Creating Structured Deals (W5)

This version is superseded. Click here to view the latest guide.

PURPOSE

This document shows how to structure or group trades in the CS Lucas system.

WHY IS THIS IMPORTANT?

This allows trades to be grouped/ linked for the purpose of reporting. One typical example is to link Interest Rate Swap trades that hedged with floating Term Loan trades.

PROCEDURE



1. From the main menu, select Transaction > Structured Deals.



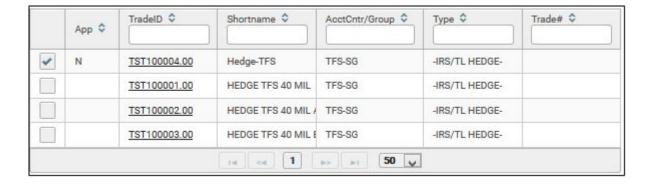
2. To create new trade structure, click on New. The screen below will be displayed.



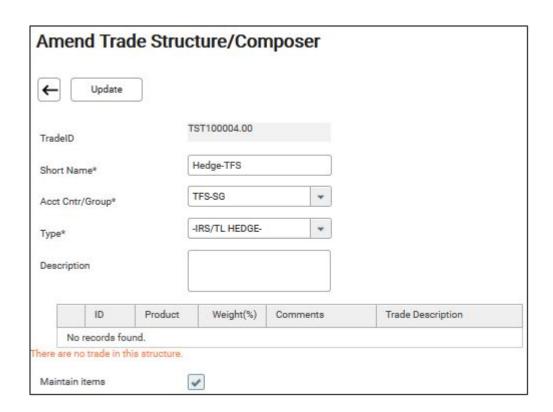
- 3. Fill out the mandatory fields. Enter a short name for the new trade structure.
- 4. Select the Accounting Centre or the Accounting Centre group of the trade structure.
- 5. Select the Type as "-IRS/TL HEDGE-" for grouping Interest Rate Swap and Term Loan hedging trades.



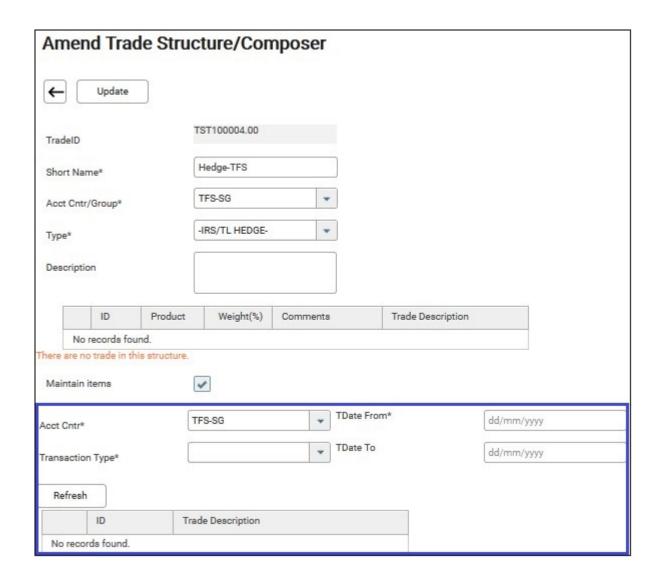
- 6. Enter the description if any. This is optional.
- 7. Click Update. The Trade Structure/Composer main screen will show the newly created trade structure in the listing. The newly created trade structure will show with an N.
- 8. Tick on the checkbox beside the N.



- 9. Click Approve.
- 10. Once the trade structure created, click on the Trade ID to drill down to Amend Trade Structure/ Composer screen. Tick on the Maintain items checkbox to group/link trades.

