



Option on Swap Points

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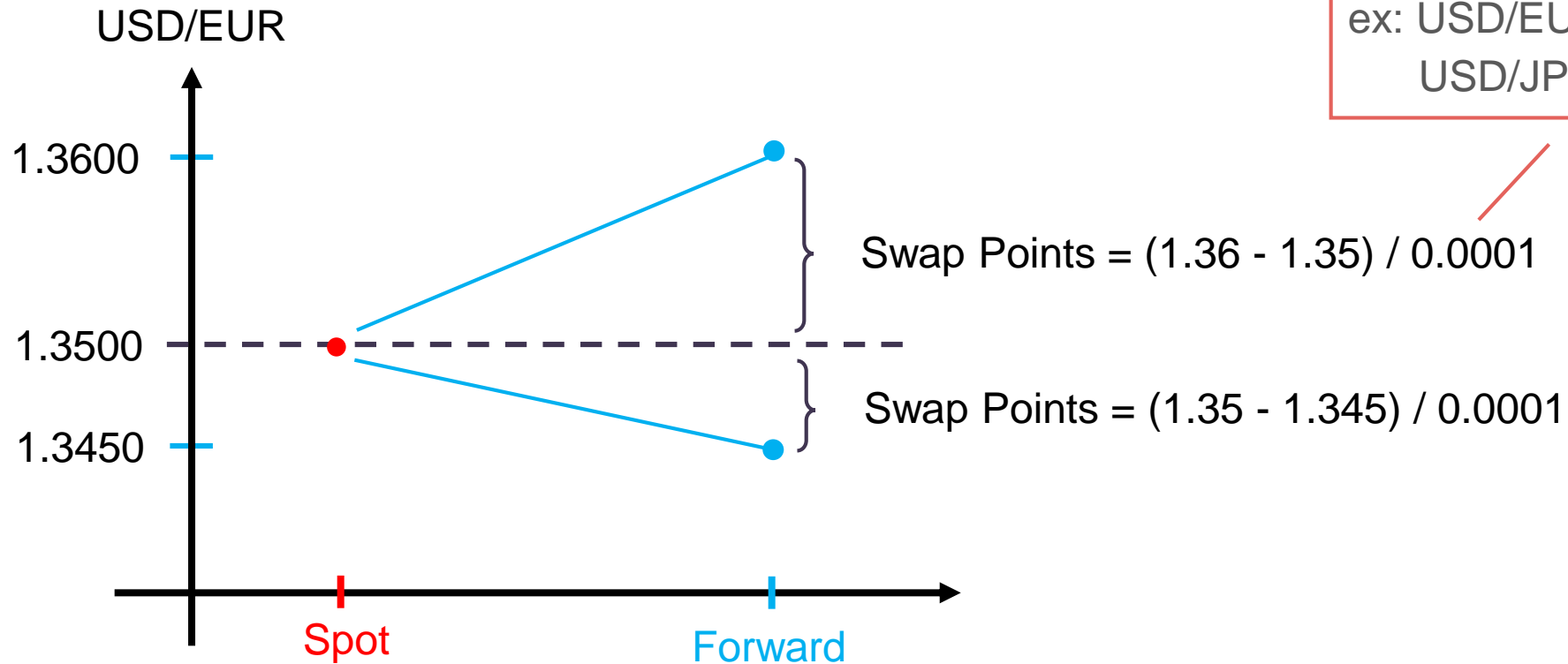
07355003 許沛萱

Swap Points

What are Swap Points?

