

Exercise/Settle Currency Options (W5)

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PURPOSE

This document is a detailed procedure on how to exercise/settle Currency Options trade.

WHY IS THIS IMPORTANT?

This allows Currency Options trade to be exercised to Foreign Exchange trade or to net settle the Currency Options trade.

PROCEDURE

1. From the Options main screen, tick on the checkbox besides the Currency Options trade to exercise/settle and click Exercise/Settle.

Flag	TradeID	Acct Cntr	Ctpy	Type	B/W	Call/Put	On	Amount	Against	Strike	Premium	Exp Date
<input checked="" type="checkbox"/>	CPT100001.01	TFS-SG	DBS-SG	V	B	C	USD	500,000.00	SGD	1.400000	50.00	8 Nov 2016

2. The system displays Options Exercise/Settle screen as below.

Options Exercise/Settle

←
Exercise
Net Settle

Trade Details

Buy European Call Option On USD 500,000.00 against SGD at strike 1.400000 expire 8 Nov 2016 with DBS-SG. Premium SGD 50.00. [dev01@12dl2d.com]

Net Settlement Details

Vdate*

Settle Ccy*

Rec/(Pay) Amt*

Exercise Details

Acct Cntr*

TDate*

VDate*

FX Facility*

Counterparty*

Our Dealer

Ctpy Dealer

Narrative

Skip Holidays
☐

3. In this screen, you may choose to net settle the Currency Options trade or to exercise it.

4. To net settle Currency Options trade, fill out the fields under Net Settlement Details which are VDate, Settle Ccy, Rec/(Pay) Amt.

Options Exercise/Settle

Trade Details

Buy European Call Option On USD 500,000.00 against SGD at strike 1.400000 expire 8 Nov 2016 with DBS-SG. Premium SGD 50.00. [dev01@12dl2d.com]

Net Settlement Details

Vdate*

Settle Ccy*

Rec/(Pay) Amt*

Exercise Details

Acct Cntr*

TDate*

VDate*

FX Facility*

Counterparty*

Our Dealer

Ctpy Dealer

Narrative

Skip Holidays ☐

5. Then, click Net Settle. A popup appears, click OK.



6. Once the Currency Options trade is net settled, you will be returned to Options main screen. Net settled Currency Options cannot be net settled or exercised again. The net settlement cash flow will be created under Back Office > Cash Settlement.

Cash Settlement

Acct Cntr* TFS-SG From* 08/11/2016 To* 08/11/2016 Ccy

Refresh Net Trade Group Cash Transfer Confirm Settle/Unsettle EBanking

	Vdate	TradeID	Acct Cntr	Cpty	Ccy	Amount	Strd	Assigned SSI	Net ID	Gp ID	Trade Details
<input type="checkbox"/>	8 Nov 2016	CPT100001.01	TFS-SG	DBS-SG	SGD	2,374.34		TF-DB-SGD	:		Buy European Call Opt [dev01@12dl2d.com]

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7. To cancel net settlement, tick on the checkbox besides the Currency Options trade from the Options main screen and click Exercise/Settle.

Options

Acct Cntr* TFS-SG Counterparty Status Type Currency Vanilla MTM Date 04/01/2017

TDate Fr dd/mm/yyyy TDate To dd/mm/yyyy Expiry Fr* 01/01/2016 Trade ID Narrative

Refresh New Exercise/Settle Update MTM Delete

	Flag	TradeID	Acct Cntr	Cpty	Type	B/W	Call/Put	On	Amount	Against	Strike	Premium	Exp Date
<input checked="" type="checkbox"/>	✓	CPT100001.01	TFS-SG	DBS-SG	V	B	C	USD	500,000.00	SGD	1.400000	50.00	8 Nov 2016

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8. The screen below displayed.

Options Exercise/Settle

← Cancel Settlement

This currency option has been settled.

Trade Details

Buy European Call Option On USD 500,000.00 against SGD at strike 1.400000 expire 8 Nov 2016 with DBS-SG. Premium SGD 50.00. [dev01@12dl2d.com]

Net Settlement Details

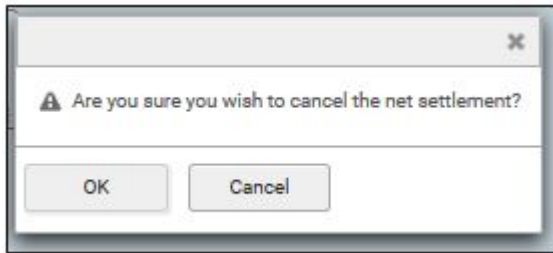
Vdate* 08/11/2016

Settle Ccy* SGD

Rec/(Pay) Amt* 2,374.34

Skip Holidays ☐

9. Click Cancel Settlement to cancel the net settlement. A popup appears.



10. Click OK. Once cancelled, the net settlement cash flow will be deleted from the system.

11. To exercise Currency Options trade to Foreign Exchange trade, fill out the fields under Exercise Details.

Options Exercise/Settle

← Exercise Net Settle

Trade Details

Buy European Call Option On USD 500,000.00 against SGD at strike 1.400000 expire 8 Nov 2016 with DBS-SG. Premium SGD 50.00. [dev01@12dl2d.com]

