

# D'Amico falls victim to challenging third quarter for tankers

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Despite loss, product tanker market still has strong underlying fundamentals, argues chief executive Fiori

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D'AMICO International Shipping slid to a third quarter net loss of \$7.5m, compared with \$14.7m net profit in the period last year, amid challenging market conditions for product tankers.

Time charter equivalent earnings for the Milan-listed company fell to \$58.5m from \$85m.

D'Amico chief executive Marco Fiori concentrated on the nine-month result of \$6.1m net profit.

"I am rather satisfied about the net profit posted in the first nine months of the year, considering the very challenging market scenario experienced in the third quarter," he said.

Following a strong first quarter, the spot market softened in the second quarter and hit historically low levels in the following three months, he said.

The relative oil price stability has been putting pressure on refinery margins, with the consequent decline in their throughput, and has been leading to a greater [draw of petroleum product inventories](#), he explained.

In addition to this, a large number of newbuildings have hit the market, increasing global tonnage supply.

Mr Fiori struck a positive, saying that despite this short-term market volatility, "I believe the product tanker market has still-strong underlying fundamentals".

This is based on the trend of refineries moving away from main consuming regions, which will increase the tonne-mile demand.

Also, historically low fleet growth is expected for the years to come, with virtually no new ordering activity.

"Meanwhile, we are also expecting a gradual improvement in market conditions already in the following two quarters, which should benefit from a cold winter season expected in the Western hemisphere," added Mr Fiori.

D'Amico has limited the negative impacts of the spot market by its high level of time charter-out coverage, with 47% of its available vessel days at a daily average fixed rate of \$15,959.

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