

# Collecting

**Part Three:** The Rolex Question. Will demand remain as reliable as the watches?

Imran Khan

## Why Rolex?

One of the most recognised brands on earth and universally perceived as a status symbol with recognition to rival Mercedes-Benz. Rolex's enviable position is rightly justified, and has been accomplished not just by excellent marketing, but also by a significant contribution to the development of the wristwatch. For example, Rolex pioneered the use of a winding rotor on a central axis, giving the first mass-produced self-winding movement (or 'perpetual', in Rolex-talk). Rolex also gave us the first truly swim-proof watch, developing the screw-down crown and metal seals for its screw-down casebacks. Let's not forget that it was pioneer of the 'tool' watch too; watches designed for professional use such as the Explorer, Submariner, Sea-Dweller and GMT Master.

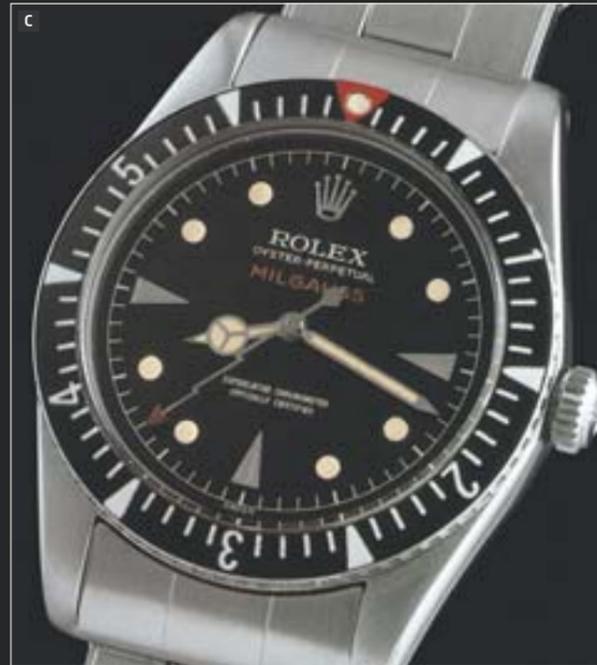
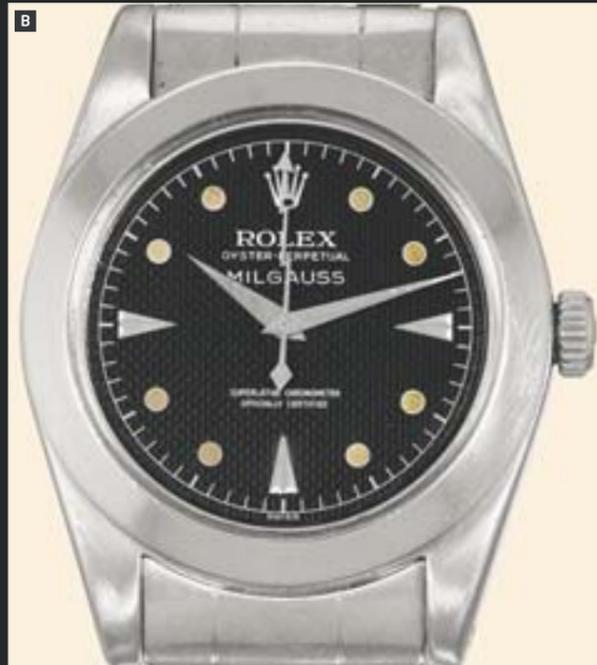
Innovation did not end in the 1950s though. Rolex is one of only a handful of manufacturers that could launch a new automatic chronograph movement designed completely from scratch. Its emphasis was on ease of service and a lengthy power reserve, but by chance, it turned out to be

aesthetically perfect too! In recent years, Rolex has also been responsible for the balance bridge, introduced in the early 1980s. Unlike a normal balance cock, where the balance wheel is secured to the plate from one point, a balance bridge is secured at both ends, with the balance in the centre. In keeping with Rolex's philosophy of durability, the bridge concept allows greater stability for the balance wheel as well as improved shock resistance. It also allows for safer removal of the delicate balance during routine servicing. It has been so effective that both Jaeger-LeCoultre and Audemars Piguet have emulated the bridge in their latest automatic calibres.

In its quest for total self-reliance, Rolex even manufactured a revolutionary new hairspring recently, the 'Parachrom Bleu' – so called because of its dark blue, shiny colour. Made from an alloy of Niob and Hafnium, it is completely unaffected by magnetic fields as it contains no ferrous material. It is also less susceptible to temperature variation; with a frequency considerably less prone to vary, timekeeping is improved.



