MM European Art Price & Sentiment Indices

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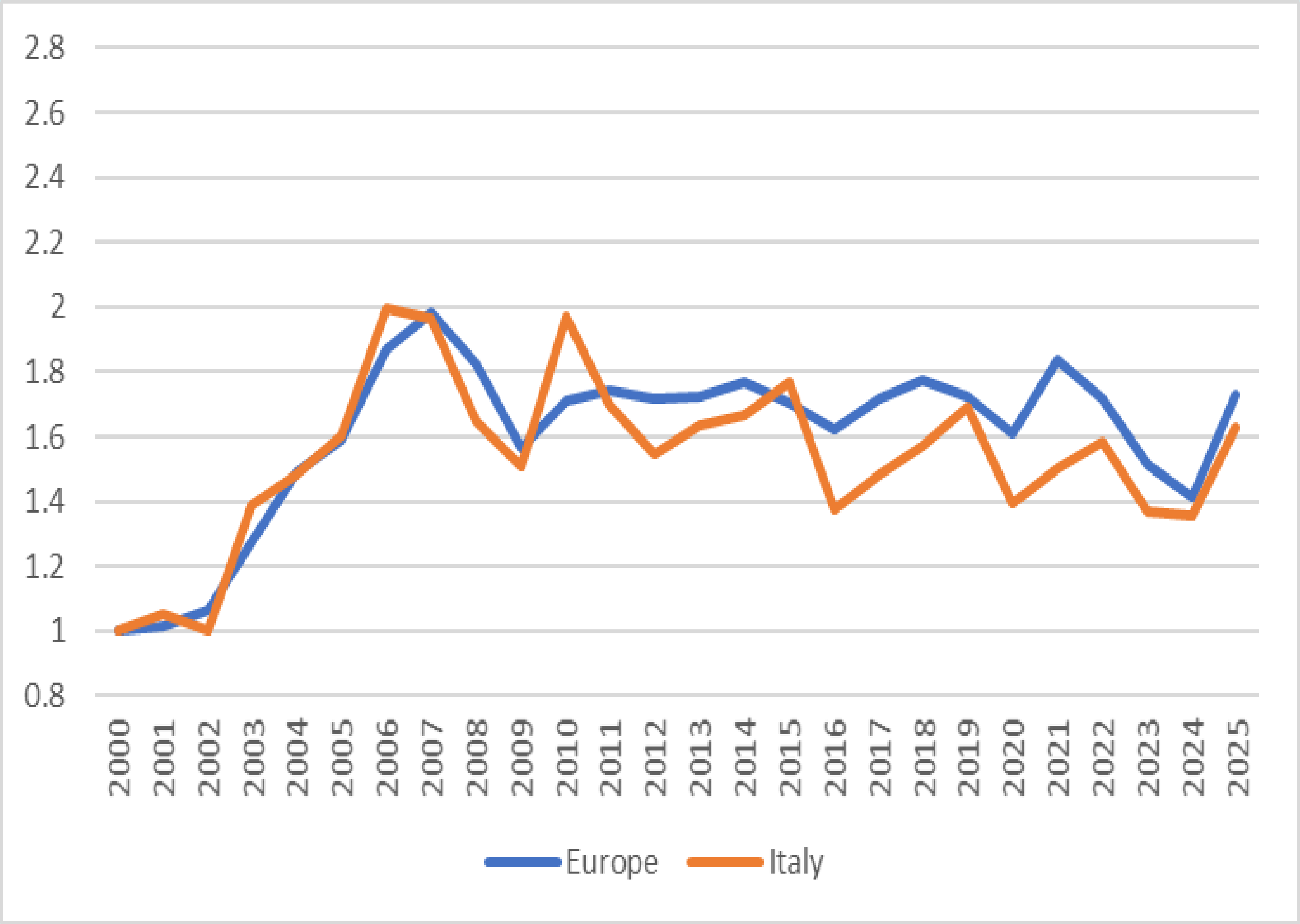
MM European Country Art Price & Sentiment Indices

- Cheung Kong Graduate School of Business and SDA Bocconi collaborate to study European art market trends and art pricing.
- First release of the MM European Country Art Price and Sentiment Indices.
- Strong Recovery of European Art in Spring 2025, especially for German Art.
- During 2000-2025, German art outperformed the European art, but its valuation were also most volatile.
- Global Financial Crisis in 2008 left a lasting impact on European art.
- Why should world art market recover?