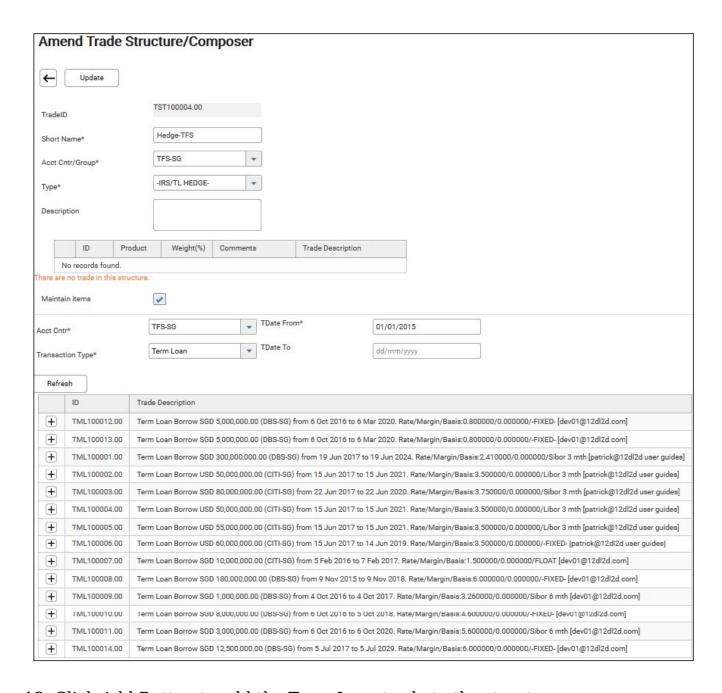


11. More fields will be displayed at the bottom of the page for you to filter out trades. Select the Accounting Centre, Transaction Type and TDate From. In this example, we will group one Term Loan and one Interest Rate Swap trade.

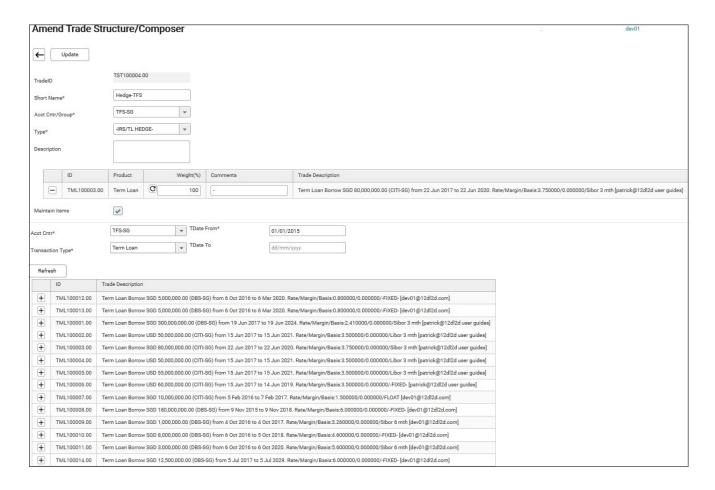


12. Choose the accounting centre, select the transaction type as Term Loan, TDate from 1-Jan-2015 and click Refrresh. System will filter out Term Loan trades which trade date start from 1-Jan-2015.

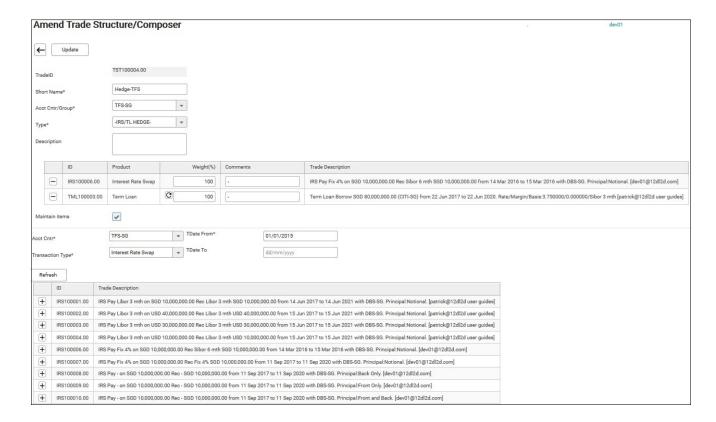
Term Loan



13. Click Add Button to add the Term Loan trade to the structure.

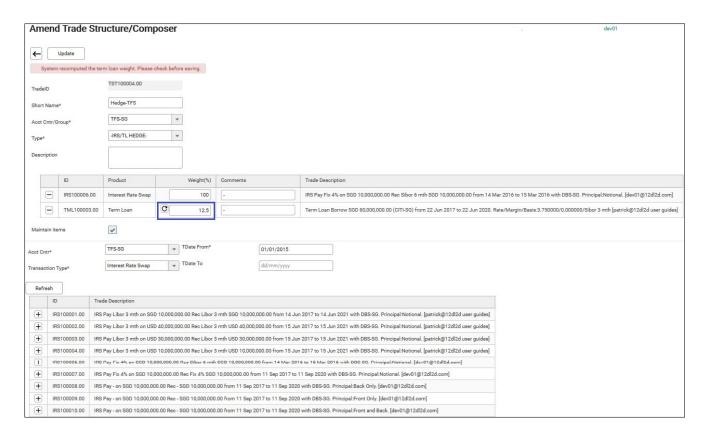


- 14. Continue to add for Interest Rate Swap trade. Select the transaction type as Interest Rate Swap this time and click Refresh.
- 15. Click Add Button to add the Interest Rate Swap trade to the structure.



