



Paris  
as of May 13th, 2022

Dear all,

History highlighted that prices of second hand watches took off when interest rates started decreasing in 2015 and should logically reverse their course if and when interest rates were to rise especially the real rates. Well, here we are and yet nothing. Part of the explanation is that the key driver of the take-off back then was that the “discrete” money parked in Switzerland had to find another home and a way to reach it. This is where “real assets” started to make sense for eventually bad reasons. However on the positive side of things it also allowed to grow the community of collectors and the market is now simply more mature, more robust and more stable as it is well spreaded instead of being concentrated in the hands of a few big dealers. The better knowledge and access to it and the higher prices transformed the watch market as being an eligible one for family offices, some private banks and wealthy individuals attracted by the anticorrelation they offer in a portfolio. No need to buy 100 watches to invest 10m€ anymore. Probably a real hassle for non collecting investors. They can now do that with 1 to 5 important watches. A game changer.

### May Geneva auctions: neither bargain nor fireworks

The vintage watch market is strong in general supported by either the big Royal Oak 50<sup>th</sup> anniversary or post-COVID statement watches. Collectors want colorful and visible valuable watches that one could name “Gem-set for Jet-set”.

	# pieces	Phillips AP	Phillips RO	Phillips XV	Christies	Sotheby's	Antiquorum	Monaco Legend
> 1m CHF	10	2	3	3	1			1
500k - 1m CHF	38	10	12	5	5		2	4
250k - 500k CHF	101	21	37	14	13		5	11
100k - 250k CHF	218	33	49	42	42		21	31
<b>TOTAL</b>	<b>367</b>	<b>66</b>	<b>101</b>	<b>64</b>	<b>61</b>		<b>28</b>	<b>47</b>

Yes, the above table is correct. 367 watches were sold for more than 100k CHF and 10 of them achieved more than 1m CHF. The price podium is evenly spreaded between the 3 main brands with highest price going to Patek 1518 “pink on pink” with 3.3m CHF, second ex-aequo Audermars Piguet Genta’s Royal Oak 5402st and a Rolex pink gold 6062 at 2.1m CHF. The first layer of price is not as spectacular as in the last “epic” month of November (6 watches were above 3m CHF vs only 1 here). This is due to less mega top lots than then and no Philippe Dufour offered.

Phillips is dominating impressively the other auctions houses in every price bucket and in quantity: 167 watches above 100k CHF. That’s close to the sum of all the other houses altogether.



A true leader. Pricewise it remains fairly common to see Phillips selling 30% higher than its competitors for the same references. Nonetheless this time around some pockets of weakness were observed when Mr. Bacs is not leading the show. On the opposite, Christie's auctioneers appeared very talented and successful in creating bidding intensity. Monaco Legend also posted remarkable results skewed towards Rolex and gem-set style watches.

Maybe the most surprising feature of the price distribution tables goes to the 5 Rolex sold above 1m CHF. The "cool kids" brand who underperformed AP and Patek in secondary market over the last 3 years proves that when quality is there the collectors are still present.

# pieces	Patek	Rolex	AP	Cartier	De Bethune	Journe	RM	Omega	Piaget	Voutilan	Greubel	Vacheron	Lange	Harry Winston
> 1m CHF	10	2	5	3										
500k - 1m CHF	38	13	8	11	1		3		1		1			
250k - 500k CHF	108	24	32	38	1		8	1	2		1		1	
100k - 250k CHF	209	63	47	66	3	3	5	2	4	1		1	6	6
<b>TOTAL</b>	<b>365</b>	<b>102</b>	<b>92</b>	<b>118</b>	<b>5</b>	<b>3</b>	<b>16</b>	<b>3</b>	<b>7</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>7</b>	<b>6</b>

The season was dominated by the anniversary of the Royal Oak explaining their large 118 number but Patek is a close second with 102 watches and Rolex 92. FP.Journe confirms it is now established among the star brands with 16 watches sold above 100k CHF. Recent market trends were also represented with 7 important and rare Omega, 7 Vacheron (the 222 is starting to push), 6 A.Lange & Söhne (mostly Lange 1 model) and 5 Cartier. Monitor these guys. A true loser of this space seem to be Richard Mille with only 3 watches sold while any of these RM are easily offered above the 100k CHF mark when proposed.