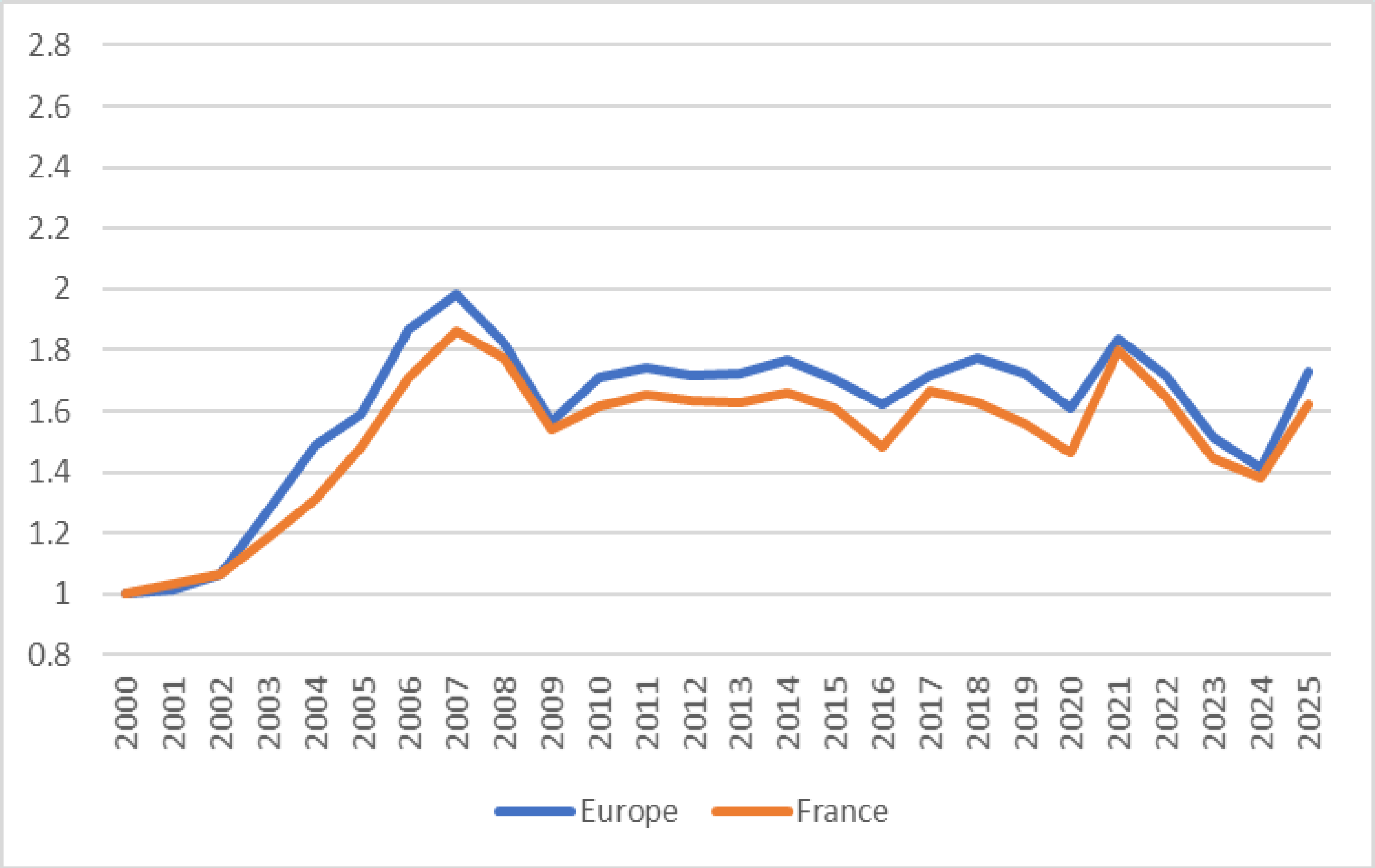
MM European Index Coverage

- The data comes from the auction records of the three major auction houses—Sotheby's, Christie's, and Phillips—in cities such as Shanghai, Beijing, New York, London, Paris, Hong Kong, Milan, Dubai, Amsterdam, Cologne, Los Angeles, Sydney, Rome, Melbourne, Doha, Zurich, and other locations
- The sample is taken from a total of 3,821 artists born in Europe with auction records between 1873 and 2025, whose works were repeatedly auctioned at the three major auction houses, with a total of 19,258 repeated sales.
- This includes 811 artists born in France, 619 artists born in UK, 636 artists born in Italy, and 387 artists born in Germany.

