

Hedging: Transaction (W5)

[This version is superseded. Click here to view the latest guide.](#)

PURPOSE

This document shows the detailed procedure on booking underlying and derivatives transactions.

WHY IS THIS IMPORTANT?

This allows underlying (cash forecast, commodity physical) and derivatives transactions (commodity swap, futures) to be captured in the system for hedging and IAS39 hedge effectiveness testing.

PROCEDURE

1. From the main menu, click Transaction > Hedging > Transaction. The below page displays.

Hedging: Transaction dev01 ?

Acct Cntr* TFS-SG Delivery From* dd/mm/yyyy Delivery To dd/mm/yyyy Type Product Hedge ID

Refresh New Delete Approve [Download] [Star] [Save]

App?	Trade ID	Acct Cntr	Type	Product	Delivery	Quantity	Ccy	Unit Cost	Amount	Narrative	Hedge ID

No records found.

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2. To book a new transaction, click New.

Hedging: New Transaction

Acct Cntr*	TFS-SG
Transaction*	
Product*	
TDate*	09/12/2019
Delivery Date*	dd/mm/yyyy
Counterparty*	
Quantity*	
Narrative	

3. Accounting centre would have been defaulted to the user accounting centre. If not, it will be left blank. Select the Accounting Centre from the drop down field.

4. Select Rec/Buy/Long or Req/Sell/Short.

5. Select the product from the Product field. There are four sections in the drop down: Cash Forecast, Commodity Physical, Commodity Swap and Futures.

6. The following table continues to explain the steps for booking each product.

a. Cash Forecast



Select the desired currency forecast underlying product to book. In this example, USD Forecast.

Hedging: New Transaction

Acct Cntr*	<input type="text" value="TFS-SG"/>
Transaction*	<input type="text" value="Rec/Buy/Long"/>
Product*	<input type="text" value="USD Forecast"/>
TDate*	<input type="text" value="dd/mm/yyyy"/>
From Date*	<input type="text" value="dd/mm/yyyy"/>
To Date*	<input type="text" value="dd/mm/yyyy"/>
Counterparty*	<input type="text"/>
Amount*	<input type="text"/>
Narrative	<input type="text"/>

Enter the TDate, which is the transaction date.

Enter the From Date.

Enter the To Date.

Select the Counterparty. If you do not see the desired counterparty, please create in the [Counterparty Set Up](#).

Enter the forecast amount.

Narrative is optional. You may input if any.

Hedging: New Transaction

Acct Cntr*	TFS-SG
Transaction*	Rec/Buy/Long
Product*	USD Forecast
TDate*	15/12/2016
From Date*	31/05/2017
To Date*	01/06/2017
Counterparty*	CITI-SG
Amount*	1,000,000.00
Narrative	

Click Book.

b. Commodity Physical

Select the commodity underlying product. In this example, Diesel.

Hedging: New Transaction

Acct Cntr*	TFS-SG
Transaction*	Rec/Buy/Long
Product*	Diesel
TDate*	dd/mm/yyyy
Delivery Date*	dd/mm/yyyy
Counterparty*	
Trading Unit	Barrel
Quantity*	
Narrative	

Enter the TDate, which is the transaction date.

Enter the Delivery Date.

Select the Counterparty. If you do not see the desired counterparty, please create in the [Counterparty Set Up](#).

Trading Unit would be populated based on the product set up. See [Hedging: Product](#).

Enter the Quantity.

Narrative is optional. You may input if any.

Hedging: New Transaction

Acct Cntr*	TFS-SG	▼
Transaction*	Rec/Buy/Long	▼
Product*	Diesel	▼
TDate*	15/12/2016	
Delivery Date*	31/05/2017	
Counterparty*	Shell	▼
Trading Unit	Barrel	
Quantity*	100	
Narrative	<div></div>	

Click Book.

c. Commodity Swap

Select commodity swap derivatives product. In this example, Diesel Swap.

