

NOVEMBER 2011 ART ASSET OVERVIEW

VOLUME 11 — WATCHES



Left: PATEK PHILIPPE, Grand Complication. Center: AUDEMARS PIGUET, Royal Oak Offshore Tourbillon Chronograph. Right: BREGUET, Classique Hora Mundi. Image courtesy of online.barrons.com

Dear Friends,

The Winston Art Group's monthly market update newsletter gives you a closer look at current market trends so that you can best manage your assets and continues to grow your collections. For our current issue, we focus on the booming market for watches.

One thing is certain - in a climate of economic uncertainty the market for luxury timepieces has held strong. In 2010, Switzerland's watch exports rose 22% to around \$20 billion. This upward curve has continued; By September 2011 exports had already jumped 20% compared to September 2010.

LUXURY TIMEPIECES

Tastes have shifted. There is no longer an overwhelming surge for the "iced" and diamond-encrusted watches of Hip-Hop. The 2011 man is seeking the sleek, elegant, and preferably platinum, classical, mechanical watch. Top of the list, when it comes to catering to the "complex yet classical" modern watch is Patek Philippe. Renowned for fetching the highest prices at auction - a Chronograph sold for 6.3 million francs (approximately US\$6.95 million) at a 2010 Geneva auction - it is no surprise that the Patek Philippe Grand Complication retails for \$785,000.

Other brands from Switzerland's "greats" provide similarly chic simplicity with a complicated twist. Jaeger-LeCoultre offers 'astronomical time' and depicts the northern sky's star constellations. Meanwhile, Audemars Piguet has the steel Royal Oak collection: the Offshore Tourbillon Chronograph, measuring 44mm in diameter, is tagged at \$296,000.

While new collectors might believe that a James Bond Rolex Submariner, with a serial number ending in 007, would be an investable item for resale, the experts know that timepieces worth investing in are the rare high-demand models. "Limited edition" is a good place to start (so long as "limited" actually means "limited") when quantities are somewhere between 5,000 to 10,000 pieces. Additionally, totally recession proof watches are those that have been discontinued, such as the Rolex Sea-Dweller.



Kanye West spent \$180,000 on an 18-carat gold/diamond watch emblazoned with his face, January 2011. Image courtesy of midastouch.goldgenie.com



Rolex Sea-Dweller Great White Vintage Mens Watch 1665

MARKETPLACE & VENUES

In addition to the auction houses, the marketplace for watches spans from 'stand in line' to 'shop online' and from watch shows to watch dealers. Vintage watches have become one of the most sought-after collectables of the 21st century. In 2010 alone, over \$37 million worth of watches were sold online - where sites such as 'eBay' and 'finertimes' define the market.

TRENDS & VALUE

Emotional value, fashion value and symbolic value explain why more expensive and less efficient mechanical watches are deemed preferable to their dependable quartz contemporaries, (mechanical watches contribute 14% of the volume and 65% of the total market value for "watches sold"). Either way, the fact remains that the luxury watch is an item that remains in demand, and with brands such as Jacob & Co. obtaining endorsements from celebrity ambassadors such as Tom Cruise and Michael Jackson to Jay-Z and David Beckham, the glamorized, luxury watch market is one of many faces.

As to whether it is the watch face, the famous face, or the face value that creates the sale, a useful place to seek the answer is China, which houses one third of the Swiss watch market. No wonder Jacobs & Co. recently signed Donnie Yen, a man with a 60 film back-catalogue in the world of Acting, Choreographing and Directing, to their China Brand. In light of the "Luxury Goods Worldwide Market Study" conducted by Brain and Company this year, which established China as the second largest consumer of luxury goods in the world (180 billion Euros in 2011), this could turn out to be a decisive move in the world of watches.

Article courtesy of Ella Bishop, for Winston Art Group

Winston Art Group assists clients with the purchase and sale of fine Watches at auction and through dealers. Our watch sales and purchases have increased by 100% in the past 6 months in terms of dollar value, and underline the ever increasing depth and breadth of the desire for fine Watches.

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