



# U.S. Macro Supply and Demand Forecast

Report Published: 2/22/2022

Questions?  
Contact  
insight@eastdaley.com

## SHORT-TERM OUTLOOK

Gas Supply Forecast (Bcf/d)	Nov-21	Dec-21	Jan-22	Feb-22	Y-o-Y ▲	Mar-22	Apr-22	May-22	Jun-22	2021	2022	YoY
EDA Dry Gas Production	96.0	96.0	94.0	92.4	7.1	95.6	96.1	96.6	97.2	92.6	96.9	4.3
EIA Dry Gas Production	96.0	96.7	94.6	94.8	9.5	94.4	94.6	94.8	95.1	92.6	95.3	2.7
<i>Delta</i>	<i>(0.0)</i>	<i>(0.7)</i>	<i>(0.6)</i>	<i>(2.3)</i>	<i>(2.4)</i>	<i>1.2</i>	<i>1.5</i>	<i>1.8</i>	<i>2.1</i>	<i>(0.0)</i>	<i>1.6</i>	<i>1.6</i>
Canada Imports	8.2	6.9	9.4	9.8	0.1	7.8	7.1	6.7	7.0	9.2	7.5	(1.6)
<b>EDA Dry Gas Supply</b>	<b>104.1</b>	<b>103.7</b>	<b>104.0</b>	<b>104.6</b>	<b>9.6</b>	<b>103.3</b>	<b>103.2</b>	<b>103.3</b>	<b>104.2</b>	<b>101.8</b>	<b>104.5</b>	<b>2.7</b>

Gas Demand (Bcf/d)	Nov-21	Dec-21	Jan-22	Feb-22	Y-o-Y ▲	Mar-22	Apr-22	May-22	Jun-22	2021	2022	YoY
U.S. Consumption	88.7	92.9	111.9	106.2	(2.4)	91.5	76.5	69.1	72.5	82.8	85.2	2.3
Mexico Exports	5.5	5.4	5.7	5.5	0.6	6.1	6.3	6.5	6.9	5.9	6.2	0.3
Canada Exports	2.8	3.7	2.8	2.8	0.0	2.9	2.5	2.3	2.3	2.6	2.6	0.0
LNG Exports Net	10.2	10.7	10.9	10.7	3.5	11.8	11.9	11.8	11.6	9.6	11.5	1.9
<b>EDA Total Gas Demand</b>	<b>107.2</b>	<b>112.7</b>	<b>131.3</b>	<b>125.3</b>	<b>1.7</b>	<b>112.4</b>	<b>97.2</b>	<b>89.7</b>	<b>93.3</b>	<b>100.9</b>	<b>105.4</b>	<b>4.5</b>
EIA Total Demand	107.3	116.3	134.4	125.1	1.3	107.5	93.9	86.0	92.4	101.3	104.6	3.3
Storage Inj. / (Wthdrwl)	(92)	(300)	(864)	(645)		(283)	185	382	337			
Storage Balance	3,564	3,195	2,323	1,678		1,395	1,581	1,963	2,300			
5 Year Avg	3,698	3,342	2,701	2,093		1,724	1,755	2,094	2,458			
(+/-) 5 Year Avg	(134)	(147)	(378)	(415)		(328)	(175)	(131)	(157)			

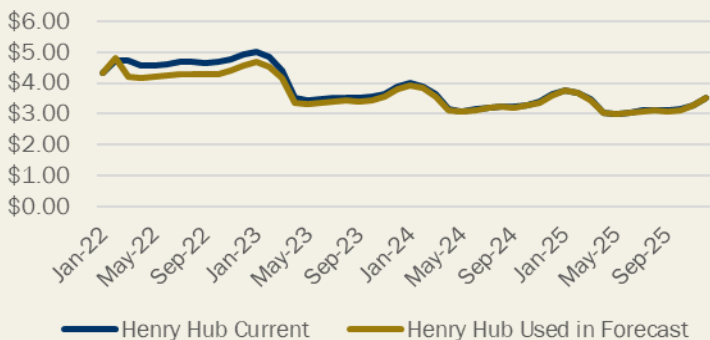
**Dry Gas Production:** East Daley revised our 2022 dry gas forecast lower by 0.7 Bcf/d vs. our January forecast but remains above EIA's forecast. The revision was primarily due to February freeze-offs in the ArkLaTex and Northeast. We have seen production recover quickly in samples for the Northeast, where we have full visibility. Our current forecast has Northeast volumes declining 2 Bcf/d M-o-M from January to February; based on the current flow sample, Northeast supply could come in ~1 Bcf/d above our forecast. We also have revised the Northeast forecast lower due to more associated gas and basin constraints.

