

TRANSCRIPT

Trading after hours

Presenters: James Savage and Jonathan Lord

James Savage: Good afternoon, everyone. Hopefully you are excited to spend the next hour going over after hours trading here at Fidelity. And for those of you that might not know who John and myself are, we are from Fidelity's Trading Strategy Desk. We are a small group of traders here that are dedicated to assisting clients, such as yourself, with their trading strategies. Now, we host a variety of sessions Monday through Friday and they're usually about four to five a day. So we try to get most of the trading day kind of filled with content for you and they are among a variety of sessions, of course, focusing on technical analysis, options, Active Trader Pro, tool demonstrations, and both morning and after-market briefings. So, if this type of format appeals to you, if you'd like to see us live, our cameras are on just like we are today and we get the chance to stop and answer questions from folks like you here in the audience. So, if this type of format appeals to you, definitely want to invite you and encourage you to attend some of our sessions that we are putting on. So now that we hopefully are a little bit kind of familiar with who we are --who John and myself -- what we're all about, now let's talk about extended hours trading with Active Trader Pro. And as John was mentioning to me earlier when we were kind of talking a little bit about what we wanted to discuss in

the webinar today, John brought up even though we're going to be focusing a big part on actually trading within the extended hours, this isn't going to be exclusively for that. So if you find out that -- especially through learning about this -- you're not really that interested in taking the leap over to the extended session, that's still fine. We're going to be spending a lot of time going over how you can monitor your positions, how you can monitor maybe positions that you are thinking about -- we can say purchasing -- or even just looking for some ideas with some of our extended hours tools. So we're going to be splitting our time both in the trading aspect as well as the monitoring of your own positions. So, we've got a little bit for everyone depending on whether you want to take the leap into the after-hours world. So, I think it's also important I need to talk a little bit about what is after-hours trading. There might be some of you -- maybe even the majority of you -- might not have ever been aware that there is a life outside of the market hours -- a trading life outside of the market hours and there is absolutely an opportunity to possibly take advantage of this expanded kind of world of trading. Now, even though today we're going to be focusing on after-hours sessions, there is a pre-market -- so before the market starts trading. And here at Fidelity -- just so everyone knows a little bit about the time frame -- we have from 7:00 in the morning to 9:28 Eastern Time. So there's -- yes, there's a two minute gap between the 9:28 end of the pre-market session and the regular market session that we all

are familiar with beginning at 9:30 Eastern. Now, from the after-hours -- the extended market -- we know the bell tolls at 4:00, however the after-hours session continues right from 4:00 and here at Fidelity goes all the way until 8:00 p.m. So, if you were to think -- we've got an extended range from 7:00 in the morning all the way until 8:00 p.m. with maybe just that two minute gap right as the market participants get ready for the opening bell in the morning. So, quite a lot of time that you have available to trade. And there are a few things before we, of course, get into the tools and the kind of the monitoring system that we have within Active Trader Pro, really want to talk about some of the differences and even risks of extended hours trading. It's absolutely imperative if you're specifically looking to do this in the future you need to know what you're getting yourself into and some of these kind of -- I like to characterize them as differences, some may view them as risks -- but if you at least are aware of them you're going to be better suited and more able to thrive in the extended hours environment. Now, fortunately on Fidelity and within Active Trader Pro you are able to see the quotes. So you are able to see the bid and the ask -- those are going to be continuously updating and within Active Trader Pro you have the ability to have that streaming bid and ask quote. Even though you are going to be after hours doesn't mean you're going to be trading in the dark. You're still going to know what the value -- what the worth is of some of these stocks or ETFs that you are looking for.

Now, when it comes to some of the differences -- or risks -- either way will be fine by me. A big one is going to be the liquidity. As I mentioned, not many folks are aware that you can trade after hours. So there are a lot of participants when that bell tolls at 4:00 p.m. Eastern, they are stepping away from their computer, they are not paying attention to what's happening after the fact. So those traders aren't able to get involved. So we are kind of going to need to understand that there is going to be a bit of a liquidity risk and because of a lack of liquidity that can prevent your order from being executed in whole or in part. So what that means is maybe you're interested in buying 100 shares of ABC stock or XYZ stock. We can think of a fictitious company here. You go in to place that order for 100 shares but there's only 50 available. So maybe you only fill 50. Now, you might not be used to that especially if you're trading in the regular session. There's plenty of liquidity in some of the more common names and if you place an order to fill a certain number of shares, you're usually going to get that order completely filled. That's not always going to be the case in the extended hours so we need to understand that liquidity risk might mean that your order might not be fully executed. Now, a few other risks are related to some of the liquidity as well, and that is just the volatility of price. And because there are less participants you can see greater -- of a greater speed and size of changes in price of a stock that you would normally expect to see in the regular session. You're going to see greater volatility --

