Hedging: Transaction (W5)

This version is superseded. Click here to view the latest guide.

PURPOSE

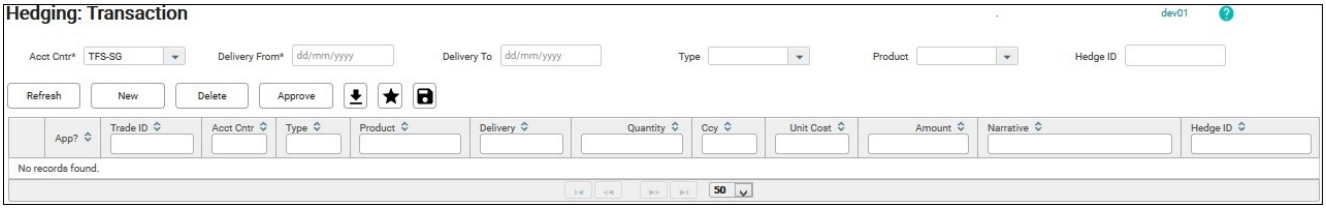
This document shows the detailed procedure on booking underlying and derivatives transactions.

WHY IS THIS IMPORTANT?

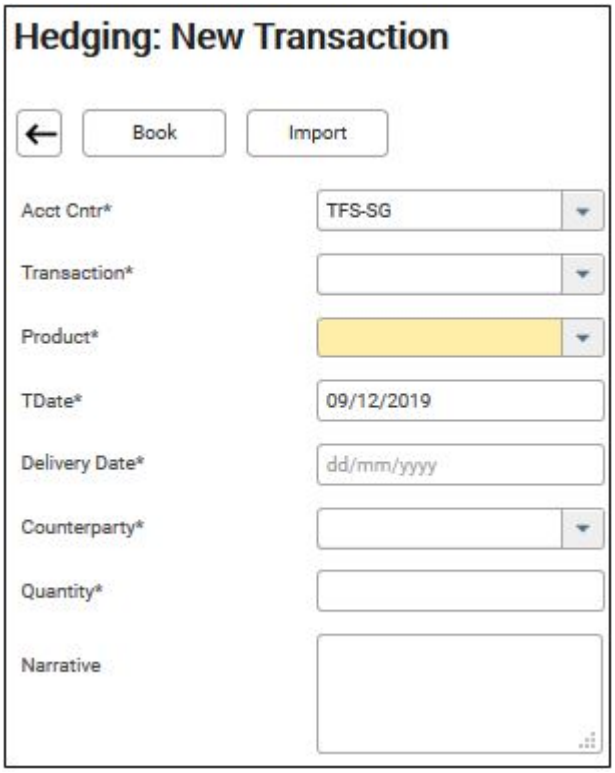
This allows underlying (cash forecast, commodity physical) and derivatives transactions (commodity swap, futures) to be captured in the system for hedging and IAS39 hedge effectiveness testing.

PROCEDURE

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



2. To book a new transaction, click New.



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.

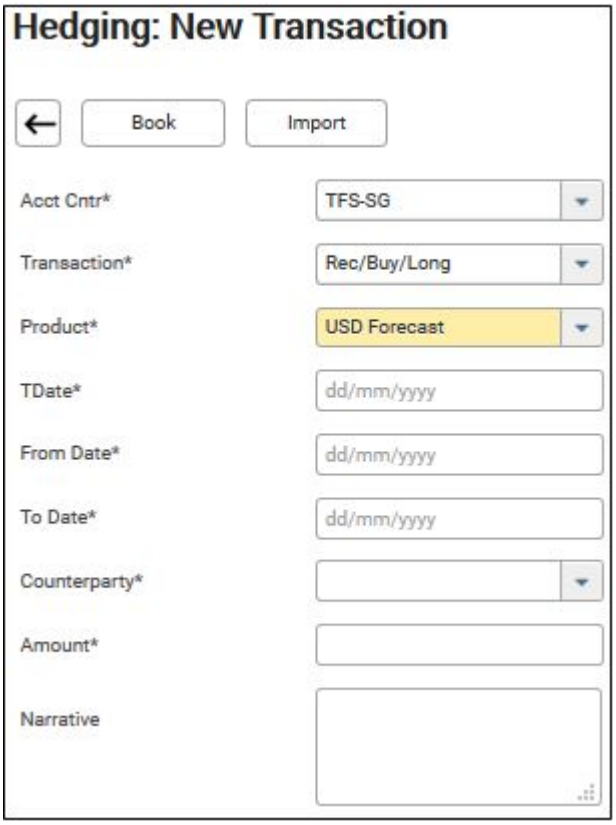
5. Select the product from the Product field. There are four sections in the drop down: Cash Forecast, Commodity Physical, Commodity Swap and Futures.