**Storage Forecast:** The Henry Hub price strip East Daley used to model production this month is shown below. The chart on the right highlights what storage looks like if we forecast production at that strip (pre-balance in the chart). The current strip (2/18) is above the strip we used to forecast. Beyond exceeding storage limits by 4Q23, there would also be micro and egress constraints.

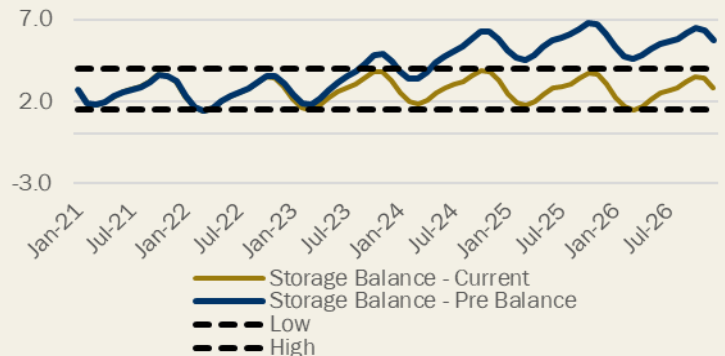
The pre-balance storage moves above the 5-year average starting in March 2023 due to growing production, surpassing 4 Tcf by 4Q23. If the market is not expecting this trend, prices could make a sharp reversal.

**Permian Updates:** Energy Transfer (ET) said it can build a new egress pipeline in 24 months from FID with a capacity of 1.5-2 Bcf/d. ET also announced a new plant and a further expansion on its raw gas line connecting its Midland and Delaware systems. The plant will provide the basin with a much-needed 300 MMcf/d of additional processing capacity. MPLX also hinted at a possible Whistler Pipeline expansion that would add 0.5 Bcf/d of Permian egress, with a similar 24-month timeline. We still see Permian gas constraints from late 2023 into 2024 until one of the new projects is online.

