Set Up Currency Pair Quote (W5)

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PURPOSE

This document explains how to define exchange rates quote basis between a pair of currencies.

WHY IS THIS IMPORTANT?

In trading foreign currency, which is under the Foreign Exchange or Non-Deliverable Forward module, you can enter exchange rates between a pair of currencies being traded. As such rates can be quoted directly or indirectly, it is important to set up the currency pair quote basis correctly so that the system can correctly interpret the exchange rates.

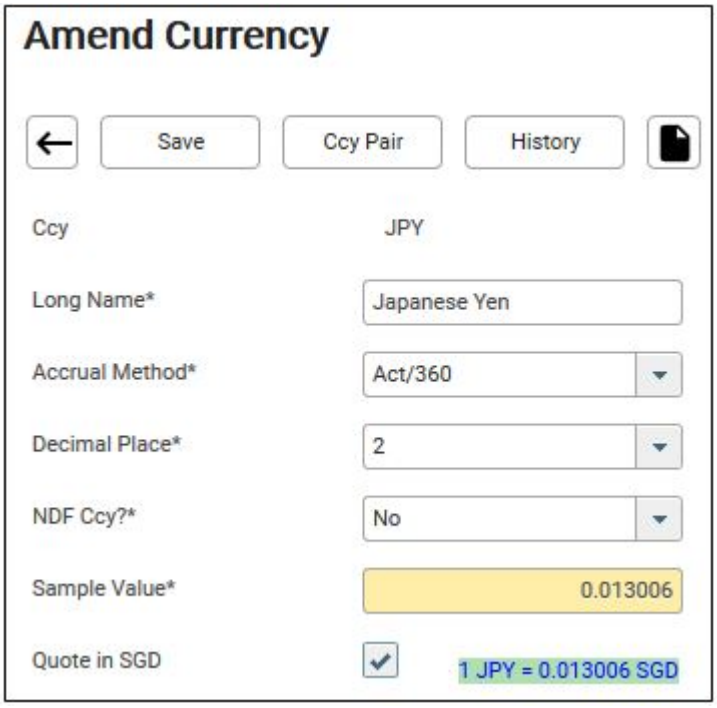
PROCEDURE



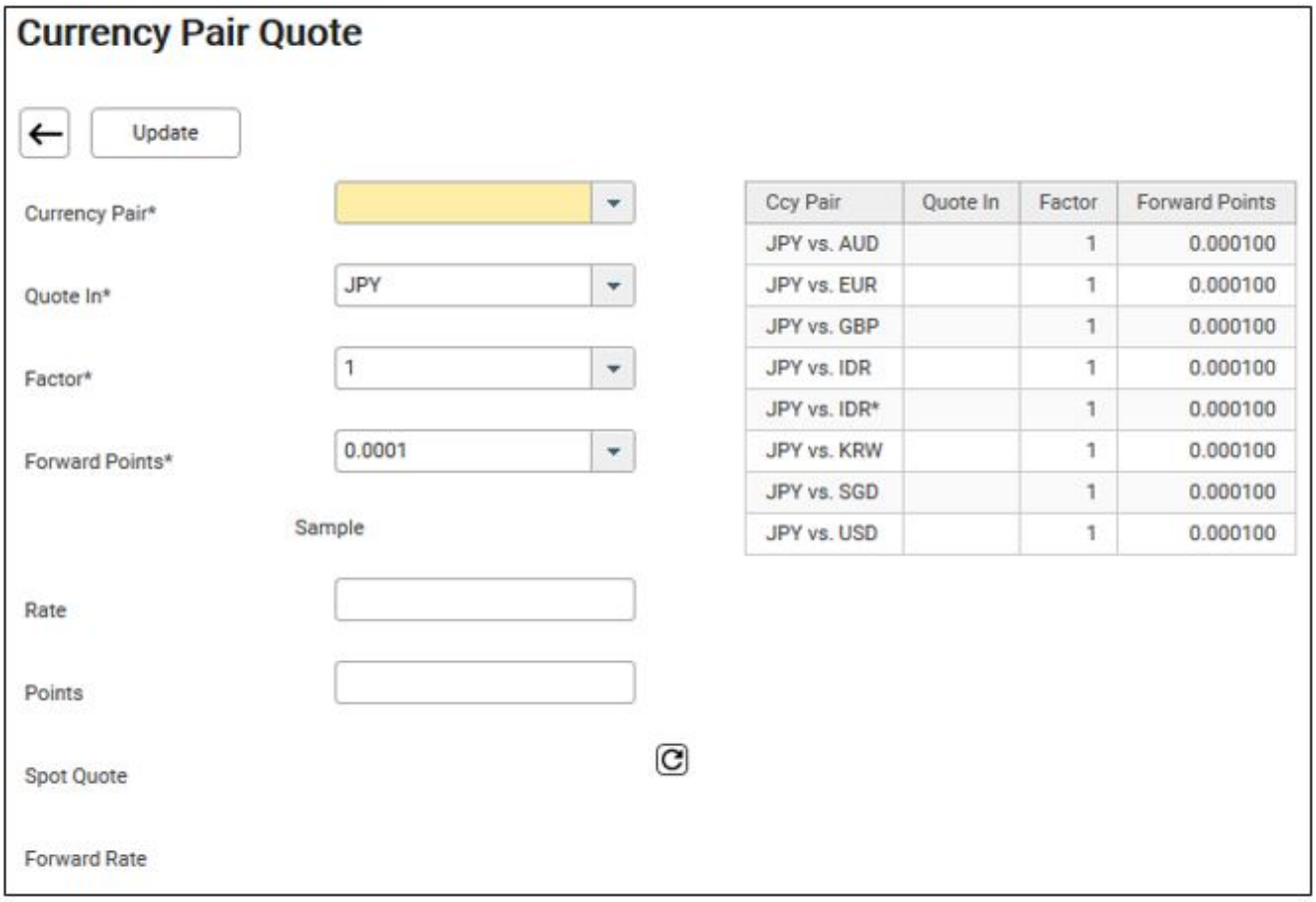
1. From the main menu, select Set Up > Global > Currency.

