

Frist class

ASSIGNMENT SERVICE

that you deserve



SAMPLE FOR ASSIGNMENT 70+DI

From Dr.Khanh Assignment Service

THÔNG TIN LIÊN HỆ:



DrKhanhAssignmentService



www.drkhanh.edu.vn



(+84) 939 070 595 hoặc (+84) 348 308 628

One stop-solution for your academic stress



Essay Writing



Professional writers craft custom essays tailored to your specific requirements and academic standards.

- ▶ Plagiarism-free guarantee
- ▶ Timely delivery
- ▶ Expert writers in diverse subjects

Assignment Assistance



Expertly crafted helps for all tasks. Consultation services where experts provide guidance on understanding assignment requirements, brainstorming ideas, and structuring your work.

- ▶ Clarification of assignment instructions
- ▶ Brainstorming sessions
- ▶ Topic suggestions

Dissertation & Thesis Help



Specialized guidance for graduation and research projects.

Comprehensive assistance for thesis and dissertation writing, from topic selection to final draft refinement.

- ▶ Access to scholarly sources
- ▶ Data analysis support
- ▶ Formatting adherence

Proofreading & Editing



Professional refinement of papers.

- ▶ Grammar and spelling correction
- ▶ Style improvement
- ▶ Formatting assistance

Online Tutoring Sessions



Personalized support to boost understanding.

One-on-one tutoring sessions conducted online to help students grasp difficult concepts and improve their grades.



- ▶ 24/7 availability
- ▶ Step-by-step explanations
- ▶ Experienced tutors
- ▶ Interactive whiteboard tools
- ▶ Flexible scheduling

Exam Preparation



Prompt aid for all subjects.

Resources and guidance to help students prepare for exams, including study guides, practice tests, and exam-taking strategies.

- ▶ Subject-specific study materials
 - ▶ Mock exams
 - ▶ Time management tips
- 
- 

Course code	BAFI3192 Risk Management
Course name	Risk Management
Word count	1035 words

Contents

Contents.....	2
Part 1. J.B. Hunt Transport Services risk management plan	3
1.1 Overview of the Company.....	3
1.2 The impact of the global conflicts.....	3
1.3 JB Hunt risk management plan	4
Part 2. Currency Exchange.....	6
1.1 Calculation	6
1.2 Relationship between foreign exchange rates and interest rates	6
REFERENCES.....	6
APPENDIX.....	9

Part 1. J.B. Hunt Transport Services risk management plan

1.1 Overview of the Company

JB Hunt Transport Services Inc is a prominent multi-modal transportation and delivery firm that aims to establish the most expansive and highly efficient transportation network throughout North America (jbhunt n.d.). JB Hunt is a constituent of the Dow Jones Transportation Average, specifically (finance.yahoo 2023) the stock index in question serves as a barometer for assessing the overall well-being of the United States economy (Terrell 2017).

1.2 The impact of the global conflicts

The ongoing geopolitical tensions between Russia and Ukraine have significantly influenced global oil prices, including the United States. Specifically, there has been a notable surge in gasoline prices, reaching a historical peak of \$5.02 USD, representing a substantial rise of 42% compared to previous levels (Isidore 2023). The escalation in oil prices is also associated with a strengthening of the US currency (Farley 2020). Moreover, it is worth noting that the inflation rate had a significant increase, reaching 9.1% in June of the previous year, as shown by Figure 1, while this year it has decreased to 3%.