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.



Enter the TDate, which is the transaction date.

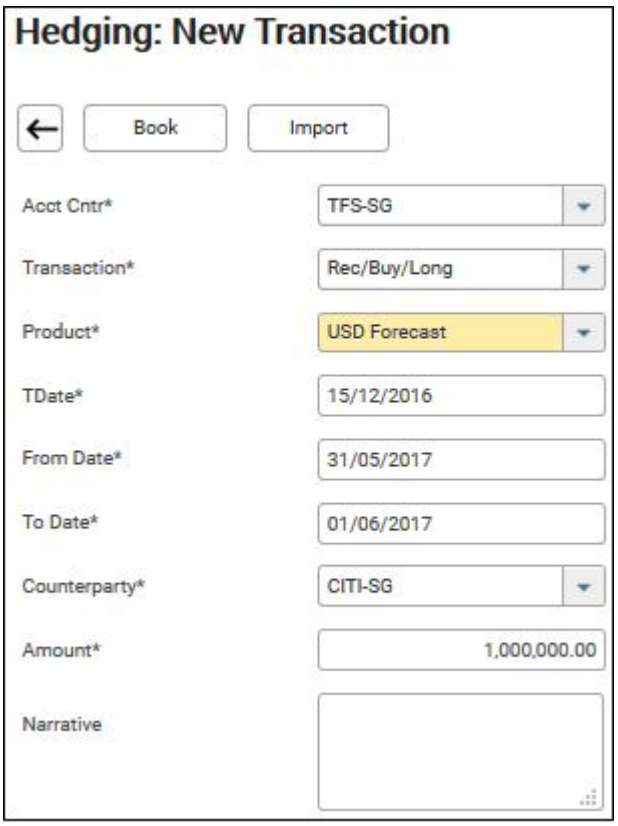
Enter the From Date.

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.

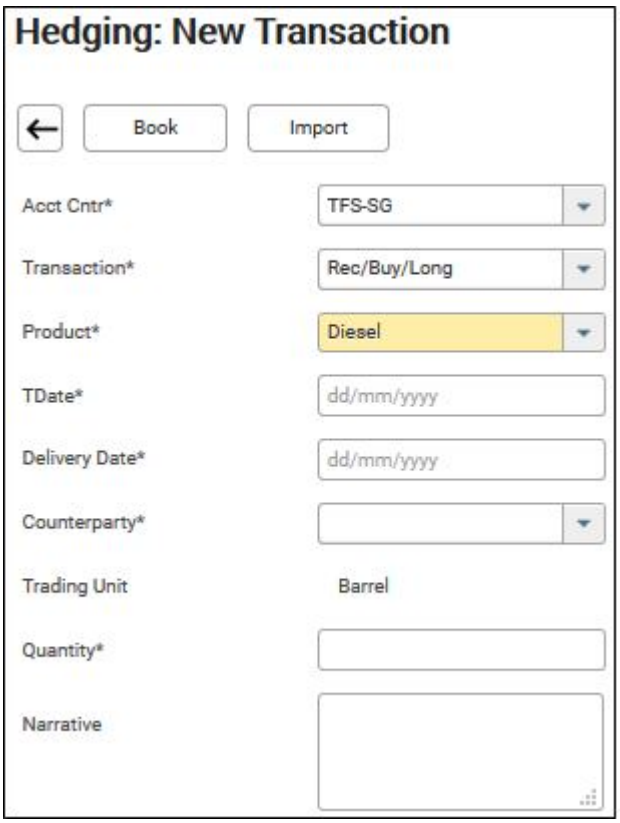
Narrative is optional. You may input if any.



Click Book.

b. Commodity Physical

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



Enter the TDate, which is the transaction date.