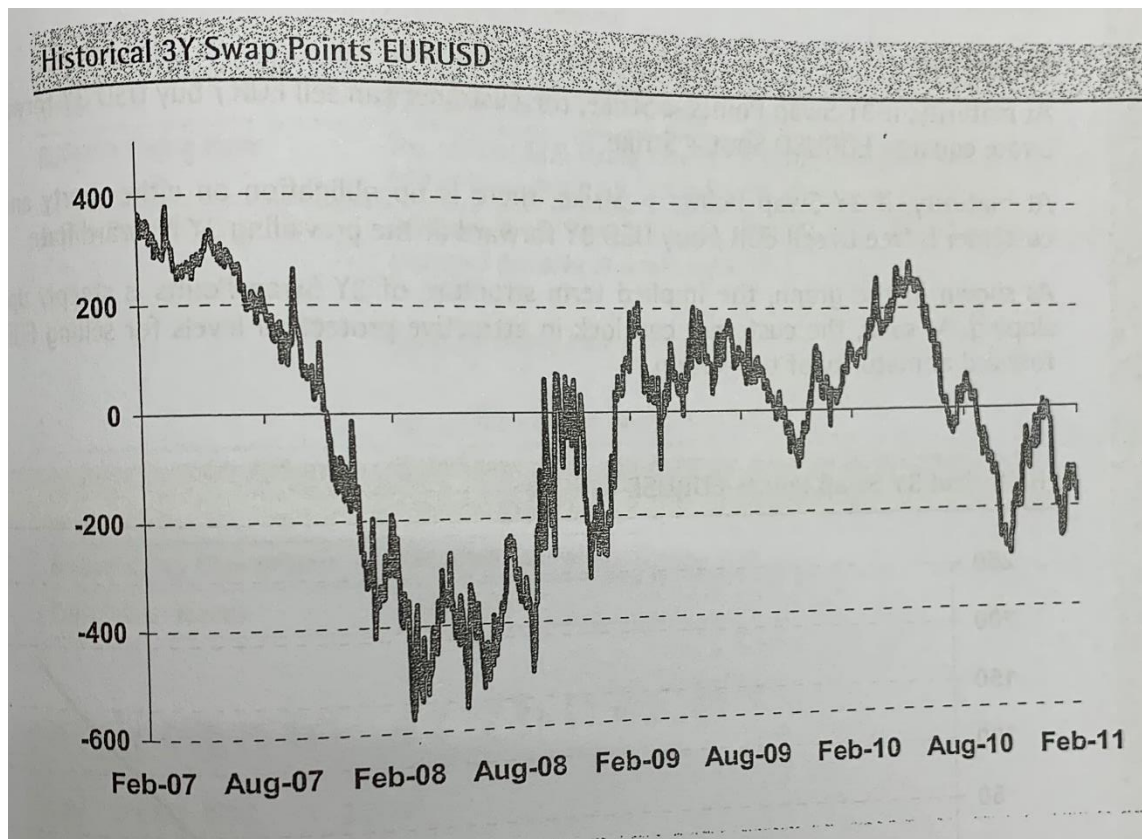
$$\text{Swap Points} = \text{Forward} - \text{Spot}$$

pip(價格點)
匯率變動的最小單位
ex: USD/EUR 0.0001
USD/JPY 0.01





Why Hedge Swap Points Risk?



原因一：經濟大蕭條過後，匯率變動發生改變

原因二：每個國家及區域間景氣復甦的速度差異



Option on Swap Points

Term Sheet

	Example Terms and Conditions
Party A	BNP Paribas
Party B	Client
Expiry Date	Trade Date + 2 Years
Settlement Date	Expiry Date + 3 Years
Notional Amount	USD 100,000,000
Premium	2.5% of the Notional Amount (on Value Date)
Value Date	Trade Date + 2 Business Days
Strike	0.01 USD per EUR [100 Pips]
EURUSD Fixing Rate	The official ECB fixing rate for EURUSD as published on Reuters page ECB37 at or around 2.15 PM Frankfurt time on Expiry Date
Expiry Profile	On Expiry Date Party B has the right to sell Notional Amount at a rate equal to EURUSD Fixing Rate + Strike For delivery on the Settlement Date

