

Back to black for d'Amico

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Product tanker owner d'Amico posted a net profit of \$1.8m for the first quarter, versus an \$18.9m loss in fourth-quarter 2016.

Fiori says no to mergers, preferring to go it alone as prospects improve

D'AMICO International Shipping is back in profit as its daily spot rate for its product tankers rose by more than 32%.

The Milan-listed product tanker owner, which runs about 50 ships, scraped a slim net profit of \$1.8m for the first quarter, a vast improvement on the \$18.9m loss in the fourth quarter of 2016. First-quarter 2016 profit was \$7.2m.

Its daily spot average rose to \$13,363 per day, up by over 32% relative to the average of the second half of last year.

In a phone conversation with Lloyd's List, d'Amico chief executive Marco Fiori said there was still volatility in the market, but 2017 was always going to be better than 2016.

The supply-demand balance is improving. After the Islamic holy month of Ramadan at the end of June, with refineries coming back online following maintenance, the Asian gasoline market could see a recovery in demand.

Demand for gasoline cargoes is expected to remain firm from countries such as Sri Lanka, Pakistan and Vietnam.

Increased demand into South America and especially Chile, due to refinery turnaround, and into West Africa due to low petroleum stocks, is supporting demand for product tankers.

Tonnage is also being soaked up by large volumes of sunflower and soyabean oil exported from South America. These exports are traditionally stronger from March to June.

Perhaps these promising prospects deter d'Amico from seeking partners with which to merge.

"There's nothing on the table," said Mr Fiori, when asked about any potential mergers or acquisitions.

However, when an owner says that, it can often mean there is something cooking. Is d'Amico definitely not considering a tie-up with another company, in the same vein as recent tanker consolidation activity?

"We're by ourselves," Mr Fiori emphasised.

As for ships, "we have more than enough", he added.

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