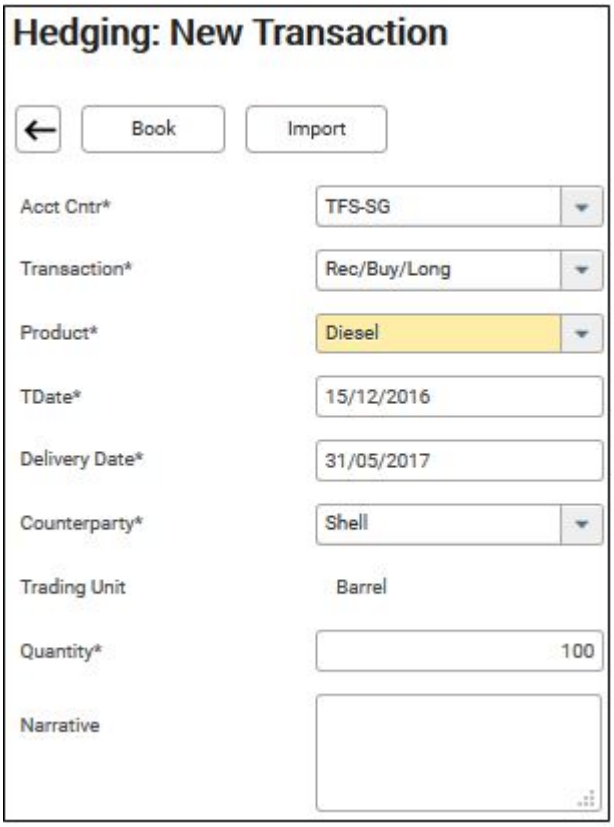
Enter the Delivery Date.

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.

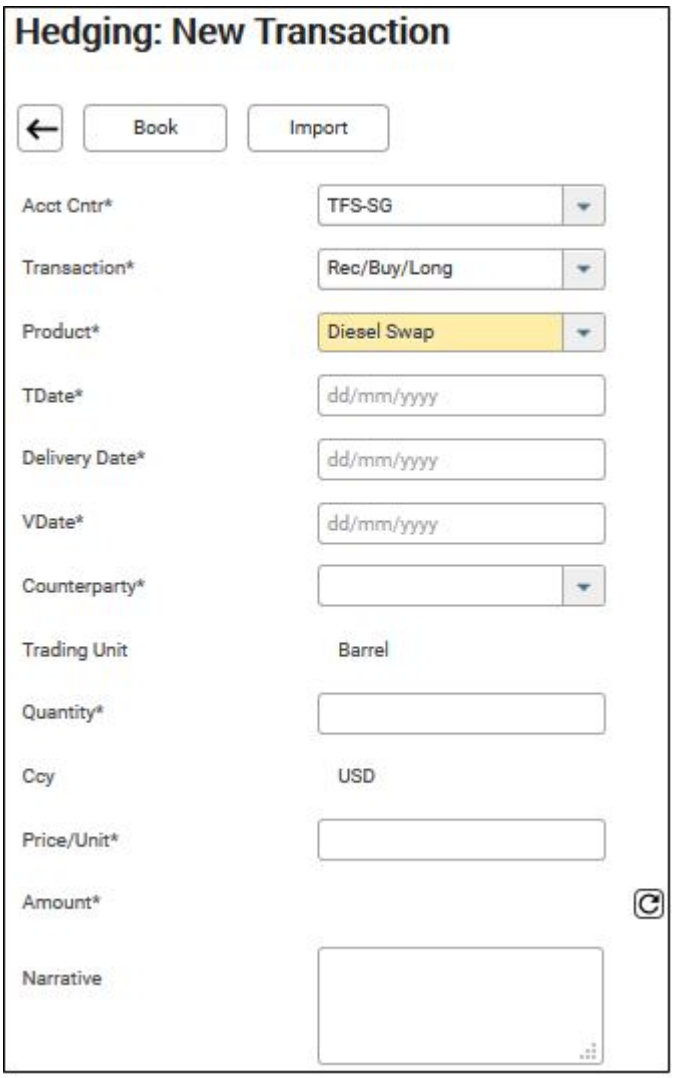
Narrative is optional. You may input if any.



Click Book.

c. Commodity Swap

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



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.