Henry Hub Strip



EDC Storage Balance





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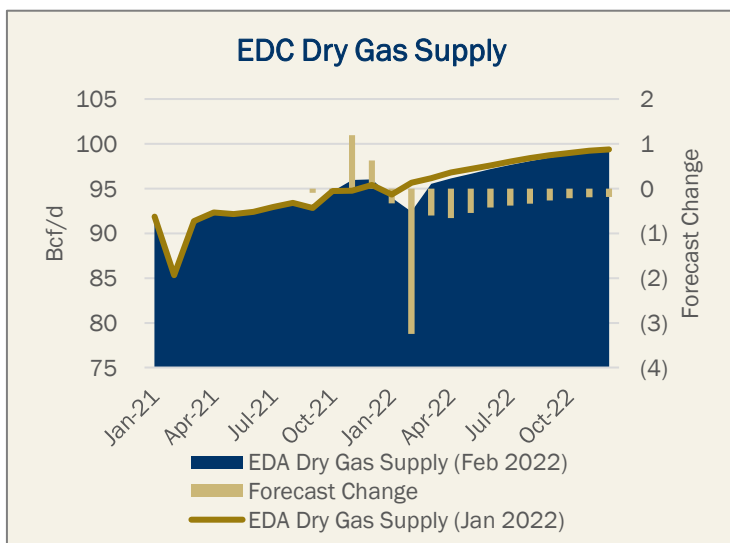
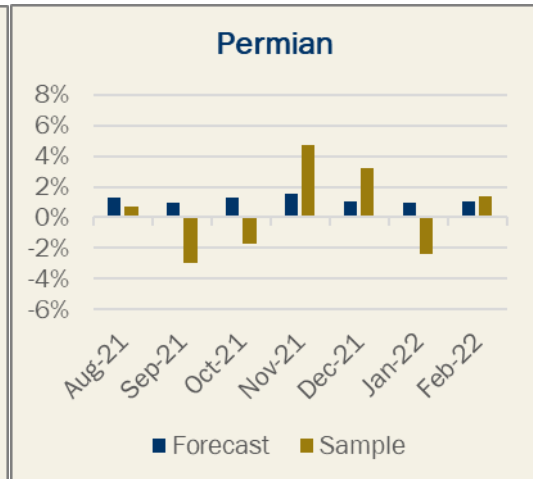
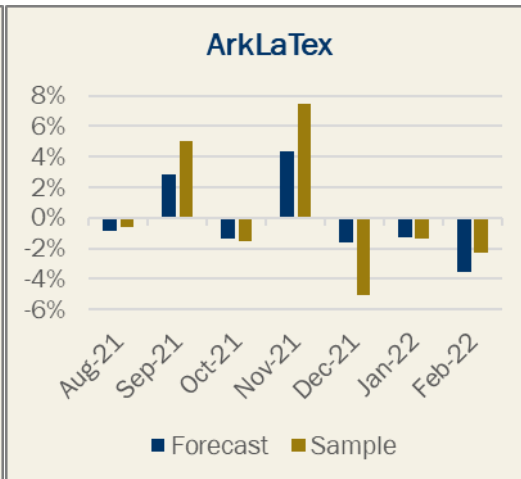
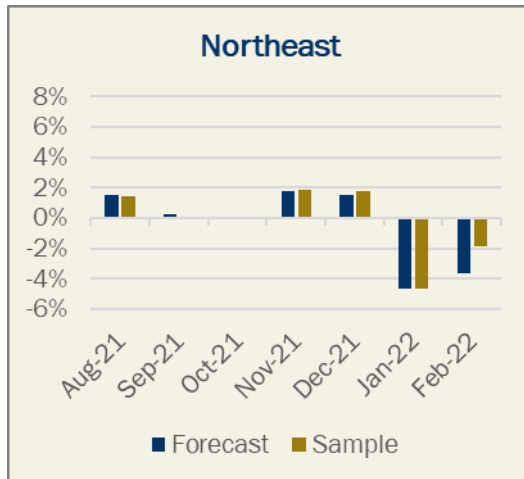
## SHORT-TERM PRODUCTION OUTLOOK

### Dry Gas Production (Bcf/d)

EDA Dry Gas Production (Bcf/d)	Nov-21	Dec-21	Jan-22	Feb-22	Y-o-Y ▲	Mar-22	Apr-22	May-22	Jun-22	2021	2022	YoY
Anadarko	6.9	6.9	6.9	6.9	1.4	7.0	7.0	7.0	7.1	6.7	7.1	0.5
ArkLaTex	14.1	13.8	13.7	13.2	2.2	13.8	13.9	14.1	14.3	13.1	14.2	1.2
Bakken	2.0	2.0	1.8	1.9	0.1	1.9	1.9	1.9	1.9	1.9	2.0	0.0
Barnett	2.2	2.2	2.2	2.2	0.2	2.2	2.2	2.2	2.2	2.2	2.2	(0.0)
DJ	2.5	2.4	2.4	2.4	0.0	2.4	2.4	2.4	2.4	2.5	2.4	(0.1)
Eagle Ford	6.0	6.0	6.0	6.0	0.9	6.0	6.0	6.0	6.1	5.9	6.1	0.2
Northeast	34.2	34.7	33.1	31.9	(1.5)	34.1	34.3	34.5	34.6	33.6	34.2	0.7
Permian	13.6	13.8	13.9	14.0	4.3	14.2	14.4	14.6	14.8	12.6	15.0	2.3
Powder River	0.6	0.6	0.6	0.6	0.1	0.6	0.6	0.6	0.6	0.6	0.6	0.1
Fayetteville	1.1	1.1	1.1	1.1	0.1	1.1	1.1	1.1	1.1	1.1	1.1	(0.1)
Other Rockies <sup>(1)</sup>	6.1	6.1	6.1	6.0	(0.5)	6.0	6.0	5.9	5.9	6.3	5.9	(0.5)
Other Producing Regions <sup>(2)</sup>	6.7	6.4	6.3	6.3	0.0	6.3	6.3	6.3	6.2	6.0	6.2	0.1
<b>EDA Dry NG Production</b>	<b>96.0</b>	<b>96.0</b>	<b>94.0</b>	<b>92.4</b>	<b>7.1</b>	<b>95.6</b>	<b>96.1</b>	<b>96.6</b>	<b>97.2</b>	<b>92.6</b>	<b>96.9</b>	<b>4.3</b>

