Money Market Creation

See previous W5 version guide

PURPOSE

This document shows the key steps in creating a money market transaction.

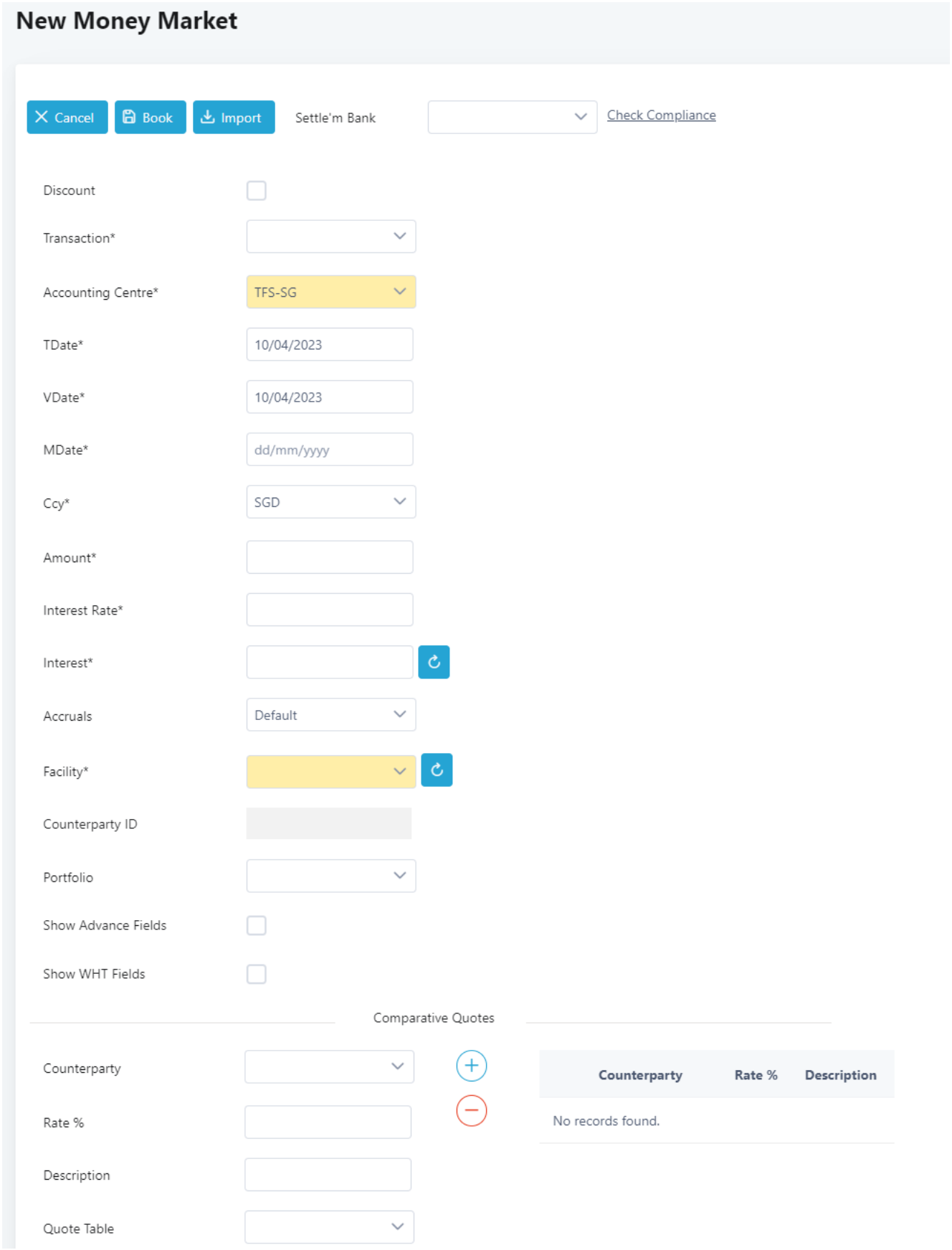
WHY IS THIS IMPORTANT?

This allows capturing of Money Market transaction in CS Lucas system for record monitoring and reporting purposes.

PROCEDURE



1. From the menu, select Transaction > Money Market. Click on Action and select New. The screen below will be displayed.



2. Select Transaction for whether Lend or Borrow.

3. Accounting centre would have been defaulted to the user accounting centre. If not, it will be left blank.

4. Enter the Trade Date, Value Date, and the Maturity Date. The Trade Date and the Value Date are defaulted to the system date. You may change it to an earlier date. Trade Date cannot be a future date. Value Date must be on or after the Trade Date. The Maturity Date must be on or after the Value Date.