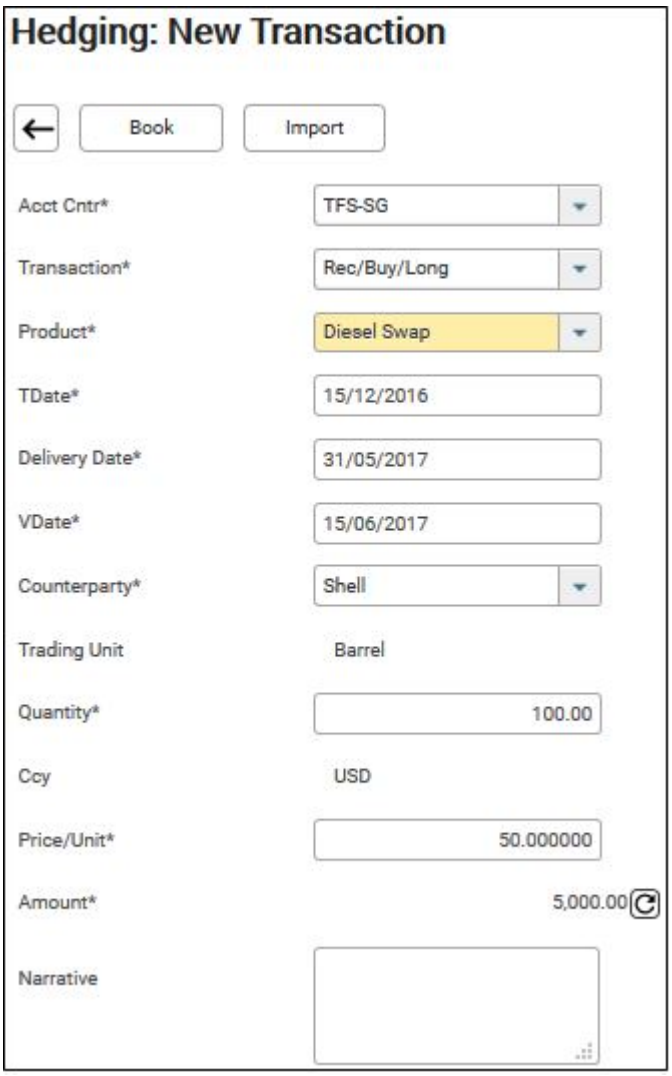
Enter the Quantity.

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.

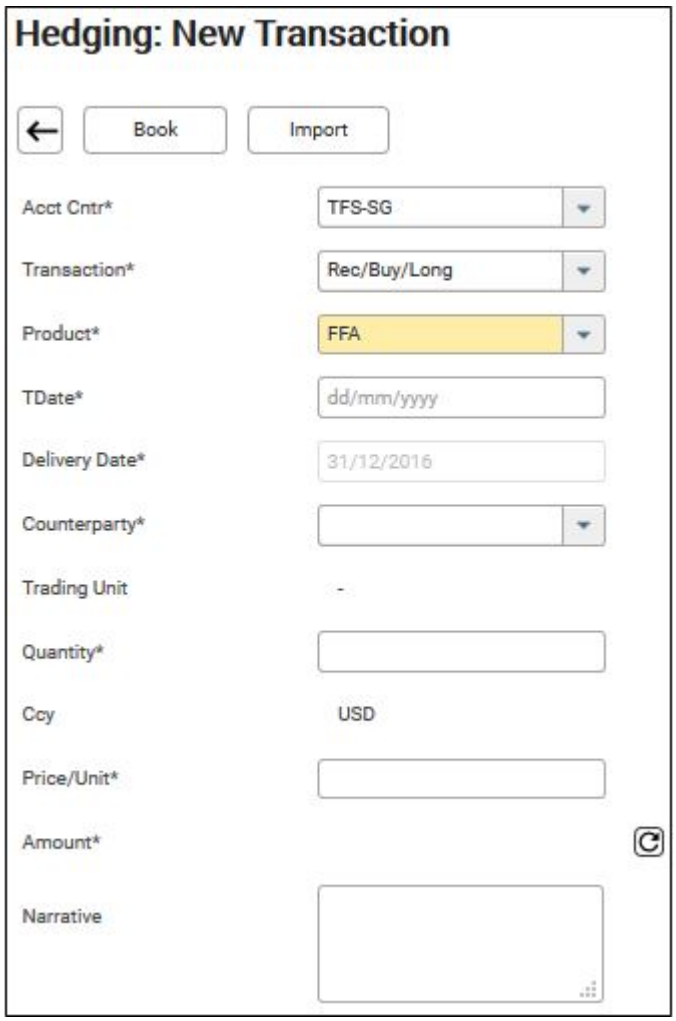
Narrative is optional. You may input if any.



Click Book.

d. Futures

Select futures derivatives product. In this example, FFA.



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.

