



Bloomberg Recommended Settings

Bloomberg recommended Interest Rates Curve Settings ensures you obtain Bloomberg’s most accurate price for pricing derivatives with the “best” available data and latest market conventions. Bloomberg’s “best” available data depends on the accuracy, reliability and accessibility of contributions fed into the system.

This document includes:

- 1. Description of Bloomberg Recommended Settings
- 2. How to update your settings to Bloomberg Recommended Settings
- 3. How to revert to your previous settings

Description of Bloomberg Recommended Settings

You can define the settings to be applied to interest rate curves in SWDF <GO>. Bloomberg Recommended settings define:

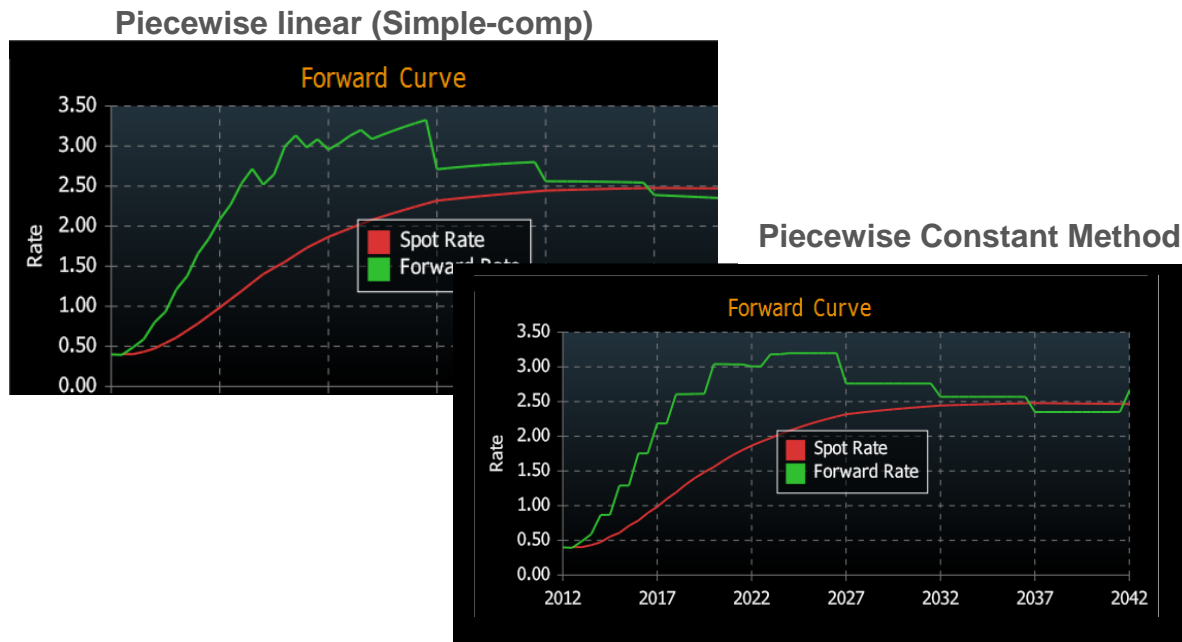
- 1- Market Side
- 2- Interpolation Method
- 3- Cross-Currency Basis Market Side
- 4- (L)ibor Fixing Option for the DV01 Calculation
- 5- OIS Discounting and Dual Curve Stripping
- 6- Use Bloomberg Source 8 for curves by default for pricing

1- Market Side: Mid

Bloomberg recommended settings suggest to use Mid quotes for the underlying instruments of the curve.

2 - Interpolation Method: Step-Forward

Step-Forward assumes a piecewise constant function for the forward rate. Please see below a comparison between the piecewise linear (simple-compounded zero-rate) method and the Step-Forward interpolation methods.



To get more information, please refer DOCS 2064159 <GO>.

3- Cross Currency Basis Market Side: Basis side always at Mid

This setting indicates the curve market quote to be used for pricing cross-currency basis swaps. Bloomberg recommended settings suggest to use Mid quotes.

4- (L) ibor Fixing Option (DV01 Calculation): Constant

This setting is to indicate whether the first Libor Fixing period rate of the derivative should be kept constant or be shifted along with the rest of the curve for the DV01 calculation.

Bloomberg recommended setting suggests keeping the first fixing for the DV01 calculation constant. This is based on the premise that the first fixing has been set so changes in today’s market conditions do not impact this payment period.

5- OIS Discounting/Dual Curve Stripping: Enable

Because of the increasing use of liquid collateral and of initial and variation margin, it is becoming more commonplace to price and value derivatives using an OIS curve, and to infer their future cashflows from a combination of both the OIS and par swap curves (known as Dual Curve Stripping).

