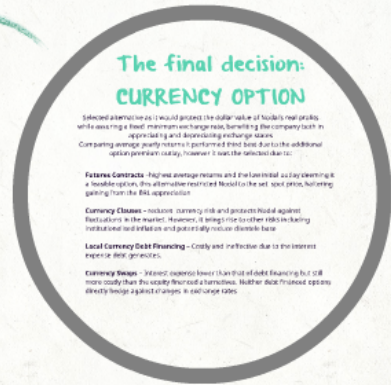
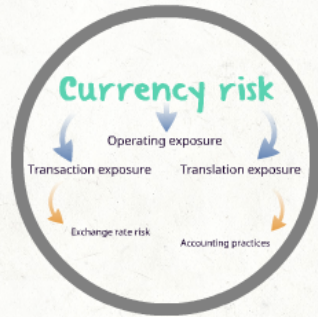


# Nodal Logistics And Custo Brasil

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Thank you for the support!



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Final decision  
Currency option

### The final decision: CURRENCY OPTION

Selected alternative as it would protect the dollar value of Nodal's net profits while ensuring a fixed maximum exchange rate benefiting the company both in operating and disposing exchange assets.

Comparing average yearly returns I performed that best due to the additional option premium usage, however I was the preferred due to:

- Forward Contracts** - Highest average returns and potential as by clearing it a flexible option, the alternative received because the are not price, allowing gaining from the BRL appreciation.
- Currency Options** - Lowest currency risk and protects Nodal against fluctuations in the market, however, it being more on other risk including institutional led inflation and potentially volatile double base.
- Local Currency Debt Financing** - Costly and ineffective due to the interest expense that generates.
- Currency Swaps** - Interest expense lower than that of debt financing but still more costly than the equity financial alternatives. Neither debt-financed option directly hedge against changes in exchange rates.

### Risk challenges for REIT

- Profits from leases and rents → Demand on industrial property
- 90% of dividends paid → No reinvestment
- Worldwide company → Exchange risk

### Currency risk

- Operating exposure
- Transaction exposure
- Translation exposure
- Exchange rate risk
- Accounting practices

### Different alternatives and currency risk

- Forward contracts
- Currency options
- Local currency debt financing
- Currency swaps

### Expected Proceeds

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# Risk challenges for REIT

Profits from leases and rents → Demand on industrial property

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Worldwide company → Exchange risk

# Currency risk