(1) Includes San Juan, Piceance, Green River, Uinta, Big Horn, Wind River

(2) Includes Gulf of Mexico, PADD 5, several other small producing regions not included in the above.



Gas Sample	% Cov	Nov-21	Dec-21	Jan-22	Feb-22	Y-o-Y
ArkLaTex	87%	12.5	11.8	11.7	11.4	2.0
Northeast	100%	34.1	34.7	33.1	32.5	(0.3)
Permian	42%	5.0	5.1	5.0	5.1	1.0
Rockies	92%	8.6	8.5	8.2	8.1	(0.6)
GOM	73%	1.3	1.4	1.4	1.4	(0.2)
Other		7.7	8.0	7.9	7.6	0.1
<b>Total Gas Sample</b>		<b>69.1</b>	<b>69.5</b>	<b>67.3</b>	<b>66.1</b>	<b>2.1</b>
<b>EDC Dry Gas Supply</b>		<b>96.0</b>	<b>96.0</b>	<b>94.0</b>	<b>92.4</b>	<b>7.1</b>



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## SHORT-TERM PRODUCTION OUTLOOK

### Raw Gas Production by G&P System (Bcf/d)

- Rigs in the Permian continue to increase, reaching East Daley's 2022 forecasted peak last week. This will increase our system-level forecasts. ET leads the pack, announcing 300 MMcf/d of new processing capacity. Other systems could miss this growth if they don't de-bottleneck their systems in a similar way.
- Activity in the Northeast has remained flat in 2022. After 2022 East Daley does not forecast significant growth from the basin.
- East Daley revised down ArkLaTex production slightly in 2022 as associated gas continues to flood the markets.

Permian System	Nov-21	Dec-21	Jan-22	Feb-22	Y-o-Y ▲	Mar-22	Apr-22	May-22	2021	2022	YoY
TRGP - West Texas	2.4	2.4	2.4	2.4	0.9	2.4	2.5	2.5	2.2	2.5	0.3
EPD - Delaware	1.5	1.5	1.5	1.5	0.3	1.5	1.5	1.5	1.5	1.6	0.1
ET - Delaware	1.3	1.3	1.3	1.3	0.4	1.3	1.3	1.3	1.2	1.4	0.2
Private - Lucid S Carlsbad	1.2	1.2	1.2	1.3	0.4	1.3	1.3	1.3	1.1	1.3	0.2
WES - DBM	1.0	1.1	1.1	1.1	0.4	1.1	1.1	1.2	0.9	1.2	0.3
All Other Systems	12.2	12.4	12.5	12.6	3.7	12.8	13.2	13.4	11.3	13.7	2.4
<b>Permian Gross Gas Production</b>	<b>19.7</b>	<b>19.9</b>	<b>20.1</b>	<b>20.3</b>	<b>6.2</b>	<b>20.6</b>	<b>20.9</b>	<b>21.2</b>	<b>18.3</b>	<b>21.6</b>	<b>3.3</b>
<b>Permian Dry Gas Production</b>	<b>13.6</b>	<b>13.8</b>	<b>13.9</b>	<b>14.0</b>	<b>4.3</b>	<b>14.2</b>	<b>14.4</b>	<b>14.6</b>	<b>12.6</b>	<b>15.0</b>	<b>2.3</b>

