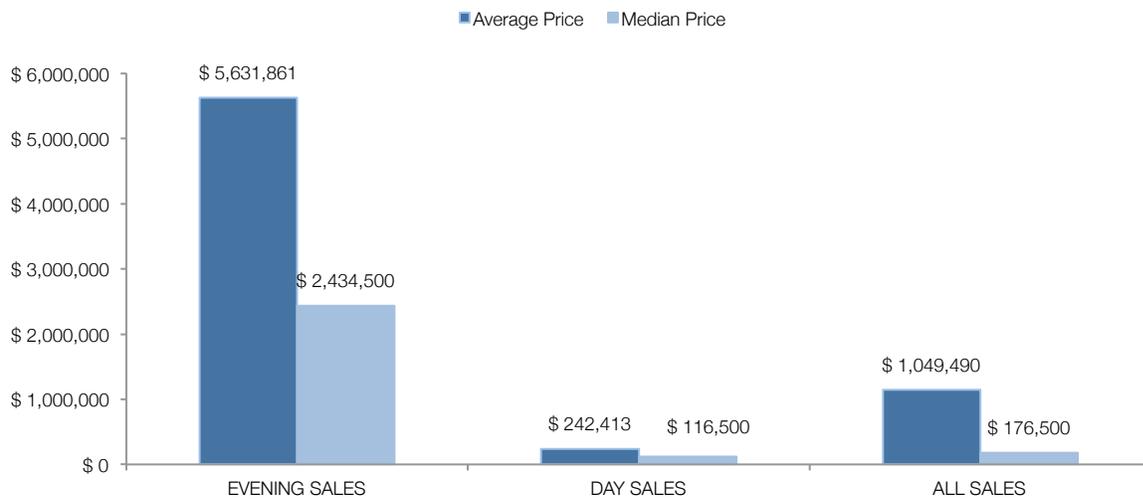
This chart compares the total sold this season with the total achieved in the same auctions in May, it is interesting to see that in very auction the total was considerably larger than in May indicating a bullish market.





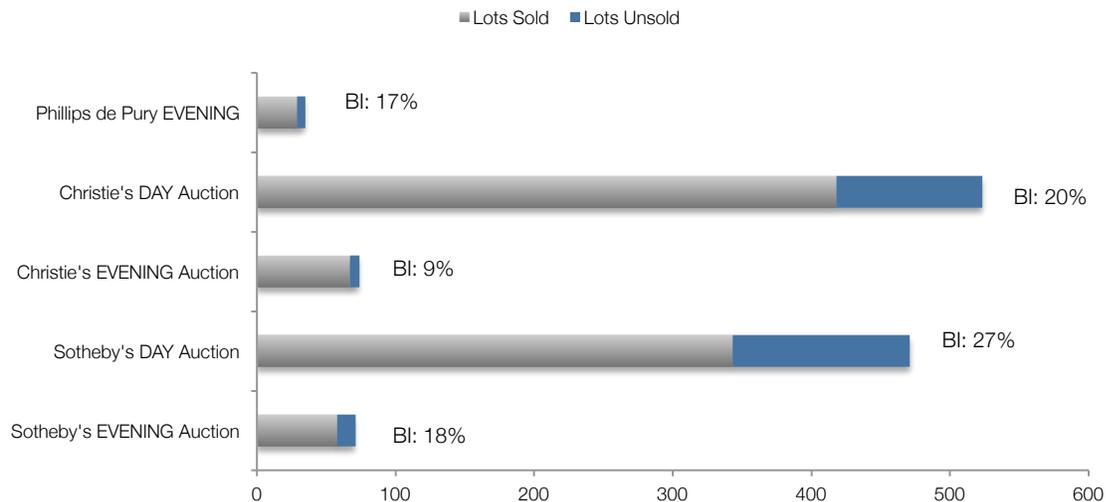
AVERAGE AND MEDIAN PRICES

This graph shows the average and median prices, it is separated in evening and day auctions because they represent two very different sectors of the overall contemporary market: the high-end market and the middle market. In every case (and even more in the Evening sales) the average price is biased upwards because of the top lots, there were 22 lots sold above the 10 million dollar threshold.



