Foreign Exchange Outright Cross – with TDate Journal

PURPOSE

To show illustration of foreign exchange outright cross with transaction date journal.

OVERVIEW

i. Foreign Exchange outright transaction revalued at period and using market spot rates.

ii. Settlement amounts are journalled to FRX: Deals Payables or Receivables accounts in the general ledger.

TRANSACTION DETAILS

Accounting Base Ccy
Trade ID
Trade Date
Value Date
Transaction
Against currency settlement
Buy Amount
Sell Amount

SGD
FRX1001
25-Mar-03
3-Apr-03
Sell GBP
USD

USD 1,453,000.00
GBP 1,000,000.00

SUMMARY OF JOURNALS

ID	Date	Description
J1	25-Mar-03	Trade Date
J2	25-Mar-03	Trade Date
J3	31-Mar-03	Month end revaluation
J4	31-Mar-03	Month end revaluation
J5	1-Apr-03	Reversal of Month end revaluation
J6	1-Apr-03	Reversal of Month end revaluation
J7	3-Apr-03	Settlement of Trade
J8	3-Apr-03	Settlement of Trade
J9	31-Mar-03	Month End Revaluation (Manual Update of MTM)

J1 **Trade Date**

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
FRX1001	25-Mar-03	B	FRX : Deals Receivables	USD	1,435,000.00	1.749090	SGD	2,509,940.00	J1a
FRX1001	25-Mar-03	B	FX Cash Clearing Account	USD	-1,435,000.00	1.749090	SGD	-2,509,940.00	J1b

J2 **Trade Date**

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
FRX1001	25-Mar-03	B	FRX : Deals Payables	GBP	-1,000,000.00	2.509940	SGD	-2,509,940.00	J2a
FRX1001	25-Mar-03	B	FX Cash Clearing Account	GBP	1,000,000.00	2.509940	SGD	2,509,940.00	J2b

J3 Month end revaluation

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
FRX1001	31-Mar-03	B	FRX: Deals Receivables	USD	0.00	0.000000	SGD	-24,811.15	J3a
FRX1001	31-Mar-03	P	FX - Unrealised Losses - FX Trade	USD	0.00	0.000000	SGD	24,811.15	J3b

J4 Month end revaluation

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
FRX1001	31-Mar-03	B	FRX: Deals Payables	GBP	0.00	0.000000	SGD	2,190.00	J4a
FRX1001	31-Mar-03	P	FX - Unrealised Gains - FX Trade	GBP	0.00	0.000000	SGD	-2,190.00	J4b

Month End Revaluation

Trade ID	Ccy	Book Rate	Rate on M/E	Amount	Profit/(Losses)
FRX1001	USD	1.749090	1.731800	1,435,000.00	-24,811.15
FRX1001	GBP	2.509940	2.507750	-1,000,000.00	-2,190.00
				Net P/L	-22,621.15

MTM can also be updated manually in the system for a FX trade. If the MTM is manually updated, please see J9 for the journals generated.

J5 Reversal of Month end revaluation

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
FRX1001	1-Apr-03	B	FRX: Deals Receivables	USD	0.00	0.000000	SGD	24,811.15	J5a
FRX1001	1-Apr-03	P	FX - Unrealised Losses - FX Trade	USD	0.00	0.000000	SGD	-24,811.15	J5b

J6 **Reversal of Month end revaluation**

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
FRX1001	1-Apr-03	B	FRX: Deals Receivables	GBP	0.00	0.000000	SGD	-2,190.00	J6a
FRX1001	1-Apr-03	P	FX - Unrealised Gains - FX Trade	GBP	0.00	0.000000	SGD	2,190.00	J6b

J7 **Settlement of Trade**

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
FRX1001	3-Apr-03	B	Cash at Bank	USD	1,435,000.00	1.719940	SGD	2,468,113.90	J7a
FRX1001	3-Apr-03	B	FRX: Deals Receivables	USD	-1,435,000.00	1.749090	SGD	-2,509,944.15	J7b
FRX1001	3-Apr-03	P	FX - Unrealised Losses - FX Trade	USD	0.00	1.000000	SGD	41,830.25	J7c

J8 **Settlement of Trade**

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
FRX1001	3-Apr-03	B	Cash at Bank	GBP	-1,000,000.00	2.502920	SGD	-2,502,920.00	J8a

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
FRX1001	3-Apr-03	B	FRX: Deals Payables	GBP	1,000,000.00	2.509940	SGD	2,509,940.00	J8b
FRX1001	3-Apr-03	P	FX - Unrealised Gains - FX Trade	GBP	0.00	1.000000	SGD	-7,020.00	J8c

Month End Revaluation

Trade ID	Ccy	Book Rate	Rate on M/E	Amount	Profit/(Losses)
FRX1002	USD	1.749090	1.719940	1,435,000.00	-41,830.25
FRX1002	GBP	2.509940	2.502920	-1,000,000.00	7,020.00
				Net P/L	-34,810.25

J9 **Month End Revaluation (Manual Update of MTM)**

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
FRX1001	31-Mar-03	B	FRX : Derivative Liability Fair Value	SGD	-21,985.00	0.000000	SGD	-21,985.00	J9a
FRX1001	31-Mar-03	P	FX - Unrealised Losses - FX Trade	SGD	21,985.00	0.000000	SGD	21,985.00	J9b

Note J9b: The MTM value as at 31-Mar-2003 is maintained manually at the Foreign Exchange screen.

EXCHANGE RATES

The following rates were used for illustration.

Spot Rate

Date	USD to SGD	GBP to SGD
25-Mar-03	1.749090	2.509940
31-Mar-03	1.731800	2.507750
3-Apr-03	1.719940	2.502920

*Rates used for calculation are in full precision. Illustrated rates are rounded to 6dp.

FREQUENTLY ASKED QUESTIONS

RELATED INFORMATION

Update FX MTM

CHANGE HISTORY

Date	By	Changes
28-Jul-2008	CS	Creation.
18-Oct-2016	Cas	Reformatted.
22-May-2017	TS	Added journals for manual updating of FX MTM.
24-Apr-2020	LT	Re-formatting.