

How Basis Entry works

M2M is used to compute fair value of the contracts. In order to compute the same , we need to find the difference between the latest market value and the contract value.

Using the risk management preferences , data will be populated in the grid below.

Company Configuration

Done Save Close

Multi-Company

System Manager

General Ledger

Credit Card Recon

Inventory

Purchasing

Sales

Payroll

Notes Receivable

Ticket Management

Contract Management

Risk Management

Logistics

Manufacturing

Tank Management

Card Fueling

CRM

Risk View

Auto Assign Long Futures

Basis & Physical Position Reports

Report Level

Timing Field

Base Currency

Include Inventory

Mark to Market

Include Inventory

Include Basis/Differentials in Results

Value Basis and DP Deliveries

Enter Separate Market Basis/Differentials for Buy vs Sell

Canadian Contract(s)

Enter Forward Curve for Market Basis/Differential

Evaluation By

Evaluation By

Trader/Elevator

☐

USD

☒

☒

☒

☒

Item

Location

2.73s

Ready

Basis Entry -

New Save Search Delete Import Undo Fetch Export Close

Details

Imported Transactions

Grain Basis

Documentation

Audit Log

Activities

Type

Mark to Market

Date

03/12/2018 01:28 PM

Copy Data

Export

View

Filter (F3)

Futures Market	Commodity	Item	Location	Market Zone	Period To	Contract Type	Origin	Currency	Contract/Inven	Cash	Basis/Discol
CBOT Corn	Corn	1001	0001-Fort ...			Purchase		USD	Inventory		
CBOT Corn	Corn	1001	0001-Fort ...		Dec 2016	Purchase		USD	Contract		
CBOT Corn	Corn	2 CORN	0001-Fort ...		Nov 2016	Purchase		USD	Contract		
CBOT Corn	Corn	2 CORN	0001-Fort ...		Apr 2017	Purchase		USD	Contract		
CBOT Corn	Corn	2 CORN	0005 - Chat...		Mar 2016	Purchase		USD	Contract		
CBOT Corn	Corn	2 CORN	0005 - Chat...		Apr 2016	Sale		USD	Contract		
CBOT Corn	Corn	2 CORN	0006 - Blen...		Feb 2016	Purchase		USD	Contract		

Date : User selects a date. The spot price and basis will be entered as on this date.

In basis entry screen the column values are showing bases on the setting in company configurations

- In company configurations Set the " Enter separate market basis or differential for buyvs Sell " as true then in Basis entry screen we can see the Contract Type column will show " Purchase and sales"

This will group the contracts which is against the same month and item and location and group by purchase .
if the same is unchecked then the Contract type will be blank

- **In company configurations Set the " Enter forward curve for Market basis / Differential " as true then in basis entry screen we can see the "Period to" column will show the Contract end date .**
for eg: We created a purchase contract for Corn and selected the contract end date as "
Now if we load the basis entry screen . this will show a line item for
Commodity- corn
item -Corn
Location
Period To- Feb 18
Contract type- purchase
If the same check box is unticked then " Period to " column will be blank.
- **In company configurations Set the " Evaluation by : as item and second evaluation by as : Location :**
now the Basis entry will show the item name and locaiton name for each entry and the grouping also will be based on that.
- **In company configurations Set the " Evaluation by : as Commodity and second evaluation by as : Market zone:**
now the Basis entry will show the commodity name and Market zone for each entry and the grouping also will be based on that.
This time the Locaiton and item column will be blank.
- **In company configurations Set the " first Evaluation by : as Commodity or item and second evaluation by as : company:**
now the Basis entry will show the commodity name for each entry and the grouping also will be based on that.
This time location , item and market zone will be blank
- for each grouping one line item should be there as inventory once the contract is received in to inventory . and the IR is created.

For each grouping one line item should be there as inventory once the contract is received in to inventory .

Basis Entry-

New Save Search Delete Import Undo Fetch Export + Close

Details Imported Transactions Grain Basis Documentation Audit Log Activities

Type Mark to Market Date 03/12/2018 01:53 PM Copy Data

Export View Wheat x

Futures Market	Commodity	Item	Location	Market Zone	Period To	Contract Type	Origin	Currency	Contract/Inventory	Cash	Basis/Discount	Weight UOM
CBOT Corn	Wheat	Wheat	0001-Fort...			Purchase		USD	Inventory			Bushels
CBOT Corn	Wheat	Wheat	0001-Fort...		Feb 2018	Purchase		USD	Contract			Bushels

To input the basis value, Open basis entry screen and enter the value in the Basis/discount column and click on save.

Copy date feature

User may copy the basis data from a previous entry to pre-populate the data. He can do so by clicking on this box, it will show a list of dates for which market data was previously saved; user can select one and all the information from the selected date is copied to the new record.