

Foreign Exchange Swap Base

PURPOSE

To show illustration of foreign exchange swap base.

OVERVIEW

TRANSACTION DETAILS

Accounting Base Ccy
SGD

Trade ID
Trade Date
VDate
Sell Currency
Buy Currency
Rate
Sell Amount
Buy Amount
Points

Near Leg

FRX1001
25-Mar-03
27-Mar-03
SGD
USD
1.710000
-1,710,000.00

1,000,000.00
0.000500

Far Leg

FRX1002
25-Mar-03
3-Apr-03
USD
SGD
1.710500
-1,000,000.00
1,710,500.00

SUMMARY OF JOURNALS

ID	Date	Description
J1	27-Mar-03	Settlement of Trade
J2	27-Mar-03	Settlement of Trade
J3	31-Mar-03	Month end revaluation
J4	1-Apr-03	Reversal of Month end revaluation
J5	3-Apr-03	Settlement of Trade
J6	3-Apr-03	Settlement of Trade

J1 Settlement of Trade

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
FRX1001	27-Mar-03	B	FX Cash Clearing Account	USD	-1,000,000.00	1.717170	SGD	-1,717,170.00	J1a
FRX1001	27-Mar-03	P	Cash at Bank	USD	1,000,000.00	1.717170	SGD	1,717,170.00	J1b

J2**Settlement of Trade**

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
FRX1001	27-Mar-03	B	FX Cash Clearing Account	SGD	1,710,000.00	1.000000	SGD	1,710,000.00	J2a
FRX1001	27-Mar-03	P	Cash at Bank	SGD	-1,710,000.00	1.000000	SGD	-1,710,000.00	J2b

J3**Month end revaluation**

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
FRX1002	31-Mar-03	P	FX - Unrealised Losses - FX Trade	SGD	21,300.00	1.000000	SGD	21,300.00	J3a
FRX1002	31-Mar-03	B	FRX:Derivative Liability Fair Value	SGD	-21,300.00	1.000000	SGD	-21,300.00	J3b

Month End Revaluation

Trade ID	Contract	ME Rate	Diff	Ccy	Amount	Gain/(Loss)	Rate to Base	Base Amount
FRX1002	1.710500	1.731800	0.021300	USD	-1,000,000.00	-21,300.00	1.000000	-21,300.00
							Net P/L	-21,300.00

J4**Reversal of month end revaluation**

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
FRX1002	1-Apr-03	P	FX - Unrealised Losses - FX Trade	SGD	-21,300.00	1.000000	SGD	-21,300.00	J4a
FRX1002	1-Apr-03	B	FRX:Derivative Liability Fair Value	SGD	21,300.00	1.000000	SGD	21,300.00	J4b

J5**Settlement of Trade**

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
FRX1002	3-Apr-03	B	FX Cash Clearing Account	SGD	-1,710,500.00	1.000000	SGD	-1,710,500.00	J5a
FRX1002	3-Apr-03	P	Cash at Bank	SGD	1,710,500.00	1.000000	SGD	1,710,500.00	J5b

J6**Settlement of Trade**

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
FRX1002	3-Apr-03	B	FX Cash Clearing Account	USD	1,000,000.00	1.719940	SGD	1,719,940.00	J6a
FRX1002	3-Apr-03	P	Cash at Bank	USD	-1,000,000.00	1.719940	SGD	-1,719,940.00	J6b

EXCHANGE RATES

Our illustration assumes the company uses different daily exchange rates for accounting.

The following rates were used for this illustration.

Spot rate

Date	USD/SGD
27-Mar-03	1.717170
31-Mar-03	1.731800
3-Apr-03	1.719940

* round to 6 dp. Full precision used for calculation of average rates

FREQUENTLY ASKED QUESTIONS**RELATED INFORMATION**

CHANGE HISTORY

Date	By	Changes
22-Jan-2008	CS	Creation.
20-Jun-2016	RJ	Reformatted.
23-Apr-2020	LT	Re-formatting.