2. Click on one of the currencies from the pair you wish to define the quote basis. In this example, JPY will be chosen.

3. The system will display the Amend Currency screen of JPY.



4. Click Ccy Pair . The Currency Pair Quote screen will be displayed.



5. From the dropdown, choose which Currency Pair to set up. In this example, we will use JPY vs. SGD.

6. In the Quote In field, select a currency from the dropdown in which the rate

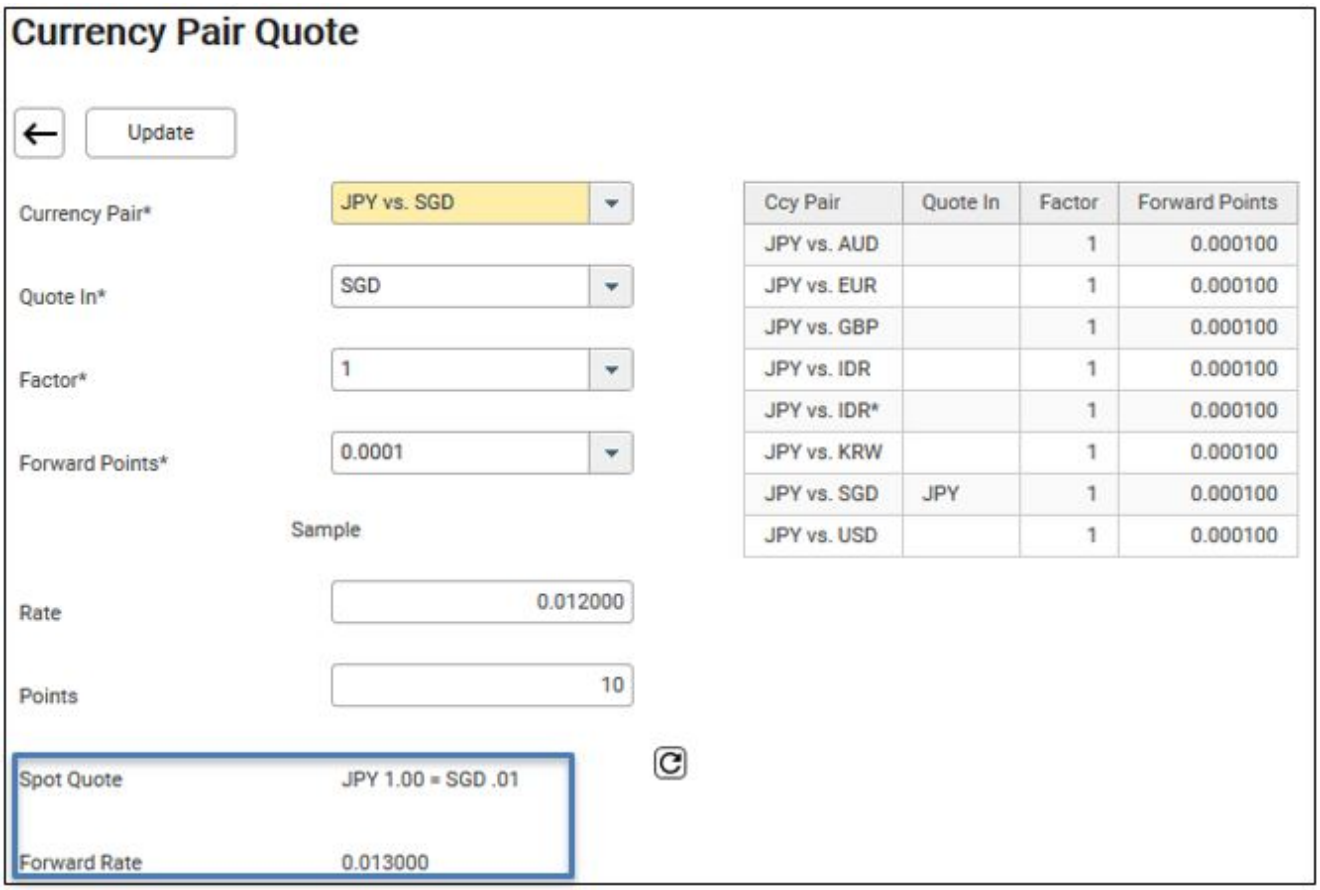
will be quoted. SGD will be used in this example.

7. Then, define the factor for the quote. By default, the factor is 1, which means that the rate is expressed per 1 unit of the currency. You may select 100 if the rate is expressed per 100 units of the currency. In this example, we will use the default. See more details in FAQ01 below.