**A** The two ref. 6239 Rolex 'Paul Newman' Daytona Cosmographs pictured here are both from 1965 and both sold significantly above their high estimates at Sotheby's, London on the 10th April, demonstrating the continuing rise in popularity of steel sports Rolexes from the 1960s. (Left) Daytona estimated at £15,000–£20,000; hammer price with buyer's premium, £30,000. (Centre) A first-series 'James Bond' Rolex Submariner ref. 6538, ca 1957, estimated at £6,000–£8,000, sold for £12,240. (Right) Daytona estimated at £15,000–£20,000, sold for £28,800.



The antimagnetic ref. 6541 'Milgauss' was produced from 1958 to 1960, displaying an eccentric 'lightning-bolt' centre-seconds hands and honeycombed dial. In the Rolex spare parts catalogue, this reference of Milgauss was produced with either a polished bezel (B) 1958 model sold at Antiquorum, Hong Kong for HK\$637,200) or a revolving bezel (C) 1958 model sold at Antiquorum's Mondani sale for Sfr.115,000 despite a high estimate of Sfr.80,000). The name 'Milgauss', combines 'Mil' (a thousand), and 'Gauss' - the unit of measure of magnetism. A normal movement can withstand up to 70-80 Gauss; over that its working order is compromised. The 'Milgauss' keeps its astounding precision in magnetic fields up to 1000 Gauss by keeping its dial, ring and the cover of its movement in soft iron, forming a 'Faraday cage'.

## Why such attention to Rolex's seemingly innocuous plethora of details? No doubt because the models have evolved so slowly over the decades - if it ain't broke, don't fix it!

### Auction phenomenon

With such an illustrious record of achievement, it is no surprise then that vintage and classic Rolex prices have been increasing every year. Rolexes achieve phenomenal success at auction. This year, a second large, private collection belonging to Guido Mondani was auctioned at Antiquorum, after the famous Ravenborg auction at Christie's, London in 1997.

The sale of Hans Ravenborg's collection marked a crucial point in the collectability of Rolex sport watches. While Princes and 'bubblebacks' (pre-war Oysters so called because of their domed screw casebacks) were very much *en vogue*, Submariners and Explorers were scarcely seen at sale. Pre-sale hysteria (Christie's had to reprint the catalogue twice and still sold out) generated new record prices as expected, but unexpectedly these were for the sports watches. Pre sale, a Paul Newman Daytona would

be expected to make around £6,000. At this sale though, despite a relatively high estimate of £7,000, a ref. 6263 with screw-down pushbuttons hammered at £13,500. Significantly, for the first time, a screw-down-pushbutton Daytona had achieved a higher price than a normal pump-button, and they have done so ever since.

The star of the show was a ref. 6541 Milgauss - an eccentric design with a wonderful lightning-strike centre-seconds hand and honeycombed dial. It was estimated at £6,000-£6,500, but sold for a whopping £14,700. There was even a rather bizarre diver's watch estimated at £2,000 that, despite the then-obscure name 'Panerai' on the dial and almost comically massive proportions, still sold for £3,500! This was the moment when the Rolex-collecting firestorm hotted up, and the temperature has not dropped since.



The flames were further fanned by a specialist auction in May 2002 at Sotheby's in Hong Kong. By now, Rolex sports watches had become cult items, coveted not only by those with a love affair for horology, but by investors too. Interestingly, Sotheby's even named the sale 'Sporting Time'. By now, the ref. 6541 was breaking the £20,000 barrier, and a new star had emerged: the COMEX Sea-Dweller (see Modern Classics, p.78). Five years earlier they could have been yours for £4,000, but by 2002 you needed £7,500. I should know - I bought it!

What will always be remembered from the sale is the number of Paul Newman Daytonas that were entered - 26 out of a total of 64 Daytona Cosmographs! Why such a large number? Sotheby's were selling, in four parts, a huge consignment of Daytonas from a bankruptcy case. If normal rules applied, this huge influx of watches onto the market should have forced prices down. But quite the opposite occurred; the insatiable appetite for Paul Newmans just exploded. The average price for a steel Paul Newman was suddenly £12,000. What was more aberrant was just how many more Paul Newmans started to appear at auction.