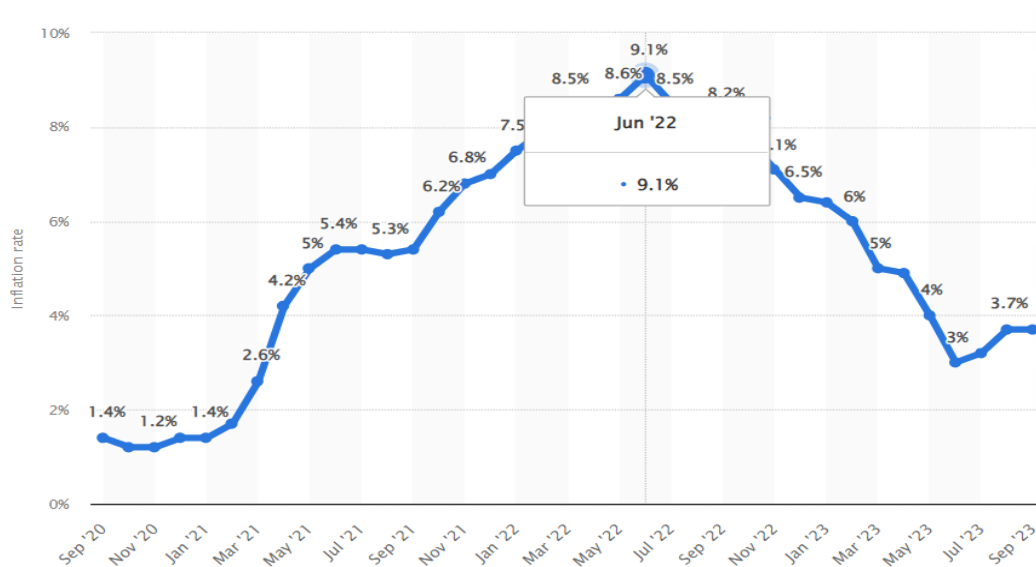


Figure 1: Inflation rate in the US from 2020 to 2023 (Statista 2023)

On the one hand, according to the data shown in Figure 2, it is evident that the net income for the preceding year exceeded the current year by a margin of 30%. The third quarter of 2023 saw a significant financial loss for JB Hunt, mostly attributed to increased driver pay, equipment-related perks and maintenance expenditures, and losses incurred from equipment sales. Moreover, the year 2022 signifies the pinnacle of consumer demand during the ongoing pandemic, resulting in a notable upsurge in international freight volumes (Buxbaum 2023). Consequently, this surge in freight volumes contributes to a flourishing intermodal industry, alongside the occurrence of inflation. If such an event were to occur, it is probable that it would

alleviate the burden of fleet management for customers, primarily due to the factors of density, scalability, and flexibility, as well as the subpar performance of Intermodal in the year 2023 (Buxbaum 2023). This phenomenon has resulted in a decrease in import-related endeavors, thus prompting customers to redirect their expenditures towards services. In contrast, JB Hunt implemented an anti-cyclical approach by acquiring 326 traction units and over 1,000 capacity units within the current economic slump, demonstrating their anticipation of a forthcoming

J.B. Hunt Transport Services

Earnings per share are fully diluted, and all figures in parentheses are losses or declines.

Quarter ended 9/30	2023	2022	% change
Operating revenues	\$3,163,753,000	\$3,838,257,000	-17.6%
Operating income	241,716,000	362,029,000	-33.2%
Net income	187,431,000	269,382,000	-30.4%
Earnings per share	1.80	2.57	-30.0%

change in freight demand (Buxbaum 2023).

1.3 JB Hunt risk management plan

Risk Type	Situation
<p>Financial Risk:</p>	<ul style="list-style-type: none"> Interest Rate Risk <p>Figure 2: JB Hunt's Q3 earnings for 2023 and 2022 (Furnituretoday 2023) in interest rates. million USD (Simply Wall St 2023), which exerts an impact on its profits as a consequence of fluctuations in short-term interest rates associated with interest rates. Presently, the Federal Reserve has set the federal funds rate at a level of 5.25% to 5.5%, which is the highest point seen in the last 22 years (Trading economics 2023).</p>
<p>Operational Risks:</p>	<ul style="list-style-type: none"> Cost of Diesel Fuel Risk <p>The occurrence of sudden rises in fuel expenses detrimental consequences for Jb Hunt. These consequences include a reduction in the frequency of service supply, so compromising the company's quality standards. Additionally, such circumstances can lead to product inflation and have an influence on future profitability (Post 2023).</p>

Strategic Risks:	<ul style="list-style-type: none"> ● Competition Risk <p>JB Hunt is positioned somewhat lower in comparison to other transportation businesses culture, since it is placed fourth out of a total of six companies (Comparably n.d.). The aforementioned factor significantly impacts the valuation of the firm in relation to its competitors. Furthermore, it is noteworthy that the growth rate exhibits a level of mediocrity (Brashear 2023), while the product quality is rated at a modest 3.5/5.</p>
-------------------------	---

Table 1: JB Hunt risks type and explanation.

