

D'Amico International Shipping says no to more time charters

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Product tanker owner believes in imminent market despite third-quarter loss



D'AMICO INTERNATIONAL SHIPPING HAS STRONG FAITH IN MARKET RECOVERY.

D'AMICO International Shipping's third-quarter results showed little improvement from the year-ago level, but the Milan-listed product tanker owner said it would maintain spot exposure for the forecast market upturn.

DIS reported a net loss of \$7.4m in July-September compared with the year-ago loss of \$7.5m, even as revenues rose to \$101.1m from \$81.1m amid fleet expansion.

The company's fleet achieved average time charter equivalent earnings of \$12,977 per day in the third quarter, versus \$12,904 in the same period last year.

"The product tanker market rebound most industry analysts have been predicting has not yet materialised as at the end of the third quarter of 2017," chief executive Marco Fiori said in the quarterly report.

However, Mr Fiori declared DIS would not be taking extra time charter coverage, underscoring the company's confidence in an immediate market upturn.

"We want to maximise our returns in a growing product tanker market," Mr Fiori said. "We believe we will see a much healthier spot market in the following months."

"The high level of product inventories, which has been depressing demand for the last two years, seems to be finally coming to a more balanced level.

“At the same time, the growth in global economic activity expected next year should provide further benefit to the demand for seaborne transport of refined products.

“On the supply side, the estimated deliveries of new vessels is expected to reach an historical low level by the end of 2017.”

In the first nine months of 2017, 33.6% of DIS' vessel employment days were covered through time charters, compared with 47.3% in the same period of 2016.