

Forward FX Rate Calculation

[See the previous W5 version guide.](#)

PURPOSE

This document provides the formulae and detail computation used by CS Lucas for computing forward FX rate.

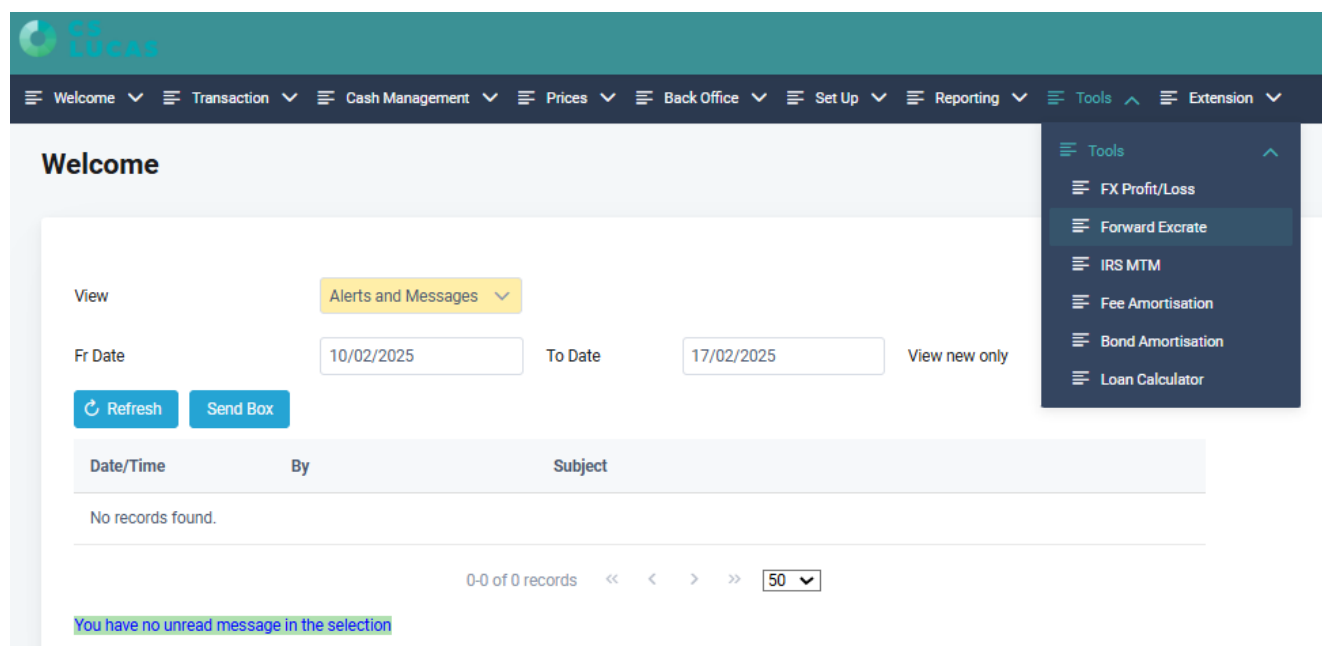
WHY IS THIS IMPORTANT?

This allows users to verify the formula and methodology used by CS Lucas to compute the forward FX rate.

PROCEDURE



1. From the main menu, click Tools > Forward Excrate.



2. The following page displays.

Forward FX Rate Calculation

As At Date*

17/02/2025

VDate*

17/02/2025

Ccy*

SGD

Rate Type*

Valuation

Recomp

3. Select the reporting as at date for MTM and the FX transaction’s VDate. By default, it is the system date.

4. Select the FX transaction currencies.

5. Select the exchange rate to be used for computing FX forward rate. Exchange rate types are Valuation, Accounting and Alternative.

6. Click Recomp.

Forward FX Rate Calculation

As At Date*

30/06/2017

VDate*

10/11/2017

Ccy*

USD

SGD

Rate Type*

Valuation

Recomp

SGD Point 1 Jan 2017

Days	Mid
7	9.50
30	10.50
60	11.50
91	12.50
182	13.50
365	14.50
133 days	12.96

USD Fwd 30 Jun 2017

	Spot	Points	Forward	Quote in
SGD 1 Jan 2000	1.377300	12.96	1.378596	SGD
Fwd: USD -> SGD	1.378596			
Fwd: SGD -> USD	0.725376			

Note: These numbers have been rounded for display. Actual calculation is based on full precision of available rates and points.

7. The system displays the computation for the FX forward rate.

Analysis for the interpolation of the FX forward points

As At Date: 30 Jun 2017

Swap points maintained as follows:

Days	Bid	Offer	Mid
1	-0.4	0.6	0.1
7	-1	-0.8	-0.9
30	-9.58	-4.58	-7.08
60	-13.8	-13	-13.4
91	-20	-19	-19.5
182	-40	-38	-39
365	-72.5	-66.5	-69.5
547	-124.88	-71.95	-98.415
730	-162.82	-87.82	-125.32

No. of days	Interpolated <u>Fwd pts (mid)</u>	Spot Rate	<u>Fwd Rate</u>
133	-28.5000	1.37670	1.37385

Total days from reporting as at date to transaction's value date = 133 days

As At Date	30-Jun-17
<u>VDate</u>	<u>10-Nov-17</u>
	<u>133</u>

Calculation for the interpolated forward points = $(-39 - (-19.5)) / (182 - 91) * (133 - 91) + (-19.5)$

= -28.5

Spot rate is from exchange rate maintained on the reporting as at date, 30 Jun 2017. If no rate maintained, the last available rate will be used.

Fwd Rate = $1.37670 + (-28.5/10000)$

= 1.37385

FREQUENTLY ASKED QUESTIONS

RELATED INFORMATION

[FX MTM Specification](#)

[Creating and Maintaining Swap Points](#)

[Maintaining Exchange Rate](#)

CHANGE HISTORY

Date	By	Changes
15-Feb-2008	-	Created.
8-Sep-2017	TS	Reformatted. Rewritten.
25-Nov-2019	Lyra	Updated Screenshots.
17-Feb-2025	Lyra	Updated to W6 instructions and screenshots.