Northeast System	Nov-21	Dec-21	Jan-22	Feb-22	Y-o-Y ▲	Mar-22	Apr-22	May-22	2021	2022	YoY
WMB - Bradford Supply Hub	3.6	3.6	3.7	3.7	0.2	3.7	3.7	3.7	3.5	3.7	0.1
ETRN - Pennsylvania	3.5	3.5	3.5	3.5	(0.3)	3.5	3.5	3.5	3.6	3.5	(0.1)
MPLX - Sherwood	2.9	3.0	3.0	3.0	0.3	3.0	3.0	3.0	2.8	3.0	0.2
WMB - Susquehanna Supply Hub	2.8	2.9	2.9	2.9	0.3	2.9	2.9	2.9	2.7	2.9	0.3
MPLX - Majorsville/Houston/Harmon Creek	1.9	1.9	2.0	2.0	0.0	2.0	2.0	2.0	1.9	2.0	0.1
All Other Systems	21.3	21.8	20.0	18.7	(2.2)	20.9	21.2	21.3	21.0	21.1	0.1
<b>NE Gross Gas Production</b>	<b>36.1</b>	<b>36.7</b>	<b>35.0</b>	<b>33.7</b>	<b>(1.6)</b>	<b>35.9</b>	<b>36.2</b>	<b>36.4</b>	<b>35.5</b>	<b>36.2</b>	<b>0.8</b>
<b>NE Dry Gas Production</b>	<b>34.2</b>	<b>34.7</b>	<b>33.1</b>	<b>31.9</b>	<b>(1.5)</b>	<b>34.1</b>	<b>34.3</b>	<b>34.5</b>	<b>33.6</b>	<b>34.2</b>	<b>0.7</b>

ArkLaTex	Nov-21	Dec-21	Jan-22	Feb-22	Y-o-Y ▲	Mar-22	Apr-22	May-22	2021	2022	YoY
ENBL - Magnolia/Olympia/Sligo	1.5	1.5	1.5	1.5	0.1	1.6	1.6	1.7	1.6	1.7	0.1
WMB - Louisiana/Magnolia	1.4	1.4	1.4	1.5	0.4	1.5	1.5	1.6	1.2	1.6	0.3
DTM - Blue Union	1.1	1.2	1.2	1.3	0.5	1.3	1.3	1.3	1.0	1.3	0.3
Private - Aethon Ibex/Haynesville	1.3	1.2	1.2	1.3	0.4	1.3	1.3	1.3	1.2	1.3	0.1
Private - Trace Midstream	1.2	1.2	1.2	1.2	0.4	1.3	1.3	1.4	1.0	1.4	0.4
All Other Systems	8.9	8.6		7.7	0.6	8.2	8.2	8.3	8.3	8.4	0.1
<b>ArkLaTex Gross Gas Production</b>	<b>15.5</b>	<b>15.2</b>	<b>15.0</b>	<b>14.5</b>	<b>2.4</b>	<b>15.1</b>	<b>15.3</b>	<b>15.5</b>	<b>14.4</b>	<b>15.7</b>	<b>1.3</b>
<b>ArkLaTex Dry Gas Production</b>	<b>14.1</b>	<b>13.8</b>	<b>13.7</b>	<b>13.2</b>	<b>2.2</b>	<b>13.8</b>	<b>13.9</b>	<b>14.1</b>	<b>13.1</b>	<b>14.2</b>	<b>1.2</b>

