

## Q: Why is my CD showing a lower price than what I paid for it?



A: CDs, like bonds, are valued daily. As interest rates change, prices on bond and CD holdings can rise and fall. As long as you hold your CDs to maturity, however, you will receive the full par value, plus any interest earned.

### Example:

- **At time of purchase:** A one-year CD is bought in April 2022 for \$1,000 (also known as par value), with a coupon rate of 1.60%.
- **Fast forward 5 months:**
  - CD rates have risen since you bought your one-year CD (3.50% currently vs 1.60% in April).

New issue CDs by top rates:

All	3mo	6mo	9mo	1yr
CDs	2.85	3.25	3.25	3.50

Sample current rates on Fidelity.com  
As of 9/8/2022.

Symbol	Last Price	Today's Gain/Loss	Total Gain/Loss	Current Value
<b>INDIVIDUAL</b> 02007GQD8 ALLY BK SANDY UTAH CD 1.60000% 04/28/2023 1.600% 04/28/2023	\$99.051 -\$0.032	-\$0.32 -0.04%	-\$9.49 -0.95%	\$990.51

 [Learn more](#)  
Read about CD prices, rates and yields

## Q: What does this mean for you and your CD?

A: If you hold your CD until maturity date, the change in current value (whether it goes up or down), doesn't matter. You will receive par value (\$1,000 per each whole CD purchased) plus any interest due.

However, if your plans or needs have changed and you no longer want to hold the CD to maturity, you may need to sell it for less money than you paid for it. Due to market forces, selling your CD at a lower price may be necessary for your CD to be comparable to new CDs being offered with higher coupon rates prevailing in the market. A trading markdown of \$1 per \$1,000 would also apply to a CD sold in the secondary market.

Any fixed income security sold or redeemed prior to maturity may be subject to a substantial gain or loss. Your ability to sell a CD on the secondary market is subject to market conditions. If your CD has a step rate, the interest rate may be higher or lower than prevailing market rates. The initial rate on a step-rate CD is not the yield to maturity. If your CD has a call provision, which many step-rate CDs do, the decision to call the CD is at the issuer's sole discretion. Also, if the issuer calls the CD, you may obtain a less favorable interest rate upon reinvestment of your funds. Fidelity makes no judgment as to the creditworthiness of the issuing institution. If you want to buy or sell a CD on the secondary market, Fidelity Brokerage Services LLC ("FBS") will charge you a markup or markdown. This markup/markdown will be applied to your order, and you will be provided the opportunity to review it prior to submission for execution. CDs are made available through our affiliate National Financial Services LLC ("NFS") and from various third-party providers, including participants on the Tradeweb Markets, ICE TMC, and ICE BondPoint platforms, with FBS normally acting as riskless principal or agent. These offering brokers, including NFS, may separately mark up or mark down the price of the security and may realize a trading profit or loss on the transaction.