The STOCK*take* {*our take on your stocks: a News Digest*}

Steady Feddy Go?: US may need to 'curb its enthusiasm'; UK Flatlines with Productivity Conundrum

New Year, New Confusion: the release of the minutes on 3rd January of the mid-Dec Fed meeting 'could shake up investors rate cut expectations' according to MarketWatch. The minutes give the impression of significantly more uncertainty than hoped and so any glib optimism may need to be parked – or at least subject to nuance. And if there's one thing the markets don't like, it's nuance.

Back in November, the Fed left key interest rates at 5.25-5.50% (a 22 year high) for the second consecutive time, and with hopes of averting a recession and a flat CPI, markets reflected optimism, with 14th November the best day for the S&P 500 since April (up at 1.91%) and the Dow 'leaping nearly 500 points' according to CNBC. Reconvening in December – and again with no hikes – optimism for a soft landing grew.

But the released minutes muddied the waters and in actuality forecasts for 2024 are highly disparate (I've seen growth predictions ranging from 1.2% to 1.5%, putting the US near middle for the G20 economies). This is a problem because at least clear-cut bad news can be 'priced in'. In US Real Estate, meanwhile, these troubles are multiplied by longer-term factors, with a leading economist predicting 'the commercial real estate bubble will burst' and a study by McKinsey & Company reported in MSN predicting 'an estimated $800 billion drop in values by 2030 due to the continued prevalence of WFH'.

The UK of course has similar WFH woes, but the general outlook is more straightforward precisely because it remains undeniably glum, with zero growth in Q3 (following an unexpected 0.2% expansion in Q2). High interest rates (and the BoE's decision not to cut) and inflation (remaining at 6.7%) were key factors, but there are many more behind the UK's woeful productivity levels. Indeed OECD forecasts see the UK lurking at the bottom of the G20, with only Italy, Germany (see Spotlight on p.4) and Argentina faring worse.

Now it's almost facile to Brexit-blame (although the OECD points out that 'protectionism negatively affects global value chains') but fiscal factors such as the carbon problem and an ageing population are Europe-wide. Interestingly, key recommendations on the latter from the OECD include 'reform of the labour market and pensions policy' and the use of 'fiscal levers' to 'increase human capital'.

But Government has tried pension reform and to 'rouse' the 'lazy Grey Pound' back into the workplace: so far little joy. Perhaps we are looking at a 'communications deficit': large numbers of mature workers went AWOL post-Pandemic having sensed a taste of early retirement and in a financial position to do so. Telling them 'their country needs them' (as if GDP were a war) is a message unlikely to move many and doesn't address why so many felt so unsatisfied in their careers in the first place. While far beyond the scope of The STOCK*take*, it's a question somebody should surely be exploring.

https://www.marketwatch.com/story/how-december-fed-minutes-could-shake-up-investors-rate-cut-expectations-7b8a2757?mod=home-page (Jan 3, 2024)

https://www.cnbc.com/2023/11/13/stock-market-today-live-updates.html (Nov 14, 2023)

Commercial real estate bubble will burst, says top economist who predicted 2008 housing crisis | Fortune (Nov 20, 2023)

AI could cause 'catastrophic financial crisis' if the modelling is too complex for us to comprehend … but we hardly need AI for that

Much has happened in the world of AI regulation since the last STOCK*take* that may set less cynical minds at rest: in November, the UK hosted the AI safety summit, whilst the EU has pushed through its AI Act despite a brief impasse, and despite Amnesty International's disappointment at the failure to outlaw facial recognition technologies. At around the same time, *the Guardian* reported historian Yuval Noah Harari's warning that AI could lead to a 'catastrophic financial crisis' if AI-generated financial modelling becomes difficult for humans to understand (and regulate).

The difficulty with this headline-grabbing story is that it's so obvious as to be borderline pointless (which is not to dismiss Harari), and also highly likely to be ignored. *Of course* AI is going to become incomprehensible to humans, since it would never have been developed in the first place if it could only do what we can do. And the same deeply troubling point is relevant to a multitude of other sectors aside from finance: what about energy supplies and nuclear power stations?

But it's also worth noting that complex financial modelling and instruments are already hard enough for humans to control even when *we* generate them. Wasn't the financial crash of 2008 precisely caused by a lack of understanding of the implications of intentionally complex and obfuscating financial instruments? Many did not grasp the nature of what was 'inside' CDO's for example – and even those who did did not fully see the potential implications or ramifications.

