

# Lloyd's List

## D'Amico hit by challenging second quarter product tanker market

Wednesday 30 July 2014, 13:17 by Hal Brown

TANKERS



Nevertheless, longer-term prospects remain bright for this tanker sector

**D'AMICO** International Shipping, the Italian product tanker owner, has reported a second-quarter net profit after tax slide to \$1.3m, down from \$13.8m last time, largely due to an unexpectedly challenging market during the period.

Milan-listed **D'Amico**, however, is sticking fast to the bright prospects for positive tankers over the medium and long term as new refineries in Asia and the Middle East generate tonne miles for vessels.

"The first semester of the year was unexpectedly challenging for the product tanker market, mainly due to seasonal effects derived from the very cold winter in the US and from the longer than expected closure of several US Gulf refineries for maintenance," said chief executive Marco Fiori.

However, he said he was "rather satisfied about the results achieved in this period".

The company's spot activity outperforms the market, while its time charter coverage portfolio minimises the impact of the market disruptions, he pointed out.

"I share the positive view of most brokers, shipping analysts and traders on the medium-term perspectives for our industry."

He said positive market fundamentals remain unchanged for product tankers and are driven mainly by the US becoming a net exporter of oil products, by the shift of the world refining capacity towards the Middle East and Asia and by regulatory changes to start taking effect in 2015.

In light of this, the Italian tanker company has been expanding its fleet.

It has around 30 product tankers, plus 11 newbuildings on order, according to Clarksons.



Fiori is positive about the medium-term prospects for product tankers.

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