

Create Currency Options

[See previous W5 version guide](#)

PURPOSE

This document shows the detailed procedure of creating currency options.

WHY IS THIS IMPORTANT?

This allows capturing of currency vanilla and knock-in knock-out options transactions in the system.

PROCEDURE

1. From the main menu, select Transaction > Options. The system launches the module.

The screenshot shows the 'Options' module interface. At the top, there's a header 'Options'. Below it, there's a search bar and a table with columns: Flag, TradeID, Acct Cntr, Ctpy, Type, B/W, Call/Put, On, Amount, Against, Strike, Premium, Exp Date, and Narrative. The table is currently empty, showing 'No records found.' and '0-0 of 0 records' at the bottom. Above the table, there are several input fields and buttons. The input fields include: Acct Cntr* (TFS-SG), Counterparty, Status, Type, MTM Date (19/05/2023), TDate Fr (dd/mm/yyyy), TDate To (dd/mm/yyyy), Expiry Fr* (19/05/2023), Trade ID, and Narrative. Below these fields are buttons: Refresh, Action, Exercise/Settle, Update MTM, and a star icon. The interface is clean and professional, with a light blue and white color scheme.

2. There are two types of currency options that can be created in the system.

A. Currency Vanilla

B. Currency Knock In/Out

3. The following explains that the detailed steps for creating these two types of transactions.

A. Currency Vanilla



1. From the Options screen, select Currency Vanilla from the Type field.

Options

Acct Cntr*

TFS-SG

Counterparty

Status

Type

TDate Fr

dd/mm/yyyy

TDate To

dd/mm/yyyy

Expiry Fr*

19/05/2023

Trade ID

Refresh

Action

Exercise/Settle

Update MTM

Currency Knock In/Out

Currency Vanilla

2. Click on Action and select New. The following screen displayed.

New Options - Currency Vanilla

✕ Cancel

📖 Book

Acct Cntr*	<div>TFS-SG</div>
TDate*	<div>19/05/2023</div>
Exp Date*	<div>dd/mm/yyyy</div>
VDate*	<div>dd/mm/yyyy</div>
Trade*	<div></div>
Call/Put*	<div></div>
Style*	<div></div>
On Ccy*	<div></div>
Principal*	<div></div>
Against Ccy*	<div>SGD</div>
Strike*	<div></div>
Premium*	<div></div>
Volatility*	<div></div>
Facility*	<div></div> <div>↻</div>
Counterparty*	<div></div>
Portfolio	<div></div>
Transaction Type	<div>-</div>
Project	<div>-</div>
Our Dealer	<div>admin@devent1.com</div>
Ctpy Dealer	<div></div>
Narrative	<div></div>
Skip Holidays	<div><input type="checkbox"/></div>

3. Fill in the mandatory fields marked with an asterisk (*).
4. Acct Cntr would have been defaulted to user default accounting centre. If the default accounting centre is not set, it will be blank. Select the accounting centre from the drop down field.
5. Input the Transaction Date, Expiry Date and Value Date. The value date must be after the expiry date.
6. In the Trade field, select whether to Buy or Sell/Write.
7. In the Call/Put field, select whether the rights being given is to Call or Put.
8. Choose the Style whether European or American.
9. Select the On Ccy.
10. Input the Principal amount.
11. Choose the Against Ccy from the dropdown.
12. Input the rate at which the currencies will be exchanged in the Strike field.
13. Input the upfront cost of purchasing the option in the Premium field.
14. Input the Volatility with a percentage sign. For example, 20%, 10% etc.
15. Click the re-compute button. Choose the Facility from the dropdown. The Counterparty will be populated.
16. Fields such as Portfolio, Transaction Type, Project, Ctpy Dealer and Narrative are not optional. You may input when necessary.

New Options - Currency Vanilla

✕ Cancel

 Book

Acct Cntr*

TFS-SG

▼

TDate*

19/05/2023

Exp Date*

17/05/2024

VDate*

20/05/2024

Trade*

Buy

▼

Call/Put*

Call

▼

Style*

European

▼

On Ccy*

USD

▼

Principal*

1,000,000.00

Against Ccy*

SGD

▼

Strike*

1.400000

Premium*

52.75


Volatility*

12.000000%

Facility*

TFS - CITI-SG:COP

▼



Counterparty*

CITI-SG

Portfolio

▼

Transaction Type

-

▼

Project

-

▼

Our Dealer

admin@devent1.com

▼

Ctpy Dealer

Narrative

Skip Holidays

☐

17. When completed, click Book. You will be returned to the Options main screen.

18. To view the trades created, inquire by filtering the fields on the top of the transaction listing accordingly. Acct Cntr and Expiry From fields are mandatory. Then, click Refresh.