5. Enter the currency for the transaction.

6. Enter the principal amount of the trade.

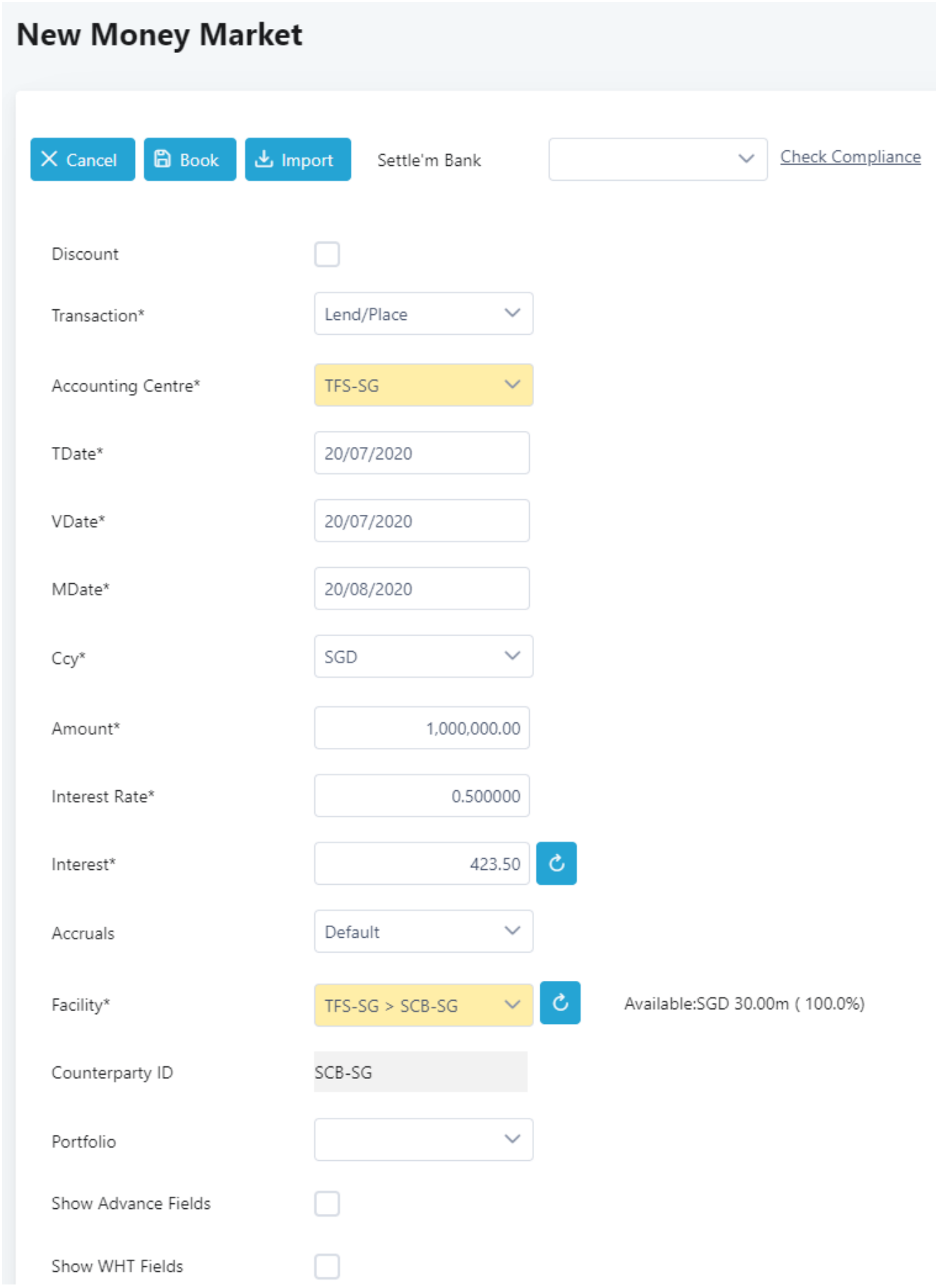
7. Enter the interest rate.

