

ART ADVISORY E-BULLETIN

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Knight Frank's
Wealth Report

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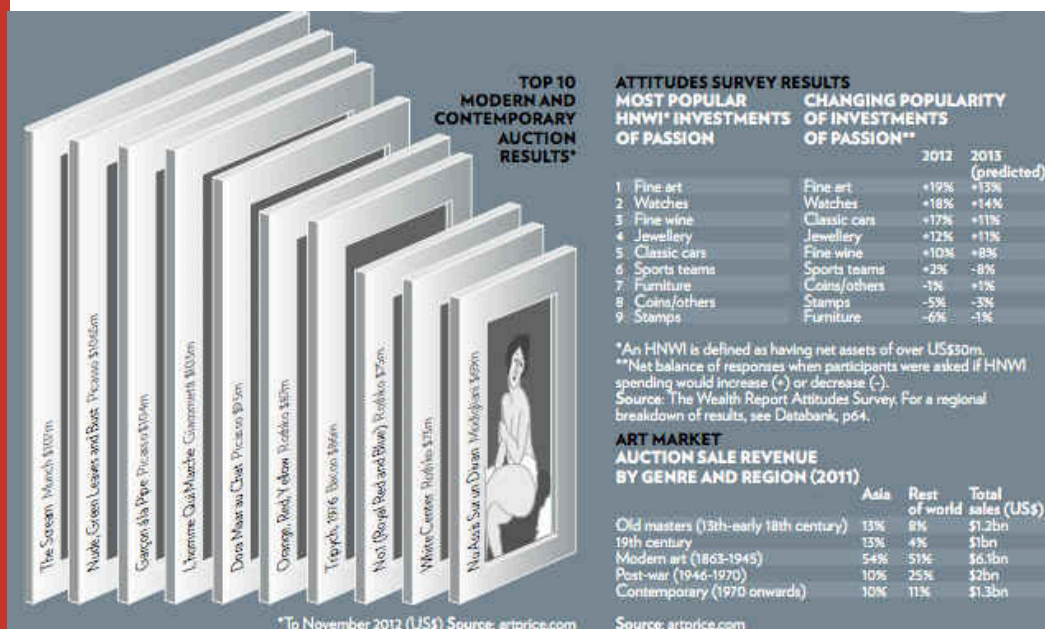
This year, 1858 Ltd Art Advisory was proud to contribute to Knight Frank's annual Wealth Report. The seventh edition of the report focuses on global wealth and prime property markets and also looks at investment trends, attitudes of the wealthy and alternative asset classes, in particular collectibles such as fine art.

Our data showed how the continuing globalisation of wealth is driving the market of investments of passion, particularly fine art. China, which is home to 10,849 HNWLs (defined as those with \$30m or more in net assets) and is estimated to have a 214% increase in billionaires over the next decade, now has the world's largest market for art. It's share of 30% in 2011, up from 23% in 2010, is

now larger than that of the US who are down 5% at 29%, and the UK who have 22%.

Viola Raikhel-Bolot of 1858 Ltd, remarked that the global art market had recovered rapidly from the credit crunch. "It took almost 10 years for things to return to normal after the 1990s recession, but sales in 2011 were already almost back to the 2007 peak of US\$66bn." This has been largely helped by the huge spending power of HNWLs from both China and other growing economies.

Modern art (dating between 1863 and 1945) remains the most sought after, and accounts for over 50% of auction sales across the world. Contemporary art (dating from 1970 onwards) however, has seen the largest price growth over recent decades, a trend which is continuing into 2013. The last 12 months have seen another trend in the market, whereby collectors are investing into previously undervalued sectors and genres such as



contemporary Indonesian art which is experiencing somewhat of a boom at the moment.

These findings, and those of other industry leading experts were published in this year's Wealth Report which was released on 6th March. To read more of our contribution featured on page 51 and to see the report in full, go to:

<http://my.knightfrank.com/research-reports/the-wealth-report.aspx>

1858 Ltd Around the World

During the first quarter of 2013, 1858 Ltd has had the pleasure of circling the globe, making inventories and valuations on behalf of insurance companies, private clients, corporate collectors and museums.

From antique books in France to modern and contemporary art works in South America and Asia-Pacific, taking in English painting and Russian art en route, these inventories and valuations have allowed the respective owners to adjust their insurance coverage accordingly as well as to take important decisions regarding the selling or gifting of certain pieces.

In addition to valuations, 1858 Ltd also carried out risk analyses for a number of these clients, reiterating that a badly looked after collection is inevitably subject to a decrease in value. Based on 1858 Ltd's advice, collectors were able to take the necessary measures to best conserve their works over the coming years.

For more information on the valuation and risk analysis services offered by 1858 Ltd, please contact Celine Fressart at cfressart@1858ltd.com.