16. Click on the Refrsh Button next to Term Loan's weighting. System will recompute the Term Loan's weight that are hedged with the Interest Rate Swap trade. Note that the system always based on the initial loan principal amount and does not assume for repayment of the principal when computing the Term Loan's weight.

In this example, 10 mil out of the Term Loan's 80 mil is hedged.



- 17. Click Update after the trade structure is properly set. Note that the weighting can be overwritten, change the values directly to the Weight(%) field and update.
- 18. Once the trade structure is created, reports can be printed from the system to show the hedging analysis as per below. These reports can be retrieved from Reporting > Standard from the main menu.

Report ID: 3105

| TL Fixed/He | edge and | Floating Rate | | | | | | | 0 |
|--------------|-----------|---|--------------------|------------|-------------------|-------------------|-----------|--------------|---|
| Acct Cr | tr:TFS-SG | Date: As At 23-Jun-201 | 6 Val Currency: SG | D Exchange | e Type: Valuation | on Units : Full V | alue | | |
| Grouping Ccy | AcctCntr | Fac.SN | TradeID | Hedged? | Amount | Effective Rate% | Margin% . | All In Rate% | |
| EIXED/HEDGED | | | | | | | | | |
| SGD | TFS-SG | Circle <citi_gbp< td=""><td>TML100016.00</td><td>Y</td><td>10,000,000.00</td><td>4.000000</td><td>0.200000</td><td>4.200000</td><td></td></citi_gbp<> | TML100016.00 | Y | 10,000,000.00 | 4.000000 | 0.200000 | 4.200000 | |
| SGD | TFS-SG | TFS <citi-sg< td=""><td>TML100013.00</td><td>Y</td><td>20,000,000.00</td><td>4.000000</td><td>0.000000</td><td>4.000000</td><td></td></citi-sg<> | TML100013.00 | Y | 20,000,000.00 | 4.000000 | 0.000000 | 4.000000 | |
| | | | | | 30,000,000.00 | 4.000000 | _ | 4.066667 | |
| FLOAT | | | | | | | | 12 | |
| SGD | TFS-SG | Circle <citi_gbp< td=""><td>TML100016.00</td><td></td><td>70,000,000.00</td><td>0.025000</td><td>0.200000</td><td>0.225000</td><td></td></citi_gbp<> | TML100016.00 | | 70,000,000.00 | 0.025000 | 0.200000 | 0.225000 | |
| SGD | TFS-SG | CITI-SG-100M | MMK101455.00 |) | 11,223,344.00 | 1.234000 | 0.000000 | 1.234000 | |
| GBP | TFS-SG | TFS << TGL | TML100002.00 | | 1,208,128.47 | 1.750000 | 0.000000 | 1.750000 | |
| SGD | TFS-SG | TFS << TGL | MMK101438.00 |) | 10,000,000.00 | 3.000000 | 0.000000 | 3.000000 | |
| SGD | TFS-SG | TFS << TGL | MMK101439.00 |) | 5,000,000.00 | 3.500000 | 0.000000 | 3.500000 | |
| SGD | TFS-SG | TFS <abn-10m loan<="" td=""><td>TML100019.00</td><td></td><td>1,200,000.00</td><td>2.300000</td><td>0.000000</td><td>2.300000</td><td></td></abn-10m> | TML100019.00 | | 1,200,000.00 | 2.300000 | 0.000000 | 2.300000 | |
| GBP | TFS-SG | TFS <abn-sg< td=""><td>TML100001.00</td><td></td><td>66,418.84</td><td>2.020000</td><td>0.000000</td><td>2.020000</td><td></td></abn-sg<> | TML100001.00 | | 66,418.84 | 2.020000 | 0.000000 | 2.020000 | |
| SGD | TFS-SG | TFS <citi-sg< td=""><td>TML100013.00</td><td></td><td>(10,000,000.00)</td><td>2.500000</td><td>0.000000</td><td>2.500000</td><td></td></citi-sg<> | TML100013.00 | | (10,000,000.00) | 2.500000 | 0.000000 | 2.500000 | |
| GBP | TFS-SG | TFS <citi-sg< td=""><td>TML100003.00</td><td></td><td>367,445.75</td><td>1.070000</td><td>0.000000</td><td>1.070000</td><td></td></citi-sg<> | TML100003.00 | | 367,445.75 | 1.070000 | 0.000000 | 1.070000 | |
| GBP | TFS-SG | TFS <citi-sg< td=""><td>TML100004.00</td><td></td><td>243,673.43</td><td>1.070000</td><td>0.000000</td><td>1.070000</td><td></td></citi-sg<> | TML100004.00 | | 243,673.43 | 1.070000 | 0.000000 | 1.070000 | |
| SGD | TFS-SG | TFS <citi-sg< td=""><td>TML100018.00</td><td></td><td>13,063,197.07</td><td>2.000000</td><td>0.000000</td><td>2.000000</td><td></td></citi-sg<> | TML100018.00 | | 13,063,197.07 | 2.000000 | 0.000000 | 2.000000 | |
| SGD | TFS-SG | TFS <citi-sg< td=""><td>TML100017.00</td><td></td><td>1,500,000.00</td><td>2.200000</td><td>0.000000</td><td>2.200000</td><td></td></citi-sg<> | TML100017.00 | | 1,500,000.00 | 2.200000 | 0.000000 | 2.200000 | |
| SGD | TFS-SG | TFS <citi-sg< td=""><td>TML100014.00</td><td></td><td>1,000,000.00</td><td>4.000000</td><td>0.000000</td><td>4.000000</td><td></td></citi-sg<> | TML100014.00 | | 1,000,000.00 | 4.000000 | 0.000000 | 4.000000 | |
| SGD | TFS-SG | TFS <citi-sg< td=""><td>TML100015.00</td><td></td><td>10,000,000.00</td><td>4.000000</td><td>0.000000</td><td>4.000000</td><td></td></citi-sg<> | TML100015.00 | | 10,000,000.00 | 4.000000 | 0.000000 | 4.000000 | |
| SGD | TFS-SG | TFS <citi-sg< td=""><td>TML100012.00</td><td></td><td>8,000,000.00</td><td>5.000000</td><td>0.000000</td><td>5.000000</td><td></td></citi-sg<> | TML100012.00 | | 8,000,000.00 | 5.000000 | 0.000000 | 5.000000 | |
| | | | | | 122,872,207.56 | 1.279283 | - | 1.393222 | |
| | | | | Total | 152,872,207.56 | 1.813203 | = | 1.917865 | |