### Happy birthday Royal Oak!

So 118 AP were sold above 100k CHF. Quite an achievement when you look back even just 2 years ago when maybe 10 of them would have crossed that price threshold. Among the top lots were sold the watch of Gerald Genta himself (2.1m CHF), the one of Karl Lagerfeld (937k CHF) and the 2<sup>nd</sup> ever produced 5402st A2 (1m CHF). Extremely rare birds such as a special order QP from Asprey likely for the Sultan of Brunei (1m CHF) and one of the seldom seen 8 platinum Jubilee with Tuscany dial (800k CHF) were sold.

The Royal Oak design certainly emerged in collector's heart and is here to stay. Now did we see the market peak on Royal Oak? It is possible and would be logical that we observe a plateau for some times. Bidding was very strong on Quantième Perpetuel (or "QP" stands for perpetual calendar). It is worth noting that out the top 10 most expensive Royal Oak, 6 were complicated QPs and 2 of the remaining were "time only" Royal Oak achieving high prices due to their provenance. Logic is back and has reorganized the Royal Oak family price tag. It was interesting to see the market setting a ~35% incremental price difference between the 5402st series from D (82k CHF) to C (100-110k CHF) to B (150k CHF) to A (190k to 240k CHF).

It is fair to say a Royal Oak, perpetual calendar, in a precious metal and eventually skeleton configuration revealing their beautifully chiseled movement represents what I call the "heart of AP". I believe they will retain a strong value. They could be to AP what the "Paul Newman" are to Rolex. The time only version of the Royal Oak probably needs to breathe a bit here. In the mid run the Royal Oak remains a major icon which best examples will be chased by an ever-growing



base of collectors. On the practical side of things Royal Oak cases are so thin that a “natural erosion” due to polishing will continue to work its magic and support prices over time.

## **Rolex**

Boy Rolex chronos felt stronger this week-end than they've been since a while. Out of the top 10 Rolex prices at Phillips, 8 were chronos, 1 perpetual calendar with moon phase and 1 king Submariner 6200 which only ranked 9<sup>th</sup> pricewise. Same at Christie's. The surprise came from the Killy (at last!) which were of outstanding quality both in yellow gold (1m CHF) and steel (466k CHF). Eric Clapton's 6239 doctor dial fetched 1.7m CHF. Fair & expected. The bling 6269 hit 1.6m CHF. A 14k yellow gold 6241PN JPS did “only” 852k CHF despite a stunning dial but in an over polished case. At these stratospheric prices perfection is required.

Rare PreDaytona did well at 400/450k CHF for a rose gold 6034 and a mesmerizing 6234 glossy black which was a little controversial as 1965 seemed late for that case & dial. Its beauty took over the doubts. The classic black 6238 did 164k CHF confirming a steady and solid value.

Big Red were strong with NOS 6265 hitting 226k CHF (normally trades ~70k CHF) and a good quality 6263 in steel is now 125k CHF at auctions. More to come. Don't get me wrong, average stuff will remain in the 80/90k CHF range.

Gold 6263/8 champagne traded 212k & 302k CHF. I still believe a lot in these beautiful rare and versatile watches (one can cut the goldy aspect with a leather strap which you cannot do on 3700J or 5402BA). 6265/8 is also on the rise achieving 175k CHF.

Pump pushers Daytona are basically unchanged.

Paul Newman: Christie's had the best line-up with a 98% perfect 6241PN champagne reaching 1.07m CHF (that's +100% in the last 12/18mth), the tropical Lemon 1.25m CHF (a favourite), honest 6263PN Panda did 500/580k CHF (+10% YoY or so). The “entry” price to Paul Newman collecting ie. the 6239PN reached 240/260k CHF (+15% YoY).

Zenith Daytona are roughly unchanged.

Time only Submariners, Explorers & Sea-Dwellers: not “en vogue”. Price either stalled for nice quality ones or came down depending on the reference. Okay the 5513 Milsub had relumed hands but 151k CHF is low by historical standards. The beautiful glossy 5508 achieved 132k CHF and an okay 6205 did 126k CHF which is weaker despite good quality.

GMT: a decent full set bakelite 6542 achieved 138k CHF but it could not compare with the quality of the ones sold 250k CHF in the past (mainly due to the dial & case). Let's call it flat. Gold 1675/8 traded in the 70/85k CHF range.