Art Fairs Roundup

New art fairs seem to be cropping up all the time, as the fair scene plays an increasingly large part in the global art market. Although new fairs bring new opportunities and more competition, the older fairs come with firmly established track-records and trustworthy reputations. We take a look at this month's fairs, both old and new.

On 1st March the inaugural edition of Art13 London opened. Founded by those behind Art Hong Kong (now part of Art Basel), they welcomed nearly 25,000 visitors over four days. The fair presented 129 galleries from 30 countries, 70% of which were showing at a London art fair for the first time. Gallery owners reported the fair had been a success for both establishing new artists among the collectors present, such as Chinese abstract artist Zhu Jinshi whose works were shown in the UK for the first time, and also for good sales. As well as an Arts Council England funded installation and sculptural programme, the fair held a Private Museum Summit, attracting over 30 museum owners from Asia, the US, Europe and the Middle East. Collectors hailed from across the globe too, and included Charles Saatchi, Uli Sigg as well as collectors from India and Russia. Such was the fair's success, achieving its aim of being "a global art fair for a global city", that the dates for Art14 have already been announced.

A week later, and over on the other side of the Atlantic, the Armory show opened its fifteenth edition. However, it simultaneously celebrated its 100th anniversary, as it takes its name from the show held in 1913 in New York so famous for introducing the world to the European Avant-Garde movement made notorious by Marcel Duchamp. The fair recently faced

somewhat of an identity crisis after being offered for sale, and many debated its future after the opening of rival fair Frieze New York last year. However, the show's director Noah Horowitz admitted this had forced them to raise the bar which has



Ugo Rondinone, Kiss Now Kill Later; 2 parts (2010) sold for a reported £140,000 at the Amory Show

included reducing the number of participating galleries by 25%, to a more focused 211 and partnering with fast-growing website artsy.net, which showcased nearly 2,700 of the fair's works before it opened. The fair seems to have been a success, with many galleries reporting strong sales, some even selling their entire booths on opening night, but commentators did note a reduced attendance from foreign buyers, particularly those from Europe and Asia.

Having an easier time, was the 25th Art Show, organised by the Art Dealer's Association of America which ran over the same dates. Only offering booths to its members to ensure the highest quality, it is seen as one of the most prestigious fairs, being the longest running in America. By the time it opened to the public, almost every gallery was reporting sales or works being on reserve, many putting this down to the success of more focused, in-depth booths representing just one artist. The March fairs don't stop there, as back in Europe the art world, including 1858 Ltd, prepares to visit what is arguably the world's leading art fair. TEFAF Maastricht, opened its 26th instalment on 15th March.

Controversial Law Debated in China

China's first copyright law, which dates from 1991, is currently being redrafted to include a 'droit de suite' clause and will soon be submitted for approval to the country's cabinet, the State Council. The new legislation would give artists a resale right meaning they, or their heirs, would be receive a share of any profit made by their works when sold or resold at auction.

Although the details of the law are not yet clear and would only be made so once in the hands of the State Council, it would apply to original fine art and photography works, and literary and musical manuscripts and it is thought the droit de suite would last a customary fifty years.

In recent years, the Chinese art market has been plagued with reports of fake and counterfeit art being sold at auction resulting in a reluctant confidence in local auction houses whose profits have been booming of late. The supporters of the amendment believe that the necessity of tracing the artist or his heirs will prove an effective way of significantly reducing such problems occurring too often. However, those in the industry itself have described the move as "absurd". Gan Xuejun, chairman

of leading Chinese auction house Huachen, says it will dampen the enthusiasm of collectors and the negative impact this will have on the auction market is “unfair”. Commentators have noted that it could have a stifling effect on this fast-developing industry.

However, from the Chinese government’s point of view, the law would bring them closer to current Western standards, where the law is applied in over sixty countries, although the resale fee element is not applied by all. They believe it would also help them move away from their reputation as a country of mass-produced goods and closer to achieving a sought after higher cultural status.

Olympia and Venus Set to Meet



Edouard Manet’s Olympia (above left), is to travel for the first time. Heading to Venice, it will be shown alongside Titian’s Venus of Urbino (above right), thought by many to be the main influence for the painting. Although the painting was hugely controversial for its direct treatment of the subject of prostitution when it was first shown in the Paris Salon of 1865, it was given to the French state in 1890 by Monet who had raised enough monies from the public, other artists and dealers to buy it. It has since been exhibited in museums around Paris, starting at the Musée du Luxembourg, before being moved to the Louvre, and since it opened in 1987, being a key piece of the Musée d’Orsay’s permanent collection.

Guy Cogeval, the president of the museum said that, “Exceptionally, and for the first time, I asked the President of the Republic to lend out the Olympia, which belongs to France’s heritage”. The painting’s importance has meant it has never before been loaned outside of France and the decision may surprise art historians and conservators. The Titian it will hang beside in Venice, is ironically not legally allowed to leave Italy.