not always. This isn't a kind of a general statement where you're always going to see this, but it can absolutely be prevalent in the extended hours. And because of -- we can think of those two -- the liquidity risk -- that lower liquidity -- and the price volatility. Combine them together, that can result in wider than normal bid and ask spreads. What does that mean for you? Well, if there's a wider than normal bid and ask spread -- meaning the price that you're going to be buying it for might be higher and the price that you're going to be selling something for might be lower -- that means you might be looking at a less than favorable price than if you had possibly traded prior to the market closing. Again, this can be compounded especially in those periods of increased volatility and lower liquidity. A lower number of traders, a lower number of shares flowing through the market can help expand those bid and ask spreads which aren't always going to be what you're looking for as a trader where we're trying to get the best possible price more or less each and every time. And then a few other things that we can kind of also talk about here -- and this is very unique to the extended hours. You have to know a little bit about the mechanics behind everything. And when you typically place your order you're doing it on Fidelity.com, maybe the mobile app, maybe Active Trader Pro -- you put in your action, you're buying or selling, putting in your shares, maybe the order type -- and you're just sending it away. You're not really thinking where that orders going to. But you might be familiar with

the multiple market centers that we have here within the U.S. There's multiple market makers. But when it comes to the extended hours here at Fidelity, there's going to be a far, far fewer number. And as an extended hours trader within Active Trader Pro, you can choose what market centers you are going to be sending your orders to. So when you send your order to a particular marketplace -- you can say a particular market maker -- well, there could be a more favorable price and more liquidity in another extended-hours network that your order was not sent to. So, we need to be aware of well, the different market centers, the different number of shares, and sometimes the different prices within those market centers. Again, it's to help you ultimately get the most favorable price within the given circumstances that we're trading in. So, that's a -- I would say very big difference where it's not necessarily something you can kind of set it and forget it, send it wherever and Fidelity's kind of intelligent order routing kind of algorithms are going to put it in the right place to try to get you what's supposed to be the best available price. So, hopefully I didn't scare any of you with some of those differences and some of those risks because it isn't too intimidating and I would say they're mostly just differences. And if you get familiarized with the extended-hours network and how things are trading, you're going to be able to really find yourself almost equally at home as you would when the regular session is open. Now, a few other things I want to focus on before we can kind of jump into the tools -- and I know

we're looking forward to the tools but got to understand the differences here -- and that is the order types. This is a question -- when John and I were actually in the morning market briefing today that we host, someone asked, "Well, why can't I place this type of order in the pre-market session?" Well, after hours you're not going to be able to place market orders. You're not going to be able to place stop orders. It is going to be a limit order which is what you can place. Now, that's good and bad. Limit orders are great. They're going to at least limit either how much you're going to spend when you're buying or limit a floor when you're selling particular securities. So you're not going to get at least a worse price than what you're expecting, but you lose some of that disadvantage that a market order has which gives you that immediate execution where you're not necessarily focused on what the best price is at the time you want your order to take action immediately. So, we have to understand that especially if you're used to placing market orders -- we're going to need to understand how to possibly place a limit order that puts you in the best and more favorable situation to get that order executed. And a few other things that I can kind of point out is that because the extended hours is for a set period of time, you're not going to be placing good till cancel orders. When you place an after-hours order it is going to be good for that session and that session alone. So keep that in mind -- you're not going to be able to say, "Place one at this point in time and have it be good for tomorrow's extended

session and the next day's extended session." It's going to be available just for the given time frame that you're going to be placing your trade within. And then maybe one more thing I'll kind of point out and that is that fortunately you can do extended-hours trading in both retirement accounts and non-retirement accounts. So, if you're thinking, "Well, I've got an IRA. Is this available to me?" It is. You can place these trades in both types of accounts. So, with all these kind of differences --again, you might be asking, "Well, why bother with this? I mean, I can just trade during the regular session. I'm familiar with it. Why do I want to put myself to some of these kind of risks with maybe greater volatility, wider price spreads, lower liquidity?" Well, I think this kind of webinar is being done at a perfect time because there are specific events that are taking place at this point in time. We're in the midst of earnings season -- companies are releasing their earnings and they do that -- most companies are going to be doing that in the morning for the market and after the market closes. So, if you are looking to take advantage of some of these movements -- oftentimes related to earnings but it could be among a variety of new scenarios. Usually it's news that are driving these after-hours movements -- well, by getting the ability to trade in extended hours allows you to get in -- maybe get out sooner than the majority of traders who are going to be left waiting for that market to open the very next day. And there are occasions quite often -- we see it all the time here -- where market will close at