8. Click on the recomp button next to the Interest field. The system will re-compute the interest amount.

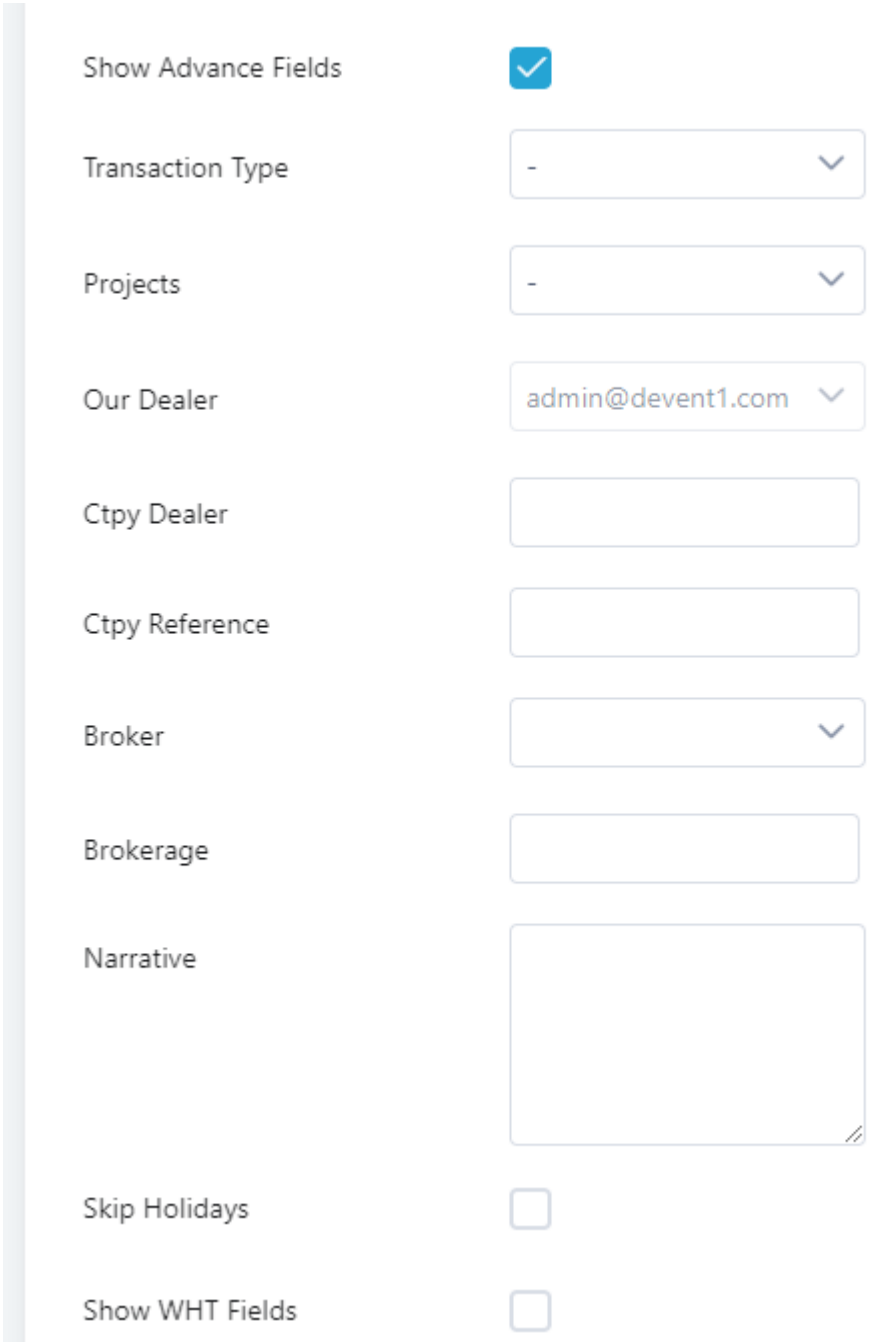
9. The Accrual Method is defaulted to the currency traded. User may change this to another method if necessary. For example, USD default accrual method is Act/360. User may use Act/365 if necessary.