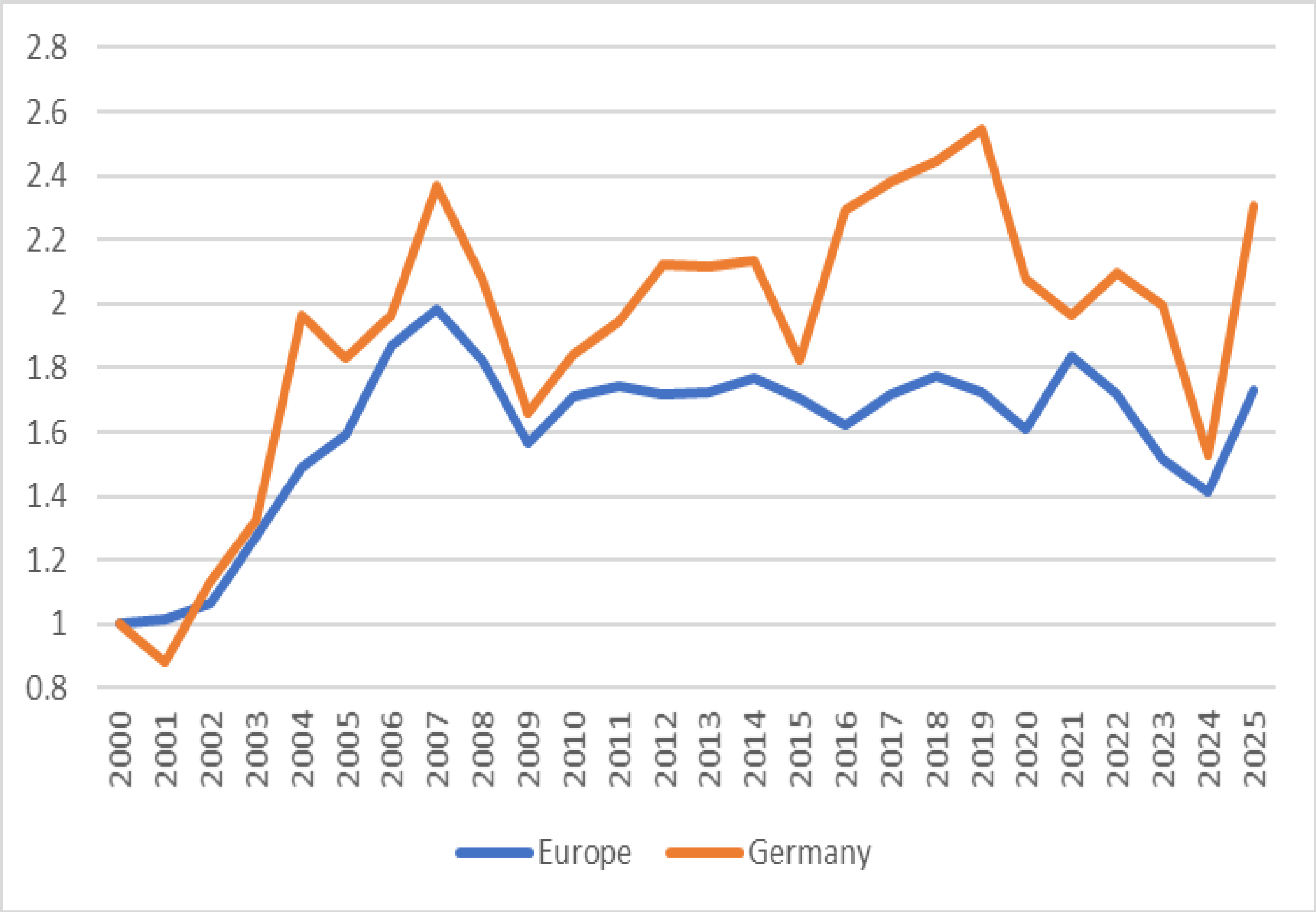
MM Italian Index vs. European Index



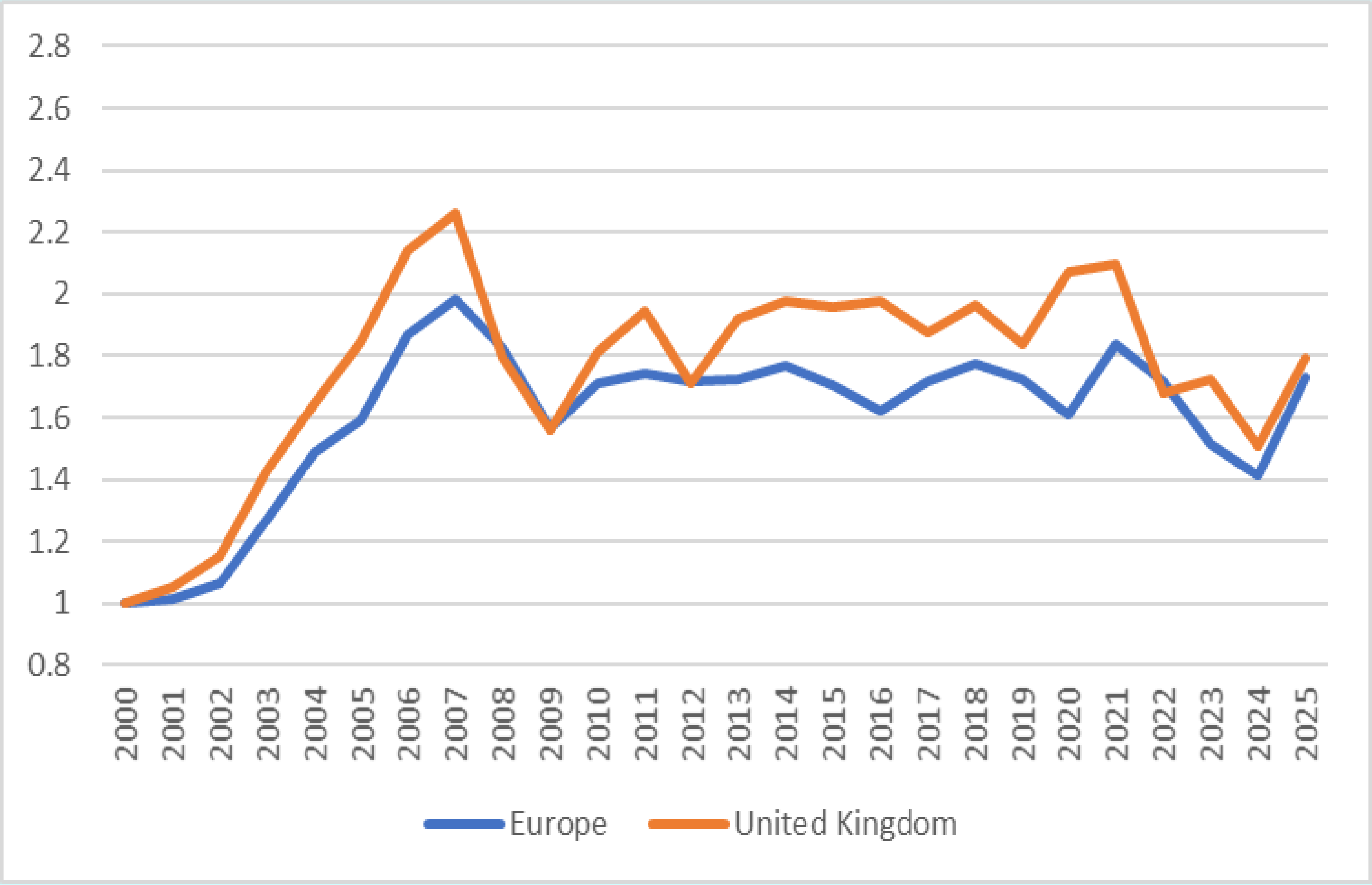
MM French Index vs. European Index



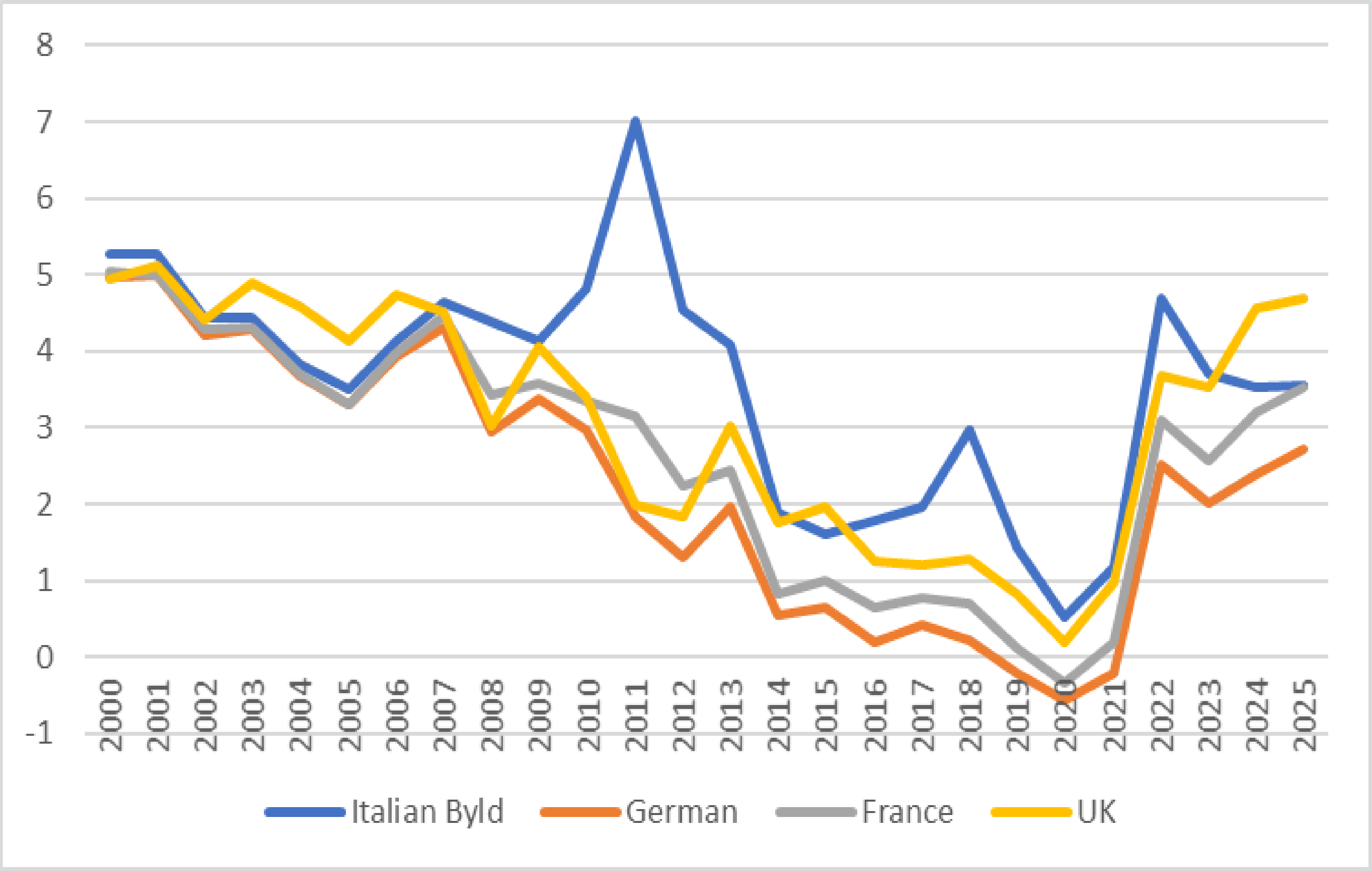
MM German Index vs. European Index



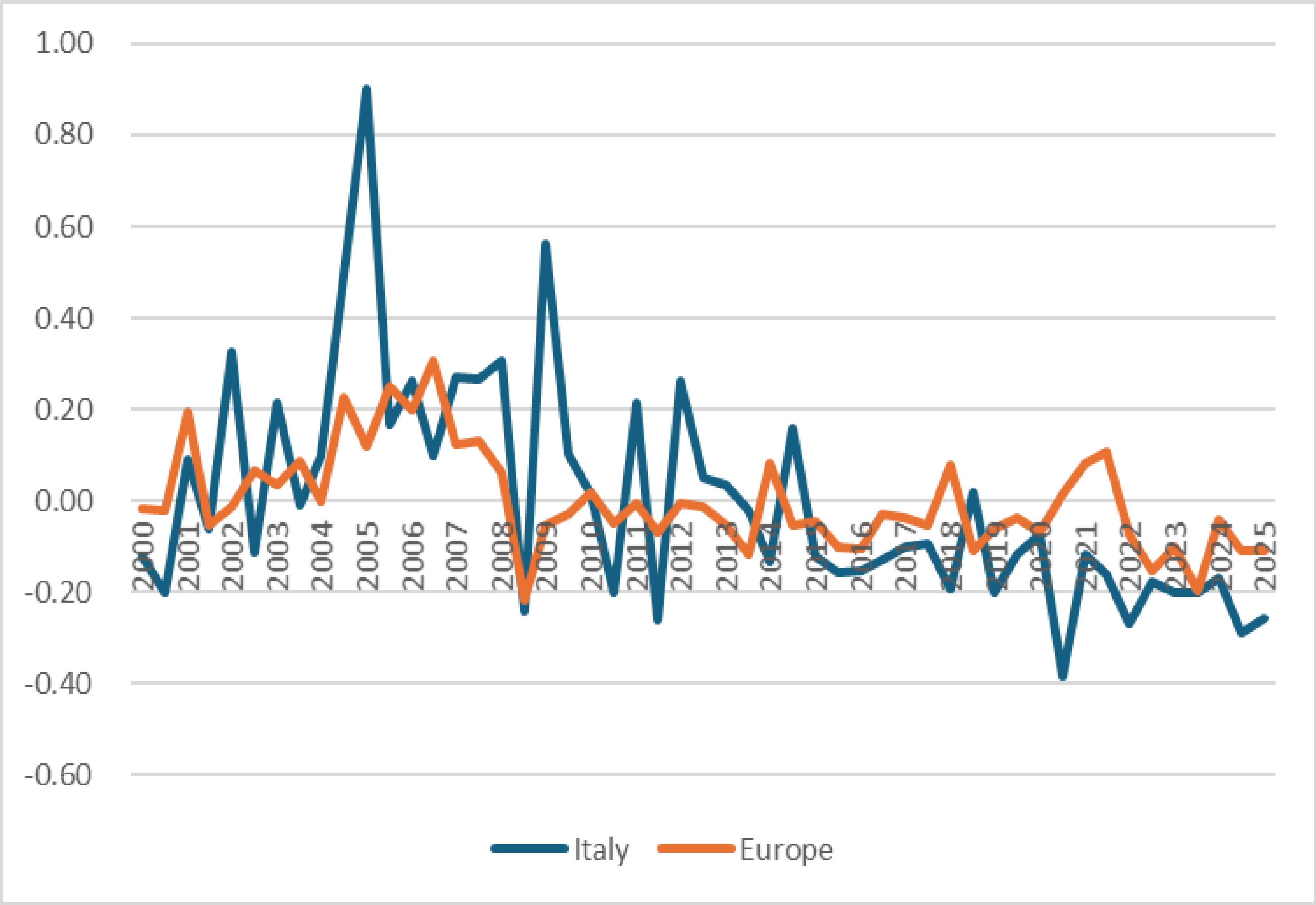
MM UK Index vs. European Index



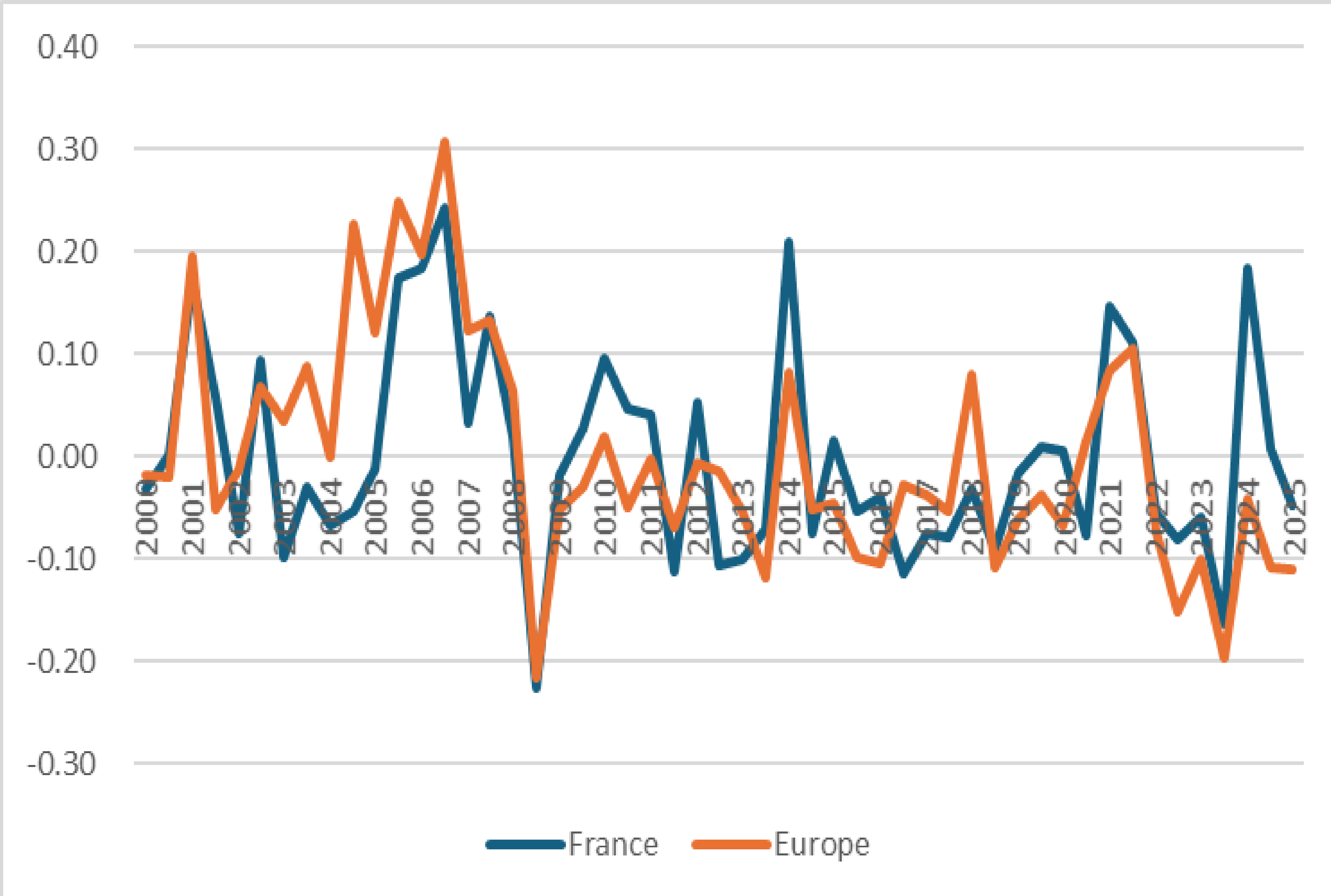
Government Bond Yields



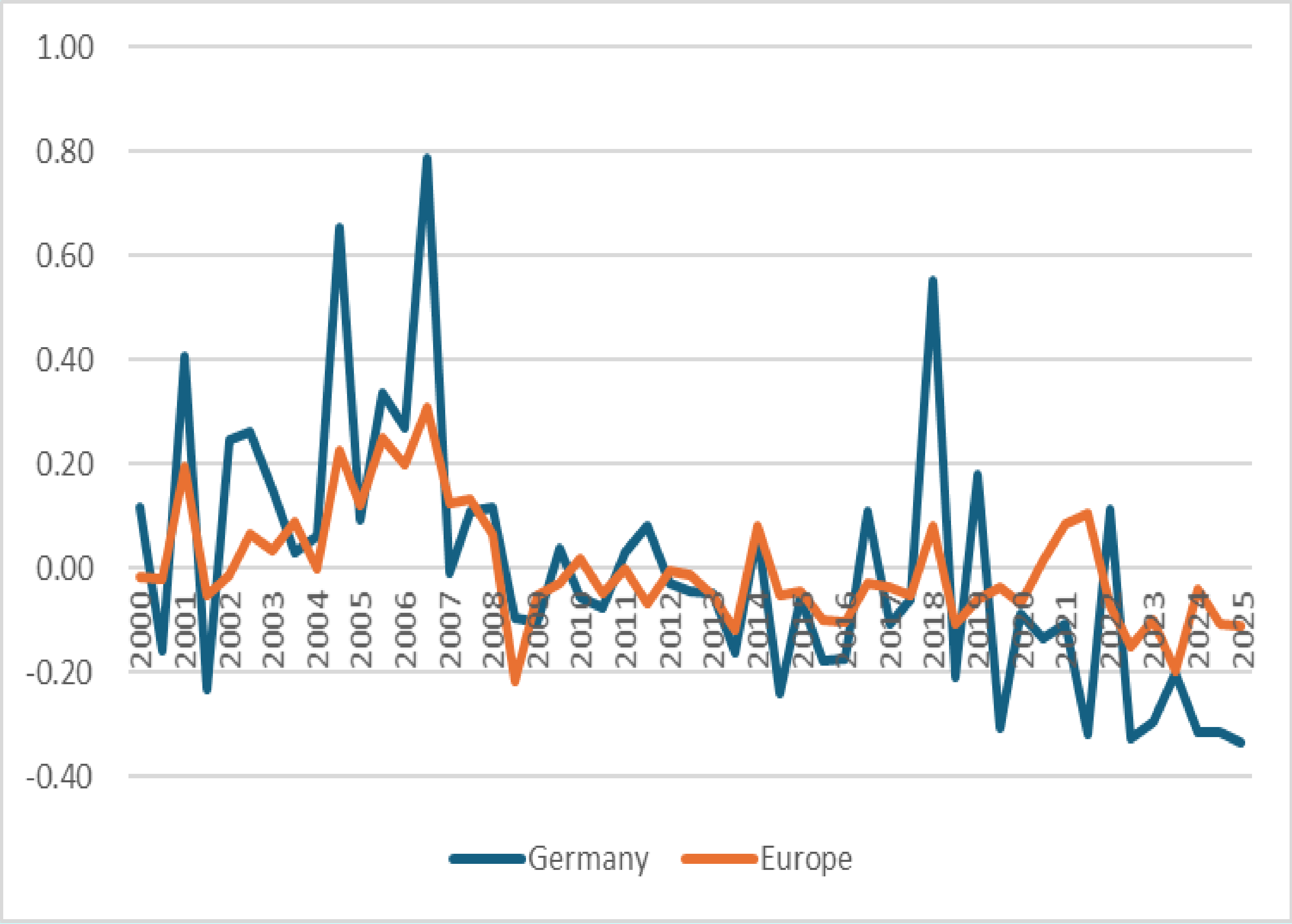
MM Italian Art Sentiment Index



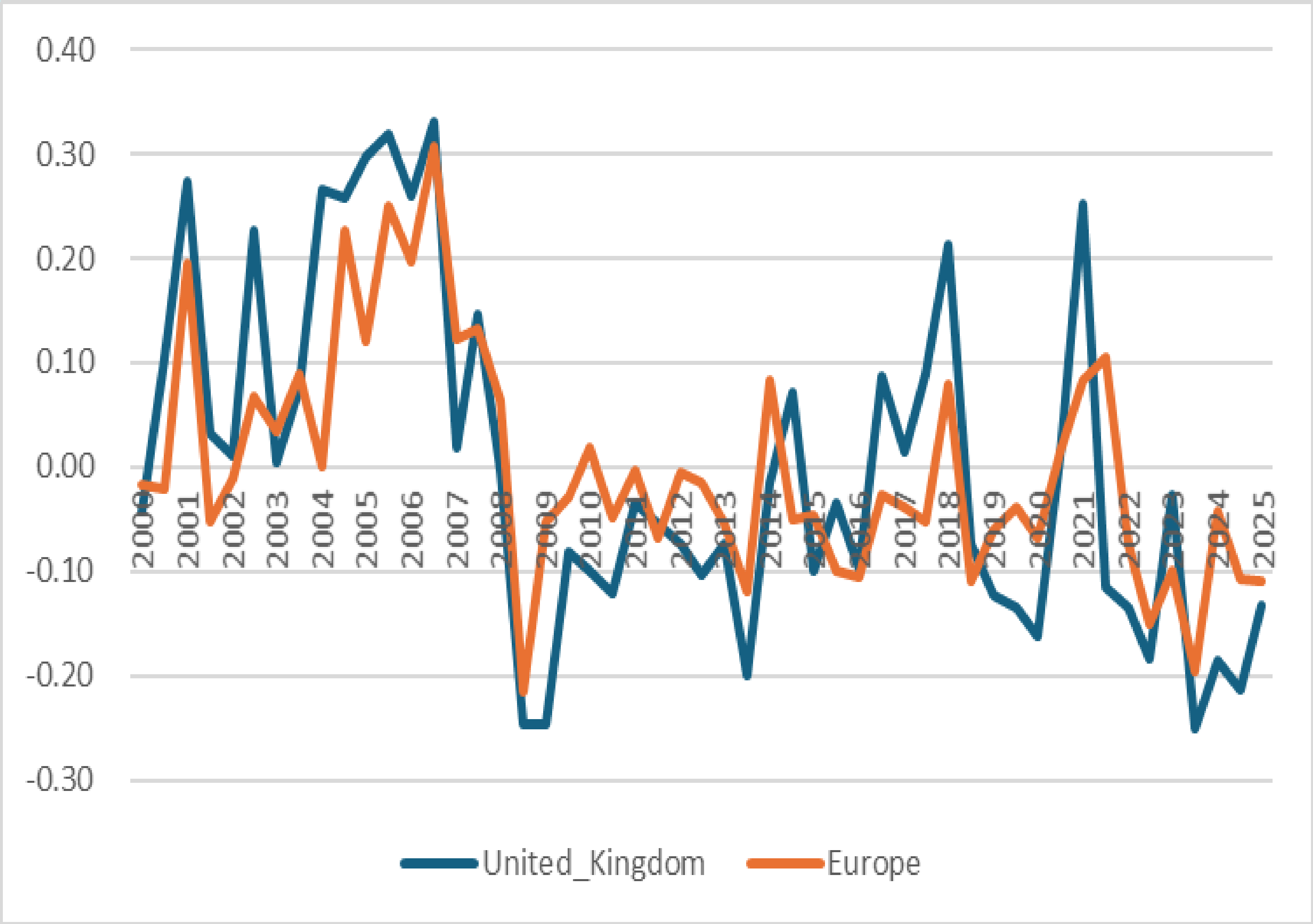
