

# How to Price a Contract

Here are the steps on price a contract:

- 1. Go to the Contract Management -> Contract.
- 2. Create a Basis contract.

Contract - 2536

NewSaveRefreshSearchDeleteUndoDuplicatePrintEmailProcessClose

DetailsAdditional InfoDocumentation (0)Audit Log (1)Comments (0)History

TemplatePO-CoffeeContract Date:09/07/2016INCO/Ship TermContract No:2536

Type:PurchaseEntity Contract:Country:SalespersonJeff

EntityA&AProvisional:PositionShipmentContract Text

Contact:Load BasedLoad: # of Loads:Pricing Type:BasisGrades

Category:Qty/Load:TermsNet 30 days from d:WeightsNet Shipped weights,

CommodityCoffeeSigned:Printed:

Quantity:1,000,00069 kg bag

+ InsertX RemoveOpenCopySliceLoad ScheduleQuality CaptureTransferLayoutFilter Records (F3)

Sequence	Status	Location	Item	Start Date	End Date	Contracted	UOM	Balance	Available	Pricing Type	Applied	Cash Price	P
1	Open			03/02/20...	03/04/20...	1,000	69 kg bag	1,000	1,000	Basis	0		6

- 3. Go to Contract Management and open Price contract screen.

Contract Management

Contracts

Contract Status

Reassign

Price Contracts

- 4. The created contract will be available for pricing.

Price Contract

OpenRefreshExportClose

Price ContractPricing Detail

LayoutFilter Records (F3)87 record(s)

Purchase/Sell	Customer/Vendor	Commodity	Location	Contract	Sequence	Futures Month	Basis	Quantity	UOM	No Of Lots
<input type="checkbox"/> Purchase	A&A	Coffee	California	2536	1	Dec 16	2,0000	1,000,0000	69 kg bag	5,6

- 5. Select the contract and click on Open. The following price contract screen will display.

Price Contracts

SaveSearchDeleteUndoPrintClose

Details

Contract

Purchase/Sale:PurchaseCommodity:Coffee

Customer:A&AContract:2536

Sequence:2536 - 1Location:California

Price UOM:69 kg bagSequence Qty:1000

Pricing Status

Total Lots:5,00

Lots Fixed:

Lots Hedged:

Lots Unfixed:

PricingAdditional CostSpread/Arbitrage

Pricing Detail

Fixation Date:09/08/2016Futures Price:

Order:ConfirmedUOM:69 kg bag

Qty:1,000,0000UOM:69 kg bagBasis:2,0000

Lots:5,00Cash Price:2,0000

Futures Market:NYC ICENotes:

Futures Month:Dec(2) 16

Futures

Hedge:

Hedge Price:

Currency:USCUOM:Pound

Hedge Month:

Broker:

Broker Account:

+ InsertX RemoveSplitLayoutFilter Records (F3)

Date	Lots	Qty	Futures Price	UOM	Price in 69 kg bag	Hedge Price	Basis	Spread/Arb	Cash Price	Final Price

Summary

Price without Roll/Arb:Contract Basis:2,0000Roll/Arb:Additional Cost:0,0000Cash Price:2,0000

6. The Details will be defaulted from Contract and fields are not editable.

**Details**

<b>Contract</b>		<b>Pricing Status</b>	
Purchase/Sale:	Purchase	Commodity:	Coffee
Customer:	A&A	Contract:	2536
Sequence:	2536 - 1	Location:	California
Price UOM:	69 kg bag	Sequence Qty:	1000
Total Lots:		5,00	
Lots Fixed:			
Lots Hedged:			
Lots Unfixed:			

7. The highlighted fields of the Pricing Tab- pricing detail will be populated automatically from the contract.

**Pricing** Additional Cost Spread/Arbitrage

**Pricing Detail**

Fixation Date: 09/08/2016 Futures Price:

Order: Confirmed UOM: 69 kg bag

Qty: 1,000,000 UOM: 69 kg bag Basis: 2,000

Lots: 5,00 Cash Price:

Futures Market: NYC ICE Notes:

Futures Month: Dec(Z) 16

**Futures**

Hedge: ☐

Hedge Price:

Currency: USC UOM: Pound

Hedge Month:

Broker:

Broker Account:

+ Insert X Remove Split: ☐ Layout Filter Records (F3)

Date	Lots	Qty	Futures Price	UOM	Price in	Hedge Price	Basis	Spread/Arb	Cash Price	Final Price
<input checked="" type="checkbox"/>										

8. To price a contract, provide Future Price value and it will calculate the cash price. Click on Insert button to add the pricing.