NUMBER OF LOTS SOLD, UNSOLD AND BOUGHT-IN (BI) RATE

Of the total 1,174 lots available only 259 failed to find buyers. Compared to the markets usual number the Bought-In rate was fairly low, on average it was 18.4%





TOP LOTS EVENING SALES

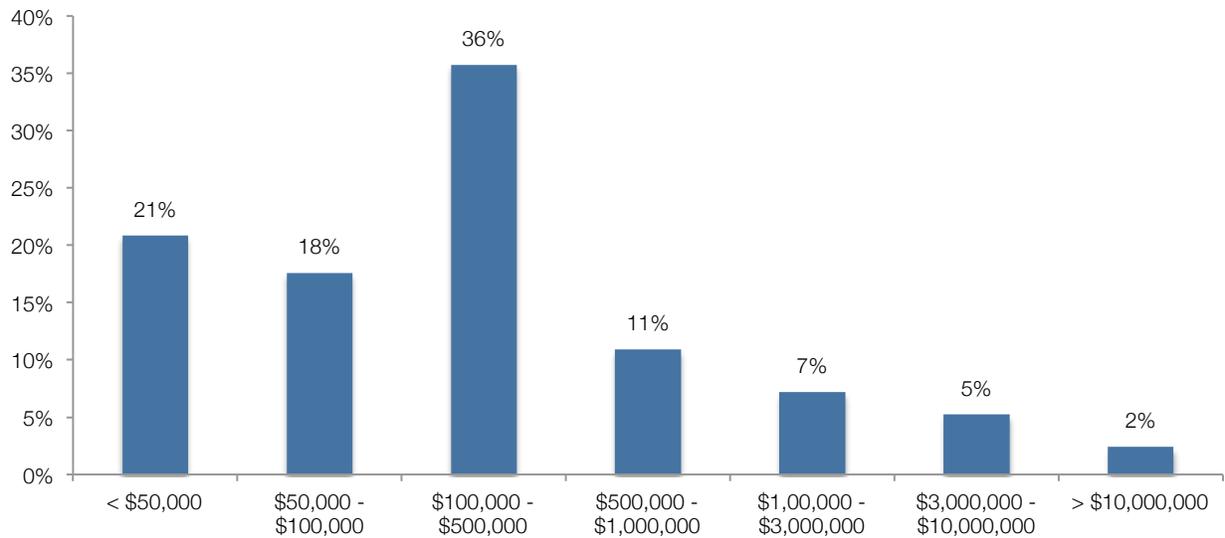
	ARTIST	ARTWORK	LOT #		PRICE
1	Mark Rothko	<i>No. 1 (Royal Red and Blues)</i>	19	Sotheby's	\$ 75,122,500
2	Andy Warhol	<i>Statue of Liberty</i>	35	Christie's	\$ 43,762,500
3	Jackson Pollock	<i>Number 4, 1951</i>	10	Sotheby's	\$ 40,402,500
4	Franz Kline	<i>Untitled</i>	17	Christie's	\$ 40,402,500
5	Jeff Koons	<i>Tulips</i>	38	Christie's	\$ 33,682,500
6	Francis Bacon	<i>Untitled (Pope)</i>	26	Sotheby's	\$ 29,762,500
7	Roy Lichtenstein	<i>Nude with Red Shirt</i>	39	Christie's	\$ 28,082,500
8	Jean-Michel Basquiat	<i>Untitled</i>	42	Christie's	\$ 26,402,500
9	Andy Warhol	<i>Marlon</i>	14	Christie's	\$ 23,714,500
10	Mark Rothko	<i>Black Stripe (Orange, Gold and Black)</i>	28	Christie's	\$ 21,362,500
				TOTAL	\$ 362,697,000
Share of total Post-War and Contemporary Sale					34.4%