### Prices can go up...

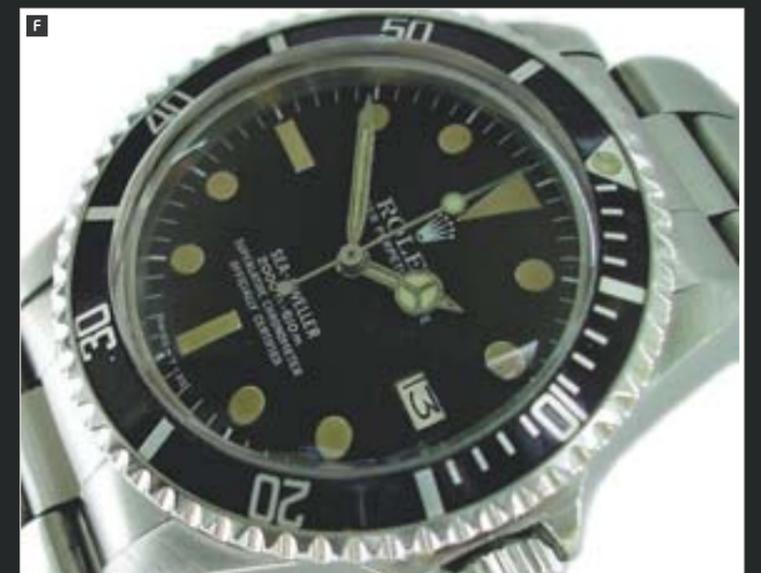
The extraordinary results from this auction merely reaffirmed the theory that vintage, steel sports Rolexes can only go up in value. While all this sports-mania escalated, Antiquorum was realising ever-increasing results for Oyster complications, namely the ref. 6036 (later re-referenced as 6236 - a chronograph with full calendar) and the ref. 6062 (a moonphase with triple calendar).



A steel 6036 has now risen from £10,000 in 1997 to a heady £70,000, and similar values persist for steel Oyster moonphases.

April's Mondani sale has redefined the values of coveted Rolexes, just as Ravenborg and Sporting Time did before. A Milgauss sold for a substantial increase over previous auctions, going for Sfr.118,000 (about £50,250) inclusive of buyers premium. The £14,700 paid at the Ravenborg sale was, it seems, a rather astute investment!

Just how much extra 'value' is attributable to the cachet of owning a Mondani watch is difficult to appraise. Nevertheless, we can estimate the 'Mondani factor' from the Sfr.19,500 (£8,600) paid for a regular-production 'red' Submariner,



Two covetable Rolex GMT Masters, with the distinctive bi-coloured 24-hour bezel. (D) A rare 1958 ref. 6542 with the vintage bakelite bezel, lacquered dial and small 24-hour arrow hand (£8,000-£10,000). This reference was made from 1954 to 1959, before being replaced by the ref. 1675 (E) 1963 model pictured, approximately £3,000-£4,000 depending on condition). For a new ref. 16710 with aluminum bezel, large arrow hand and matt dial, you can expect to pay around £1,500-£2,000.

(F) 'White-writing' Sea-Dweller 2000, ref. 1665, from the 1970s. Rolex developed the Sea-Dweller in 1971 for the French company COMEX (Compagnie Maritime d'Expertise), who specialised in deep-sea exploration. Before, COMEX used ref. 5513 Rolex Submariners rated to 200 meters but during the 10-day decompression period following saturation dives, the watch crystals would 'pop' from the pressure of the helium that had built up inside. To rectify the problem, Rolex invented the gas escape valve, first fitted to the ref. 5513. Further research led to the first Sea-Dweller Submariner 2000, rated to 2,000 ft.



**G** So-called 'Jean-Claude Killy' ref. 6036 / 6236 antimagnetic chronograph with triple date produced in the 1950s. Produced in few examples from the mid 1940s to the early 1960s in yellow or pink gold and very few in stainless steel, with four different references: ref. 4767 in the mid-1940s; ref. 5036, 1948-1951; ref. 6036, 1951-1955; ref. 6236, 1958-1962. The pictured example sold at Antiquorum in Geneva in October 2004 for SFr.171,250.

**H** Yellow-gold ref. 6062 moonphase with triple calendar made ca 1952. Sold for HK\$800,000 (almost £55,000) at Antiquorum, Hong Kong in April, HK\$100,000 over its high estimate. Values for this vintage reference continue to rise.

**I** Sold way over estimate for HK\$165,200 at Antiquorum in April, this steel ref. 6234 'Pre-Daytona' Rolex was made in the 1950s - an ever-popular era for Rolex collector's.