one point, we'll move to another point after the earnings release, and by the morning we'll be at a completely different price level. So, it gives you that flexibility to be able to get in or get out given a specific event that could be taking place after hours. So, there are absolutely some advantages to at least have this ability -- kind of have this in your back pocket should you need to take advantage of the extended hours. And one more final thing I'll mention before we start jumping in to some of the tools. I'll talk about well, how do you even know if you have the extended hours enabled on your account? Or maybe you did this years ago -- maybe you're in an old account and you might've done this years ago and never used it. Well, in order to do this I'll take us on Fidelity.com. So we're going to finally jump into kind of the screen share here and yes, we're going to be explaining what we're looking at on the page. But let's say you're in your Fidelity.com account as we are here in the demo account that we all use for these illustrative purposes. I'm going to go ahead and click on more and from here we can go to our account features. We're going to get a new page where we're going to have a few different links. This is going to be under brokerage and trading. Remember we're trading here, trading in the extended hours. So we're going to expand this and this is going to be within the advanced features of our trading profile. You're going to be able to, again, do this among a variety of accounts. So this is just going into our default on demo account here and among these

advanced trading features, the one we're going to be looking for is extended-hours trading. If you've enabled it you're going to see enabled. If it's not, you'll be able to follow the steps, learn a little bit more, and go forward from here. So just in case anyone was looking in order to do this, you can do this from Fidelity.com within the advanced trading features page. But John, now that we've hopefully covered a lot of the fundamentals of trading in the extended hours, some of the important kind of differences that you need to take into consideration, I think it's going to be time to get started with some of the great tools we can use to view some of these stocks. And I think it's time I give you the chance to speak here and introduce yourself as well. So yes, welcome. Good afternoon, John.

Jonathan Lord: Good to see you. Absolutely. So good to be here. I've worked with the trading desk for many years -- worked with traders. This comes up all the time, this question -- how do I get access to this marketplace? What is going on? Why did my -- I went to sleep and my stock closed here and I woke up and why am I down a substantial amount? Or up the other way? So, let's take a look -- we're going to dive in to some actual symbols here, take a look and see how we can understand one like earnings or reports that might be coming out -- why it's important and also from that tracking perspective. So I want to start with a key portion of the Active Trader Pro, one of the bellwethers here is

the chart itself. If you don't have Active Trader Pro it is a free platform software for your computer that you can utilize, that you can go and download through Fidelity.com. If you go in and just search Active Trader Pro or if you click on the accounts and trade button it will be -- I believe the fourth or fifth one down. Click on that and read all about it, make sure that it fits in with your computer that you can then utilize for trading and have it streaming information at your fingertips. We're going to show you a couple different tools. Number one, of course, we'll start with the chart. We'll also talk to you about the filters. So idea generation -- how do I find some of these other movers in the morning, in the closed session? Remember as we said, once the markets close things keep going. Now, it may be quieter in some places than others. I'm sure different stocks have different characters or different things that might come up, so definitely something to keep an eye on and understand those differences. We'll dive into that but right now I've got Netflix in front of us. I've got a chart. If you just go ahead and pull up the charts, again we have some saved ones but if you're starting from scratch, of course it'll come up with a blank position. You could enter in your symbol in the top left, again, Netflix was chosen here because well, we had earnings that just came out as you can see by the E here. And again, that person that went to sleep with this bar here may have woken up to a surprise. So, I first want to start out with what is this? Well, this is a daily frequency chart on a one year