TOP LOTS DAY SALES

	ARTIST	ARTWORK	LOT #		PRICE
1	Andy Warhol	<i>Birth of Venus (After Botticelli)</i>	176	Sotheby's	\$ 5,458,500
2	Joan Mitchell	<i>Some More</i>	122	Sotheby's	\$ 3,274,500
3	Wayne Thiebaud	<i>Down Penn Street</i>	185	Sotheby's	\$ 2,658,500
4	Josef Albers	<i>Homage to the Square: White Nimbus</i>	200	Christie's	\$ 2,210,500
5	Tom Wesselmann	<i>Great American Nude #24</i>	182	Sotheby's	\$ 2,098,500
6	Beatriz Milhazes	<i>Meu Limáo</i>	407	Sotheby's	\$ 2,098,500
7	Alexander Calder	<i>Untitled</i>	112	Sotheby's	\$ 2,042,500
8	Robert Indiana	<i>Love (Blue/Red)</i>	187	Sotheby's	\$ 1,706,500
9	Basquiat and Warhol	<i>Untitled (Collaboration #23)</i>	522	Christie's	\$ 1,706,500
10	Andy Warhol	<i>Ladies and Gentleman</i>	179	Sotheby's	\$ 1,650,500
				TOTAL	\$ 24,905,000
Share of total Post-War and Contemporary Sale					2.3%

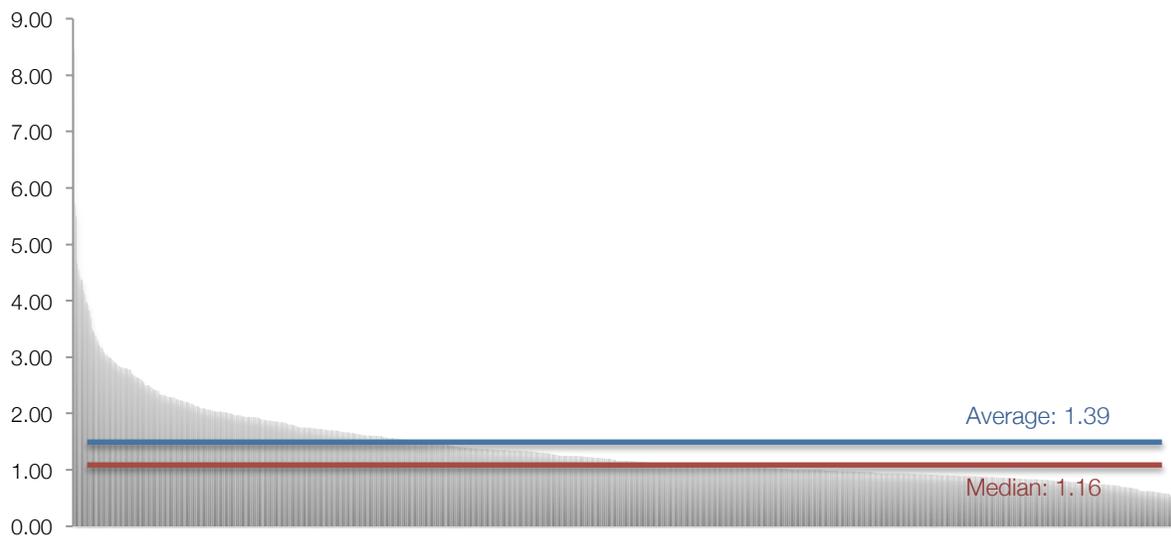
PRICE DISTRIBUTION OF LOTS SOLD

The following graph is displaying that most transactions were in the \$100-500 price range, it could be inferred that this is the most liquid price rank for blue chip contemporary art.



PRICE-ESTIMATE (PE) RATIO

A median of 1.16 indicates that the auction houses underestimated most of the lots sold, while an average PE of 1.39 suggests that the prices achieved by most of the lots sold were above the high estimate. This could be indicative of a bullish market.