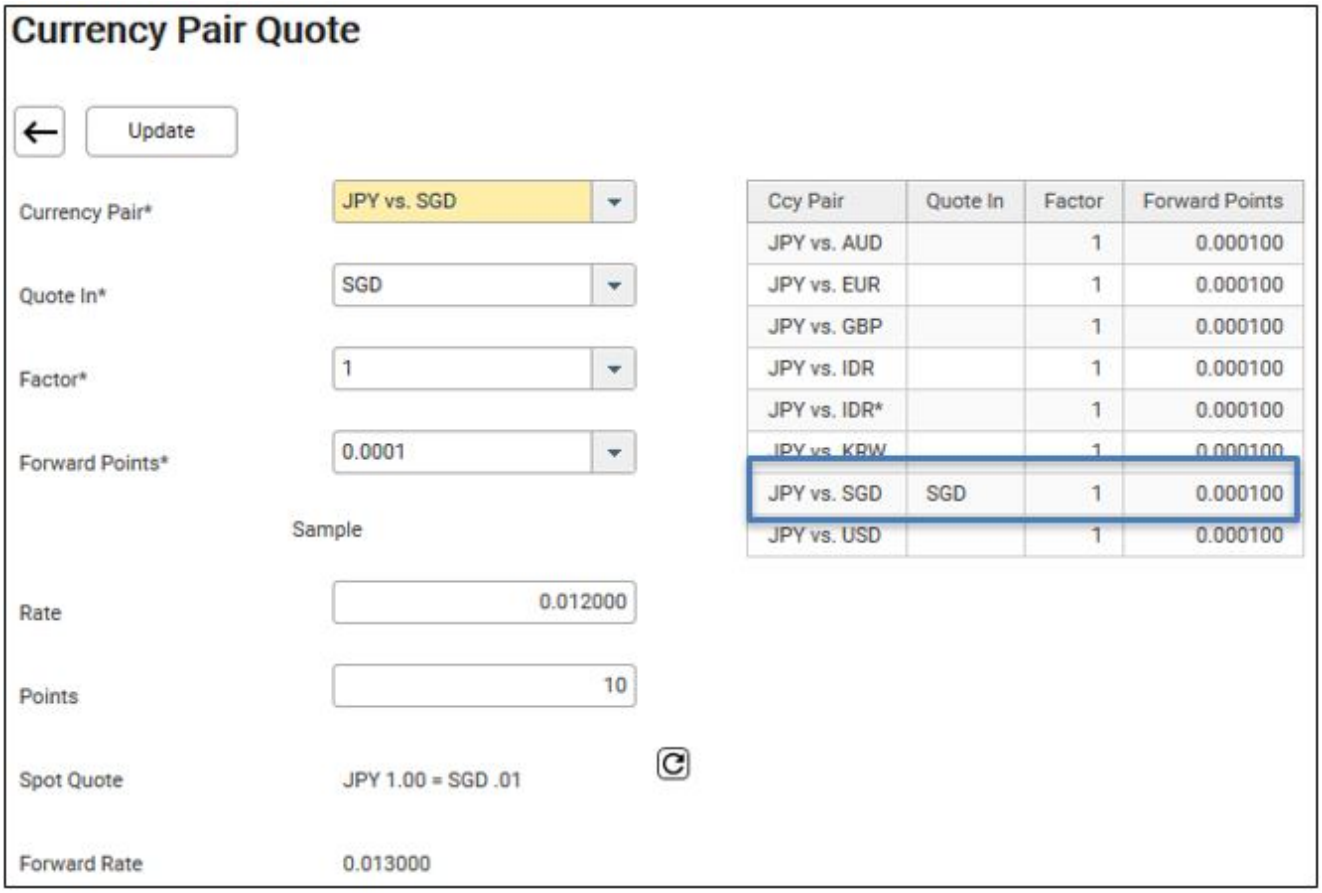
8. Next, define the forward point basis added to or subtracted from the spot rate to determine the forward rate. By Default, 1 point means 0.0001 of the quote. In this example, we will use the default. See more details in FAQ02 below.

9. To check whether these values are correctly set up, input a sample rate and points under the Sample section. In this example, we will input the rate as 0.012 and points as 10.