Hedging: New Transaction

Acct Cntr*	TFS-SG	▼
Transaction*	Rec/Buy/Long	▼
Product*	Diesel Swap	▼
TDate*	dd/mm/yyyy	
Delivery Date*	dd/mm/yyyy	
VDate*	dd/mm/yyyy	
Counterparty*		▼
Trading Unit	Barrel	
Quantity*		
Ccy	USD	
Price/Unit*		
Amount*	<input type="button" value="C"/>	
Narrative	<input type="text"/>	

Enter the TDate, which is the transaction date.

Enter the Delivery Date.

Enter the VDate, which is the value date.

Select the Counterparty. If you do not see the desired counterparty, please create in the [Counterparty Set Up](#).

Trading Unit would be populated based on the product set up. See [Hedging: Product](#).

Enter the Quantity.

Currency would be populated based on the product set up. See [Hedging: Product](#).

Enter the Price per unit.

Click Recomp button next to Amount field. Amount will be recomputed.

Narrative is optional. You may input if any.

Hedging: New Transaction

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Book

Import

Acct Cntr*

TFS-SG

▼

Transaction*

Rec/Buy/Long

▼

Product*

Diesel Swap

▼

TDate*

15/12/2016

Delivery Date*

31/05/2017

VDate*

15/06/2017

Counterparty*

Shell

▼

Trading Unit

Barrel

Quantity*

100.00

Ccy

USD

Price/Unit*

50.000000

Amount*

5,000.00

Ⓒ

Narrative

Click Book.

d. Futures

Select futures derivatives product. In this example, FFA.

Hedging: New Transaction

Acct Cntr*	TFS-SG	▼
Transaction*	Rec/Buy/Long	▼
Product*	FFA	▼
TDate*	dd/mm/yyyy	
Delivery Date*	31/12/2016	
Counterparty*		▼
Trading Unit	-	
Quantity*		
Ccy	USD	
Price/Unit*		
Amount*	<input type="button" value="C"/>	
Narrative	<div></div>	

Enter TDate, which is the transaction date.

Delivery Date would be populated based on the product set up. See [Hedging: Product](#).

Select the Counterparty. If you do not see the desired counterparty, please create in the [Counterparty Set Up](#).

Trading Unit would be populated based on the product set up. See [Hedging: Product](#).

Enter the Quantity.

Currency would be populated based on the product set up. See [Hedging: Product](#).

Enter the Price per unit.

Click Recomp button next to Amount field. Amount will be recomputed.

Narrative is optional. You may input if any.

Hedging: New Transaction

Acct Cntr*	TFS-SG
Transaction*	Rec/Buy/Long
Product*	FFA
TDate*	15/09/2016
Delivery Date*	31/12/2016
Counterparty*	FF Broker
Trading Unit	-
Quantity*	5,000.00
Ccy	USD
Price/Unit*	8.000000
Amount*	40,000.00
Narrative	<div></div>

Click Book.

7. Once the transaction is booked, you will be return to Hedging: Transaction page.

8. To view the transactions booked, select the Accounting Centre and Delivery From date. Click Refresh. All transactions where delivery date that is on or after the Delivery From date will be displayed.

Hedging: Transaction

dev01

Acct Cntr*

Delivery From*

01/12/2016

Delivery To

Type

Product

Hedge ID

Refresh

New

Delete

Approve

	App?	Trade ID	Acct Cntr	Type	Product	Delivery	Quantity	Ccy	Unit Cost	Amount	Narrative	Hedge ID
<input type="checkbox"/>	N	DEU100055.00	TFS-SG	Underlying	Cash Forecast	1 Jun 2017	1,000,000.00	USD	1.000000	1,000,000.00		
<input type="checkbox"/>	N	DEU100056.00	TFS-SG	Underlying	Diesel	31 May 2017	100.00					
<input type="checkbox"/>	N	DEU100057.00	TFS-SG	Derivative	Diesel Swap	31 May 2017	100.00	USD	50.000000	5,000.00		
<input type="checkbox"/>	N	DEU100058.00	TFS-SG	Derivative	FFA	31 Dec 2016	5,000.00	USD	8.000000	40,000.00		

9. To approve the transactions, tick on the checkbox next to the Trade ID and

click Approve.