Report ID: 6007

| | ive Periodic ct Cntr:TFS-5 | | | ec-2012 | | | | | | | | | | | LUCAS |
|---|-------------------------------|---------|--------------|------------|-----|---------------|--------------------|--------|--------------|-----------|-------|--------------------------|--------------|-------------------------|-----------|
| | | | | ng Term Lo | an | | | IF | lS. | | | Receive | | Pay | |
| Acct Cntr | Trade ID | Ctpy | <u>VDate</u> | MDate | Ссу | Principal | Hedge % Trade ID | Ctpy | <u>VDate</u> | MDate | Ссу | Notional Basis | Rate (%) Ccy | Notional Basis | Rate (% |
| TES <citi-so< td=""><td>ì</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></citi-so<> | ì | | | | | | | | | | | | | | |
| TFS-SG | TML100005.00 | CITI-SG | 11-Jul-08 | 11-Jul-13 | SGD | 10,000,000.00 | | | | | | | | | |
| | | | | | | | 30.00 IRS100003.00 | DBS-SG | 11-Jul-08 | 11-Jul-13 | SGD | 3,000,000.00 Sibor 6 mth | 2.800000 SGD | 3,000,000.00 -FIXED- | 4.00000 |
| | | | | | | - | 30.00 | | | | Total | 3,000,000.00 | _ | 3,000,000.00 Wt Avg Rat | e 4.00000 |

FREQUENTLY ASKED QUESTIONS

RELATED INFORMATION

CHANGE HISTORY

| Date | Ву | Changes |
|------------------|----------|----------------------|
| 19-Арг-2016 | Clarissa | Created. |
| 25-Nov-2019 Lyra | | Updated Screenshots. |