**Pricing** Additional Cost Spread/Arbitrage

**Pricing Detail**

Fixation Date: 09/08/2016 Futures Price: 120

Order: Confirmed UOM: 69 kg bag

Qty: 1,000,000 UOM: 69 kg bag Basis: 2,000

Lots: 5,00 Cash Price: 122,000

Futures Market: NYC ICE Notes:

Futures Month: Dec(Z) 16

**Futures**

Hedge: ☐

Hedge Price:

Currency: USC UOM: Pound

Hedge Month:

Broker:

Broker Account:

+ Insert X Remove Split: ☐ Layout Filter Records (F3)

Date	Lots	Qty	Futures Price	UOM	Price in	Hedge Price	Basis	Spread/Arb	Cash Price	Final Price
<input checked="" type="checkbox"/>										

9. To hedge a contract, select the Hedge check box from Future grid. Hedge Price will be automatically populated from Contract Future price. It is editable and other price can be provided for hedging.
10. Hedge month will be populated by default contract future month. It is editable and can be changed.
11. Select Broker and broker account. Click on Insert button to add the pricing.

**Pricing** Additional Cost Spread/Arbitrage

**Pricing Detail**

Fixation Date: 09/08/2016 Futures Price: 120,000

Order: Confirmed UOM: 69 kg bag

Qty: 1,000,000 UOM: 69 kg bag Basis: 2,000

Lots: 5,00 Cash Price: 122,000

Futures Market: NYC ICE Notes:

Futures Month: Dec(Z) 16

**Futures**

Hedge: ☒

Hedge Price: 120,00

Currency: USC UOM: Pound

Hedge Month: Dec(Z) 16

Broker: Jefferies Bache Limited

Broker Account: 1234RT

+ Update X Remove Split: ☐ Layout Filter Records (F3)

Date	Lots	Qty	Futures Price	UOM	Price in	Hedge Price	Basis	Spread/Arb	Cash Price	Final Price
<input checked="" type="checkbox"/>	09/08/2...	5,00	1000...	120,000	69 kg bag	120,000	2,000		122,000	122,000

12. It will automatically calculated and display on the Summary Screen.

13. Click on Save to price a contract.

Price Contracts

Save Search Delete Undo Print Close

Details

Contract

Purchase/Sale: Purchase Commodity: Coffee

Customer: A&A Contract: 2536

Sequence: 2536-1 Location: California

Price UOM: 69 kg bag Sequence Qty: 1000

Pricing Status

Total Lots: 5,00

Lots Fixed: 5,00

Lots Hedged: 0,00

Lots Unfixed: 0,00

Pricing Additional Cost Spread/Arbitrage

Pricing Detail

Fixation Date: 09/08/2016 Futures Price:

Order: Confirmed UOM: 69 kg bag

Qty: 0,0000 UOM: 69 kg bag Basis: 2,0000

Lots: 5,00 Cash Price: 122,0000

Futures Market: NYC ICE Notes:

Futures Month: Dec(Z) 16

Futures

Hedge: ☐

Hedge Price:

Currency: USC UOM: Pound

Hedge Month:

Broker:

Broker Account:

+ Insert X Remove Split Layout Filter Records (F3)

Date	Lots	Qty	Futures Price	UOM	Price in	Hedge Price	Basis	Spread/Arb	Cash Price	Final Price
09/08/2...	5,00	1000...	120,0000	69 kg bag	120,0000		2,0000		122,0000	122,0000

Summary

Price without Roll/Arb: 120,0000 Contract Basis: 2,0000 Roll/Arb:

Additional Cost: 0,0000 Cash Price: 122,0000

14. To remove the Pricing information, Select the future price and click on remove button.

Pricing Additional Cost Spread/Arbitrage

Pricing Detail

Fixation Date: 09/08/2016 Futures Price: 120,0000

Order: Confirmed UOM: 69 kg bag

Qty: 1,000,000 UOM: 69 kg bag Basis: 2,0000

Lots: 5,00 Cash Price: 122,0000

Futures Market: NYC ICE Notes:

Futures Month: Dec(Z) 16

Futures

Hedge: ☒

Hedge Price: 120,00

Currency: USC UOM: Pound

Hedge Month: Dec(Z) 16

Broker: Jefferies Bache Limited

Broker Account: 1234RT

+ Update X Remove Split Layout Filter Records (F3)

Date	Lots	Qty	Futures Price	UOM	Price in	Hedge Price	Basis	Spread/Arb	Cash Price	Final Price
09/08/...	5,00	100...	120,0000	69 kg bag	120,0000	120,0000	2,0000		122,0000	122,0000