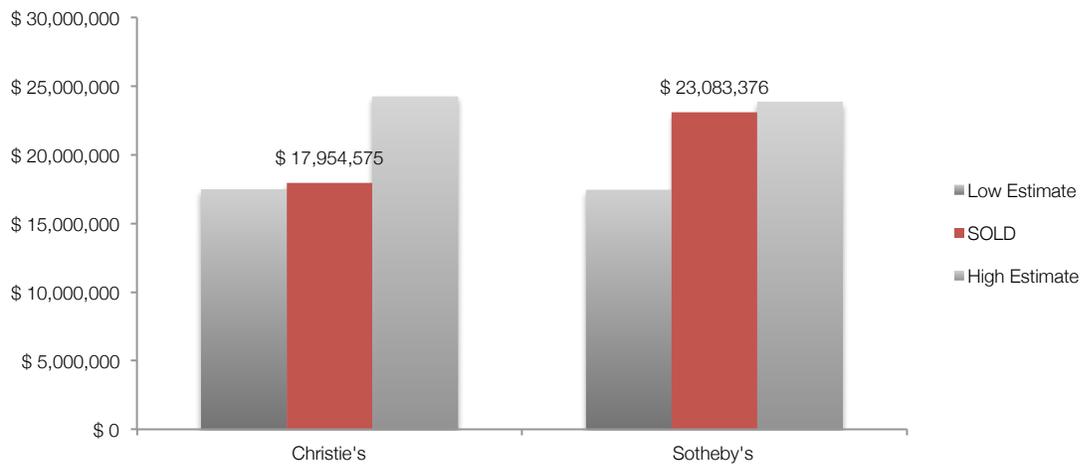




LATIN AMERICAN ART

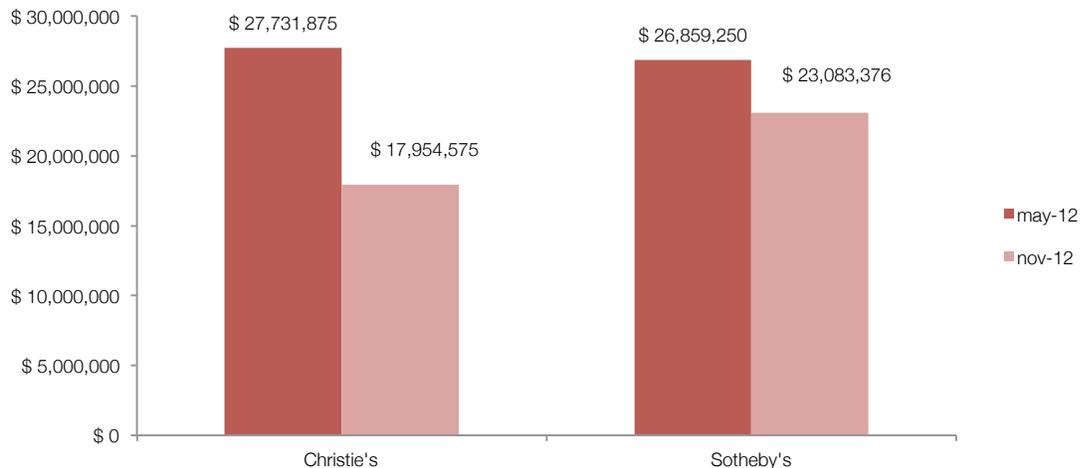
TOTAL SALES AND ESTIMATES

In this art category the total sales were less surprising but still achieved good results. The total sales were well between the estimated prices.