Stone dials & gems: explosion. Christie's ruby Day-Date made 265k CHF. The Monaco Legend auction had set the tone for stella with 9 being sold between 117k and 650k EUR! That's a huge acceleration (+100% to +300%). People like to make a statement these days. These watches are doing the job. The meteorite dials are also popular with Daytona 116519 sold for 95k CHF. On the color front the beach Daytonas sold for 200k CHF (green and turquoise). Not bad!



## **Patek**

Still the leading brand pricewise. Aside from the pink 3.3m CHF 1518 a Calatrava in steel made during the 2<sup>nd</sup> WW achieved 1.36m CHF. A superb grand complication chrono QP minute repeater made 957k CHF. Split second 5004P full set did 450k CHF at Phillips but 226k CHF at Christies for an extract only one. That's a biiig spread. Probably one was too high and the second too low. At least 5004 have caught the attention and value they deserve.

For the 1<sup>st</sup> time in a long while we saw higher prices on "Padellone" 3448J with 378k CHF (mint) and 3450 at 315k CHF. The white gold 3448G did a flat 655k CHF but the dial was damaged.

The chrono 5970 also saw encouraging results (240k to 327k CHF) after years of nothing. A lot of them around but what a beautiful watch that is.

3970: this reference was particularly well represented recently. Classic chrono right in between mythical reference such as 2499 or 5004. Unfortunately it was heavily produced and i would stick to 1st or 2nd series or 3971E only. These achieved above 200k CHF during the auctions which is about 70% to 100% more than the more common series due to their limited production.

"Real collectors" tend to overlook Nautilus. Yet out of the top 20 Patek sold at Phillips, 9 were Nautilus! The 3700s in steel sold for an average of 200k CHF except for the tropical at Phillips (378k CHF) and the Sotheby's one (113k CHF). Not sure what happened there but well done to the buyer (I missed that auction...). The gold version was difficult to price lately. It use to trade flat price vs its steel version but now command a 30% premium at 250/275k CHF across auction houses.

Nautilus 3800J in gold had very different prices ranging from 82k CHF at Antiquorum to 176k CHF at both Phillips and Christies! The price ratio vs its bigger brother 3700J should be +50/+60%.

Modern Nautilus such as 3712 posted a new world record with 315k CHF for a double sealed. Despite recent collapsing price action on the 5711 the average selling price of the week end was surprisingly high at 195k CHF (Hmm) . A green dial did 529k CHF. A platinum 630k CHF.

Aquanaut: 2 advance research 5650 did 700/750k CHF. Wow. 5164 is now 110k CHF. I still find the superb 5065A cheap vs its modern brother the 5167A as I trades below. Not logical. I will keep accumulating & chasing 5065A and J.

## **Independent**

FP. Journe, De Bethune, Urwerk, Christian Klings, Beat Haldiman Daniel Roth, MB&F all sold watches largely above 100k CHF.

FP.Journe has its unconditional fan base as this genius watchmaker is magnifying anything he touches. For Resonance you now need to pay 450k CHF for a 1<sup>st</sup> generation (brass movement) and 300k CHF for a 3<sup>rd</sup> generation. A modern one did 415k CHF. Special Octa scored high with Zodiaque 800k CHF, Souscription (the very 1<sup>st</sup> series) 500k CHF and Ruthenium 340k CHF. A tourbillon now fetches 428k CHF and 327k CHF for 1<sup>st</sup> & 2<sup>nd</sup> generation respectively. A Centigraph black label reached 353k CHF. All these pieces are like fabulous burgundy. Everyone wants some and they ones who already have want more. Up up up.



DeBethune: the design of a DeBethune is disruptive on purpose. It seems straight out from a StarTrek villain Klingons' spaceship. After 20 years in existence and only 3000 watches made speculators want to play the next Dufour. Maybe but you have to like the huge size (44mm) and divisive design. A hand full of buyers is enough though as the DB27 and DB28 in titanium sold for 226k and 195k CHF respectively.

Don't ask about Urwer. Please.

### **Lange / Vacheron / Omega**

These 3 have been the recent market flavors.

Vacheron: It often only takes an emblematic reference to push collectors to explore further a brand. In the case of Vacheron their new beautiful Overseas Dual Time Everest on the wrist of Cory Richard did exactly that and people are now pushing the famous 222. There have been a few attempts in the past to "play" that reference when the market was looking at the next 3700 or 5402 and it seems it wants to have another go at it after the Watches & Wonder re-edition. It is often classified as being a design by Gerald Genta but it is not. I am not chasing it. Something is missing for me. Soul supplement or maybe that crenelure does not work for me.

