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

Fidelity INVESTMENTS

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

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

  - This caused the price of the CD you purchased to decrease on your Positions page and Statements.

Symbol	Last Price	Today's Gain/Loss	Total Gain/Loss	Current Value
INDIVIDUAL Option Summary | Manage Dividends				
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.