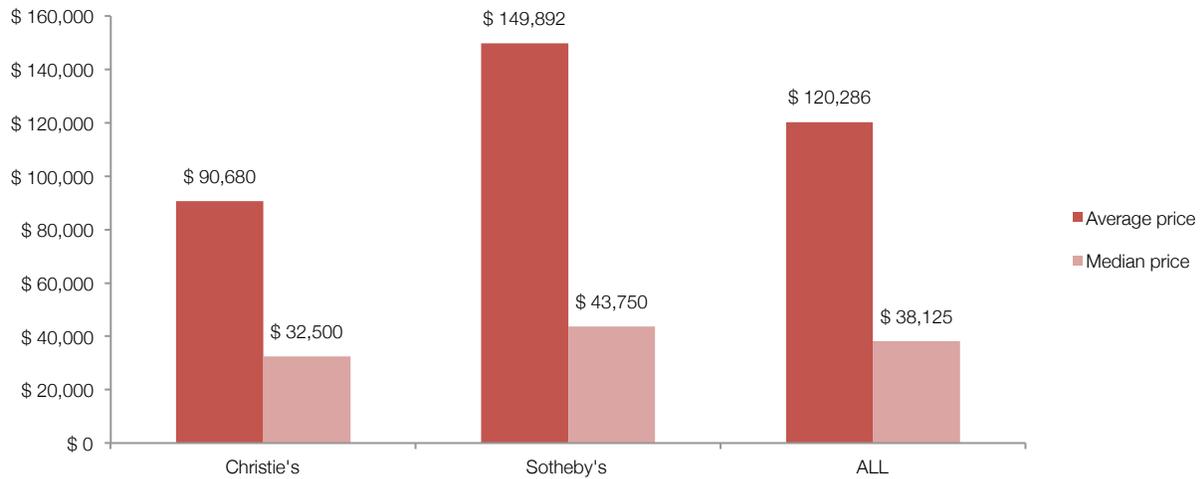
COMPARATIVE WITH SALES IN MAY 2012

In both of the auctions analyzed the total sale was considerably lower than the results from May, on average 35% lower however last May a lot of price records were surprisingly achieved.



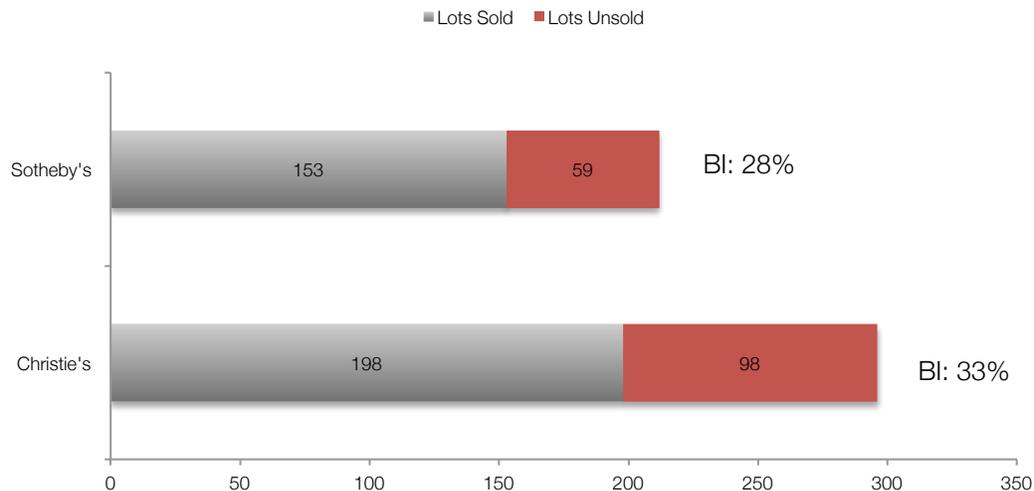
AVERAGE AND MEDIAN PRICES

The total average and median prices were as expected but a bit lower than in the auctions in May. It is interesting to observe that both price were considerably higher in Sotheby's than in Christie's.



NUMBER OF LOTS SOLD, UNSOLD AND BOUGHT-IN (BI) RATE

Although Christie's offered more lots the general results were better for Sotheby's considering the BI rate and the total sale. In total there were 611 offered and the average BI rate was 30.5%, a normal number for this market.