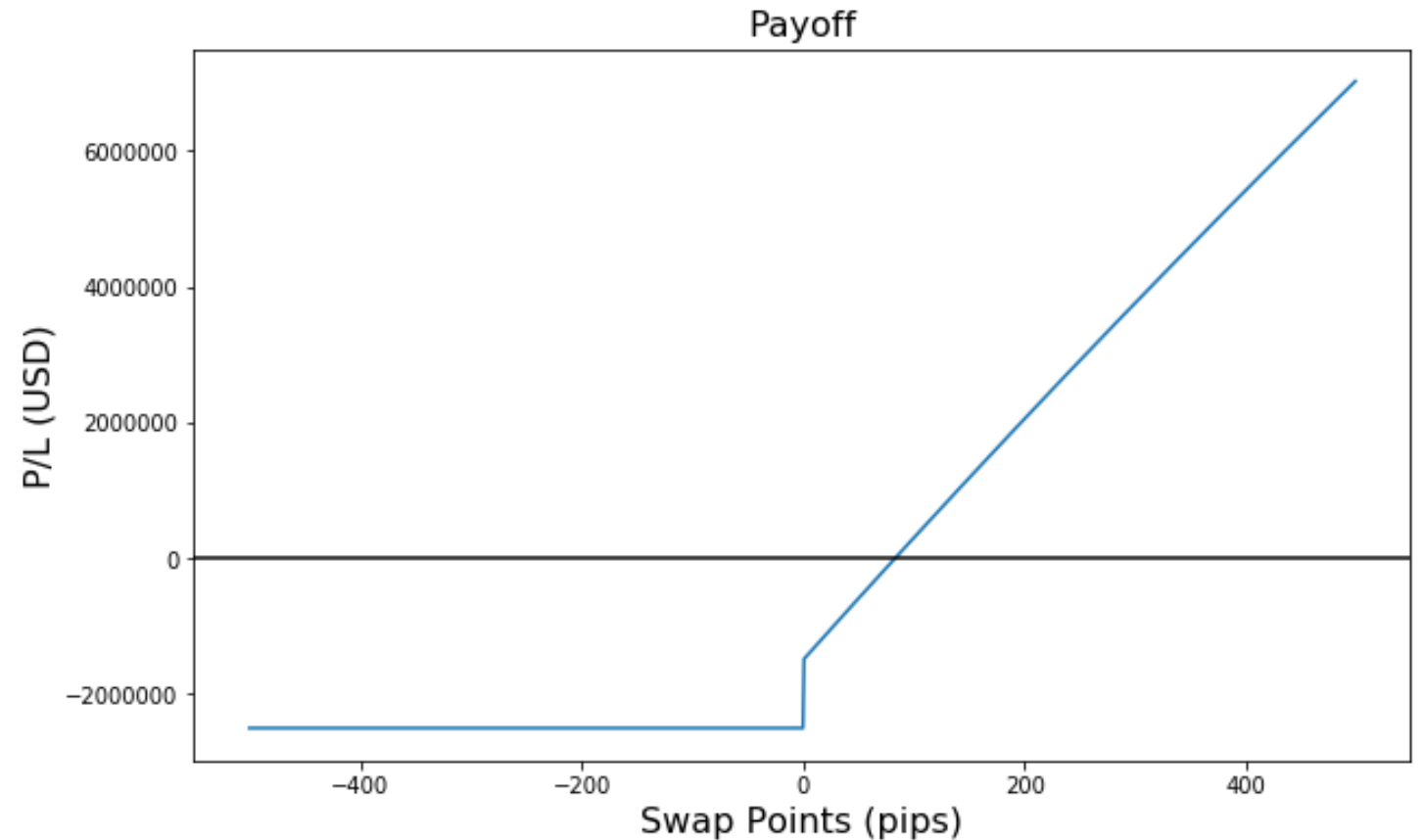
Settlement

1. 3Y Swap Points > Strike

Sell USD / buy EUR 3Y Forward at a rate equals to EUR/USD Spot + Strike

2. 3Y Swap Points < Strike

No obligation on either party





THANK **Y**OU!