



THE STATE
of ALASKA

GOVERNOR BILL WALKER

Department of Revenue

TAX DIVISION

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March 30, 2018

The Honorable Anna MacKinnon and the Honorable Lyman Hoffman
Alaska State Senators
Co-chairs, Senate Finance Committee
State Capitol Rooms 516 and 518
Juneau, AK 99801

Dear Co-Chairs MacKinnon and Hoffman:

The purpose of this letter is to provide you with a response to a question asked of the Department of Revenue during our presentation to the Senate Finance Committee on March 19, 2018. Please see the request in italics and our response immediately below the request.

- 1. DOR was asked to provide detail underlying the analyst oil price forecast projections that were presented in the spring forecast update.*

Please see the attached document "Analyst Brent Price Forecast Backup." The analyst forecasts included in the attached document were taken from Bloomberg L.P.'s financial database on March 9, 2018. There were 31 independent financial firms/corporations that were retrieved from the Bloomberg database. Forecasts utilized in computing our analyst average were made between January 22, 2018 and March 7, 2018. As you will note, the universe of analysts forecasting oil prices declines over time until the group becomes so small that it no longer reflects a representative sample.

I hope you find this information to be useful. Please do not hesitate to contact me if you have further questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ken Alper".

Ken Alper
Tax Division Director

Attachments:
Analyst Brent Price Forecast Backup

Brent Oil Price Forecasts by Bloomberg Analysts

Forecasting Firm	Forecast Date	Calendar Year				
		2018	2019	2020	2021	2022
Australia & New Zealand Banking Group Ltd/	27-Feb-18	67	68.625	67.5	65.875	
Banco Santander SA	7-Mar-18	60	55	55	55	55
Bank of Tokyo-Mitsubishi UFJ Ltd/The	1-Feb-18	64.4	58.2	61.9	63.4	
BMI Research	1-Mar-18	65	75	78	80	
BMO Capital Markets Corp/Toronto	22-Jan-18		58			
BNP Paribas SA	22-Jan-18	65				
Capital Economics Ltd	1-Mar-18	63.1	57.6			
Citigroup Inc	28-Feb-18	57	49			
Commerzbank AG	9-Feb-18	62	60			
Deutsche Bank AG	23-Jan-18	62	62	63	65	65
DNB ASA	21-Feb-18	62	69	81	77	
DZ Bank AG	16-Feb-18	62.5				
Emirates NBD PJSC	8-Feb-18	59.5	60			
Guggenheim Securities LLC	26-Jan-18	72	80	76		
HSBC Holdings PLC	26-Jan-18	65	70			
HSH Nordbank AG	24-Jan-18	64.5	57	53	52	50
Incrementum AG	23-Jan-18	70.6	81	102		
Intesa Sanpaolo SpA	27-Feb-18	65.5	70	75	80	85
Itau Unibanco Holding SA	14-Feb-18	63.3239	58	58	58	47
KLR Group LLC	23-Jan-18	65	67.5	67.5	67.5	67.5
Landesbank Baden-Wuerttemberg	26-Feb-18	66	75	80		
Natixis SA	26-Jan-18	64.5	68			
Nordea Bank Norge ASA	1-Mar-18	66	68			
Oxford Economics Ltd	2-Feb-18	67.75	65	65	67.7757	
Raiffeisen Bank International AG	2-Feb-18	65	67	70	75	
Raymond James & Associates Inc	24-Jan-18	70	65	65		
Sanford C Bernstein & Co Inc	22-Jan-18	56	60	65	70	
Societe Generale SA	19-Feb-18	66.2	60	60	62.5	65
Toronto-Dominion Bank/Toronto	2-Mar-18	65.75	62.75			
Wells Fargo Securities LLC	2-Mar-18	62.44	59	60	63	
Westpac Banking Corp	29-Jan-18	58.78	46.6803	50.2824		
Average:		64.13	63.87	67.66	66.80	62.07