Omega: after the 3m CHF last November Phillips seems to have marked an awakening for Speedmasters with an Alaska hitting 529k CHF, a Monza 250k CHF, 2998-5 FAP 189k CHF and an Apollo Soyuz 113k CHF. However the market does not seem "efficient" yet as a nice 2998-1 did only 50k CHF. The bezel was funky though. But that reference should perform better given the current dynamic.

Lange: Lange 1 became a market favorite and a seldom seen 101.027x achieved 138k CHF (I have been looking for it all 2021 long...), 101.027 with its fascinating blue 113k CHF and the 101.002 with closed caseback 100k CHF. This model tripled its price over the past year. A well deserved progression in regards to their level of finishing and quality of movement & design. For some reason the market favours Lange 1 in white metals but I find there are bargains to make in rose or yellow gold and darker dials 😊.

### **Modern watches**

Prices of Nautilus 5711 or Daytona 116500 seemed to be closely linked to the Bitcoin YTD. Fundamentals just took over. It does not mean they will not recover over the necessary time but at least everyone had a reality check. A bit like the Robin Hood traders. Having said that someone lifted a now discontinued Oyster Perpetual with a Tiffany color dial (not Tiffany dial, just an approaching Tiffany COLOR!) for 69kCHF (#truestory) and his/her cousin (maybe you never know) did not want to lift Chrono24 offers and bought a white Cerachrom Daytona for a whooping 69k CHF. That's a good 50% premium over what you can find in the market. I'd love to count them in my clientbase! It remained an anomaly in regards to other price points.



### **The obvious next**

2023 will mark the 60<sup>th</sup> anniversary of the Daytona. No quite as big as a 50<sup>th</sup> but enough to give a boost especially after 3 years of stalling. We have already observed the start of that move with Big Red prices increasing.

2024-2025 will be a “ramp up” period ahead of the birthday of the most iconic reference of the most powerful and emblematic brand: the Patek Philippe Nautilus turning 50 in 2026. Expect a parallel with what you saw on the Royal Oak, squared...

### **Else**

A fellow dealer colleague told me I had classic taste and my inventory is actually for “primo accessing collectors”. Wow that was strong and essentially due to the lack of stone in my offering. I guess I don't have enough Arabic or Asian (or rich) clients! I actually don't mind bling. But security is also an influencing parameter and despite the clear will of making a statement with such watches the audience remains limited and not adapted to occidental mentality.

### **CONCLUSION**

As financial and crypto assets tumble many market participants are worried the sell-off could extend to real assets in general and watches in particular. The sharp correction of modern vs their recent highs is not to be confused with a trend for the vintage market. It is very much linked to the move seen on crypto assets and players have the same young profile. Let's not forget either that they rallied by just as much as they fell during 4Q21/1Q22. Back to where it started which was already triple their retail price! Quite on the opposite some new investors are now interested in using watches to protect themselves vs inflation. The risk of stagflation or decrease in purchase power is not exactly hurting the lifestyle of people buying 50k€++ watches. It can be the case for cheaper watches which makes that segment more volatile and vulnerable. That's typically the modern you hear about.

Away from these technico-economical considerations the vintage watches market is certainly more mature but is dwarfed by the art or the vintage automobile market: 200m\$ for Warhol's "Marilyn" and 142m\$ for one of the two Mercedes Silver Arrow W196S. It takes a full week of Geneva watches auctions to gather a fraction of such numbers. Hence for real collectors who are not in a hurry or less obsessed by speculation virtually any Patek, Rolex, Journe, AP will perform in the years ahead. As always just pick what you like (useful in case it turns sour..) and select carefully with popularity, condition and scarcity in mind. In that order.

Given current valuations, dynamics and events ahead i will try to catch a few nice Big Red or popular Daytonas ahead of 2023, put my hands on mint vintage 3700 or 3800 with a longer term horizon and on any exciting and correctly priced pieces allowing to deep dive and discover another brand and possibly another trend (Breguet? Blancpain?..). Having said that please keep on trying me with nice Patek, Lange, FP.Journe, AP and Rolex! Happy hunting folks and stay safe as the mid-May/mid-July season is starting. Don't flash your wrist!

Best regard,

Teddy