

D'Amico loss widens on 'tough' product tanker market

Anticipated recovery in the sector fails to materialise, but chief executive Marco Fiori maintains his view that there will be a brighter market in the coming quarters

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First-half loss deepens to \$20.2m versus a \$6.2m loss in the same period a year earlier



SHIPMENTS FROM THE US TO MEXICO AND BRAZIL FELL BY 7M BARRELS FROM JANUARY TO APRIL DUE TO LOWER DEMAND AND SOME UNPLANNED REFINERY OUTAGES, D'AMICO REPORTED.

ITALY'S d'Amico International Shipping reported wider losses for the first half as the product tanker market remained weak.

The company posted a loss of \$20.2m compared with a loss of \$6.2m in the period a year earlier, it said in a statement.

Its average daily spot rate for its vessels declined to \$11,526 in the first half compared with \$12,492 over the year-earlier period, while time charter contracts fell to \$12,625 from \$13,614.

Shipments from the US to Mexico and Brazil fell by 7m barrels from January to April due to lower demand and some unplanned refinery outages that resulted in a "tonnage supply imbalance", d'Amico said.

Chief executive Marco Fiori said the market was "tough", but he remained positive about the medium-term outlook for the sector.

"It is obviously a result we are not happy about, but I would like to reiterate once again what I have been saying several times," he said. "I see no reason whatsoever why the product tanker market should not pick

up in the medium term.

“The long-term fundamentals are all there, showing a growing world demand for oil-refined products and limited net fleet growth expected for the next years. I think it is just a matter of some quarters before we will see again our market going back to satisfactory levels.”

The company has been focused on sale and leaseback deals for the last several months to improve its liquidity position.

It is almost at the end of its fleet renewal programme, with two newbuilding long range one tankers due for delivery in the third quarter and another two scheduled for delivery in the first quarter

The company said it still had support from its banks and its majority shareholder.