

THREE THINGS TO KNOW TO START YOUR WEEK

'Three Things to know to start your week' is a weekly look at the most important art market related news, macro-economic trends and analysis

◇ The ascending trend in female and culturally-diverse artists is nowhere close to fade

The Everson Museum of Art in Syracuse New York will dispose of a 1946 Jackson Pollock painting titled *Red Composition* in an effort to diversify its collection. The work is valued at an estimated \$12 million–\$18 million and has been consigned at Christie's and the proceeds will be used to **acquire works by marginalized artists** and diversify the collection.

<https://www.artmarketmonitor.com/2020/09/03/to-diversify-collection-syracuses-everston-museum-will-sell-12-m-pollock-at-auction/>

This trend is likely to intensify going forward, having already begun in 2018. Indeed, in June 2019, the San Francisco Museum of Modern Art sold a Mark Rothko painting for US\$ 50.1 million and it then used the funds to acquire 11 works by female artists such as Mickalene Thomas, Alma Thomas, Kay Sage, and Leonora Carrington. In 2017, the Baltimore Museum of Art sold seven works of art (among the works sold were Andy Warhol, Franz Kline, Robert Rauschenberg) to establish a fund to acquire female artists and artists of color.

Likewise, established female artists and artists of color (as well as a number of up and coming younger artists) have so far proven to be resilient during the covid-auctions, such as demonstrated by the auction results of the likes of Joan Mitchell or Amoako Boafa.

<https://www.artsy.net/artist/amoako-boafa>

◇ The post-war and contemporary segment leads the auctions for the first half of 2020

According to Arttactic, the Post-War and Contemporary Art segment have boasted the strongest volumes at auctions sales so far this year:

| Art Segment | H2-2020 |
|-----------------------------|---------|
| Old Masters | \$109mn |
| Modern & Impressionist Art | \$508mn |
| Post-War & Contemporary Art | \$1.5bn |
| Chinese & Asian | \$129mn |
| Jewels & Watches | \$247mn |

Source: Arttactic Auction Review 1st Half 2020

It needs to be highlighted that overall auction volumes were clearly below last year's volumes, due to the pandemic-induced implications, but Modern and Impressionism bore the brunt of the volume decline, decreasing twice as much as Post-war and Contemporary art. This trend is clearly inline with the activity that we experience in private dealings, with a softening of demand for Modern art, especially in the medium quality spectrum of the segment.

◇ Heightened appetite for fractional ownership in luxury assets, such as art

The pandemic has also accelerated the democratization of art investment through fractional ownership. Many start-ups have tried over the last 10 years to come up with platforms offering certificates, tokens, shares of artworks, but most of those ventures failed after a few years. This time, the lockdown seems to have spurred a new type of appetite for art investment. A New-York based company, Masterworks, offering shares of artworks, that the company has pre-acquired at auction or in private sales, has seen a dramatic surge in demand since the onset of covid-19. "People feel that equity markets are overvalued and they are looking for other places to put money," said Scott Lynn, a collector who started the company in 2017.

The issue with such democratization is that investors tend to hope that all artists, indiscriminately, will increase in value, which is unfortunately not the case. Even within an artist's production, there are essential distinctions to be made, between the importance of a series in the artist's oeuvre. The entrance point is also essential, and we have seen that Masterworks paid very hefty prices at auction, before offering those works back to their investors on the platform. So is it a genuine new trend of art democratization or opaque speculation getting out of hand ? We will monitor that closely.

<https://www.bloomberg.com/news/articles/2020-09-05/robinhoods-of-the-art-world-lure-scores-of-investors-in-pandemic?sref=llbJrDJ5>

More to follow next Sunday!

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