TOP LOTS SOLD

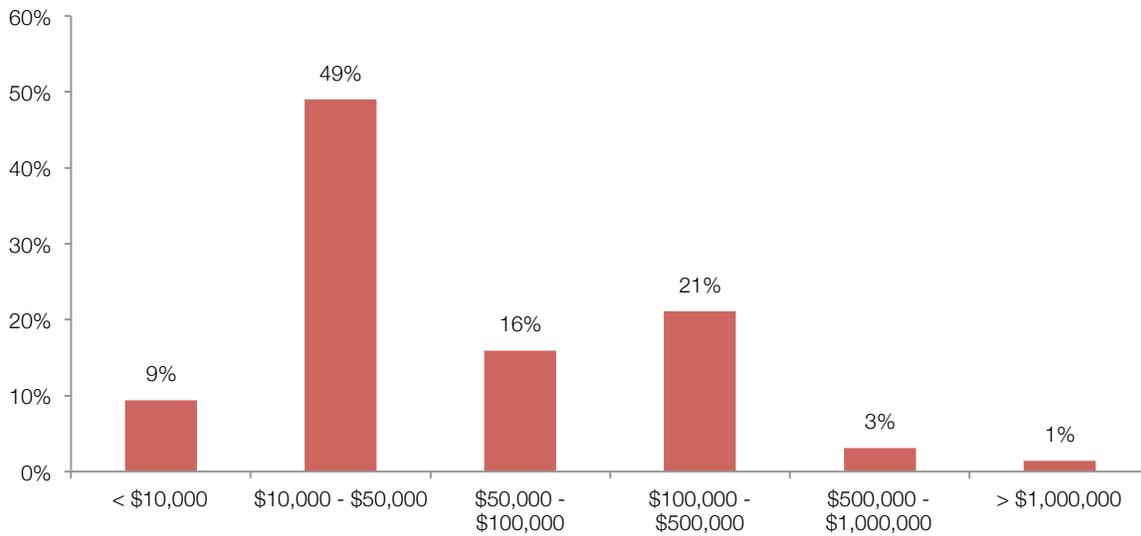
Although Matta achieved the highest result, it was a lot lower than the record he achieved last May at 5 million. It was surprising that Wilfredo Lamm who achieved great result last auction failed to make it to the top lots list.

	ARTIST	ARTWORK	LOT #		PRICE
1	Matta	<i>Nada</i>	9	Sotheby's	\$ 1,818,500
2	Dr. Atl	<i>Mañana luminosa</i>	14	Sotheby's	\$ 1,650,500
3	Anonymous, Mexican (17th century)	<i>Portrait of Moctezuma II</i>	16	Sotheby's	\$ 1,650,500
4	Claudio Bravo	<i>Angelís</i>	11	Sotheby's	\$ 1,510,500
5	Jesús Rafael soto	<i>La Scie a Metaux (The Hacksaw)</i>	33	Sotheby's	\$ 1,082,500
6	Fernando Botero	<i>Horse</i>	40	Christie's	\$ 938,500
7	Rufino Tamayo	<i>Tres personajes en un interior</i>	50	Christie's	\$ 698,500
8	Gego	<i>Reticulárea Cuadrada</i>	32	Sotheby's	\$ 638,500
9	Tomás Sánchez	<i>Buscador de paisajes</i>	39	Christie's	\$ 626,500
10	Tomás Sánchez	<i>Llegada del caminante a la laguna</i>	28	Christie's	\$ 602,500
				TOTAL	\$ 11,217,000
Share of total Latin American Art Sales					27.3%