Risk Type	Strategy	Benefits	Drawbacks
Financial Risk:	<ul style="list-style-type: none"> ● Forward Rate Agreement (FRA) <p>-The purpose of its creation was to incentivize parties engaged in contractual agreements to establish a predetermined interest rate for a certain duration, irrespective of movements in the market (Murphy 2023).</p>	<p>-One may mitigate the impact of rising interest rates and reduce exposure to external factors such as inflation and political concerns by effectively managing borrowing expenses (Mnp 2022).</p> <p>-Efficiently administer your business and surmount income challenges.</p>	<p>-The incapacity to derive advantages from swings in interest rates(Guichet 2018).</p>
Operational Risks:	<ul style="list-style-type: none"> ● Fuel price risk insurance <p>-Insurance is a mechanism that may effectively mitigate the potential escalation of gasoline expenses. Minimize workforce reductions and achieve financial gains for proprietors and stakeholders (Somera 2022).</p> <p>- Analyzing the fuel market leads to the development of insurance products. The capacity to choose and engage in discussions over policy words that are by the organization's core principles.</p>	<p>- Fuel price insurance provides companies with protection against unexpected and abrupt rises in gasoline costs (Riskwolf 2022).</p> <p>- The implementation of improved planning strategies and the establishment of long-term stability inside firms may result in significant cost savings.</p>	<p>-The expenditure associated with gasoline price risk insurance may pose a substantial financial burden for enterprises, and in addition, its coverage duration is restricted.</p>
Strategic Risks:	<ul style="list-style-type: none"> ● Strategic Partnerships <p>- Strategic alliances are established with the purpose of mitigating competitive challenges arising from</p>	<p>- The potential for expansion exists in order to enhance the client base and explore new market prospects (Brooks 2023).</p>	<p>- The detrimental consequences of this situation include the erosion of the distinctive identities and brands of both organizations,</p>

	imitation and substitution, while also leveraging shared strategy and objectives (Imd 2022). - Establishing and nurturing connections with prospective partners is crucial in order to establish a strong basis for cooperation, hence mitigating possible risks associated with the partnership.	- Provide competitive advantages that contribute to the maintenance of market stability and the achievement of sustainable development.	resulting in consumer confusion (Semwal 2022).
--	--	---	--

Table 2: JB Hunt risk management plan.

Part 2. Currency Exchange

1.1 Calculation

Banks List	SGD/VND	USD/VND	SGD/USD	SGD/USD
	Ask rate	Bid rate	Spot rate	Forward Rate
ACB	17,682	24,450	0,723	0,735
VietinBank	17,477	24,505	0,713	0,725
MB	17,678	24,470	0,722	0,734
BIDV	17,636	24,445	0,721	0,733
VCB	17,515.79	24,455	0,761	0,774

Table 3: Forward rate, spot rate of bid and ask of 5 banks.

The interest rate in Singapore is 3.75%, but in the United States, it is at 5.5%.

The Spot rate(SGD/USD) is calculated is: Ask rate(SGD/VND)/ Bid rate(USD/VND)

$$\text{Then Forward rate} = \text{Spot rate} * \left[\frac{(1 + \text{domestic interest rate})}{(1 + \text{foreign interest rate})} \right]$$

Based on the data shown in Table 3, it can be seen that Vietinbank has the lowest forward rate, which is recorded at 0.725. Therefore, I have decided to use the most optimal SGD transaction option available at Vietinbank.

1.2 Relationship between foreign exchange rates and interest rates

The connection between interest rates and exchange rates is evident since changes in one variable impact the other. One potential consequence of high-interest rates is the attraction of foreign capital inflows, which in turn may lead to an appreciation of the currency rate. Conversely, when low interest rates influence the value of the native currency, they often lead to a decrease in the exchange rate(Twin 2023). In a more particular context, it is seen that in the year 2023, the United

States Federal Reserve implemented four interest rate hikes (Tepper 2023), resulting in a subsequent appreciation of the national currency. Consequently, this appreciation has stimulated a surge in demand for the US dollar, thus generating substantial profits. The phenomenon of exchange rates is seeing an upward trend.