Anadarko	Nov-21	Dec-21	Jan-22	Feb-22	Y-o-Y ▲	Mar-22	Apr-22	May-22	2021	2022	YoY
ENBL - Anadarko	1.8	1.7	1.7	1.7	0.3	1.7	1.6	1.6	1.7	1.6	(0.1)
DCP - Midcon	1.0	1.0	1.1	1.1	0.4	1.1	1.2	1.2	0.8	1.2	0.4
ENLC - COK	0.8	0.8	0.8	0.8	0.1	0.8	0.8	0.8	0.8	0.8	(0.0)
OKE - Anadarko	0.8	0.8	0.8	0.7	0.1	0.7	0.7	0.7	0.8	0.8	(0.0)
TRGP - South OK	0.6	0.6	0.6	0.6	0.1	0.6	0.6	0.6	0.6	0.6	(0.0)
All Other Systems	3.7	3.7	3.7	3.7	0.7	3.7	3.8	3.8	3.6	3.9	0.3
<b>Anadarko Gross Gas Production</b>	<b>8.6</b>	<b>8.6</b>	<b>8.6</b>	<b>8.7</b>	<b>1.8</b>	<b>8.7</b>	<b>8.8</b>	<b>8.8</b>	<b>8.3</b>	<b>8.9</b>	<b>0.6</b>
<b>Anadarko Dry Gas Production</b>	<b>6.9</b>	<b>6.9</b>	<b>6.9</b>	<b>6.9</b>	<b>1.4</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>	<b>6.7</b>	<b>7.1</b>	<b>0.5</b>



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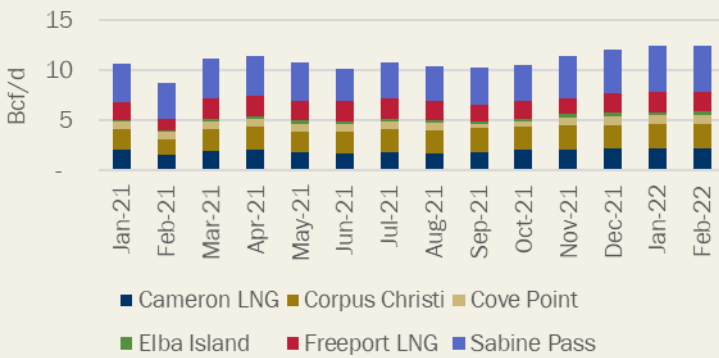
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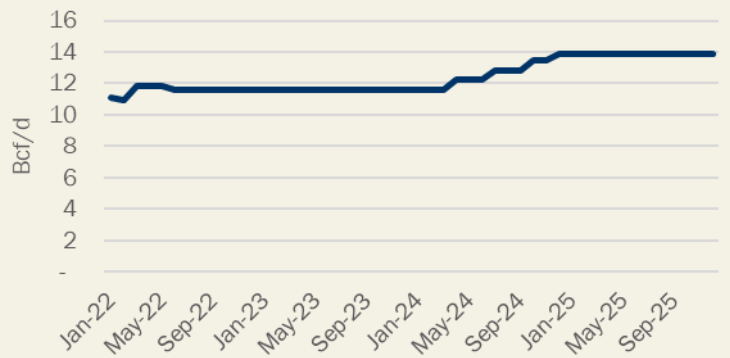
Gas Demand (Bcf/d)	Nov-21	Dec-21	Jan-22	Feb-22	Y-o-Y ▲	Mar-22	Apr-22	May-22	Jun-22	2021	2022	YoY
Residential	15.8	19.5	29.0	26.7	(4.3)	20.7	12.2	6.8	4.4	12.7	13.4	0.7
Commercial	11.1	11.1	16.3	15.1	(2.4)	12.7	8.5	5.8	4.8	8.8	9.2	0.3
Industrial	24.1	24.4	26.2	25.6	1.9	24.0	22.9	21.8	21.6	22.4	23.4	0.9
Electric Power(c)	29.4	29.5	31.3	30.0	1.9	25.9	25.1	27.3	34.0	30.9	31.1	0.1
Lease and Plant Fuel	5.2	5.4	5.7	5.6	0.9	5.1	5.1	5.1	5.1	5.1	5.3	0.2
Pipeline and Distribution Use	2.9	3.0	3.2	3.1	(0.5)	3.0	2.5	2.2	2.3	2.7	2.7	(0.0)
Vehicle Use	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.2	0.2	0.1	0.2	0.0
<b>EDA U.S. Consumption</b>	<b>88.7</b>	<b>92.9</b>	<b>111.9</b>	<b>106.2</b>	<b>(2.4)</b>	<b>91.5</b>	<b>76.5</b>	<b>69.1</b>	<b>72.5</b>	<b>82.8</b>	<b>85.2</b>	<b>2.3</b>
EIA US Consumption	88.7	96.3	114.5	105.2	(3.4)	87.9	75.3	67.0	72.6	83.1	84.4	1.3
<b>Exports</b>												
Mexico Exports	5.5	5.4	5.7	5.5	0.6	6.1	6.3	6.5	6.9	5.9	6.2	0.3
Canada Exports	2.8	3.7	2.8	2.8	0.0	2.9	2.5	2.3	2.3	2.6	2.6	0.0
LNG Exports	10.2	10.8	11.1	10.9	3.5	11.9	11.9	11.9	11.6	9.7	11.6	1.9
<b>Total Exports</b>	<b>18.6</b>	<b>19.9</b>	<b>19.7</b>	<b>19.3</b>	<b>4.1</b>	<b>20.9</b>	<b>20.7</b>	<b>20.6</b>	<b>20.8</b>	<b>18.2</b>	<b>20.3</b>	<b>2.1</b>