MM French Art Sentiment Index



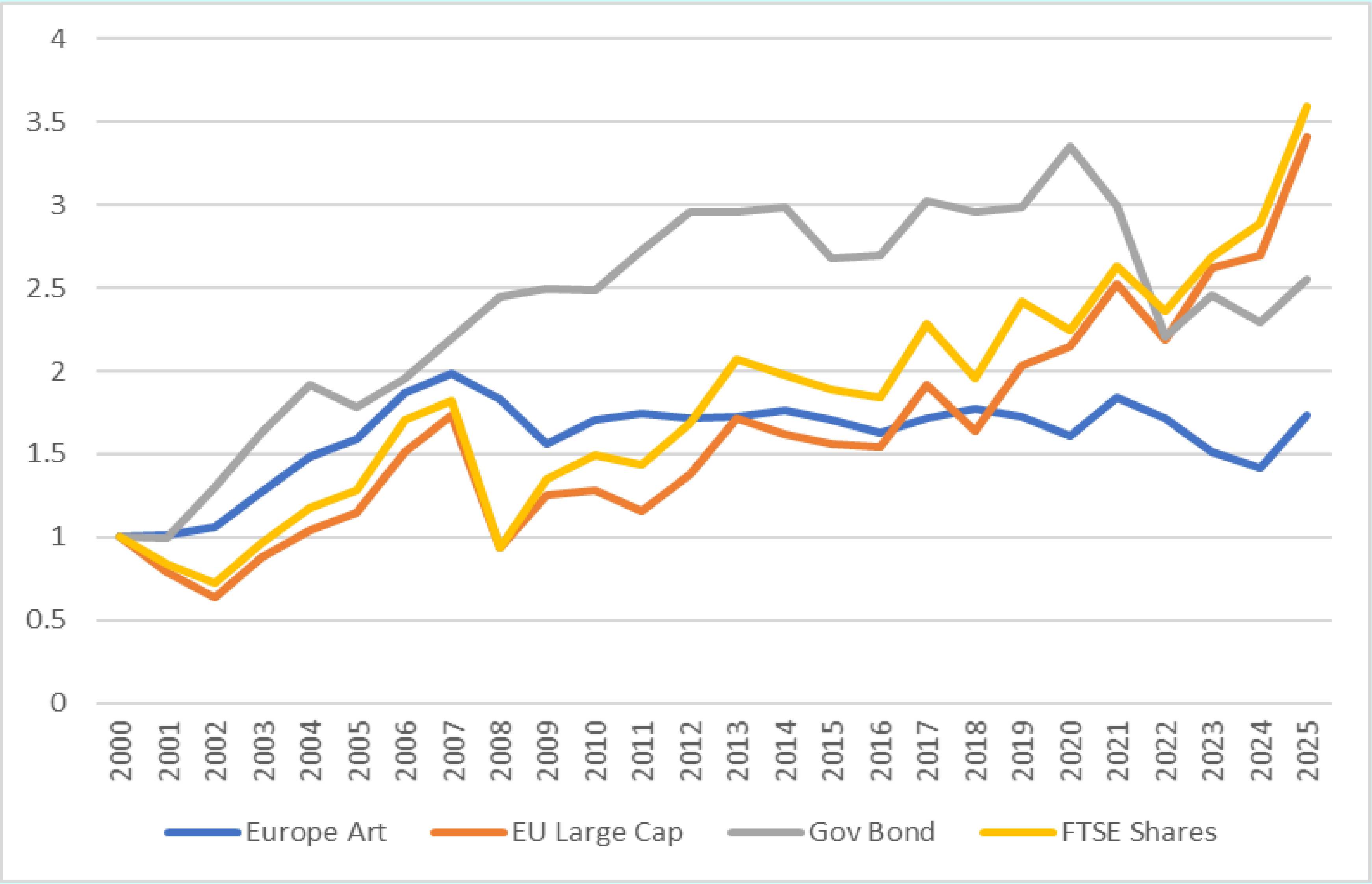
MM German Art Sentiment Index



MM UK Art Sentiment Index

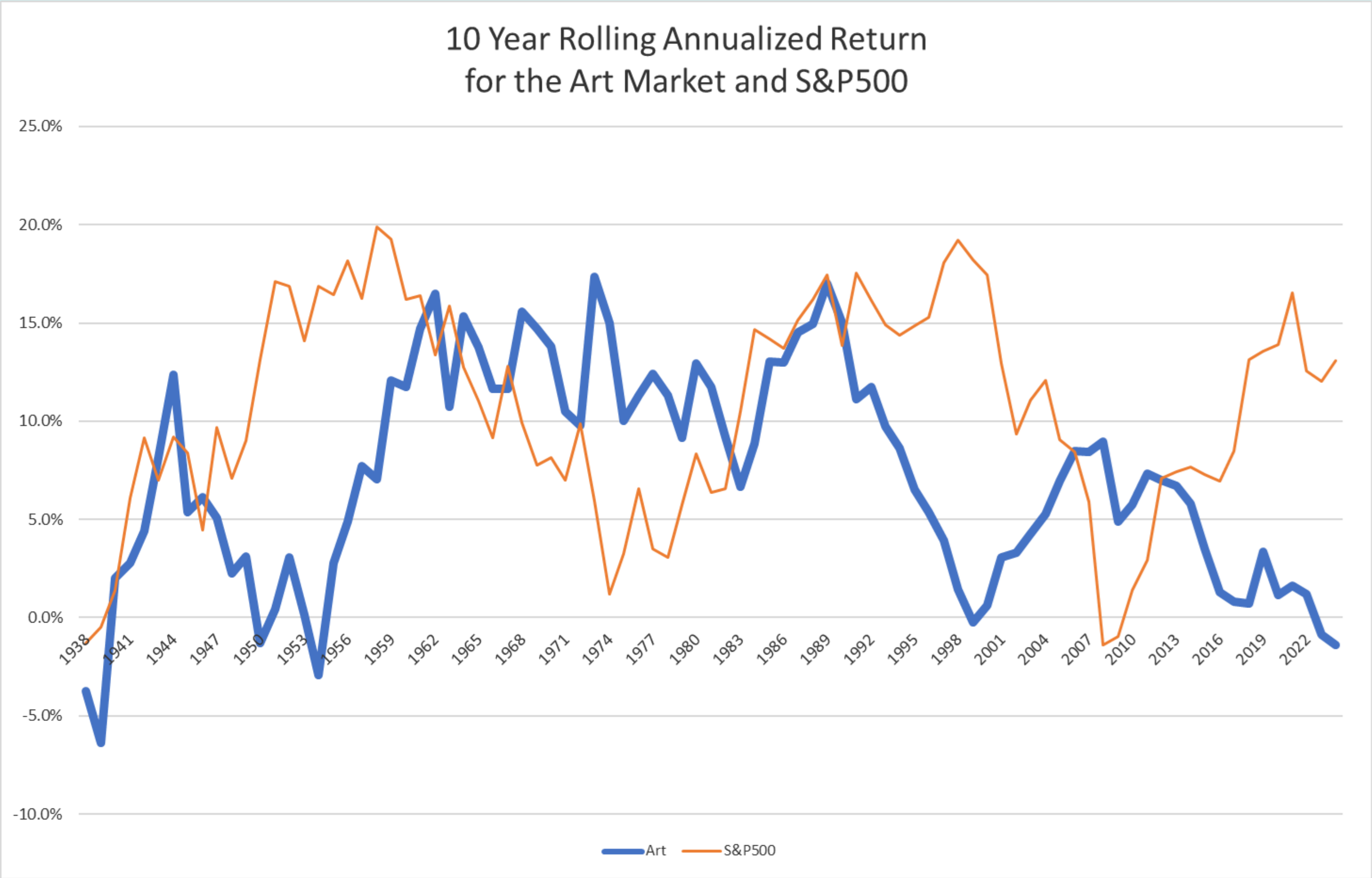


Art, Bonds and Stocks



Financial Performance of Art, Bonds and Stocks

- In order to compare financial performance of European art with financial assets in Europe, we use dollar returns on Europe Stoxx Large Cap Return Index, UK FTSE All-Share Return Index, and Euro-19 10-year Government Bond Return Index.