Options

Acct Cntr*

TFS-SG

Counterparty

Status

Type

Currency Vanilla

MTM Date

19/05/2023

TDate Fr

dd/mm/yyyy

TDate To

dd/mm/yyyy

Expiry Fr*

19/05/2023

Trade ID

Narrative

Refresh

Action

Exercise/Settle

Update MTM

Search

	Flag	TradeID	Acct Cntr	Ctpy	Type	B/W	Call/Put	On	Amount	Against	Strike	Premium	Exp Date	Narrative
			CPT100001.00	TFS-SG	CITI-SG	V	B	C	USD	1,000,000.00	SGD	1,400,000	52.75	17 May 2024

1-1 of 1 records

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B. Currency Knock In/Out

1. From the Options screen, select Currency Knock In/Out from the Type field.

Options

Acct Cntr*

TFS-SG

Counterparty

Status

Type

Currency Knock In/Out

TDate Fr

dd/mm/yyyy

TDate To

dd/mm/yyyy

Expiry Fr*

19/05/2023

Trade ID

Refresh

Action

Exercise/Settle

Update MTM

Currency Knock In/Out

Currency Knock In/Out

Currency Vanilla

2. Click on Action and select New. The following screen displayed.

New Options - Knock In/Out

✕ Cancel

📖 Book

Acct Cntr*

TFS-SG

TDate*

19/05/2023

Exp Date*

dd/mm/yyyy

VDate*

dd/mm/yyyy

Trade*

In/Out*

Call/Put*

Style*

On Ccy*

Principal*

Against Ccy*

SGD

Strike*

Level*

Premium*

Volatility*

Facility*

Counterparty*

Portfolio

Transaction Type

Project

Our Dealer

admin@devent1.com

Ctpy Dealer

Narrative

Skip Holidays

☐

3. Fill in the mandatory fields marked with an asterisk (*).
4. Acct Cntr would have been defaulted to user default accounting centre. If the default accounting centre is not set, it will be blank. Select the accounting centre from the drop down field.
5. Input the Transaction Date, Expiry Date and Value Date. The value date must be after the expiry date.
6. In the Trade field, select whether to Buy or Sell/Write.
7. In the In/Out field, select whether to knock in or knock out.
8. In the Call/Put field, select whether the rights being given is to Call or Put.
9. Choose the Style whether European or American.
10. Select the On Ccy.
11. Input the Principal amount.
12. Choose the Against Ccy from the dropdown.
13. Input the rate at which the currencies will be exchanged in the Strike field.
14. Input the price level. This sets a cap to the level an option can reach.
15. Input the upfront cost of purchasing the option in the Premium field.
16. Input the Volatility with a percentage sign. For example, 20%, 10% etc.
17. Click the re-compute button. Choose the Facility from the dropdown. The Counterparty will be populated.
18. Fields such as Portfolio, Transaction Type, Project, Ctpy Dealer and Narrative are not optional. You may input when necessary.

New Options - Knock In/Out

✕ Cancel

 Book

Acct Cntr*	<div>TFS-SG</div>
TDate*	<div>19/05/2023</div>
Exp Date*	<div>10/05/2024</div>
VDate*	<div>17/05/2024</div>
Trade*	<div>Buy</div>
In/Out*	<div>Knock In</div>
Call/Put*	<div>Call</div>
Style*	<div>European</div>
On Ccy*	<div>USD</div>
Principal*	<div>2,000,000.00</div>
Against Ccy*	<div>SGD</div>
Strike*	<div>1.400000</div>
Level*	<div>1.600000</div>
Premium*	<div>52.80</div>
Volatility*	<div>13.000000%</div>
Facility*	<div>TFS - CITI-SG:COP</div> <div></div>
Counterparty*	<div>CITI-SG</div>
Portfolio	<div></div>
Transaction Type	<div>-</div>
Project	<div>-</div>
Our Dealer	<div>admin@devent1.com</div>
Ctpy Dealer	<div></div>
Narrative	<div></div>
Skip Holidays	<div><input type="checkbox"/></div>

19. When completed, click Book. You will be returned to the Options main screen.
20. To view the trades created, inquire by filtering the fields on the top of the transaction listing accordingly. Acct Cntr and Expiry From fields are mandatory. Then, click Refresh.

Options

Acct Cntr*

TFS-SG

Counterparty

Status

Type

Currency Knock In/Out

MTM Date

19/05/2023

TDate Fr

dd/mm/yyyy

TDate To

dd/mm/yyyy

Expiry Fr*

19/05/2023

Trade ID

Narrative



Refresh

Action

Exercise/Settle

Update MTM

Search

	Flag	TradeID ⌵	Acct Cntr ⌵	Ctpy ⌵	Type ⌵	B/W ⌵	Call/Put ⌵	On ⌵	Amount ⌵	Against ⌵	Strike ⌵	Premium ⌵	Exp Date ⌵	Narrative ⌵
<input type="checkbox"/>	 	CPT100002.00	TFS-SG	CITI-SG	K IN: 1.600000	B	C	USD	2,000,000.00	SGD	1.400000	52.80	10 May 2024	

1-1 of 1 records

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FREQUENTLY ASKED QUESTIONS

RELATED INFORMATION

[Amend Currency Options](#)

[Exercise/ Settle Currency Options](#)

[Currency Options – Update MTM](#)

CHANGE HISTORY

Date	By	Changes
15-Feb-2008	-	Created.
27-Apr-2016	Clarissa	Rewritten. Reformatted.
22-Nov-2019	Lyra	Updated screenshots.
19-May-2023	TS	Updated to W6 instructions and screenshots.