Net Settlement Details

Vdate* 08/11/2016

Settle Ccy* SGD

Rec/(Pay) Amt*

Exercise Details

Acct Cntr* TFS-SG

TDate* 08/11/2016

VDate* 08/12/2016

FX Facility* TFS <-> DBS-SG Available:USD 73.19m (99.0%)

Counterparty* DBS-SG

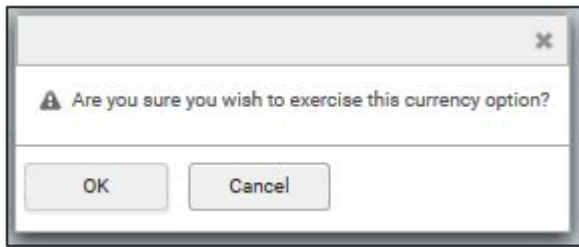
Our Dealer dev01@12dl2d.com

Ctpy Dealer

Narrative

Skip Holidays

12. Click Exercise. A popup appears, click OK.



13. A Foreign Exchange trade will be created from this exercise.

Foreign Exchange dev01 ?

Acct Cntr* Buy Ccy TDate Fr Vdate Fr* Portfolio FX Type

CtpyID Sell Ccy TDate To Vdate To Trade ID Narrative

Flag	Trade ID	Acct Cntr	CtpyID	TDate	VDate	BCcy	Buy Amount	SCcy	Sell Amount	Exchange Rate	Type
<input type="checkbox"/>	FRX100025.00	TFS-SG	DBS-SG	8 Nov 2016	8 Dec 2016	USD	500,000.00	SGD	700,000.00	1.400000	Foreign Exchange Outright

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14. If you click on the Trade ID of this Foreign Exchange trade, you will not be allowed to amend because this trade is created through the exercise of a Currency Options trade. This trade cannot be deleted as well.

Amend Foreign Exchange Outright



This trade is created through the exercise of a ccy option trade (CPT100001.01). To delete this trade, cancel the exercise in the Currency Option module.


TradeID	FRX100025.00	
Accounting Centre*	<input type="text" value="TFS-SG"/>	
TDate*	<input type="text" value="08/11/2016"/>	
VDate*	<input type="text" value="08/12/2016"/>	
Transaction*	<input type="text" value="Buy"/>	
Ccy*	<input type="text" value="USD"/>	
Amount*	<input type="text" value="500,000.00"/>	
Against Ccy*	<input type="text" value="SGD"/>	
Spot Ref Rate*	<input type="text" value="1.400000"/>	
Forward Points	<input type="text" value="0.000000"/>	
Contract Rate	1.400000	
Counter Value	700,000.00	
Facility*	<input type="text" value="TFS <-> DBS-SG"/>	Available:USD 71.25m (99.0%)
Counterparty ID	DBS-SG	
Reval Rate	<input type="text"/>	
<input type="button" value="Soft Amend"/>		
Portfolio	<input type="text" value="HEDGING"/>	
Transaction Type	<input type="text" value="-"/>	
Project	<input type="text" value="-"/>	
Our Dealer	<input type="text" value="dev01@12dl2d.com"/>	
Ctpy Dealer	<input type="text"/>	
Ctpy Reference	<input type="text"/>	
Narrative	<input type="text"/>	
Hedge Deal?	<input type="checkbox"/>	
Stop Holidays	<input type="checkbox"/>	

15. To delete this trade, you will need to cancel the exercise from the Currency Options screen. Tick on the checkbox besides

the Currency Options trade from the Options main screen and click Exercise/Settle.

16. The following screen displayed.

Options Exercise/Settle




Cancel Exercise

This currency option has been exercised to an FX Trade: FRX100025.00.


Trade Details


Buy European Call Option On USD 500,000.00 against SGD at strike 1.400000 expire 8 Nov 2016 with DBS-SG. Premium SGD 50.00. [dev01@12dl2d.com]

Exercise Details

Acct Cntr*	TFS-SG
TDate*	08/11/2016
VDate*	08/12/2016
FX Facility*	TFS <=> DBS-SG  Available:USD 73.19m (99.0%)
Counterparty*	DBS-SG
Our Dealer	dev01@12dl2d.com
Ctpy Dealer	
Narrative	
Skip Holidays	<input type="checkbox"/>

17. Click Cancel Exercise. A popup appears.



 Are you sure you wish to cancel the exercise and delete the associated FX trade?

OK

Cancel

18. Click OK.

19. The Foreign Exchange trade created from the exercise of the Currency Options trade will be deleted from the system.

FREQUENTLY ASKED QUESTIONS

FAQ01. I'm not able to settle/exercise the Currency Options trade.

Rights ID	Category	Description
13720	Currency Option	Exercise Currency Option to FX
13721	Currency Option	Net Settle Currency Option

Contact your administrator to grant you rights. Also note that previously settled/exercised options can no longer be processed. You must cancel the previous process and do a new one.

RELATED INFORMATION

[Create Currency Options](#)

CHANGE HISTORY

Date	By	Changes
15-Feb-2008	-	Created
28-Apr-2016	Clarissa	Rewritten. Reformatted.
22-Nov-2019	Lyra	Updated Screenshots.