REFERENCES

Brashear J (2023) *https://www.aaii.com/investingideas/article/26139-which-is-a-better-investment-j-b-hunt-transport-services-inc-or-old-dominion-freight-line-inc-stock*, *www.aaii.com*, *https://www.aaii.com/investingideas/article/26139-which-is-a-better-investment-j-b-hunt-transport-services-inc-or-old-dominion-freight-line-inc-stock*, accessed 15 November 2023.

Brooks C (2023) *5 Benefits of Strategic Partnerships*, *business.com*, *https://www.business.com/articles/connor-blakley-strategic-partnerships/*, accessed 16 November 2023.

Buxbaum P (2023) *J.B. Hunt Intermodal –urnaround Expected*, *Ajot*, *https://www.ajot.com/premium/ajot-j.b-hunt-intermodal-turnaround-expected*, accessed 15 November 2023.

Comparably (n.d.) *J.B. Hunt Transport, Inc. Competitors*, *Comparably*, *https://www.comparably.com/companies/j-b-hunt-transport-in/competitors*, accessed 15 November 2023.

Farley A (2020) *Understanding the Correlation of Oil and Currency*, *Investopedia*, *https://www.investopedia.com/articles/forex/092415/oil-currencies-understanding-their-correlation.asp*, accessed 15 November 2023.

finance.yahoo (2023) *J.B. Hunt Transport Services, Inc. Announces Participation in Upcoming Investor Conferences*, *Yahoo Finance*, *https://finance.yahoo.com/news/j-b-hunt-transport-services-130000039.html*, accessed 15 November 2023.

Furnituretoday (2023) *Lower revenues, higher costs hit J.B. Hunt's Q3 results*, *Furniture Today*, <https://www.furnituretoday.com/financial-results/lower-revenues-higher-costs-hit-j-b-hunts-q3-results/>, accessed 15 November 2023.

Guichet (2018) *Forward rate agreements to hedge the risk of interest rate fluctuation*, *guichet.public.lu*, <https://guichet.public.lu/en/entreprises/gestion-juridique-comptabilite/risques/taux-interet/forward-rate-agreement.html#bloub-5>, accessed 15 November 2023.

Imd (2022) *What makes a good Strategic Partnership & How to succeed*, *www.imd.org*, <https://www.imd.org/research-knowledge/organizational-design/articles/strategic-partnerships/#:~:text=In%20a%20strategic%20partnership%20the>, accessed 16 November 2023.

Isidore C (2023) *One year into Ukraine war, US gas prices are lower. Here's what to expect ahead* | *CNN Business*, *CNN*, https://edition.cnn.com/2023/02/25/energy/us-gas-prices-one-year-after-invasion/index.html?fbclid=IwAR05Y7_omoPMLp8GDkiTEFL7_LsFHq3jpf2sZ5f0moDRff2g-Wz_NMaghQc, accessed 15 November 2023.

jbhunt (n.d.) *Freight Shipping Services from J.B. Hunt* | *J.B. Hunt Transport*, *www.jbhunt.com*, <https://www.jbhunt.com/>, accessed 15 November 2023.

Mnp (2022) *Why do you need a Forward Contract for your business?*, *MNP.ca*, <https://www.mnp.ca/en/insights/directory/why-do-you-need-a-forward-contract-for-your-business#:~:text=A%20Forward%20Contract%20helps%20you>, accessed 15 November 2023.

Murphy CB (2023) *Forward Rate Agreement (FRA): Definition, Formulas, and Example*, *Investopedia*, <https://www.investopedia.com/terms/f/fra.asp#toc-limitations-of-forward-rate-agreements>, accessed 15 November 2023.