basis. If I go up to settings here you're going to see something here called show extended hours. Also, I've got some of these other features. You can change some of the colors, change -- we have candlesticks here selected. So, a candlestick will give us four pieces of information, really -- the open, and then the close and then the high and the low. But that open and close happens on those times that James was talking about. As we pull through we're just seeing the normal market hours and that's important -- that is really where the vast, vast majority of trading occurs. But we will see extenuating circumstances or opportunities arise in the extended hours. And if there's liquidity there for you -- yeah, it's there. You can take it. You can trade in that time period. If you had a price target that was reached in extended hours and there's sufficient liquidity you can sell or buy that back -- buy to close that position. So I'm going to hit the show extended hours button. Again, that was under settings, under the charts that you'll have here. I'm going to hit apply and you're going to see absolutely nothing changes. Well, and that's just because I'm still on the daily chart. You do need to be on a sub-daily frequency, so we do need to be seeing less than that. So if you go into one of these shorter time periods you would have to change your frequency. I'm going to start with -- I like a good 15 minute bar here. And I'm going to go ahead and click that and all of a sudden you do get an image of -- hey, we've got days here. Let's see the days on the bottom, see trading occurring, and

you can see a fairly orderly fairly quiet marketplace in the extended hours. Not a lot of price movement occurring. But what do we run into? Well, we have our earnings. Earnings is technically occurring here on the chart. So, as we get into the close as we can see -- yes, a giant bar occurs here. A lot of liquidity coming in, hitting orders, and people trying to get out once they get that new information that's coming in. Other people might have been saying, "Hey, an opportunity. I've been waiting on Netflix to hit a certain price." Again, there's a trader for every single trade. What is going on behind the scenes? Again, we don't question it, we show it on the chart. A trade occurred -- lots of trades occurred in this range. If you can see here, you can see this giant bar on the bottom is volume. If you hover over, of course, you'll see the amount of volume and we'll bring this back here shortly as well, but hovering over as you can see -- big volume. Lots of volume occurred here. That news that came out from that earnings created some volatility and as you can see throughout the night and then into the early morning. And that's what this is showing -- these grey areas are showing that extended hours. This line that I have here -- or essentially if you know are going through it you can also see the time up in the top left will be showing. And you'll see that that will end at that 8:00 p.m. as James said, starting back in the morning again trades occurring right at that 4 o'clock. So, 4:15 being opening at 4:00 a.m., going into that 4:15 will be the end of that first bar. And you can see a little quieter until we get to market

open. So again, people were waiting for that to occur. You can use this information. You can trade off of this. You can find -- you know, our team does technical analysis so if you have extended hours you can utilize information the same way we can drawing trend lines looking for support and resistance. Again, looking for key areas that it's running into along the way. So again, keeping an eye on these things can be beneficial if there's additional liquidity and trades are occurring in that area. So, we use that information to our advantage and then we can kind of see again, maybe in the past do we have something that retests a certain area? This information can be important on short time frames. If you're a long term trader it might not be as important. You may not be looking to act here, so you may want to zoom out to a longer time period and ignore some of this data. It may be noise to you. But, at any rate, if you're a shorter term trader -- for somebody that's looking for entries and exits, more tactical in nature, this information's available to you on this chart. I also wanted to show real quick the difference between something like Netflix, which has a pretty substantial liquidity, and then one a bit lower in terms of what we've seen. Just doing a quick scan before we started here BKNG Booking, which you may be also familiar with, and seeing that these areas of extended hours come in very much thinner. You see time periods where you're just not seeing much with regards to trading and that's showing not a lot was going on here. We had, in this bar here, 100 shares were traded

in the extended hours. So just keep in mind again, not all of them are going to have active extended-hours sessions. You're not going to see those wide grey bars every time and the open and close again may be the key periods here. As you can see these big bars occurring beginning of the day, end of the day, and everybody's taking a little bit of a lunch here -- lower volume in the middle of the day. But good things to keep in mind -- the character of a position, how it reacts, and how it trades. If you're wanting to go and look for, again, something that might be reporting earnings, you can go to the news and research stocks section on the website. When you pull this up -- again, I'm doing this through Active Trader Pro but you will find there is an area that will show you earnings and when those earnings will occur. I do this -- we're going to be jumping in to one that's releasing earnings. There's probably some Q & A questions already about it, but if you scroll down, of course, as we see lots of earnings occurring. You'll get your time, the expected earnings, some of the information that may be important to you. But I wanted to pull up, of course, this one was big in the news so we had Tesla here that is showing after market. Let's take a look at something like that and how it might show in real time as we're seeing a chart and how it is reacting, and you can kind of get that visualization. We can dive in even further because we've only had a few minutes after market close, so if we need more info we can go to something like a one minute bar to get more data. Now, it's going to be a little while here