However, the exhibition which has been co-organised by the Musée d’Orsay, aims to show how Manet was influenced by Italian cultural models, not just the Spanish ones so often cited by scholars. Such a message being successfully portrayed will depend largely on what works can be shown together, and so, as well as Olympia, an additional 40 odd Manets are being loaned by the Parisian museum. This unprecedented loan will raise large sums for the museum and Cogeval has voiced that he plans on loaning one masterpiece from the collection each year, with monies raised going towards gallery refurbishments, new acquisitions and other museum costs. Opening at the Doge’s Palace in Venice on 24th April, Manet: Return to Venice will be an exceptional opportunity to see the artist’s work in a new context.

Artist Collaborations Continue at Louis Vuitton

New window displays already on show in New York and Paris, show the latest artist collaboration by Louis Vuitton. Marc

Jacobs’ 2013 Spring/Summer collection was inspired by conceptual artist Daniel Buren’s iconic columns Les Deux Plateaux. The major motif of the collection however, was the Damier checkboard. In homage, the latest window displays show a meeting of the Buren stripe and the Vuitton checkerboard motif, creating unusual perspectives and dazzling displays, and reflecting the collection’s richly contrasting mark.



Artist in Focus: Nyoman Masriadi

Nyoman Masriadi was born in Bali, Indonesia in 1973. He studied painting at the Institut Seni Indonesia in Yogyakarta but left before his final assessment in 1999 as a result of not seeing eye to eye with the school and their style. His work breaks away from the traditional Balinese style and explores issues ranging from politics to superheroes, contemporary society to his own personal battles. The break from tradition has often been associated with the post-Suharto era, but Masriadi feels the timing is more coincidental, saying that it was at about the same time that he was “ready to explore and synthesize” his own style.

His standout pieces have been popular in Indonesia for some time and in the early 2000s he was already regarded as a notable contemporary Indonesian artist with promising talent. Despite that, many have still been amazed at just how successful Masriadi has become. It wasn’t long before Sotheby’s and Christie’s were featuring his work in their South East Asian sales in both Hong Kong and Singapore resulting in a global audience for the artist. In 2008 he had his first solo exhibition Black is My Last Weapon at the Singapore Art Museum. That same year he achieved his auction record at the Sotheby’s autumn sales in Hong Kong, with his triptych painting The Man from Bantul, 2000, (pictured below) selling for \$1m. Although this remains his highest price, his works regularly sell between \$250,000 and \$500,000, most recently You Must [Be] Ready which sold at the Borobudur auction house in Singapore for just below \$300,000 this January. At last month’s ArtStage fair in Singapore, Indonesian art was triumphed, and this led to some great sales for Masriadi. The artist has described the recent attention being given to Indonesian art in the international art market as “invigorating”.

However, he is also known for not conforming, and is unlikely to be changing his style to appeal to his new, widened audience. Regardless, it is the satirical but also humorous messages in his works that make him so popular. His striking figures, inspired by graphics such as comic strips and computer game characters, are muscular, exaggerated and powerful, and thanks to his rising success are becoming recognisable the world over.



I858 Ltd Art Advisory

**Buying
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Authentication
Valuations
Auction Representation
Collection Management
Art Philanthropy Advice
Art Finance
Art related Tax and Estate Planning**

How an I858 advisor can help you:

- **Exclusive Access** to works of art in private collections that are not available on the market
- **Impartial Advice** being independent of auction houses, galleries and dealers, we provide impartial advice when buying and selling on behalf of our client
- **Time Savings** as we are able to manage all areas of the collecting process on our clients behalf, we are able to build or sell complete collections with as much or as little involvement from the client as they wish
- **Direct Savings** due to our buying and negotiating capabilities we significantly reduce transactional charges which in turn we pass directly to our clients
- **Reducing Risk** by undertaking thorough due diligence on all transactional decision, we ensure that potentially costly mistakes are avoided and the client has complete confidence in the decision made.

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Cover image: Cropped view of Zhu Jinshi's 'Spring Oggerings No.2 (2012) which was on show at London's Art13 fair, courtesy of www.pearllam.com Remaining images, in the order in which they appear, courtesy of: Knight Frank Wealth Report p.53; www.artsy.net; www.musee-orsay.fr; www.uffizi.org; Louis Vuitton; www.artasiapacific.com

Art Calendar Highlights

Neo Rauch
Palais des Beaux Arts, Brussels
Until 19th May
www.bozar.be

Becoming Picasso
Courtauld Gallery, London
Until 26th May
www.courtauld.ac.uk

Francis Bacon
The National Museum of Modern Art, Tokyo
Until 26th May
www.momat.go.jp

Titian
Scuderie del Quirinale, Rome
Until 16th June
www.scuderiequirinale.it

Sharjah Biennial 11
Sharjah
13th March – 13th May
www.sharjahart.org

Alex Katz & Félix Vallotton
Musée Cantonal des Beaux Arts, Lausanne
22nd March – 9th June
www.musees.vd.ch

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