Of course various experts have always had slightly different angles on who / what precisely was responsible for the 2008 crash but the one thing most agree on is that *the extremely convoluted nature of the financial instruments involved did not help*. Indeed, CDO's were *designed* to obscure dubious contents.

As such these same respected experts made a clarion call for a return to straightforward, wholesome investments with a clear relationship to the underlying assets. What do we now see instead? Ever more prominent use of a technology that we by definition *don't even understand ourselves*.

So perhaps this is the truly sad angle on this story: we appear to have learned nothing. (In addition, I doubt those frantically rushing and pushing on AI are going to down tools at the behest of an historian.) Besides, as I mentioned in my Think Piece on AI investment in the last issue, it may not even take complex modelling for AI to cause a catastrophic economic crisis (which will then be reflected in a financial crisis) if AI becomes so intelligent and so useful that it renders 90% of the workforce quite literally redundant and if Governments don't think fast enough about how to address the consequences of this.

To be clear, I am not a Luddite. Indeed I suspect *some* fears around AI are not dissimilar to fears around all new technologies – weren't the first viewers of cinema footage absolutely terrified? And didn't early computers seem eerie and unfathomable? What might a 12th century person have thought of record players or telephones with their disembodied, unnatural voices?

The difference here is that the people creating AI themselves *admit to not fully understanding* what is going on in the 'Black Box'. And it is perhaps the first time in history where this is the case. In addition, it does seem a little strange to be pushing for an intelligence 'better than humans' when so many humans are already unemployed or under-utilized. My point is not to dismiss all potential usefulness of AI. But I do find the pace and aggressiveness of this effective 'tech war' at worst alarming and, at best, just a little rash and childish.

https://www.theguardian.com/technology/2023/nov/09/yuval-noah-harari-artificial-intelligence-ai-cause-financial-crisis (Nov 9, 2023)

It's at least good to know that steps are being taken to protect creators & to regulate safety … but it could have gone further

Nonetheless, it's good to hear that some platforms are beginning to address some of the less 'sci-fi' but still problematic aspects of AI around copyright, 'fake news' and personal rights to one's own assets. YouTube is taking measures such that 'creators' must disclose the use of generative AI in uploads, it was reported last November, and videos that have been altered will be labelled as such. In addition, 'identifiable individuals' will be more protected, so that for example record labels can request content to be removed where AI is reproducing artists' voices (without consent).

There will of course be penalties for those that don't comply. And I don't doubt that major record labels and the like have enough clout to be taken seriously by YouTube. Whether YouTube is truly able to police all dubious AI-generated material and respect lesser mortals' content and privacy is another matter entirely.

Meanwhile, the UK AI Safety Summit at Bletchley Park brought together 28 international governments alongside global Big Players in AI including OpenAI (backed by Microsoft), Google DeepMind and Meta. It is, I suppose, good news, in the sense that it is not openly *bad* news.

Agreement was reached that advanced AI models must be subject to safety tests before release (in collaboration with Governments). The UK and US announced the creation of AI Safety Institutes, and the EU, US and China agreed a 'common approach'. Meanwhile Elon Musk 'cautioned against rushing AI legislation', his belief being that AI companies are better able to foresee risks. How far that allows you to sleep at night rather depends on your opinion of Elon Musk, of course.

The EU's AI Act also ultimately pushed through in November, though not without deadlocks and disappointments. In particular the proposed tiered approach for regulating foundation was not without opposition and controversy.

And the Act in general was not without detractors. Amnesty International's Mher Hakobyan spoke up on ethical / human rights grounds, regarding both that the Act bans 'harmful AI technology' in its own countries but *not as an export*, and in addition missed the opportunity to halt 'public mass surveillance' / facial recognition, calling it a 'devastating global precedent'. I must concur and remain shocked that the EU (known for high standards on Human Rights) would see no potential issues here.