- European Art achieved an annualized return of 2.3% during 2000-2025. Euro large Cap, FTSE All Share and Euro 19 bonds achieved 5.1%,5.4% and 3.9%, respectively.
- European Art is found to be the least volatile with return standard deviation being 0.098. Those for Euro large Cap, FTSE All Share and Euro 19 bonds were 0.204,0.202, and 0.121, respectively, during the sample period.
- European Art is also found to have low correlations with financial assets. Its correlations with Euro large Cap, FTSE All Share and Euro 19 bonds were 0.353, 0.348 and 0.331, respectively.


10 Year Rolling Annualized Return
for the Art Market and S&P500
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
-5.0%
-10.0%
1938
1941
1944
1947
1950
1953
1956
1959
1962
1965
1968
1971
1974
1977
1980
1983
1986
1989
1992
1995
1998
2001
2004
2007
2010
2013
2016
2019
2022
Art
S&P500

Long Term Returns To Art Quite Depressed

- The 10-year annualized USD return rate for artworks experienced a once-in-70-years decline since the 2008 global financial crisis, reaching its lowest point in 2023 and 2024.
- This finding was derived by integrating the Sotheby's Mei Moses Art Index from 1928 to 2000 and the MM Art Index from 2000 to 2024.
- The long-term annualized return rates for 2023 and 2024 were -0.9% and -1.4%, respectively.
- To find similarly poor long-term returns, one would have to go back to 1954, when the art market not only stagnated but also resulted in holding losses for collectors.

