

# [***East Daley: Permian Growth Continues to Fuel Earnings in the U.S. Oil and Gas Midstream Sector; East Daley expects strong earnings results for midstream companies with exposure to the Permian Basin, such as Plains All American Pipeline, Enterprise Products Partners, Energy Transfer, NuStar, Targa and Magellan Midstream Partners***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SWR-1KH1-DXY3-01J5-00000-00&context=1516831)

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[*East Daley Capital Advisors, Inc.,*](http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.eastdaley.com&esheet=51843546&newsitemid=20180726005550&lan=en-US&anchor=East+Daley+Capital+Advisors%2C+Inc.%2C&index=1&md5=02e534d26e45f4f7e3b418b8b9268952) an ***energy*** information and insights provider that is redefining how markets view risk for midstream and exploration and production (E&P) companies released their   [*Consensus Comparison Report*](http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Feastdaley.com%2Fconsensus-comparison-report%2F&esheet=51843546&newsitemid=20180726005550&lan=en-US&anchor=Consensus+Comparison+Report&index=2&md5=d9e27648cde0d86c6803905f89304585) for second quarter earnings that highlights East Daley's views on how company earnings diverge from market consensus. The Q2 analysis showcases significant volume growth for Plains All American Pipeline (PAA), Enterprise Products Partners (EPD), ***Energy*** Transfer (ETP), NuStar (NS) and Magellan Midstream Partners (MMP). Additionally, the updated analysis comparing Q2 to Q1 reflect a more positive outlook for natural gas, NGLs and petchem-exposed assets and a more pessimistic view for crude oil-exposed assets.

"The majority of midstream companies are showing upside potential on cash flows for 2018 and we are finally seeing the realization of the ramped-up Permian production from earlier this year," said Justin Carlson, VP and Managing Director, Research at East Daley Capital. "Our analysis shows that only a handful of midstream companies will underperform versus consensus. It's a great time to be investing in the midstream sector but looking closely at long-term asset health is an absolute must to truly understand a company."

The midstream sector received additional good news with the newly released policy guidance from the Federal ***Energy*** Regulatory Commission (FERC). The new ruling allows for complete elimination of accumulated deferred income taxes (ADIT) from the cost of service equation for master limited partnerships (MLPs) and pass-throughs and exempts them from refunding any ADIT to customers. Elimination of ADIT from cost of service can significantly lower calculated return on equity (ROE) for natural gas pipelines, making it beneficial for some pipelines to stay in an MLP ownership structure. The ADIT policy guidance was specifically for pipelines in MLP and pass-through entities and did not afford the same treatment for C-Corps.

"The impact of the new FERC rulings sent a shockwave through the U.S. oil and gas midstream sector, and the market is already responding positively," said Justin Carlson, VP and Managing Director, Research at East Daley Capital. "When these type of decisions come through and impact a market, that's when the value of East Daley's vital analysis really comes into play to provide our clients an edge in midstream investing."

East Daley's Consensus Comparison Report is released on a quarterly basis and helps clients identify market opportunities by showing East Daley's earning expectations versus the street. The quarterly report brings together data from East Daley Capital's Blueprint Models for 27 companies under coverage. This comparison shows how EDC's unique approach to analyzing companies down to the asset level can produce different earnings expectations that of sell-side research. East Daley goes down to the asset level in its forecasts allowing clients an easy way to spot potential investment opportunities.

[*Contact East Daley*](http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Feastdaley.com%2Fcontact%2F&esheet=51843546&newsitemid=20180726005550&lan=en-US&anchor=Contact+East+Daley&index=3&md5=ddd1d5349b69cbfe858925944eb78e45) for more information on the Consensus Comparison Report.

East Daley has the largest asset database of U.S. ***energy*** infrastructure tied to EBITDA and its patent-pending production allocation model, combined with in-depth analysis, brings greater transparency to the ***energy*** and commodity financial market by providing investors and market participants with deeper, more accurate data to inform their investment and strategy decisions.

About East Daley Capital Advisors, Inc.

East Daley Capital is an ***energy*** information and insights provider that is redefining how markets view risk for midstream and exploration and production (E&P) companies. In addition to using top-level financial data to predict a company's performance, East Daley delivers asset and commodity analysis that provides comprehensive, fact-based intelligence. Supported by a team of unbiased, experienced financial and commodity analysts, East Daley provides its clients unparalleled insight into how midstream and E&P companies operate and generate cash flow, in addition to commodity forecasting. East Daley uses publicly available fundamental data and intersects that data with a company's reported financials to asset-level adjusted-EBITDA and distributable cash flow (DCF). The result allows for more informed investment decisions. Founded in 2014, the company is based in Centennial, Colorado. For more information visit [*http://www.eastdaley.com*](http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.eastdaley.com&esheet=51843546&newsitemid=20180726005550&lan=en-US&anchor=http%3A%2F%2Fwww.eastdaley.com&index=4&md5=31135b8520a9b71d445837e5df1e7503) .

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