10. To amend the transactions, click on the Trade ID to drill down to the Hedging: Amend Transaction page. Amend the fields accordingly and click Update.

11. To delete transactions, tick on the checkbox next to the Trade ID and click Delete.

Note: Foreign Exchange transactions that marked as “Hedge Deal” would also appear in this Hedging: Transaction page. However, you cannot drill down to view or amend the transaction. If you need to amend this particular transaction, go to Transaction > Foreign Exchange.

New Foreign Exchange Outright

	Book	Import
Accounting Centre*	TFS-SG	
TDate*	19/12/2016	
VDate*	31/05/2017	
Transaction*	Buy	
Ccy*	USD	
Amount*	800,000.00	
Against Ccy*	SGD	
Spot Reference Rate*	1.200000	
Forward Points	10.000000	
Contract Rate	1.201000	
Countervalue	960,800.00	
Facility*	TFS <-> DBS-SG	
Counterparty ID	DBS-SG	
Portfolio		
Show Advance	<input checked="" type="checkbox"/>	
Reval Rate		
Transaction Type	-	
Project		
Our Dealer	dev01@12dl2d.com	
Ctpy Dealer		
Ctpy Reference		
Narrative		
Hedge Deal?	<input checked="" type="checkbox"/>	
Skip Holidays	<input type="checkbox"/>	

Hedging: Transaction

dev01

Acct Cntr* TFS-SG

Delivery From* 01/12/2016

Delivery To dd/mm/yyyy

Type

Product

Hedge ID

Refresh

New

Delete

Approve

	App?	Trade ID	Acct Cntr	Type	Product	Delivery	Quantity	Ccy	Unit Cost	Amount	Narrative	Hedge ID
<input type="checkbox"/>		DEU100051.00	TFS-SG	Derivative	iron ore (M) Swap	29 Dec 2017	18,000.00	USD	50.000000	900,000.00		
<input type="checkbox"/>		DEU100052.00	TFS-SG	Derivative	iron ore (M) Swap	30 Mar 2018	2,000.00	USD	50.500000	101,000.00		
<input type="checkbox"/>		DEU100053.00	TFS-SG	Underlying	iron ore (M)	29 Dec 2017	(20,000.00)	USD				
<input type="checkbox"/>		DEU100054.00	TFS-SG	Underlying	iron ore (M)	29 Dec 2017	(15,000.00)	USD				
<input type="checkbox"/>		DEU100055.01	TFS-SG	Underlying	Cash Forecast	1 Jun 2017	(1,000,000.00)	USD	1.000000	-1,000,000.00		
<input type="checkbox"/>		DEU100056.00	TFS-SG	Underlying	Diesel	31 May 2017	100.00					
<input type="checkbox"/>		DEU100057.00	TFS-SG	Derivative	Diesel Swap	31 May 2017	100.00	USD	50.000000	5,000.00		
<input type="checkbox"/>		DEU100058.00	TFS-SG	Derivative	FFA	31 Dec 2016	5,000.00	USD	8.000000	40,000.00		
<input type="checkbox"/>		FRX100032.00	TFS-SG	Derivative	FX Forwards	31 May 2017		USD	1.000000	800,000.00		

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FREQUENTLY ASKED QUESTIONS

RELATED INFORMATION

[Hedging: Product](#)

[Maintain Hedging Relationship](#)

CHANGE HISTORY

Date	By	Changes
19-Dec-2016	TS	Created.
09-Dec-2019	Lyra	Updated Screenshots.