10. Click on the Recomp button. The screen below will be displayed. Check whether the expressed rate is correct.

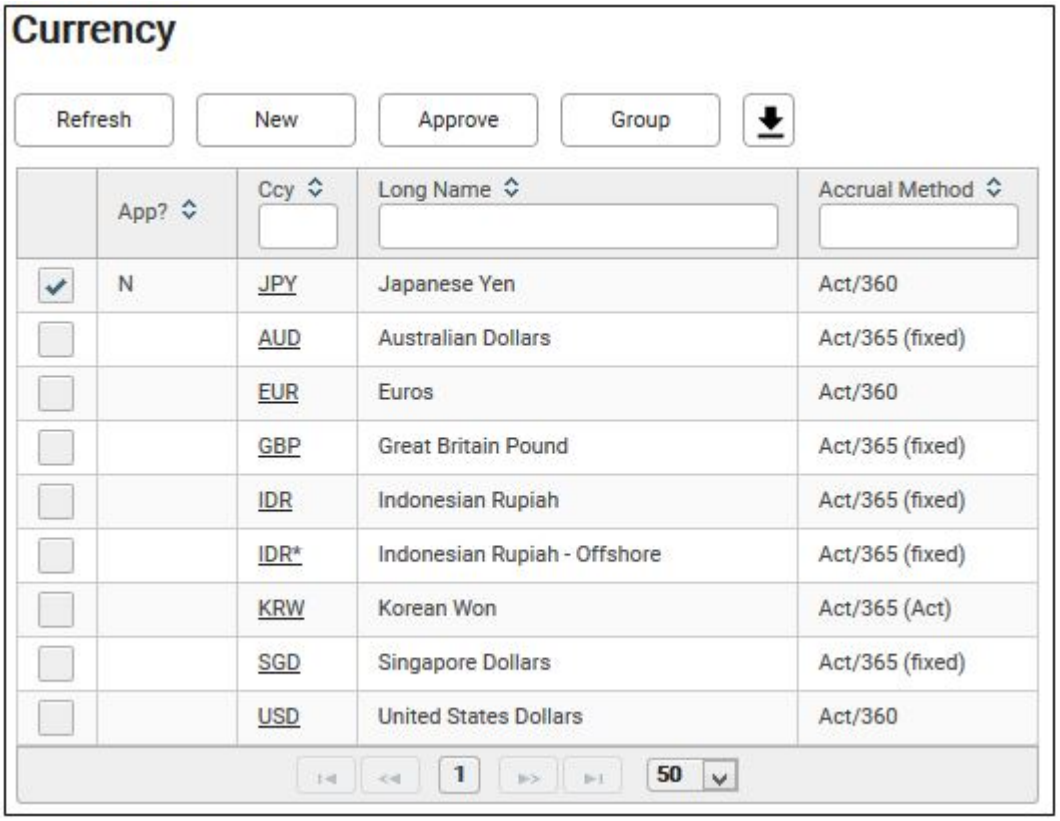


11. To save the quote set up, click Update. The system will refresh and the currency pair quote will be updated on the right side of the screen.



12. Click on Back button twice to return to Currency main screen.

13. On the Currency main screen, a letter N shows in the row of the currency which was amended. Click on the tick box beside it.