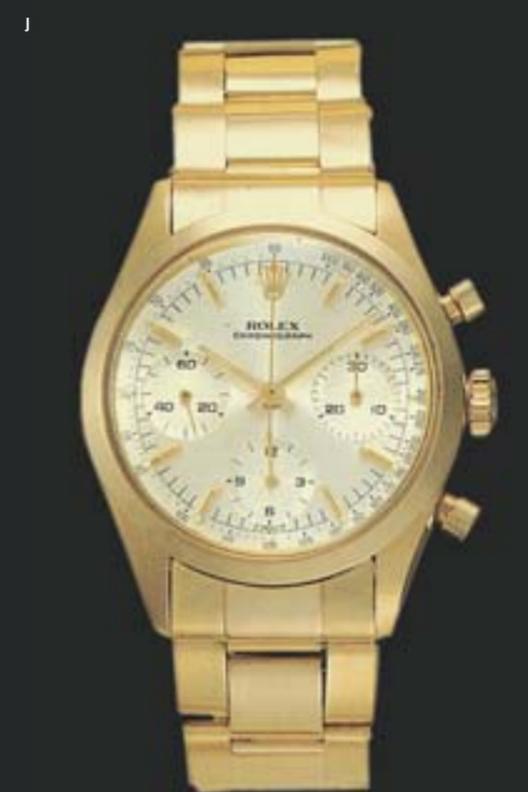
have evolved so slowly over the last few decades, perhaps exemplifying the attitude of 'if it ain't broke, don't fix it'!

### ...as well as down

But there may be trouble ahead! With success comes a predicament as rising prices have led to an ever-increasing number of fakes. We are not just talking about the \$20 street-corner Datejust rip-offs either. These are almost perfect, designed to betray the collector into parting with thousands of pounds. They often use original parts and even original movements. A classic model often abominably faked is the ref. 1655 Explorer 2. Genuine GMT Masters are 'converted' into its more expensive cousin.

COMEX and military Submariners are also routinely doctored from genuine Submariners. Cloning has long been a preferred route for the forger. You acquire a genuine COMEX or military Submariner and, often using original parts (bezel, dial etc.), you convert a regular Sub' into the COMEX by restamping the case numbers to match the original; hence, 'clone'. Ageing is another process used by the forger. Simply acquire a non-cream-dial ref. 16550 Explorer II and replace the luminous hour markers with the white-gold type, and age the white dial into the cream version. Interestingly, these cream-dialled versions were actually a manufacturing anomaly, and left the factory as white dials!

More worrying for vintage Daytona owners is the appearance of Daytonas being faked in their entirety - case, movement and dial. Unlike the converted



If your dial is badly damaged, or the hands are rusted and you replace them with 'new old stock' factory originals, does it affect the value? Unfortunately, yes.

which retailed for only £3,000 at a vintage dealer. No doubt though, the fact that many of these watches were illustrated in Osvaldo Patrizzi's *Collecting Rolex Wristwatches* book certainly helped, if only because it helps the new owner to feel 'secure' that their latest acquisition is the genuine article. However, some of the prices are so bizarre that it leaves me wondering whether we can truly judge the shift in prices of certain models. What is clear though is that the lust for sports watches - the Daytona, Sea-Dweller and Explorer II - is as powerful as ever.

But the question still begs: what makes collecting Rolex so unique? The answer is the attention to the minutiae. The slightest change in font or the mere addition of some red ink once added hundreds of pounds to the value. Today it is thousands. The ref. 1665 Sea-Dweller 'Double Red' from the early 1970s is around the £8,000 mark, but the earlier 1967 version with patent-pending caseback and pinkish print (now commonly known as the 'Double Pink') will command a hefty £5,000 premium. And why such attention to Rolex's (seemingly) innocuous plethora of details? No doubt because the models



**J** The 'Pre-Daytona' ref. 6238, published in the Rolex catalogue from 1964 to 1968. This watch is fitted with a Calibre 722 which is an improved version of the Valjoux 72B (often the improved calibres were not renumbered).

**K** The 'Red Submariner' (ref. 1680) - the first example of a Sub' with date display, made from 1968 until the mid-1970s, replaced by the model without red print in 1974. Currently valued round £3,200 - though that didn't stop one bidder paying SFr.19,500 (around £8,600) for an example at the Mondani auction!

**L** The collectable ref. 16800 Submariner from the 1980s, with matt dial rather than the later lacquered version.



**M** 'Ivory Dial' Explorer II, ref. 16550, made in 1984. Often forged convincingly by 'ageing' white-dial Explorers. This example was sold last October at Antiquorum for SFr.10,350.