Key Further Reads:

https://www.france24.com/en/europe/20231211-french-start-up-mistral-ai-emerges-as-leading-force-in-european-artificial-intelligence (Dec 11, 2023)

https://www.amnesty.org/en/latest/news/2023/12/eu-blocs-decision-to-not-ban-public-mass-surveillance-in-ai-act-sets-a-devastating-global-precedent/ (Dec 9, 2023)

https://www.cbsnews.com/sanfrancisco/news/youtube-ai-content-creators-will-soon-have-to-disclose-or-risk-suspension/ (Nov 14, 2023)

https://carnegieendowment.org/2023/11/09/uk-ai-safety-summit-opened-new-chapter-in-ai-diplomacy-pub-90968 (Nov 9, 2023)

https://www.reuters.com/world/uk/uk-pm-sunak-lead-ai-summit-talks-before-musk-meeting-2023-11-02/ (Nov 3, 2023)

https://www.euractiv.com/section/artificial-intelligence/news/eus-ai-act-negotiations-hit-the-brakes-over-foundation-models/ (Nov 10)

Unforeseen Industrial Demise & Commercial Real Estate Woes a Troubling Mix for the German Economy

I had a feeling this might happen: just as soon as I got over the size of my own energy bills, my next (rational) thought regarding the 'energy crisis' was that Germany might get up the creek without an industrial paddle. Of course the 'economic miracle' (Wirtschaftswunder) was already tottering. But the crisis was bound to hit Germany hard due to its heavy reliance on an energy-intensive industrial base. As at last November, Germany's industrial production had dropped consecutively for a full 5 months.

Other contributing factors include a slowing down of China growth and an ageing population, but of course these also apply to many other countries in the EU. Germany has also been accused of a slow adaptation to 'the digital age', which is of course related.

But surely the Achilles' Heel was an over-reliance on an energy-intensive sector combined with the fact that these high-energy needs have not been met 'in-house': as a member of the EU, which as an entity is very proactive in terms of renewables, Germany's reliance on cheap Russian gas has been surprising and disappointing. If one's economic prosperity is ultimately energy-dependent, and one also cares about sustainability as the EU purports to, one would have expected a far more proactive approach to ensuring control of one's own (clean) energy.

In addition, given 'Industrial' is also one of the few remaining sectors in commercial Real Estate Investment that wasn't near-decimated by the Pandemic, it's a troubling mix. And with Bloomberg reporting around the same time German bank watchdog Mark Branson's warning to those heavily invested in Real Estate regarding expectations of further valuation decline (with office and retail especially affected), problems with Industrial – that old stalwart – is the last thing Germany needs.

SPOTLIGHT

Surprisingly, the Bundesbank apparently remains optimistic – and it was also reported in December that the DAX set a record at 16,656 points, a seeming contradiction based on imminent interest rate cuts and optimistic 'signals' (oh, signals!) from the European Central Bank, better news on inflation (and Volkswagen's ethical all-clear).

> *The DAX may be excitable but the 'Wirtschaftswunder' was perhaps always a case of too many widgets in one basket*

Curiously, we've been here before – way back in 2019 *the FT* also reported a flagging German economy and simultaneously buoyant German markets. Personally I'd not get too excited about the DAX's flamboyance, with Germany sitting way down the bottom of the G20 on GDP predictions for 2024, and the fact that sustainable energy infrastructure is far from an overnight project. Nonetheless it will be interesting to see if green infrastructure and a shift to digital provide interesting investment opps over the long-term?

Ultimately, the Wirtschaftswunder was perhaps always a case of too many widgets in one basket: a little diversification would not now go amiss.

Key Reads:

https://edition.cnn.com/2023/12/06/investing/german-stock-market-dax-record-high/index.html (Dec 7, 2023)

https://www.bnnbloomberg.ca/germany-warns-more-commercial-real-estate-pain-ahead-1.1997920 (Nov 13, 2023)

https://www.theguardian.com/business/2023/nov/10/why-germanys-once-miracle-economy-is-turning-into-a-mirage (Nov 10, 2023)

THINK PIECE

Ex-BlackRock Research Head calls approach to Sustainable Finance 'an illusion': she's right … but do some secretly want it that way? & what constitutes 'Risk' in any case?

Former Head of Fundamental Research at BlackRock Carole Crozat is only one of a number of Sustainable Finance experts and professionals who are starting to ring alarm bells about the sustainability of, well, the sustainability agenda.

Reported in the IPE back in November was her view that returns, ethics and impact are not aligning in the way that so many had hoped: 'The biggest sin of sustainable finance', she says, 'is maintaining the illusion that those three objectives could always go together.' Crozat says this misalignment became especially clear around the Paris Agreement, when 'collectively, investors understood that it was an illusion – that over the short term, governments will always prioritise jobs and the economy over any long-term target … And that's when this belief that these three objectives sit nicely alongside each other completely unravels.' She also points out that 'externalities' are still not being factored in.