The enablement of this Bloomberg Setting will automatically use an OIS curve for discounting and Dual Curve stripping to generate the forwards for the derivatives denominated in any of the following currencies:

OIS Dual Curve Stripping curves								
USD	EUR	GBP	JPY	CAD	AUD	CNY	HKD	RUB
SEK	DKK	NZD	CHF	PLN	COP	INR	MYR	

To have more information, go to OIS <GO>.

6- Swap Curve Source: Use Source 8 Bloomberg Best Curves for liquid currencies

Bloomberg under Source 8 contains the most appropriate instruments to build the swap curve for the short, middle and long sections of the curve (money markets securities, STIRs, FRAs, futures, swap, etc). To see each curve chosen instruments and data source go to ICVS <GO> and select the “Bloomberg Curves”.

2. How to update your settings to Bloomberg Recommended Settings

The screen scans your current settings and displays the list of settings that differ from the Bloomberg Recommended ones. The first column describes the setting suggested to be changed (hover over the label to read the tooltip). The second column indicates your current setting and the third column, the Bloomberg Recommended Setting.

Check the boxes for the settings you want to change to Bloomberg Recommended Settings and click on 'Update'.

1) Update

2) Export

Recommended Settings

Bloomberg Recommended Interest Rate Curve Settings give you Bloomberg's most accurate valuation of derivative instruments involving interest rate curves. For more information [click here](#)

Select the settings to use Bloomberg recommended values and click Update

Summary of Proposed Changes to Use Bloomberg Recommended Swap Curve Settings

Settings for All Curves		User Settings	Bloomberg Settings
1.	<input checked="" type="checkbox"/> Market Side	Pay=Ask / Receive=Bid	Pay=Mid / Receive=Mid
2.	<input checked="" type="checkbox"/> Interpolation Method	Piecewise Linear (Simple)	Step Forward (Cont)
3.	<input checked="" type="checkbox"/> Cross Currency Basis Defaults	Basis side matches leg side	Basis side always at mid
4.	<input checked="" type="checkbox"/> Libor Fixing Option (DV01 Calculation Method)	Constant (L)ibor Fixing	Shifting (L)ibor Fixing
5.	<input checked="" type="checkbox"/> OIS Discounting/Dual Curve Stripping	No	Yes

Currency Filter: All

Currency	Curve#	Curve Name	User Settings	Bloomberg Settings
1. <input checked="" type="checkbox"/> AUD	1	Australian Dollar	Source 1	Src 8 - AUD Bloomberg Curve
2. <input checked="" type="checkbox"/> AUD	159	AUD OIS	Source 1	Src 8 - AUD Bloomberg Curve
3. <input checked="" type="checkbox"/> AUD	302	AUD 6M	Source 1	Src 8 - AUD 6M Bloomberg Curve
4. <input checked="" type="checkbox"/> AUD	303	AUD 3M	Source 1	Src 8 - AUD 3M Bloomberg Curve
5. <input checked="" type="checkbox"/> AUD	306	AUD 1M	Source 1	Src 8 - AUD 1M Bloomberg Curve
6. <input checked="" type="checkbox"/> CAD	4	Canadian Dollar	Source 1	Src 8 - CAD Bloomberg Curve
7. <input checked="" type="checkbox"/> CAD	147	CAD OIS		
8. <input checked="" type="checkbox"/> CAD	330	CAD 1M		
9. <input checked="" type="checkbox"/> CNH	326	CNH CCS Curve		
10. <input checked="" type="checkbox"/> CNY	181	Onshore CNY IRS Q		
11. <input checked="" type="checkbox"/> CNY	200	Onshore CNY IRS S		
12. <input checked="" type="checkbox"/> CNY	228	ONSHORE CNY OIS		
13. <input checked="" type="checkbox"/> CNY	328	Onshore CNY/USD C		

<HELP> for explanation.

Settings saved successfully

2) Export

Recommended Settings

Bloomberg Recommended Interest Rate Curve Settings give you Bloomberg's most accurate valuation of derivative instruments involving interest rate curves. For more information [click here](#)

You are using Bloomberg recommended swap curve settings

Summary of Bloomberg Recommended Settings

Settings for All Curves		Bloomberg Settings
1.	Interpolation Method	Step Forward (Cont)
2.	Market Side	Pay=Mid / Receive=Mid
3.	Cross Currency Basis Defaults	Basis side always at mid
4.	Libor Fixing Option (DV01 Calculation Method)	Shifting (L)ibor Fixing
5.	OIS Discounting/Dual Curve Stripping	Yes