Storage (Bcf)	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22
Net Storage Injection	(92)	(300)	(864)	(645)	(283)	185	382	337	196	215	378	387
Storage Balance (Jan 22')	3,564	3,195	2,323	1,678	1,395	1,581	1,963	2,300	2,496	2,711	3,089	3,476
5 Year Avg	3,698	3,342	2,701	2,093	1,724	1,755	2,094	2,458	2,721	2,909	3,164	3,515

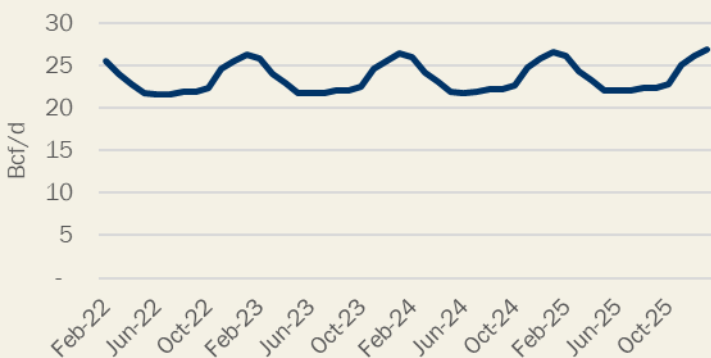
LNG Feed Gas Demand



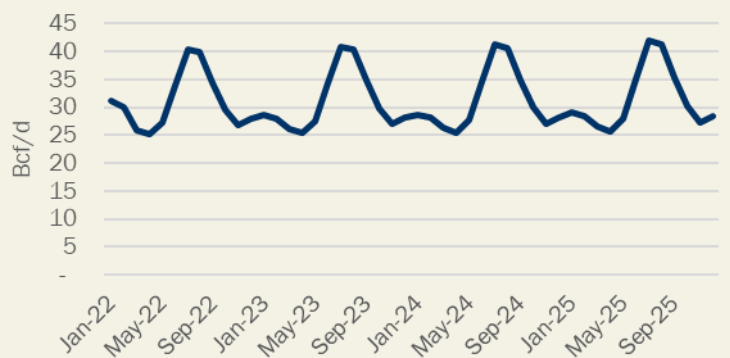
LNG Export Demand



Industrial Demand



Electric Power Demand





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