10. Click on the recomp button in the Facility field. This will populate the facility in the drop down list.

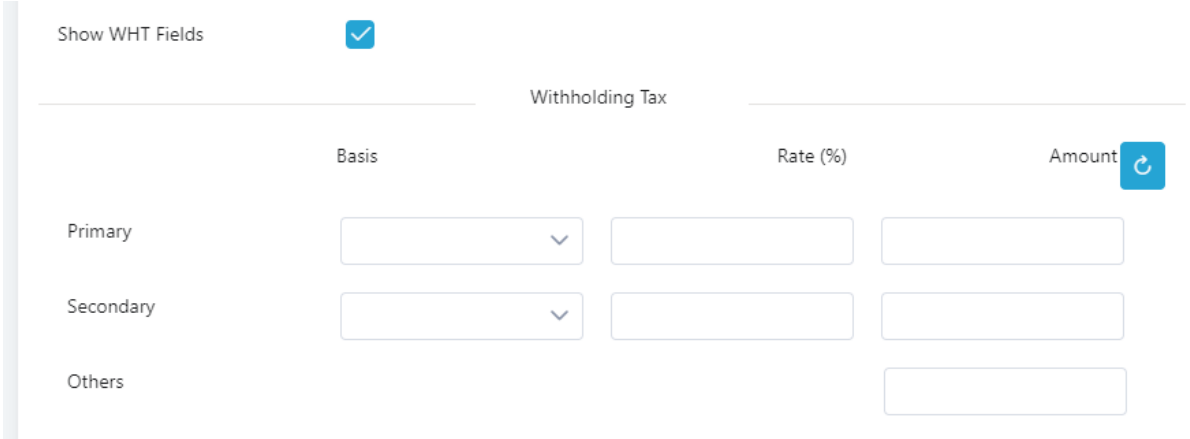
11. Select the facility under which you wish to do the transaction. As you do this, the system will re-compute the available limit for the transaction under that facility. After you select the Facility, the Counterparty ID will be populated.



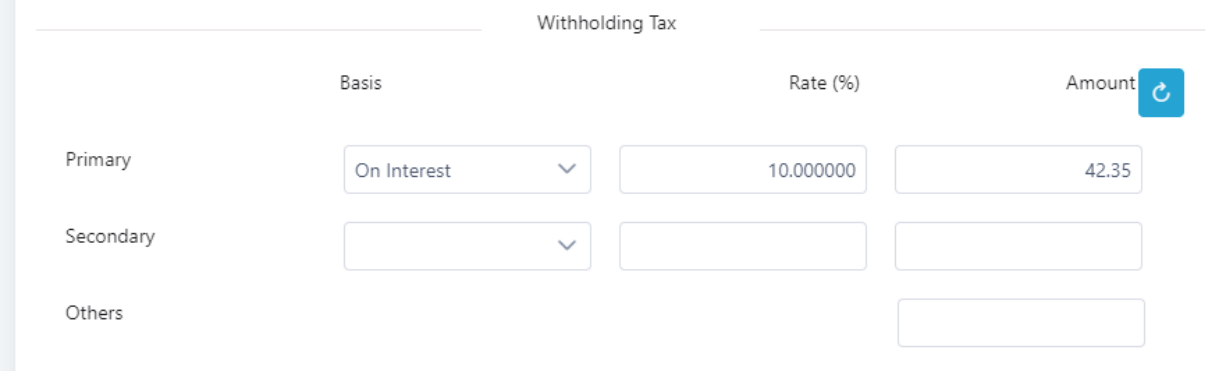
12. To maintain other non-contractual fields, tick on the Show Advance Fields checkbox. These are optional and for internal record purposes.



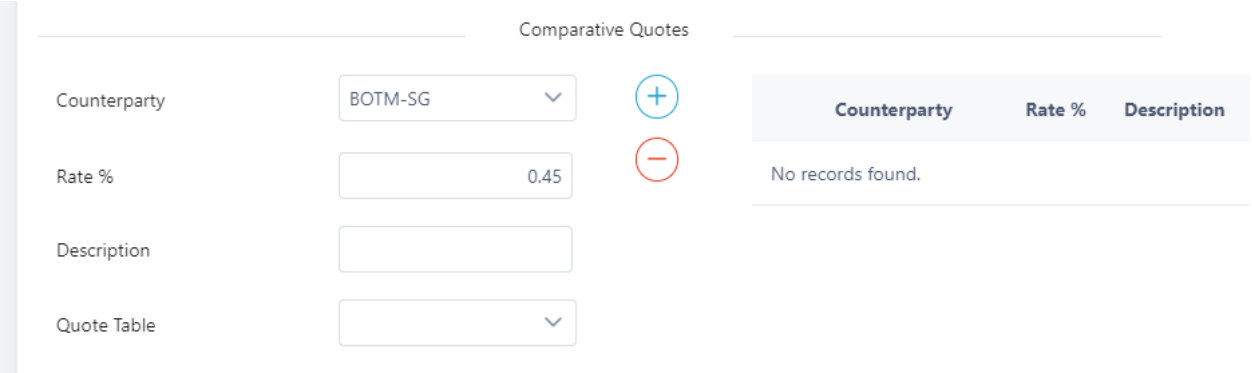
13. To maintain withholding taxes for this transaction, tick on the Show WHT Fields checkbox. The following will display.