Currency Filter: All

Currency	Curve#	Curve Name	Bloomberg Settings
1. AUD	1	Australian Dollar	Src 8 - AUD Bloomberg Curve
2. CAD	4	Canadian Dollar	Src 8 - CAD Bloomberg Curve
3. DKK	5	Danish Krone	Src 8 - DKK Bloomberg Curve
4. HKD	10	Hong Kong Dollar	Src 8 - HKD Bloomberg Curve
5. JPY	13	Japanese Yen	Src 8 - JPY BB Serial FRA Cr
6. NZD	15	New Zealand Dollar	Src 8 - NZD Bloomberg Curve
7. NOK	16	Norwegian Krone	Src 8 - NOK Bloomberg Curve
8. ZAR	18	So. African Rand	Src 8 - ZAR BB Serial FRA Cr
9. SEK	20	Swedish Krona	Src 8 - SEK Bloomberg Curve
10. CHF	21	Swiss Franc	Src 8 - CHF BB Serial FRA Cr
11. GBP	22	British Pound	Src 8 - GBP BB Serial FRA Cr
12. USD	23	USD Swaps(30/360,S/A)	Src 8 - USD BB Serial Future
13. CZK	27	Czech Republic	Src 8 - CZK Bloomberg Curve

Revert to Previous Settings

A 'Revert to Previous Settings' option appears at the bottom of the screen.

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Press the <HELP> key twice for instant live assistance.

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3. How to revert to your previous settings

You will be able to revert to your previous settings by clicking on the option that appear at the bottom of the screen: 3) Revert to Previous Settings. The first column describes the setting suggested to be changed (hover over the label to read the tooltip). The second column indicates your current setting and the third column, the previous setting.

Check the boxes for the settings you want to revert to your previous settings and click on 'Revert'.

<HELP> for explanation.

<Menu> to Return

1) Revert

2) Export

Recommended Settings

Bloomberg Recommended Interest Rate Curve Settings give you Bloomberg's most accurate valuation of derivative instruments involving interest rate curves. For more information [click here](#)

Select the settings to revert to your previous setting values and click Revert

Summary of Proposed Changes to Revert to Your Previous Swap Curve Settings (Last Change - 11/16/2012)

	Settings for All Curves	Current Settings	Previous Settings
1.	<input checked="" type="checkbox"/> Market Side	Pay=Mid / Receive=Mid	Pay=Ask / Receive=Bid
2.	<input checked="" type="checkbox"/> Interpolation Method	Step Forward (Cont)	Piecewise Linear (Simple)
3.	<input checked="" type="checkbox"/> Cross Currency Basis Defaults	Basis side always at mid	Basis side matches leg side
4.	<input checked="" type="checkbox"/> Libor Fixing Option (DV01 Calculation Method)	Shifting (L)ibor Fixing	Constant (L)ibor Fixing
5.	<input checked="" type="checkbox"/> OIS Discounting/Dual Curve Stripping	Yes	No
	Currency Filter All		

	Currency	Curve#	Curve Name	Current Settings	Previous Settings
1.	<input checked="" type="checkbox"/> AUD	1	Australian Dollar	Src 8 - AUD Bloomberg Curv	Source 1
2.	<input checked="" type="checkbox"/> AUD	159	AUD OIS	Src 8 - AUD Bloomberg Curv	Source 1
3.	<input checked="" type="checkbox"/> AUD	302	AUD 6M	Src 8 - AUD 6M Bloomberg C	Source 1
4.	<input checked="" type="checkbox"/> AUD	303	AUD 3M	Src 8 - AUD 3M Bloomberg C	Source 1
5.	<input checked="" type="checkbox"/> AUD	306	AUD 1M	Src 8 - AUD 1M Bloomberg C	Source 1
6.	<input checked="" type="checkbox"/> CAD	4	Canadian Dollar	Src 8 - CAD Bloomberg Curve	Source 1
7.	<input checked="" type="checkbox"/> CAD	147	CAD OIS	Src 8 - CAD Bloomberg Curve	Source 1
8.	<input checked="" type="checkbox"/> CAD	330	CAD 1M	Src 8 - CAD 1M Bloomberg C	Source 1
9.	<input checked="" type="checkbox"/> CNH	326	CNH CCS Curve	Src 8 - CNH CCS Curve	Source 1
10.	<input checked="" type="checkbox"/> CNY	181	Onshore CNY IRS QUARTERLY	Src 8 - CNY Bloomberg Curve	Source 1
11.	<input checked="" type="checkbox"/> CNY	200	Onshore CNY IRS Shibor	Src 8 - CNY Bloomberg Curve	Source 1
12.	<input checked="" type="checkbox"/> CNY	228	ONSHORE CNY OIS	Src 8 - CNY Bloomberg Curve	Source 1
13.	<input checked="" type="checkbox"/> CNY	328	Onshore CNY/USD CCS Curve	Src 8 - Onshore CNYUSD CCS	Source 1

3) Recommended Settings

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
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Please type the <HELP> key twice, if you have further questions.