There are so many issues to unpack here. The one thing that seems undeniable is that, yes, Governments are always going to put the short-term economic interest first. Not least, Governments have short timespans and are vote-focused, so it would take an unusually ethical/brave/self-effacing Government to truly think beyond their own term. (Might there, though, come a tipping point if enough voters ever care more about the long-term than the short-term, and kick short-termists out of office? Too, it is not really Government who 'rule the world' anyway, is it, to paraphrase Beyonce? If business collectively flipped to the other side simply because consumers and investors forced them to, and markets followed suit, Governments would follow like sustainable lemmings. But perhaps I am both more optimistic and more cynical than Crozat about where power ultimately lies.)

Nonetheless I wholeheartedly concur with her implication that the blurring of the lines between impact, ethics and the bottom line is *doing nothing* for the cause of Sustainable Finance.

When it comes to promoting Sustainable Finance, 'woolly', 'fluffy' and 'feel-good' is ironically the last thing we need. We need to be flinty-nosed, that is, to prove that Risk-Adjusted Returns do or can sit simultaneously alongside ethics and impact. But we can't prove that if there is no evidence that it is true.

Actually, far from being 'feel-good', woolly thinking and rhetoric around SF is actually helpful only to those with a vested interest in obfuscation: it is precisely how *dubious* companies want it: some may in fact quite literally be *banking* on it.

As I've said countless times, far too much company verbiage, copy and 'content' is produced thought-free (sometimes fact-free!) and *precisely* in order to spin an obscuring yarn. I've read (and, in the past, written) enough Social Impact statements to know that much of it is hogwash and greenwash: only one of many reasons I keep pushing on the point of authenticity in, e.g., ESG and SRI statements. The hazier the thinking, the more there is room for fudging, which may seem beneficial to those who don't really want to do things properly or accurately. It is far easier – and cheaper - to *sound green* than *be green* and many know it.

However, if these objectives *truly* don't align, we need to face facts. Evidence has always been very mixed on this point. Back in 2016 a review of previous studies, undertaken by Busch, Bauer and Orlitzky, could produce nothing more compelling than that '*at the very least, there is no clear indication of a negative relationship, or trade-off, between corporate social-environmental performance and corporate financial performance*'.

Other voices – including from those fully pro-Sustainable Finance – have argued that there may be an issue with distinguishing between cause-and-effect or simultaneous effects: for example it has been argued that reports that show *improved financial performance for sustainable investments* could just as easily be because the same Management Teams that are managing financial growth well are also managing sustainability well, i.e. it may reflect the excellence of a particular Management Team, rather than a direct relationship between sustainability and financial performance.

But it's actually a bigger issue because this alignment (or otherwise) depends on at least 3 factors:

a) What do investors in SF *think* they are doing?

b) On whose behalf are they investing?

c) What do Risk-Adjusted Returns actually mean?

For a start, SF or Impact Investors may themselves be 'okay' with a slightly lower Return (and in fact more clarification of investors goals / motives is now being demanded within the Principles for Responsible Investment). This is little different to a consumer being 'okay' with paying more for sustainable produce in a supermarket.

Yet it of course only applies, however, to investors investing on behalf of themselves. It would be far harder to justify for an Institutional Investor who in effect has endless pensioners, say, as its end-clients and with no possible way to make sweeping ethical decisions on their behalf. (I am assuming here a perfectly ethical Investor whose only concern is for its end-benefactors; in reality, personal ambition may also come into play.) The point is, serving those pensioners well could be considered just as ethical.

But there is a third question raised to which I'd like to dedicate the rest of this Think Piece, and which is as regards the nature of **Risk-Adjusted Returns themselves:** can they be *mathematically separated* from the issue of a given impact project or company's sustainability performance in general?

How accurate are Risk-Adjusted Returns anyway? As a way to measure the performance of one Fund Manager from another, taking into account the level of risk of the type of investment they largely undertake makes sense. For example, if one Fund Manager specialises in lower risk investments, and another is hardcore for aggressive Betas, measuring their performance without taking into account the level of risk of the instruments or investments would be futile because the less risky investments will tend to produce a lower but steadier return over a period of years, where the 'riskier' Fund Manager – and let's say they get lucky for a while – would inevitably appear to be a superior performer, which may be far from the case. And the need to account for Risk is of course the basis for various methods of calculation – the Sharpe Ratio, for example, being frequently deployed. So far, so mathematical: look, it spits out proper actual numbers! It therefore seems set in stone.

$$\frac{return\ (R) - \ Risk\ free\ Rate\ (Rf)}{Risk\ (\sigma)}$$

?