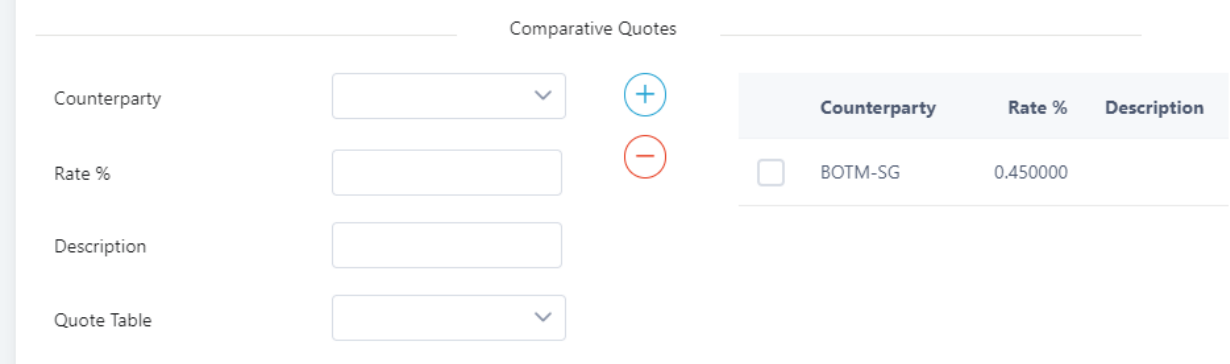
14. Select the withholding tax basis. In this example, the withholding tax is on interest. Enter the withholding tax rate and click on the recompute button. System will compute the withholding tax amount. In this example, 10% of the interest amount. If there is any other taxes that you wish to add for this transaction, enter the amount in the Others field.



15. To maintain quotes from other counterparties for this transaction, select the counterparty and enter the rate under the Comparative Quotes below.

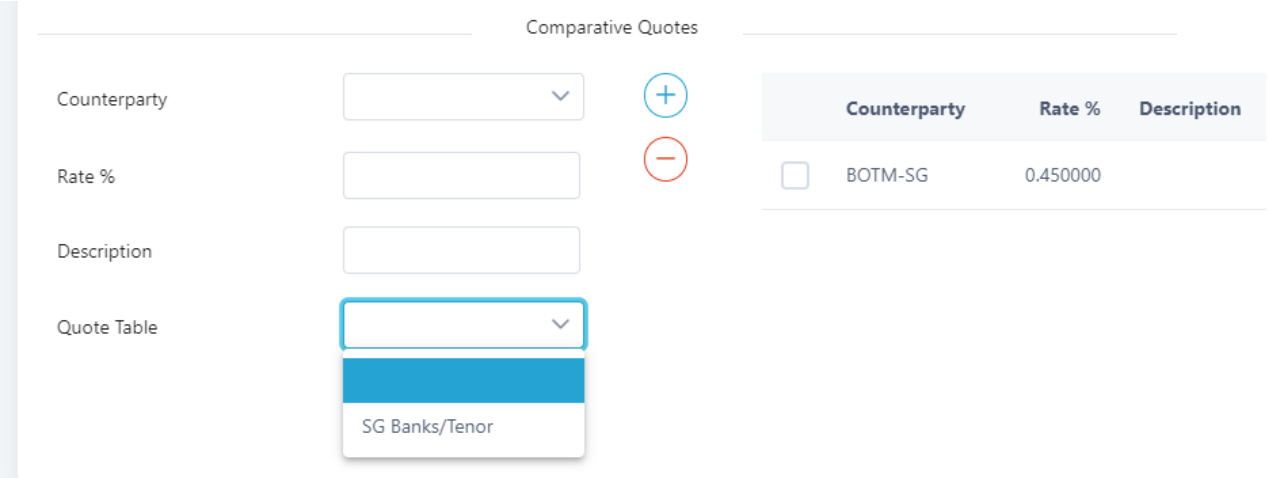


16. Click Add. The counterparty quote will be added to the table on the right.



17. Alternatively, counterparty quotes can be retrieved from Prices > Interest Rate Maintenance. Select the available counterparty quotes from the Quote Table dropdown list and click Add. Click here to see how to maintain counterparties'

