

Financial Instruments

Customization Upgrade Guide
Release 5.4
Area: Financial Instruments

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Version history

Version / Date	Section	Description of the change
5.4v1 / 22 March 2023		Added a note about Asset Evaluation Engine changes in ACP 5.7.
5.4v0 / 21 January 2022		This is a new document for Release 5.4.

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1 Introduction



In ACP Release 5.7 there are various customization changes associated with the **Asset Evaluation Engine**. You may decide to change your customization now, instead of waiting until you upgrade to ACP Release 5.7.

If you want to make the customization changes before you upgrade to 5.7, you can use a base parameter to enable the 5.7 behaviour in ACP Release 5.2 and later. For full details, see the *Financial Instruments – Customization Upgrade Guide (doc. ID: 4369)* for ACP Release 5.7.

This document is for customization specialists. It describes:

- Changes you may need to make to your existing customization **before** you upgrade to release 5.4 because of the removal of support in 5.4 for the following items from the `avq.ae` base parameter:

De-released base parameter items	Replacement	Migration details
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<code>split_use_legacy_mode</code>	None	No migration necessary, because the consumers of the splitting functionality are all in the kernel. No object or doc migration is necessary.
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<code>use_legacy_intr_crv</code>	None	The details are specified in the following section.
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Note that you can make the necessary changes, described belowS from Avaloq Core release 5.2. You don't have to wait until release 5.4 to make these changes.

1.1 De-release of `use_legacy_intr_crv`

The `avq.ae` base parameter's `use_legacy_intr_crv` item was used to control the way spread curves (object subtype `md_spread_crv`) stored data:

- In the legacy mode, the spread curve information was stored as zero rate in the market data domain yield, where used in the non-legacy mode, the information is storied as discount factors in the market data domain `df_crv`.
- In the new mode (non-legacy), the data is generated by the bootstrapping task 1871. In the old legacy mode, you had to enter directly the zero rates onto the spread curve object – see figure 1 and 2 below.

Item	Effective Date	Market data type 1	Value 1	Market data type 2	Value 2	Currency	Market Data Domain	Signature	Signature 2	Prio.	Market	Market Data Scenario	Price source	Price Quotation
EUR spread for high rating														
30705243	02.09.2020	value	-0.20			%	yield	1y (360)				Evaluation Historic	manual	Price in Percent
30705244	02.09.2020	value	-0.25			%	yield	2y (720)				Evaluation Historic	manual	Price in Percent

Figure 1: Legacy mode: spread curve

Item	Effective Date	Market data type 1	Value 1	Market data type 2	Value 2	Currency	Market Data Domain	Signature	Signature 2	Prio.	Market	Market Data Scenario	Price source
EUR spread for high rating													
30709111	02.09.2020	value	()	object	()		Discount factor curve					Evaluation Historic	Generate interest curves

Figure 2: Non-legacy mode: spread curve

The spread curve object now also needs a source collection pointing to the list of spread curve MDOs which will be used in the bootstrapping task 1871.

Order Information		Order Type	Modify	Effective Date	02-SEP-2020
Basics		Open Date	MinDate	Close Date	Type
Names		Abbreviation	EUR.SPR.1	Name	EUR spread for high rating
		Full name	EUR spread for high rating	Numeric sort	
Details		Asset	EUR	Reference Asset	
		Data Source		Market	
		Price source		Unit	level in percent
		Price type		Frequency	
		Next Timestamp		Time zone	
		Period		Compounding method	continuous
		Interest calculation method	German (30/360)		
		Source collection	(SC.EUR_SPR_High_Rat)		
Miscellaneous		Remark			

Navigator	Object	(SC.EUR_SPR_High_Rat)
Collection	(SC.EUR_SPR_High_Rat)	
Basics		
Additions		
Classes		
Class History		
Class History (Inactive)		
Keys		
Active roles		
Passive roles		
Access		
Auditing		
Current Result		
Count	2 objects in collection, 2 shown	
Numeric sort	Sort Alpha	Market data object
	EUR SPREAD HIGH RATING 1Y	
	EUR SPREAD HIGH RATING 2Y	
History of collections members		
Restriction		
Name		
Name History		
Mailing		

Figure 3: Spread curve object with collection of spread curve MDOs (non-legacy mode)

Each spread curve MDO needs calendar details to be set to identify its position on the curve.

Order Information
Order Type: Effective Date: 02-SEP-2020

Basics
Open Date: 02-SEP-2020 Close Date: Type: Spread rate

Names
Abbreviation: EUR SPREAD HIGH RATING 1Y
Name: EUR SPREAD HIGH RATING 1Y
Full name: EUR SPREAD HIGH RATING 1Y
Numeric sort:

Details
Asset: EUR
Data Source:
Price source:
Price type:
Next Timestamp:
Period:
Interest calculation method: German (30/360)
Source collection:
Reference Asset:
Market:
Unit: level in percent
Frequency:
Time zone:
Compounding method: continuous

Miscellaneous
Remark:

Calendar details
Value Date Start: 0v
End date: 1yv
Periodicity: Yearly (Rolling)
Correction of Period:
OK Cancel

Figure 4: Spread curve MDO (non-legacy mode)

Finally, we need to feed market data to each point in MD domain "INTR".

Order Information
Order Type: Effective Date: 02-SEP-2020

Basics
Open Date: 02-SEP-2020 Close Date: Type: Spread rate

Names
Abbreviation: EUR SPREAD HIGH RATING 1Y
Name: EUR SPREAD HIGH RATING 1Y
Full name: EUR SPREAD HIGH RATING 1Y
Numeric sort:

Details
Asset: EUR
Data Source:
Price source:
Price type:
Next Timestamp:
Period:
Interest calculation method: German (30/360)
Source collection:
Reference Asset:
Market:
Unit: level in percent
Frequency:
Time zone:
Compounding method: continuous

Miscellaneous
Remark:

Calendar details
Value Date Start: 0v
End date: 1yv
Periodicity: Yearly (Rolling)
Correction of Period:
OK Cancel

Figure 5: Market data domain of the spread curve MDO

Because the spread curve data is stored differently in the non-legacy mode, one has to bootstrap the spread curves for all backdated dates needed, to be able to use it.