**N** Ref. 6263 'Ferrari Red' Cosmograph made in 1980. Estimated to sell between HK\$700,000 and HK\$1,000,000 at Antiquorum, Hong Kong in April, but eventually sold for a huge HK\$1,628,000 (around £112,000). Rolex made a few experimental dials for references 6263 and 6265 in three different colors in 1979, one of which was red.

**O** Extremely rare 1964 ref. 6239 Daytona, retailed by Cartier. It was updated, probably during routine servicing, at which time it was fitted with a steel bezel graduated for 300 units - a common occurrence with Cosmograph Daytona watches. Sold for \$23,000 at Antiquorum, New York in December 2005.

or cloned fakes, forgers use genuine Valjoux movements and 'manufacture' the case from scratch using, it is alleged, the same processes as Rolex. Director of WatchGuru.com, Tom Bolt believes as many as 90% of all Paul Newman dials are fake, but does believe that the older technology used in the early models such as the ref. 6542 GMT is much harder to copy than, say, a 1970s GMT. Unsurprisingly, Bolt reckons early 1940s and 1950s models will always be coveted.

### Long service

Another potential dilemma for collectors is servicing. Normally, Rolex will only service a model for around 20 years after production has ceased, or until the parts supply has been exhausted. Thankfully, David Duggan, who deals primarily with secondary market models and has a Rolex-approved servicing centre, believes that there are enough competent professional watchmakers to service older models. What is undeniable though is the quality of work that Rolex's servicing centre at Bexley provides when they are willing to service your vintage collectable.

The servicing issue elicits a common quandary for the collector though. If your dial is so badly damaged, or the hands are rusted and you replace them with 'new old stock' factory originals, does it affect the value? Unfortunately, yes. Replacing early lacquered dials with younger matt dials can erode the value by as much as 50%, and original hands can increase the value by as much as 10%. The ref. 6542 GMT Master is a perfect example of how values are synonymous with original parts. With a new aluminum bezel, large arrow hand and matt dial, you can expect to pay around £2,500-£3,000. However, with a bakelite bezel, lacquered dial and small 24-hour arrow hand, it's more like £8,000-£10,000. The aggravation actually comes from trying to find one in that condition.

This situation is further complicated by the lack of parts available for early and discontinued movements. Would a re-manufactured part be acceptable to a purist? And what about the cost of having to produce a bridge or a wheel on such an individual basis? Personally, I have found collectors more at ease with after-market movement parts, than with external aesthetic changes. Perhaps what you cannot see is easier to live with.

### Bursting the bubble..?

Tellingly, a red caveat appears beneath several of WatchGuru.com's vintage items that readers might want to bear in mind: "Warning! '60s-'80s s/s sports watches could seriously damage your pocket due to an inevitable crash as a result of recent over hyping."

Ironic, as the prices have generally been hyped by vendors of vintage Rolex themselves. In the last year, prices have risen by as much as 200% for some models. Many dealers are simply 'trying it on' with outrageous prices.



**P** A rare example of the classic ref. 16520 Daytona from 1988 - one of the first-series automatic Daytonas, currently fetching around £6,500.

A parallel can be seen with the vintage Ferrari boom at the end of the 1980s. Remember when a humble 308 GTB would get £70,000 and the Daytona £250,000? Whilst Rolex prices have risen year on year, the increase was steady and absorbable by the market. But colossal price jumps are unsustainable. At some point, genuine collectors will question whether a steel Daytona should be on a par with a Patek perpetual calendar. Together with servicing issues for older Rolexes, the rising quality and volume of fakes has started to affect the market. Many collectors, especially in foreign markets, have sold off their vintage Rolexes and invested in Patek, for instance.

### ...Not yet!

How soon, if at all, this will lead to a levelling-off, or even decline in prices, is hard to predict. But

should collectors stop investing in Rolex? Certainly not: early 1950s models are always going to be desirable, as are early 1960s lacquered-dial models. Always try to buy them with box and papers, and be cautious with over-priced 1970s sports models, which are particularly vulnerable to faking. Late-1980s sports models such as matt-dialed Submariners (ref. 16800), the first-series steel, automatic Daytona ref. 16520 and the first sapphire Sea-Dweller ref. 16660, are all perspicacious purchases. If plastic models are your forte, then the late-1970s white-writing Sea-Dwellers and early 1960s lacquered-dial GMT Masters are sagacious acquisitions.

And finally, if you want to be sure of what you are buying, go to an authorised dealer with a new Rolex. With a vintage, *caveat emptor!* ◉

Next issue: Part 4 - Complications

**Further information:** Imran Khan runs [www.preciouswatch.com](http://www.preciouswatch.com), which specialises in vintage Rolex.