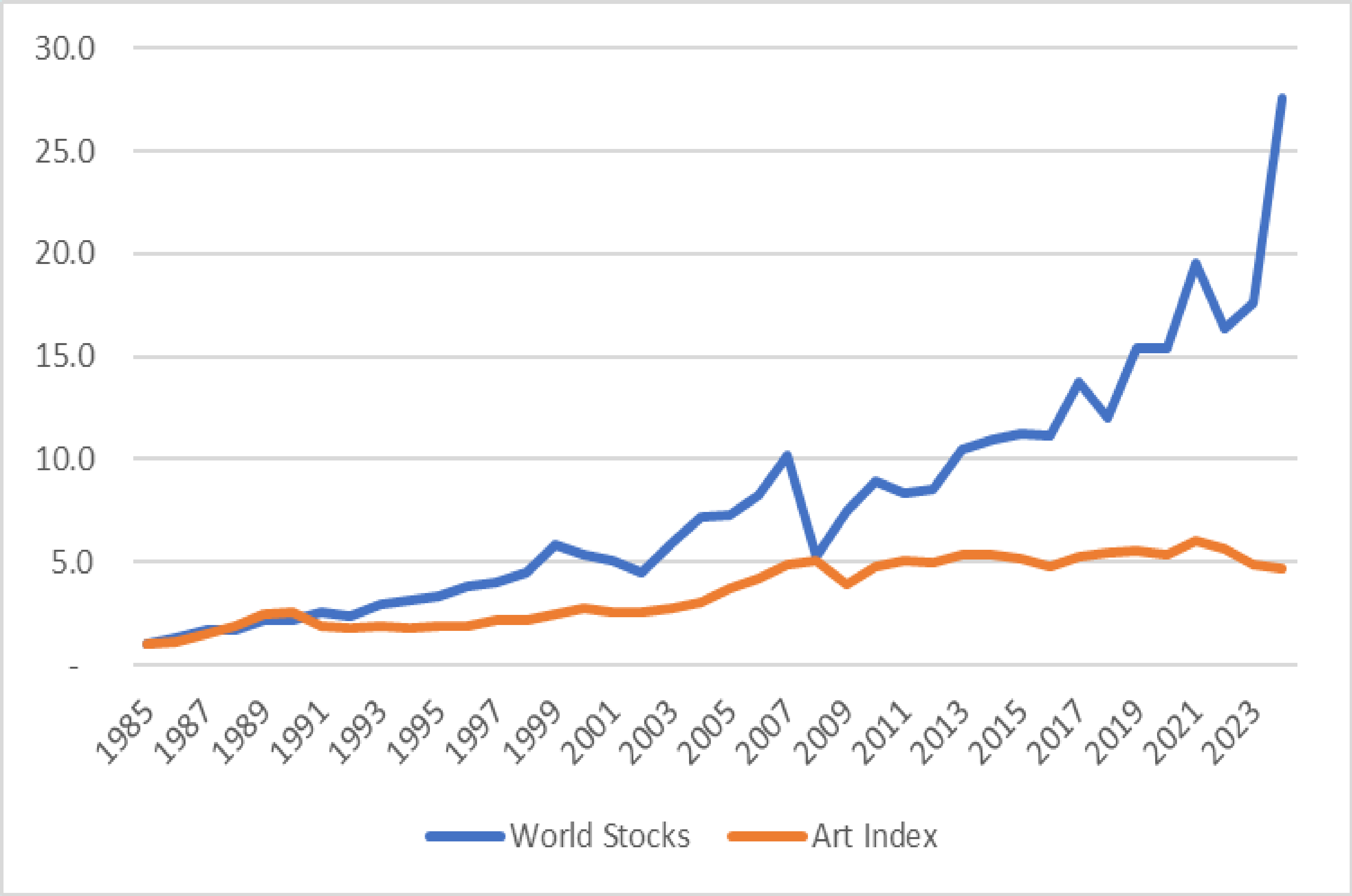
Art Market And Major World Events

- Years with negative long-term returns in the art market over the past 87 years: 1938, 1939, 1950, 1954, 1999, 2023, 2024.
- Years with long-term returns in the art market exceeding 10% over the past 87 years: 1944, 1959–1971, 1973–1978, 1980–1981, 1985–1992.
- The Great Depression, wars, post-war recovery investments, the bursting of the Japanese asset bubble, the internet investment boom, the AI investment boom.
- Bottom-fishing, post-war prosperity, inflation, interest rate cuts, Japanese and U.S. bull markets.
- The future of the AI boom: tens of thousands of billionaires, a world of hundreds of millions of middle-class individuals, and an undersupply of artworks. (3028 and 60m in 2025)

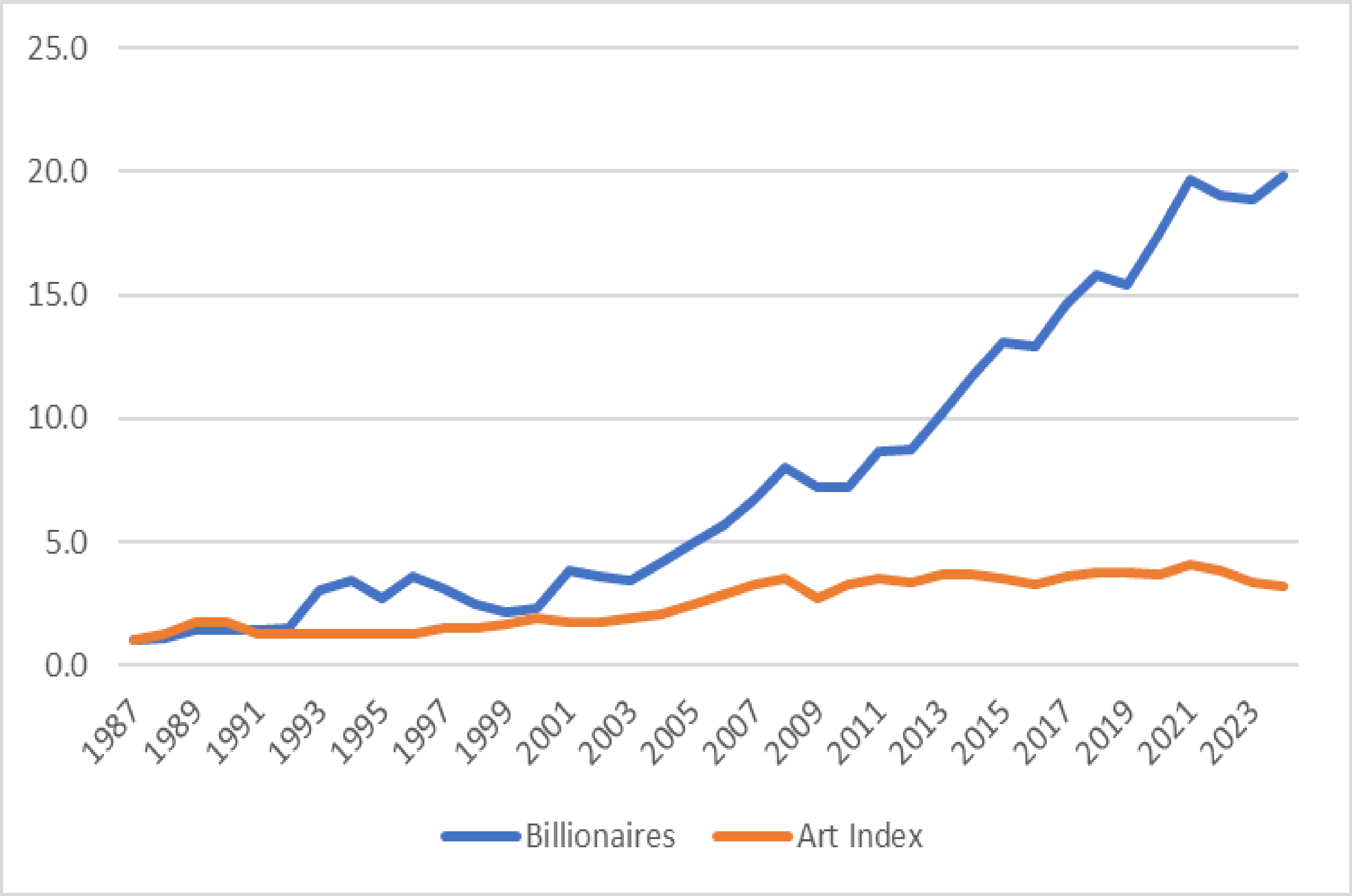
A historic buying opportunity?

- Since 2018, the S&P 500 index has achieved double-digit annual growth every year.
- After 2008, the financial performance of these two assets sharply diverged, with the stock market enjoying a 15-year bull market, while the long-term return rate of the art market gradually declined, now overall in a state of stagnation unseen for generations.
- Considering the immense wealth created by technological advancements over the past 25 years, now may be a historic opportunity to collect artworks.
- 2025 spring a thaw?

World Stock Market Capitalization and Art Index



Number of Billionaires and World Art Index



Why should the Art Market Recover?

- World stock market capitalization increased from $4.5 trillion to 127 Trillion, an increase of 27 times from 1985-2025. World art market index only increased 3.7 times!
- Number of billionaires increased from 140 to 2,781, an increase of 19 times from 1987-2024. World art market index only increased 2.2 times!

Why should the Art Market Recover?

Four Possible Drivers

- Working harder: S&P turnover/tenure
- Working longer/Healthier: Delay Leisure
- Financially less secure: GFC and Euro Crisis
- Opportunity cost: gold, bitcoin and financial assets
- Buffett's joke about resume and passion
- Boys will be boys

Life is getting harder for the big boys

- Average tenure has halved from ~33 years in 1965 to ~20 years in 2020, with forecasts of 12–14 years by 2027. This implies an annual turnover rate rising from ~2–3% in the 1960s–1970s to 4–5%+ today.
- Higher turnover reflects "creative destruction" (Schumpeterian economics)—innovation drives growth but weeds out laggards.
- Source: Grok