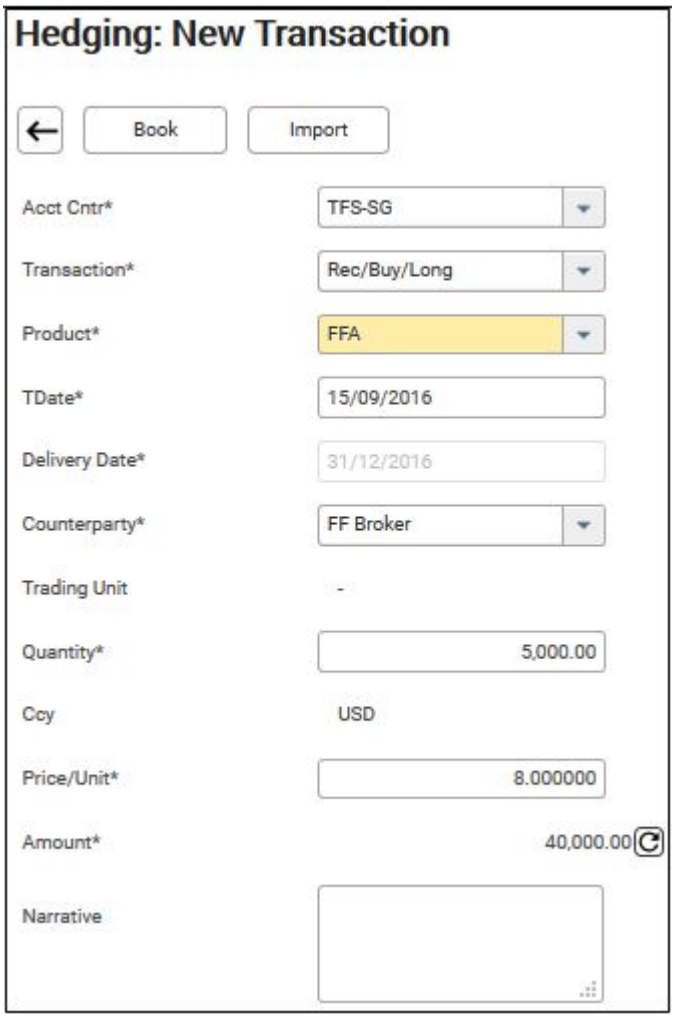
Enter the Quantity.

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.

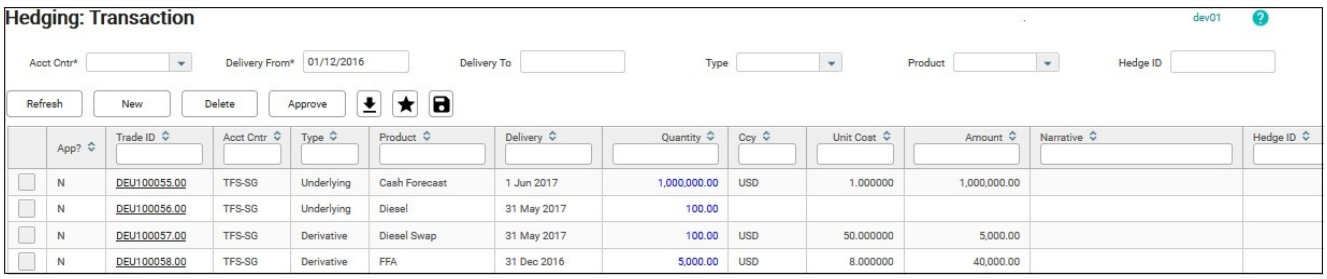
Narrative is optional. You may input if any.



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.