But remember: when it comes to given investments, the inherent 'riskiness' is far from truly mathematical. All stocks (and instruments) are ultimately tied to the performance of companies: even derivatives, albeit being ever further removed from underlying assets, are *still* ultimately tied to the performance of businesses. (Perhaps only crypto can be said to have no true underlying asset, although if the crypto company goes bust – or runs away! – similar result!) And so an investment (or series of investments) that is low-risk today may *become* high-risk tomorrow.

Risks to companies caused by poor sustainability performance are – or can be - *genuine financial factors*. At the most obvious level, for example, there is the risk of stranded assets every time a new cultural shift – or sudden unforeseeable event - turns an acceptable stock into a 'sin stock'. In the 1970s, did the Risk-Adjusted Returns of, say, a portfolio with a high proportion of, e.g.. cigarette companies reflect at that time the future financial risks when smoking became socially unacceptable?

Pre-Pandemic, did holders of lumpy assets with less than stellar Energy Efficiency credentials predict the massive speeding up of Work from Home, combined with ever-growing public demand for sustainability? Non-prime office is now bordering on a stranded asset, so socially stigmatised that no key players want to lease it.

Increasingly, events happen all the time that decimate infrastructure projects and businesses unexpectedly and almost overnight - the Pandemic, the Energy Crisis (whose effects on the German 'economic miracle' I have discussed).

Can we be sure that a sudden event (globally, or for a specific country or company) directly related to a failure to take sustainability seriously, might not have near-instant and direct effects on Returns? What about an extreme weather event and its knock-on effects on a business, either directly or because that business had failed to factor in its own 'externalities' and suddenly becomes subject to class actions? Or a brand becomes so tainted that it loses significant portions of its consumer base?

What about an entire industry turning almost overnight into a 'sin stock' through a failure to look closely at creeping cultural shifts?

Take the beef industry. Until fairly recently I scarcely recall any discussion of sustainability around cattle farming. Yet this is now the subject of highly publicised campaigns run by popular media figures, not to mention the sudden and unexpected 'trend' for veganism. For now, the beef industry seems to be at no major risk simply because the anti-beef message is still quite niche - but in my opinion they would be 'mad cows' indeed not to be seeing great possible Financial Risk in the near future. What happens if a *supremely popular influencer* suddenly becomes vegan overnight, loudly denouncing cattle farming, and millions of 'followers', well, follow? (This is the type of future event that most Middle Management simply don't follow.)

In addition, are we as sure as we think that society as a whole won't move faster and farther than most companies want it to? For now, a majority of companies lie around the SF 1.0 mark (Sustainable Finance 1.0, which is largely exclusive – i.e., avoiding obvious 'sin stocks' and 'sins'), where increasingly, it seems to me, the public at large, and particularly the younger generations, are almost pushing for SF 3.0 (let alone SF 2.0). Of course younger generations don't necessarily equate what they are demanding with the effects on their Pension (if they even have one yet). Nonetheless business tends to court the young consumer even at their peril.

Finally, when we are into that territory, the demand to 'internalise the externals' is at play, as Crozier has pointed out. That is, pressure for companies to include in their financial accounting the negative consequences of their behaviour that to date have been considered beyond company boundaries.

As but one very obvious example, if companies in the UK pay so little that a majority of their workers must claim welfare supplements such as Working Tax Credits to subsist, those companies do not at present account for the income lost to Government.

And of course Government don't push on this because they know / believe that forcing higher wages either reduces the rate of start-ups and/or companies either go – or hire – abroad. It's a difficult balance, of course. But my point is not a political one, rather simply that this is all possible because at present in SF 1.0 and even SF 2.0 such ripple effects are not included in Financial Accounting.

SF 3.0 pushes for these externals to be (somehow) literally accounted for and would profoundly affect bottom lines. I personally doubt we will ever see this happen. But then I also never thought that Greggs would make a killing introducing a vegan sausage roll. What the younger generations will consider acceptable is something often not accounted for at all – and the pace of change at present seems far faster in society at large than it does in business.

Perhaps I exaggerate? Time will tell. But the clear distinction between Risk Adjusted Returns and the very real Financial Risks associated with failures of sustainability can be rather startlingly blurred by unforeseen disasters and by sudden or swift cultural shifts in attitude. Certainly Crozer's points are a springboard for broader debate.