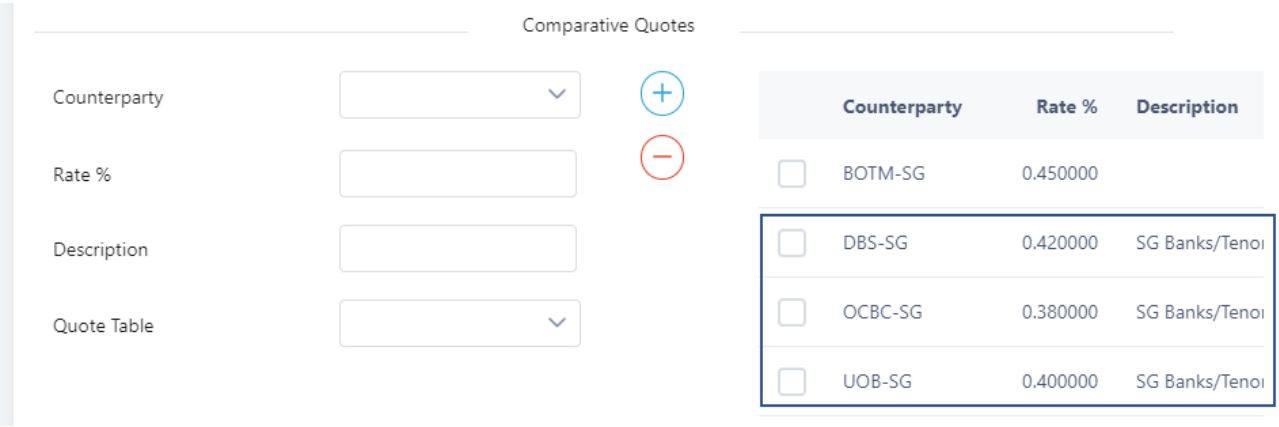
interest rates.
Note: Quote Table will be populated by [Ctpy Group]/[Time Bucket].



18. Quotes for selected counterparty group and tenor will be retrieved from Interest Rates Maintenance based on the transaction TDate, type and currency and displayed in the table on the right.

Note: The computation of trade tenor will be MDate – VDate. System will then check if there are any rates available in the Interest Rate Maintenance where trade tenor is same as the interest rate days. If this is not available, system will get the last available rate.

If the Quote Table has no record to add, system will prompt “There are no quotes available to add for the selected Quote Table.”



19. If both the Quote Table and the Counterparty are selected, system will prompt “Please select either Counterparty or Quote Table rate to add.”. You can only add counterparty quotes manually or get from the Quote table one at a time.

20. When completed, click Book to complete the transaction.

Note: The system will validate both the user's dealing limit and the counterparty limit before proceeding with the booking.

- If the **user's dealing limit** is breached, a prompt will be displayed, and the booking will not be allowed.
- If the **counterparty limit** is breached, a prompt will be displayed. However, the user may proceed with the booking if they have the appropriate additional access rights (11628 – Book MM Trades that exceed limits).

FREQUENTLY ASKED QUESTIONS

FAQ01. How do I set the default accrual method for a currency?

The accrual method for a currency is defined when the currency is set up.

FAQ02. I cannot book the transaction because there are no facilities available in the drop down list for Facility.

Check whether the facility limit and the product have been properly set up under Facility Set up. Make sure that a) the transaction Value Date is on or after the Facility grant date; and, b) the transaction Maturity Date is on or before the Facility Maturity Date.

RELATED INFORMATION

Launching Money Market

Maintaining Interest Rates

CHANGE HISTORY

Date	By	Changes
29-Jul-2015	Clarissa	Created.
12-Jun-2016	Richard	Proofread.
12-Nov-2019	Lyra	Updated screenshots.
22-Jul-2020	TS	Updated instructions and screenshots for comparative quotes enhancement to be able to retrieve quotes maintained in Interest Rate Maintenance.
10-Apr-2023	TS	Updated to W6 instructions and screenshots.