

# D'Amico profit slides as spot market undergoes correction

Thursday 28 July 2016, 14:31 by [Hal Brown](#)



**D'Amico chief Marco Fiori is convinced the product tanker industry has very good fundamentals and is on the right track.**

It is only seasonal, says chief Fiori

D'AMICO International Shipping saw its second-quarter net profit drop to \$6.4m from \$18.7m last time, as the spot market for product tankers underwent what d'Amico called a "correction".

The reason for the drop in profit was that the recent rally of the oil price depressed refinery margins with the consequent decline in their throughput. That resulted in market players calling on product stockpiles, thereby reducing seaborne trading.

In addition, a relatively large number of newbuildings entered the market in the first six months of the year.

"Despite some temporary volatility that might negatively hit the market especially this year, I am convinced the above factors which caused some turbulence in Q2, are only seasonal and I am still convinced the product tanker industry has very good fundamentals and is set on the right track in the long term," said d'Amico chief executive Marco Fiori.

"I refer in particular to the trend of refineries moving away from main consuming regions, which will continue to increase the tonne-mile demand and to a very limited fleet growth over the next three years."

He added that the Milan-listed company's mix of owned and chartered-in vessels allowed it "to overcome temporary corrections, delivering good returns for our shareholders". D'Amico runs a 50-

strong fleet of product tankers, one of the world's largest in the product tanker industry.

Regarding the product tanker market, d'Amico observed that the Asian gasoil market was improving as demand had increased due to drought curtailing hydropower generation.

Moreover, China is expected to continue to export high levels of gasoil as domestic stocks remain high, while India is expected to continue importing significant volumes, as product demand currently averages around 4.3m barrels per day, the company argued.

---

Article from Lloyd's List

<https://www.lloydslist.com/ll/sector/tankers/article531918.ece>

Published: Thursday 28 July 2016

© 2016 Informa plc. All rights Reserved. Lloyd's is the registered trademark of the Society incorporated by the Lloyd's Act 1871 by the name of Lloyd's