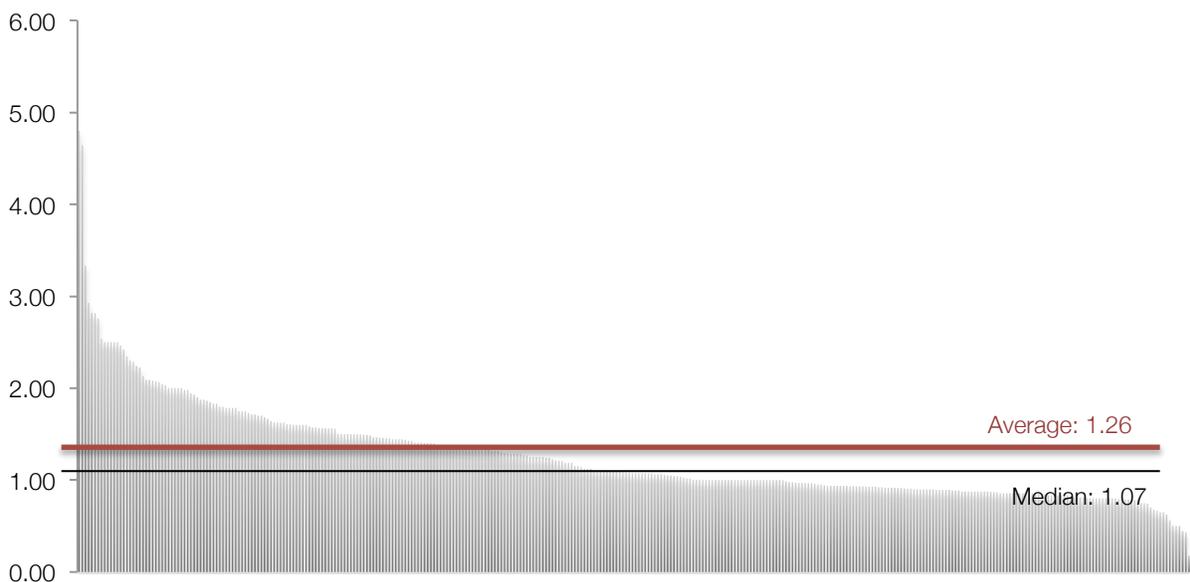
PRICE DISTRIBUTION OF LOTS SOLD

The optimal price range in Latin American art is a lot lower than in other art categories, in this case most transactions were between \$10,000-\$50,000 USD. Only 5 lots were sold above \$1 million dollars.



PRICE-ESTIMATE RATIO

The median of 1.07 indicates that the lots sold were correctly estimated and the average of 1.26 suggests that most of the lots sold achieved prices a bit higher than the high estimate.





MARKET ANALYSIS

Impressionist and Modern Art

In general the results were not extraordinary and there were almost no surprises. The total sale results were biased upwards because of a few very expensive lots sold, around 50% of the total sales were product of the 10 top lots. In general the rest of the sales did not achieve higher prices because they were not the best quality available. This can be interpreted as a shortage in the offer of high quality Impressionist and Modern artworks because most of them are already in established collections. This could also be the reason behind the high BI rate of 29%. The median PE indicates that the price of the lots were pretty accurate and that on average the sales were a little above the average estimate.

Post-War and Contemporary Art

In this category most established records were broken and the total sales were well above the high estimate. In general the results were better than expected, it was startling to see that more than a billion dollars of Contemporary art were sold in a week. Not only the prices achieved by the top lots were extraordinary but it was also surprising to see that 22 lots were sold above 10 million dollars. This could mean that there is an increasing demand for Contemporary Art and that high quality artworks are still available in the market. It is worth pointing out that all the top lots in this auction category were really from blue chip Post-War artists (and very few really Contemporary) with a very well established trajectory. The high median and average PE rates indicate that either the lots were underestimated or that collectors/investors are currently very interested in this particular market because on average the sales were above the high estimate.

Latin American Art

Although the numbers in this art category are a lot lower it is very interesting to analyze the results because it is a segment where prices have been constantly increasing in the last decades. In general both the total sold and the BI were as expected. There were few extraordinary lots either in quality or in price meaning that the sale was more focused in mid market pieces. The average PE rate of 1.26 suggests that most of the sales were above the high estimate.

	Impressionist and Modern Art	Post-War and Contemporary Art	Latin American Art
TOTAL SALE	\$ 401,388,700	\$ 1,051,782,900	\$ 41,037,900
AVERAGE PRICE	\$ 991,300	\$ 1,049,500	\$ 120,300
MEDIAN PRICE	\$ 170,500	\$ 176,500	\$ 38,100
# LOTS AVAILABLE	611	1174	508
BI AVERAGE RATE	29.3%	18.4%	30.5%
AVERAGE PE RATE	1.29	1.39	1.26
MEDIAN PE RATE	1.08	1.16	1.07

By comparing the general results of the three art categories it would be very easy to state that the art market is shifting towards Contemporary Art, nonetheless this is not completely true. It is worth noticing that although the Contemporary Auctions seem to have outperformed the Impressionist and Modern Sales by more than double (in total sales) this was also caused because there were almost the double lots offered. It is also interesting to remark that the average and median prices are very similar in both art categories.