

# Money Market Loan Rollover - Full

## PURPOSE

To show illustration of money market loan rollover – full.

## OVERVIEW

- i. In a rollover, CS Lucas system automatically create a new Money Market Transaction for the rollover trade.
- ii. The settlement is cleared through a “system clearing account”.
- iii. The accounting is deal with as illustrated below. The same treatment is used for loan and deposit (placements).

## TRANSACTION DETAILS

Accounting Base Ccy
Trade ID
Trade Date
Value Date
Maturity Date
Currency
Amount
Rate
Accrual Method
Total Interest
Maturity Amount

Original Trade

USD
MMK1001
3-Feb-03

3-Feb-03
3-Apr-03
SGD
1,000,000.00
5.1232%
Act/365
8,281.34
1,008,281.34

New Rollover Trade

USD
MMK1002
3-Apr-03
3-Apr-03
25-Apr-03
SGD
1,008,281.34
5.1500%
Act/365
3,129.82
1,011,411.16

SUMMARY OF JOURNALS

ID	Date	Description
J6	3-Apr-03	Money Market Loan Maturity (Original Trade)
J1	3-Apr-03	Money Market Loan Start
J2	25-Apr-03	Money Market Loan Maturity

J6                                      Money Market Loan Maturity (Original Trade)

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
MMK1001	3-Apr-03	P	MMK - Loan Interest Expense	SGD	8,281.34	0.571525	USD	4,732.99	J6a
MMK1001	3-Apr-03	B	MMK - Loan	SGD	1,000,000.00	0.567456	USD	567,456.38	J6b
MMK1001	3-Apr-03	B	Cash at Bank (Clearing A/C)	SGD	-1,008,281.34	0.581416	USD	-586,230.53	J6c
MMK1001	3-Apr-03	P	FX - Realised Losses - Revenue	SGD	0.00		USD	81.91	J6d
MMK1001	3-Apr-03	P	FX - Realised Losses - Capital	SGD	0.00		USD	13,959.25	J6e

## **J1 Money Market Loan Start**

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
MMK1002	3-Apr-03	B	Cash at Bank (Clearing A/C)	SGD	1,008,281.34	0.567456	USD	572,155.68	J1a
MMK1002	3-Apr-03	B	MMK-Loan	SGD	-1,008,281.34	0.567456	USD	-572,155.68	J1b

**Note J1a:** The booking rate on 3-Apr-2003 is 1.76225 (multiplier 0.567456). The rate is rounded to 6dp for display. Full precision is used in calculation.

## **J2 Money Market Loan Maturity**

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
MMK1002	25-Apr-03	P	MMK - Loan Interest Expense	SGD	3,129.82	0.572081	USD	1,790.51	J2a
MMK1002	25-Apr-03	B	MMK - Loan	SGD	1,008,281.34	0.567456	USD	572,155.68	J2b
MMK1002	25-Apr-03	B	Cash at Bank	SGD	-1,011,411.16	0.562661	USD	-569,081.32	J2c
MMK1002	25-Apr-03	P	FX - Realised Gains - Revenue	SGD	0.00		USD	-29.48	J2d
MMK1002	25-Apr-03	P	FX - Realised Gains - Capital	SGD	0.00		USD	-4,835.39	J2e

**Note J2a:** The average multiplier rate between 3-Apr and 25-Apr is 0.572081. See Exchange Rates below. Note that the last day of the loan is not included.

**Note J2d:** The realised foreign exchange gain on interest expense is analyzed as follows:

	SGD	Rate+	USD
At Closing Rate	3,129.82	0.562661	1,761.03
At Average Rate	3,129.82	0.572081	1,790.51
	Gain in exchange		29.48

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

**Note J2e:** The realised gain on the loan is analyzed as follows:

	SGD	Rate+	USD
At Closing Rate	1,008,281.34	0.562661	567,320.29

At Start Date	1,008,281.34	0.567456	572,155.68
	Gain in exchange		4,835.39

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

## **EXCHANGE RATES**

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

Average rates are computed by using the multiplier rate from trade/transaction currency to the base currency each day and averaging this over the relevant period.

The following rates were used for this illustration.

Spot Rate

<b>Date</b>	<b>USD/SGD</b>	<b>SGD/USD*</b>
3-Apr-03	1.762250	0.567456

Average

<b>From Date</b>	<b>To Date</b>	<b>SGD/USD*</b>
3-Apr-03	24-Apr-03	0.572081

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

## **FREQUENTLY ASKED QUESTIONS**

## **RELATED INFORMATION**

## **CHANGE HISTORY**

<b>Date</b>	<b>By</b>	<b>Changes</b>
08-Apr-2004	CS	Creation.
05-Jul-2016	RJ	Reformatted.

Date	By	Changes
24-Apr-2020	LT	Re-formatting.