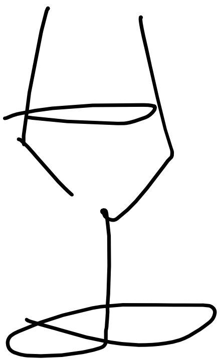
Key Further Reads:

https://www.gov.uk/government/news/uk-generates-billions-in-climate-finance-and-first-crdc-in-africa (Dec 4, 2023)

https://www.ipe.com/news/ex-blackrock-research-head-esgs-biggest-sin-is-conflating-finance-impact-and-ethics/10069914.article (Nov 7, 2023)

https://www.thestar.com.my/business/business-news/2023/11/15/brazil-offers-its-first-us2bil-esg-bonds (Nov 15, 2023)

https://www.unescap.org/blog/bhutan-setting-stage-shift-sustainable-finance-mobilization# (Nov 10, 2023)



The U.S. wine industry may never be "investable" but it's shedding an 'inferior' reputation.

The Wine Investment world is not likely to shift its focus on classic French Grand Cru assets in my lifetime, if ever. Nonetheless, it's fascinating to watch the rise of the US wine industry, which may not be investable in that sense (it may of course be investable in the more direct VC sense).

Reported in late November is a startling 200% increase in Oregon's sparkling wine industry (with around 60 producers as at 2021), largely focused on Pinot Noir and Chardonnay varieties.

(The UK also has a burgeoning and celebrated sparkling wine industry, not without good reason, in my humble opinion. I am no connoisseur but was personally surprised a few years back to find that I preferred an English sparkling wine bought on a whim to any champagne I had ever tasted, possibly bar Veuve Cliquot – it's just a shame that 'sparkling wine' is - as an appellation at least – is such an unpleasant mouthful.)

Meanwhile, *Wine Searcher* reported at the end of November that in August, the US exported c. $104M worth of wine and imported $621M, (including to Canada, the UK, and Japan).

Interestingly, US domestic consumption is actually in decline, and so the fact that international markets are taking an interest in US premium / ultra-premium wines (including from California, Oregon, Washington and perhaps surprisingly New York) says much about US wines' growing reputation (although it could I suppose equally show a declining obsession with 'European-wine-only' in the general populace).

Globally, wine production hit a six-decade weather-related low in 2023, according to The International Organisation of Vine and Wine (OIV), with EU countries notably afflicted. In particular Castilla La Mancha in Spain (Europe's the largest vineyard area Europe) experienced its worst harvest in decades.

Meanwhile the European Court of Auditors (ECA) produced a report laying into the EU's vineyards program, questioning whether, in the absence of 'environmental considerations' – reducing labor costs and other measures has any useful effect.

Spain in particular has received an astronomical €2.48 billion in EU restructuring funds. As such Castilla La Mancha's terrible harvest serves as a warning: where climate adversity prevails, can any extent of funding fix the problem?

Key Reads:

https://daily.sevenfifty.com/a-new-chapter-in-oregons-sparkling-wine-movement/ (Nov 20, 2023)

https://www.wine-searcher.com/m/2023/11/us-ramps-up-wine-exports (Nov 30, 2023)

https://www.bbc.com/news/world-europe-67343009 (Nov 7, 2023)

https://www.wine-searcher.com/m/2023/11/watchdog-slams-eu-wine-spending (Nov 13, 2023)

Sale of Johns' 'Flags" for $41m at Sotheby's New York coincides with first ever show of US Pop Art in India. But Will the post-Consumerist Irony be unsettling in an Emerging Economy?

Art news in the last Quarter and for early 2024 seems to reflect a melancholy for the heydays of 20th century American giants – both the passionately swaggering *mythos* of Abstract Expressionism and the hip, cold, antiheroes of the Pop Art movement that followed and indeed took pot shots – or should we say Pop Shots? – at the machismo and seriousness of their predecessors. Not without irony, given both movements were heavily male-dominated and overtly so, the Curator, the Collector and the Gallerist here are all women.

If you missed "An Adventure in the Arts" at the Faye G., Jo, and James Stone Gallery, New York, and plan to be in Florida shortly, the show will be travelling to The Society of the Four Arts in Palm Beach from Feb 10 to April 28, and features works by more than 50 artists associated with Guild Hall on Long Island - from Warhol to de Kooning and Pollock. Curated by former Guild Hall museum director Christina Mossaides Strassfield it *'explores the evolution of American art from the turn of the 20th century to the AIDS era*'.