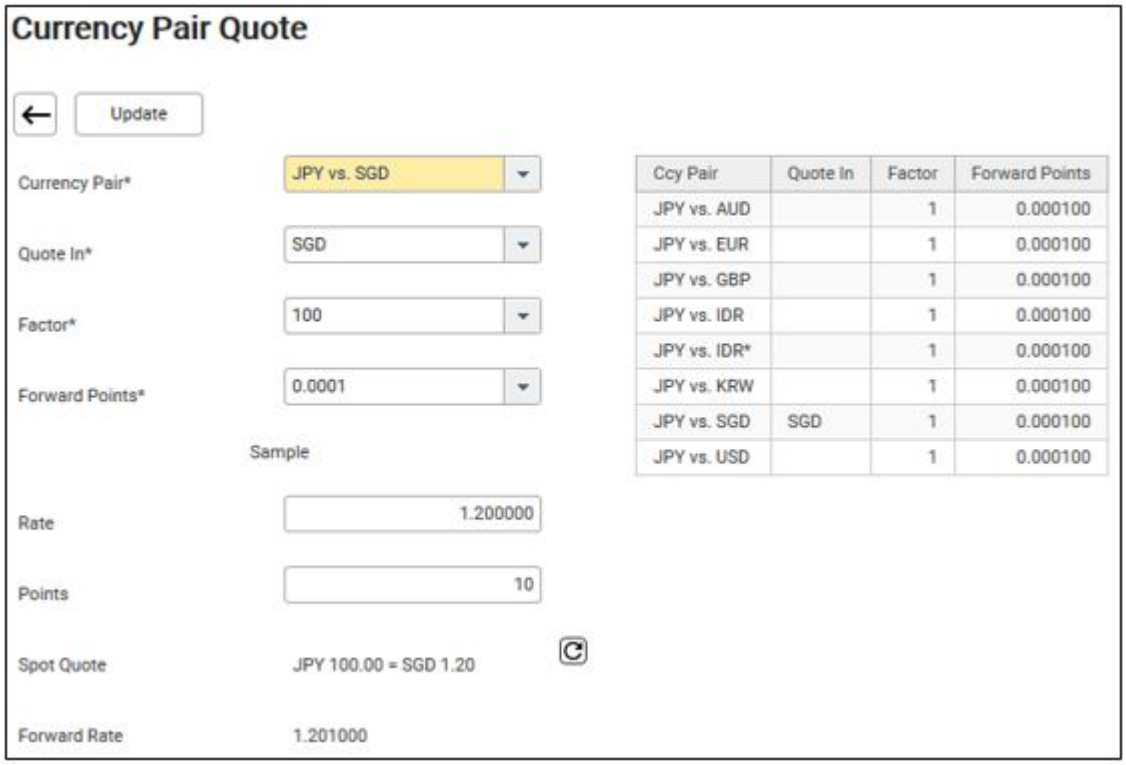


14. Click Approve.

FREQUENTLY ASKED QUESTIONS

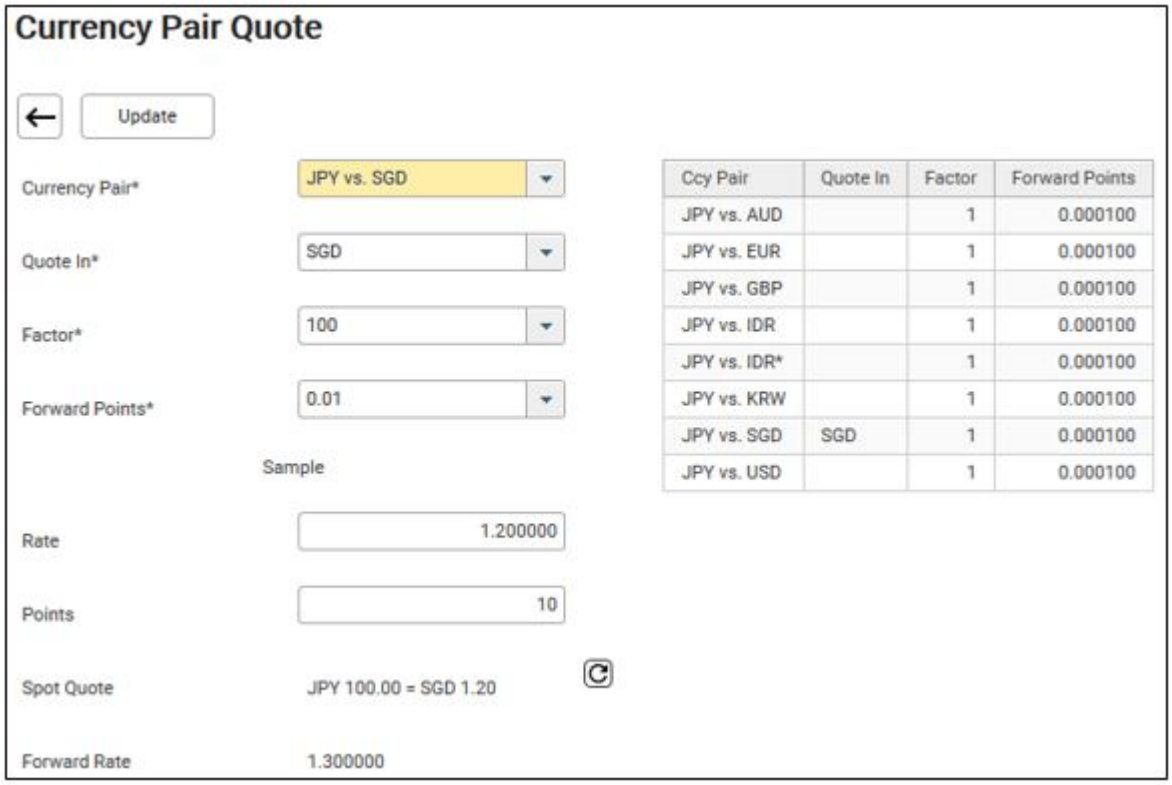
FAQ01. How do we determine what value to put in the Factor field?

Some currencies like Japanese Yen or JPY are sometimes quoted in factors of 100. Select the factor as 100 and key in the sample rate expressed in 100 units of JPY. When the sample quote is recomputed, the Spot Quote will be shown as 100 JPY = 1.2 SGD because setting the factor to 100 will mean 100 units of that currency will always be used. The screen below is an example.



FAQ02. What is Forward Point?

Forward point is used to compute the forward rate. Using JPY vs SGD as an example, select Forward Points as 0.01 and under Sample enter 10 in the Points field. Click on Recomp button. The Forward rate will be computed. The system will multiply the Points (10) with Forward Points (0.01) and will add this to the Rate, which is 1.2 in this example. That will make the Forward Rate 1.3.



RELATED INFORMATION

How to Set Up Currency

CHANGE HISTORY

Date	By	Changes
15-Feb-2008	-	Created
28-Jul-2015	CS	Included section for FAQ
12-Feb-2016	Clarissa	Reformatted. Rewritten.
16-Jun-2016	Douglas	Proofread.
24-Aug-2018	Silpa	Updated step 1.
11-Nov-2019	Lyra	Updated Screenshots.