Post N (2023) *How Are Gas Prices Affecting Transport?*, *Heavy Haulers Blog*, <https://www.heavyhaulers.com/blog/how-are-gas-prices-affecting-transport-2/#:~:text=Increased%20Cost%20to%20Transport%20Freight>, accessed 15 November 2023.

riskwolf (2022) *Parametric Insurance for Fuel Prices*, *www.riskwolf.com*,
<https://www.riskwolf.com/fact-sheets/fuelinsure/>, accessed 15 November 2023.

Semwal S (2022) *5 Advantages and Disadvantages of Strategic Alliance*, *MBA in Simple Words*,
<https://mbainsimplewords.com/strategic-alliance/>, accessed 16 November 2023.

Simply Wall St (2023) *Here's Why J.B. Hunt Transport Services (NASDAQ:JBHT) Can Manage Its Debt Responsibly*, *simplywall.st*, <https://simplywall.st/stocks/us/transportation/nasdaq-jbht/jb-hunt-transport-services/news/heres-why-jb-hunt-transport-services-nasdaqjbht-can-manage-i-1>, accessed 15 November 2023.

Somera MR (2022) *Fuel Hedging: A Strategy to Lower Your Long-Term Energy Costs and Operating Budget*, *Credo CFOs & CPAs*, <https://credofinance.com/fuel-hedging-a-strategy-to-lower-your-long-term-energy-costs-and-operating-budget/>, accessed 16 November 2023.

Statista (2023) *United States - monthly inflation rate December 2019/20*, *Statista*,
<https://www.statista.com/statistics/273418/unadjusted-monthly-inflation-rate-in-the-us/>, accessed 15 November 2023.

Tepper T (2023) *Federal Funds Rate History 1990 to 2022*, *Forbes Advisor*,
<https://www.forbes.com/advisor/investing/fed-funds-rate-history/>, accessed 17 November 2023.

Terrell E (2017) *Research Guides: This Month in Business History: Dow Jones Industrial Average First Published*, *guides.loc.gov*, <https://guides.loc.gov/this-month-in-business-history/may/djia-first-published>, accessed 15 November 2023.

Trading economics (2023) *United States Fed Funds Rate*, *Tradingeconomics*,
<https://tradingeconomics.com/united-states/interest-rate>, accessed 15 November 2023.

Twin A (2023) *6 Factors that Influence Exchange Rates*, *Investopedia*,
<https://www.investopedia.com/trading/factors-influence-exchange-rates/>, accessed 17 November 2023.

APPENDIX

Currency	Currency name	Buy	Transfer	Sell
USD	US Dollar	24,145	24,145	24,445
USD(1-2-5)	Dollar My	23,925	-	-
USD(10-20)	Dollar My	23,925	-	-
GBP	Euro	29,465	29,643	30,583
HKD	HKD	3,047	3,069	3,157
CHF	Franc	26,762	26,924	27,763
JPY	JPY	156.74	157.69	165
THB	JPY	655.24	661.86	706.83
AUD	AUD	15,437	15,530	15,965
CAD	CAD	17,372	17,476	18,008
SGD	SGD	17,636	17,743	18,238

Appendix 1: BIDV Exchange Rate.

Currency	Buy in cash	Buy in transfer	Sell for cash	Sell by transfer
USD USD	24,100	24,150	24,450	24,450
SGD Singapore Dollar	17,682	17,798	18,245	18,245
JPY Yen	157.67	158.47	163.1	163.1
AUD Australian dollar	15,491	15,592	16,048	16,048
CAD Canada	17,439	17,544	17,985	17,985

Appendix 2: ACB Exchange Rate.

NGOẠI TỆ	MUA VÀO (TIỀN MẶT)	MUA VÀO (CHUYỂN KHOẢN)	BÁN RA (TIỀN MẶT)	BÁN RA (CHUYỂN KHOẢN)
USD (USD 50-100)	24,000.00	24,010.00	24,470.00	24,470.00
USD (USD 5 - 20)	24,000.00	-	-	-
USD (Dưới 5 USD)	24,000.00	-	-	-
EUR	25,824.00	25,914.00	27,078.00	27,078.00
GBP	29,640.00	29,740.00	30,714.00	30,714.00
JPY	156.12	158.12	165.62	165.62
HKD	3,036.00	3,046.00	3,173.00	3,173.00
CNY	-	3,312.35	3,430.42	3,430.42
AUD	15,334.00	15,434.00	16,054.00	16,054.00
NZD	-	14,273.00	-	14,887.00
CAD	17,308.00	17,408.00	18,056.00	18,056.00
SGD	17,678.00	17,778.00	18,376.00	18,376.00

Appendix 3: MB Exchange Rate.

