

Research on the Influence of RMB Exchange Rate on oil Painting Auction Price

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Abstract: Based on the interaction between RMB exchange rate and oil painting auction price, this paper first introduces the current development of art market at home and abroad, and studies the main pricing methods. Then, according to the auction data of China's oil painting market, this paper analyzes the corresponding attributes of works, artists and auction houses to understand the impact of RMB exchange rate on oil painting auction price. At the same time, it analyzes the auction price of realistic oil painting and abstract oil painting in the secondary auction market. According to some expected conclusions set by market common sense, we finally found the evidence of these expected conclusions in the data. For example, the appreciation of RMB exchange rate has its inherent rationality and imperfection to the pricing method according to the size of the area, there are obvious differences between different styles of oil paintings in terms of price and exchange rate levels, top auction houses have obvious premium to their oil paintings, and the change of RMB exchange rate has obvious positive effect on the price of oil paintings. The innovations of this paper are as follows: 1. This paper makes a comparative study on the secondary auction market prices of realistic and abstract oil paintings in the domestic contemporary art market, and discusses the important factors of RMB exchange rate on the auction price. 2. The three-level model is used to analyze and compare the work level, the artist level and the auction agency level, so as to explore the "invisible" rules of the market. 3. Using the method of scoring and rating by people in the auction industry to comprehensively weigh the position of the auction house in the industry, we can achieve excellent results and understand the relative nature of RMB exchange rate on the oil paintings sold by the auction house. The deficiency of this paper is mainly due to the data is not sufficient, data is not rich enough; many problems still exist in the conclusion of the error.

Keywords: Hedonic model, RMB exchange rate abstract, Oil painting auction

1. Research Background

As the core of my country's financial reform, the internationalization of RMB has been advancing continuously, and the change of RMB exchange rate has also become a research hotspot in academic circles.

The price of artworks is the basis for the circulation and transactions of artworks. Like other markets, the price of a mature art market should be formed by the relative adjustment of its supply and demand. However, in our country, as the art market is still in its infancy, there are still phenomena such as price disorder and mixing of fake and genuine products in the art market. In this context, art investors pay more attention to the star effect of artists, and cannot form maturity such as value discovery. The RMB exchange rate and the role the market should have.

At the same time, what is outstanding is the lack of mature and applicable pricing methods for artworks, especially contemporary artworks. Moreover, Chinese art is unique in the world, and it is quite different from Western art in terms of art form and cultural tradition. Therefore, the methods and theories that are proposed and studied for domestic art price research have greater practical significance. Looking closely at the price of artwork, we found that many factors have a greater impact on it, such as the quality of the work, the artist's reputation, the number of works in the world, the artist's own condition, and even buyer sentiment, market hype, etc. Rational factors. Chang Shuanhuai and Song Yuanliang (taking the price of ancient porcelain as an example, using game theory and equilibrium price analysis theory to analyze, believe that the inelasticity of the exclusive supply of art and the continuous increase in demand have led to the continuous increase in art prices.

At the same time, it is proposed that the establishment of a service system such as an authoritative

intermediary appraisal agency is a necessary condition for a good market development of artworks. In addition, Fan Ruili believes that direct factors such as buyers' purchasing power, sellers' reserve prices, and the supply and demand of artworks are not decisive factors. The deep-seated factors should be the stringency, attractiveness, and intermediary effect of artworks. We can find that the current domestic factors affecting the price of artworks and the research on the pricing mechanism of artworks are far from mature in China. Although there are many literatures on the domestic art price determination mechanism, it can be found that the current domestic researches are partial to qualitative analysis, and pay more attention to the development of the art market and the appreciation of art, but lack rigorous quantitative analysis. For example, Qin Chunrong's "Art Investment" system introduces the characteristics of art works of Fudan University master's thesis, artist factors, and the market and investment methods of the auction house's influence on auction prices. There is a lack of accurate and quantitative analysis. This research field is in this state. Of course, there are also some related resources in China, such as Artron Art.com established the Chinese Painting Index and Oil Painting Index. But at the same time, we must see that foreign researchers have in-depth research on the quantitative pricing mechanism of artworks. And the current foreign research on the cultural industry has reached a relatively mature stage, such as the famous Frankfurt School and Birmingham School. In contrast, the domestic cultural industry research is relatively backward, especially in branches such as the art market. Therefore. The purpose of this article is to do an empirical study of quantitative pricing in China's art market (oil paintings) based on previous studies. There are many types of domestic art, such as oil paintings, traditional Chinese paintings, ceramics, ancient coins, etc. The characteristics of all kinds of art are different. Similarly, a comprehensive analysis of them is obviously difficult to have practical significance. We have noticed that due to the rapid economic development and the increasingly mature market system, the development of contemporary art is showing a blowout trend, and a group of outstanding artists have emerged, such as Ai Xuan, Chen Yifei, and Leng Jun Etc. And because contemporary art is still a new thing in China, there is little research on it at present, so this article will mainly analyze the relevant auction prices of oil paintings and the RMB exchange rate, and analyze the relationship between the two.

2. Research Methods

(1) This article will use the model (ie, the characteristic price method) to study the mechanism of determining the price of oil paintings from three different levels: works, artists, and auction houses, and adopt a hierarchical approach (that is, divided into 1 level, 2 levels). Levels, 3 levels), and finally analyze the relationship between oil painting auction prices and exchange rates through a double comparison of horizontal and vertical.

This method is extensible, and the price impact of different attributes of oil paintings can be studied by adding variables at each level. By understanding the changes in the RMB exchange rate, refer to the relevant situation of the oil painting auction market.

(2) Article structure The main part of the article first is a literature review, introducing the current situation of the domestic and foreign art market and the different pricing methods currently existing in the market. Then it introduces the analysis of the research methods and theoretical parts of this article, focusing on the methodology, the methods of predecessors' research on the price of artworks, and the theoretical framework for the analysis of contemporary Chinese oil paintings. Next, analyze the changes in the RMB exchange rate between the Chinese contemporary realistic oil painting market and the Chinese contemporary abstract oil painting market, and finally draw conclusions through the comparison between them, and finally make an overall review and summary of this article, and point out the shortcomings.

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