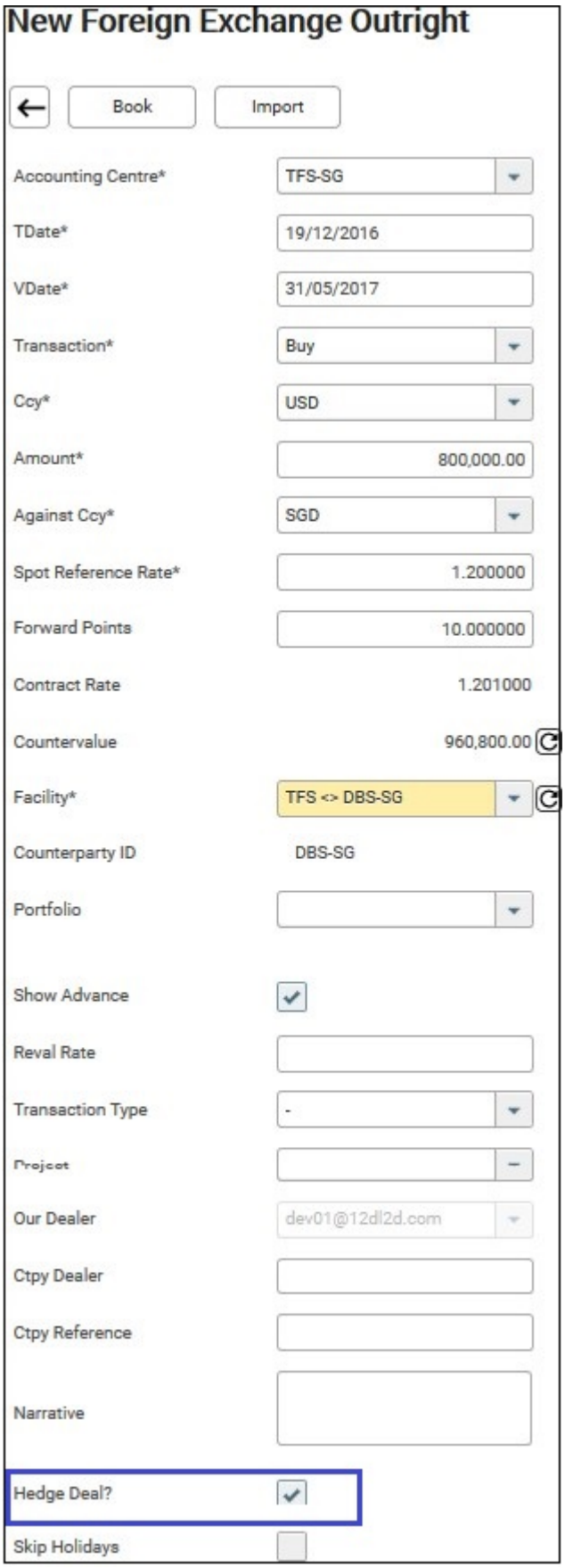
9. To approve the transactions, tick on the checkbox next to the Trade ID and

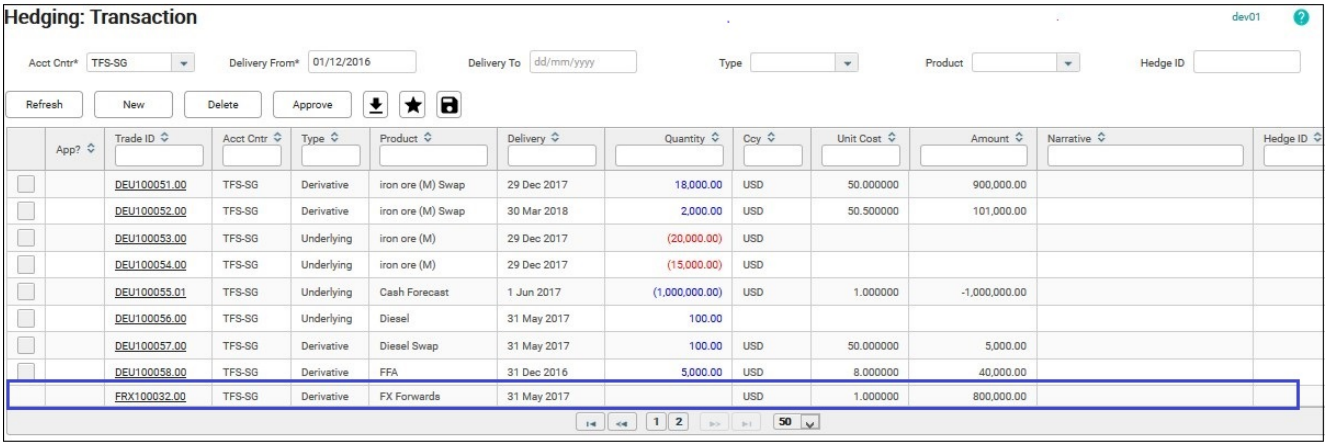
click Approve.

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
Reval Rate
Transaction Type
-
Project
Our Dealer
dev01@12dl2d.com
Ctpy Dealer
Ctpy Reference
Narrative
Hedge Deal?
Skip Holidays



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.