Currency		Buying Rates		Selling Rates
Currency Name	Currency Code	Cash	Transfer	
AUSTRALIAN DOLLAR	AUD	15,309.32	15,463.96	15,961.22
CANADIAN DOLLAR	CAD	17,269.13	17,443.56	18,004.47
SWISS FRANC	CHF	26,640.41	26,909.50	27,774.79
YUAN RENMINBI	CNY	3,276.55	3,309.65	3,416.59
DANISH KRONE	DKK	-	3,462.11	3,594.95
EURO	EUR	25,630.69	25,889.59	27,038.01
POUND STERLING	GBP	29,310.14	29,606.20	30,558.20
HONGKONG DOLLAR	HKD	3,031.40	3,062.02	3,160.48
INDIAN RUPEE	INR	-	291.09	302.75
YEN	JPY	155.98	157.55	165.11
KOREAN WON	KRW	16.13	17.93	19.55
KUWAITI DINAR	KWD	-	78,472.35	81,615.45
MALAYSIAN RINGGIT	MYR	-	5,104.05	5,215.74
NORWEGIAN KRONER	NOK	-	2,190.58	2,283.75
RUSSIAN RUBLE	RUB	-	258.36	286.03
SAUDI RIAL	SAR	-	6,461.54	6,720.35
SWEDISH KRONA	SEK	-	2,245.92	2,341.44
SINGAPORE DOLLAR	SGD	17,515.79	17,692.72	18,261.64
THAILAND BAHT	THB	603.10	670.11	695.83
US DOLLAR	USD	24,085.00	24,115.00	24,455.00

Appendix 4: VCB Exchange Rate.

Currency	Central Rate	Buy		Sell
		Cash & Check	Transfer	
AUD	-	15,418	15,438	16,038
CAD	-	17,348	17,358	18,058
CHF	-	26,824	26,844	27,794
CNY	-	-	3,284	3,424
DKK	-	-	3,447	3,617
EUR	-	#25,522	25,532	26,822
	-	&25,512	-	-
GBP	-	29,617	29,627	30,797
HKD	-	2,984	2,994	3,189
JPY	-	157.21	157.36	166.91
KRW	-	16.62	16.82	20.62
LAK	-	-	0.68	1.38
NOK	-	-	2,143	2,263
NZD	-	14,289	14,299	14,879
SEK	-	-	2,219	2,354
SGD	-	17,477	17,487	18,287
THB	-	637.4	677.4	705.4
USD	23,971	#24,045	24,085	24,505
	\	&23,195	-	-

Appendix 5: VietinBank Exchange Rate.

INTEREST RATE IN SINGAPORE

Indicator	Data	Period
Interest Rate	3.75 %	Oct/23

U.S. Fed Funds Target Rate



Latest Release	Actual	Forecast	Previous
Nov 01, 2023	5.50%	5.50%	5.50%

Appendix 6: Interest rate in Singapore and US.

Frist class
ASSIGNMENT SERVICE
that you deserve



ƯU ĐÃI 25% CHO FIRST ORDER

Tận hưởng trải nghiệm học tập với DrKhanh Assignment. Đặt hàng ngay hôm nay để nhận được sự hỗ trợ chuyên nghiệp và đạt được thành công trong học tập của bạn!

▶ NHẬN TƯ VẤN MIỄN PHÍ! ◀

Đừng ngần ngại liên hệ với đội ngũ của chúng tôi nếu bạn cần bất kỳ thông tin bổ sung nào hoặc muốn biết thêm về dịch vụ của chúng tôi. Chúng tôi luôn sẵn lòng hỗ trợ bạn!