Actually, I wonder whether such a show will be more of interest to visiting *non*-Americans, who rarely get to see the entire history of American 20th Century art side-by-side – it's a deliciously traditional premise, certainly here in the UK where classical narratives and chronological reviews have fallen very much by the wayside in favor of thematically-curated shows and a focus on forgotten, overlooked artists (which is an important remit but sometimes makes me yearn for the big blowsy classics). But having only ever seen the major Americans 'in isolation' at it were – the Warhol retrospective at Tate Britain, the ominous presence of the permanent Rothko Room, the Pollock retrospective and the stunning (to me, in any case) de Kooning retrospective, the show sounds compelling (whether I make it to Palm Beach for Feb is another matter!).

Meanwhile, the most valuable collection by a female collector – Emily Fisher Landau – broke records at Sotheby's, making $424.7 million, with Picasso's "Femme à la montre" (1932) selling for an astonishing $139.4 million ('the second-highest price ever for the artist at auction and the most valuable work auctioned in 2023" according to Sotheby's), whilst Jasper Johns' "Flags" from 1986, reached $41M.

These prices beg some questions, do they not? I understand the cultural importance of these works but, frankly, **is any painting really *worth* $139.4 million in any meaningful sense beyond the art market's own internal insanity as a market – or as a tax-efficient asset**?! (If I ever become a billionaire – unlikely – the most I would ever fork out is approx. £10M for Pollock's "Lavender Mist" and the opp to have it in my home, daily, without having to view it through a 'mist' of a crowd.)

At least with the Johns' – with whom Landau was friendly - there is a marvelous irony, since Pop Art's primary 'Target' (pun intended) alongside Pollock et al was *consumerism itself and y*ou don't get more Po-Mo than an original painting critiquing America consumerism *then selling for $41 million.*

The origins of Landau's collection are ironic in themselves: loaded down with jewels from an extravagant husband, Landau admitted to often wondering 'how much art she could buy instead'. Fate intervened when the jewels were stolen and the insurance money came in. As such Landau literally converted van Cleef & Arpels into hot-dogs and comic books!

Which leads me finally to another curious irony: the first ever show of American Pop Art in India.

Curated by the uber-fashionable curator-du-jour Lawrence Van Hagen, and still showing at the Nita Mukesh Ambani Cultural Centre (NMACC) in Mumbai until February 11th is "POP: FAME, LOVE AND POWER," featuring works by 12 renowned American Pop Artists. But what's intriguing to me is both the woman behind the Cultural Centre herself, Nita Mukesh, and why she has chosen to host a show of American Pop Art.

How will Pop Art be perceived, I wonder, in an economy like India's, which is both an Emerging Market with a growing middle class but also still rife with wild disparities between wealth and poverty? In EM's, consumerism may have a positive glow which has faded from fashion in the privileged (and therefore not a little hypocritical) West.

Pop Art to my mind has a palpable edge of biting, blank-faced, smart-Alec critique. Yes, it loves STUFF. But it also hates it, doesn't it? Actually, perhaps with Warhol himself this is not the case – as a former graphic designer and overall oddball I suspect he really did love those Soup Cans. But most other American Pop Art – and in this respect UK Pop Art even more so – is not simply glorifying mass consumerism but also mocking it. Perhaps I'm wrong – but the actual love of Americana that is displayed, say, in the architecture and indeed architectural manifestos of Robert Venturi and Denise Scott – seems more like dry sarcasm in Lichtenstein and Oldenberg.

So I wonder how much will be lost when showing in an economy in which consumerism may be seen as a boon and convenience, not as a globally-blanded blight. Of course it all depends, again, on who the intended audience is. Still I can't help but think it's a rather curious choice of show.

https://www.bu.edu/articles/2023/adventure-in-the-arts-traveling-exhibition/ (Nov 21, 2023)

https://www.antiquetrader.com/antiques-news/landau-collection-sothebys (Nov 14, 2023)

https://nmacc.com/visual-arts/pop-fame-love-and-power (until Feb 11 2024)

EDITORIAL TEAM

Editor in Chief & Writer – Susan Lawson

Researcher – Vanessa Bandy

The STOCK*take*
Issue 2: Nov-Jan 2023/24

Susan Lawson Thought Leadership Agency

www.susan-lawson.co.uk