fuzzy. We have trades that were coming through that may have been late reported and sometimes this data will get a little bit messed up and then it kind of fixes itself here. But I wanted to show you, again, in real time here what is occurring as we see post the earnings report. And we can see that it is in the moving up here, at least with Tesla as currently. But again, this is how you can see that, this is how you can monitor your trades in this way. You can also do this through a watch list -- another way to sort of visualize. But as I mentioned earlier, context is very important. If you heard some news come out, you saw a price move, you might say, "Well, what is the high and the low?" If something may have dropped 20 percent, what if it had actually been down 40 percent pre-market? Maybe that stands as an opportunity. Maybe you need to have that context in terms of where trades had occurred and that'll help you out in terms of, again, utilizing something like technical analysis or risk management to your advantage. Placing these trades in these positions here. So, wanted to show you some light volume, some heavy volume type of positions, some volatility, some lack of volatility -- a lot of these things. But again, on these shorter time frames something to again have in your back pocket to watch -- maybe it's something like the S&P that we can watch. As James had up earlier -- SPY. So this will give you access to, again, some of the trading -- following the futures market essentially through the ETF. We do not have the Index that goes in the extended hours, so that question often comes

up and we don't have -- why doesn't SPX the Index show up? So you can utilize this proxy of SPY or any other ETF that tracks the S&P 500 as another way to get exposure to some of that data in the extended hours. Again, if you've been trading long enough and you maybe went through some of the COVID drop with some of these markets. there was a lot of that tracking futures overnight, waking up at 2:00 a.m. and saying, "What's going on? Are we hitting limit down are we hitting limit up?" Again, these type of things -- this will give you another way to sort of track what is the market doing outside of those hours that you may be noticing again, just with the regular sessions. So another thing, again, that's nice about this tool is that you can maybe save even multiple tabs. From me -- sort of my pro tip is I'll have like a one year chart saved on here and I might have an extended-hours chart -- something shorter term to give me some context with regards to a shorter time frame. A fifteen minute bar with extended hours on there. Go back to settings, show my extended hours, and I get that ability to have this and I can jump back and forth from different time frames. So, this is another great tool available to you with the using these tabs. If you don't have the tabs, go back to settings and you need to hit that show tabs button. So, we've gone through a few of these things --obviously looking through how to track this. I do want to get into some more information about maybe finding some new securities. How do we kind of launch into these charts -- and then trading. We want to look at the

directed trade tool. We're going to be showing you get in to the actual -- how would I place a trade in the extended session? You guys have shown me everything else. We've talked about all the risks -- sort of the different game -- the different rules that go to the extended hours. You've showed how to track these positions in the extended hours -- maybe utilize them for context, where we might see support resistance and trend show up on a chart. I do want to find maybe some ideas -- what's going on out there? What are some volatile -- what's going on? What do we see in the extended-hours session? Maybe in the pre-market session? And we have a tool just for that that recently was updated, so a great segue here for you there, James, to jump into the filters tool.

James Savage: And you know, John, before we do that I'd really like focusing on even the chart that you're looking at now -- this really illustrates just that lack -- or we should say lower liquidity compared to the regular market session. We can see at the very bottom of John's chart here -- we see these volume bars. This is this red and green vertical bar that's extending upwards and I would not focus on the color at this point -- just look at the size of them. We can see here on the right side -- our right axis -- these are in the millions of shares that are being for each of these bars. Some of these bars are crossing upwards of four and even eight million shares within a 15 minute period of time. But if we look

at the extended hours -- the darker section both pre and post-market, it's significantly less. Far, far less people are actually trading during this period of time but something to keep in mind is actually trading. There is still trading for that full period of time and this compares with when we were looking at Booking briefly, where that grey -- that shaded part that's meant to designate after hours was just so small. So, what if you didn't have the ability to get out of a security because there's not much trading? Well, that can be an actual thing. There could be securities in your account that when you look at the extended hours you might find that not many folks are interested in trading them. And because not many folks -- the bid and ask is so wide that even if you wanted to get out you might think to yourself, "This price is not looking favorable at all." Maybe you were looking to get in and if it's not trading and that ask price is significantly higher than close, you might tell yourself, "Well, I'm going to wait in the morning anyway." So not every underline -- not every stock or ETF has that opportunity for you to get in and out, at least at a price that would make sense for you. And even, you know, John when you were showing the example from Netflix from yesterday's earnings of that, I saw that significant spike when the market opened -- that significant volume spike when the market opened today and this dwarfs what we've seen really over the past days even month of Netflix when it comes to the average volume. And you might be thinking, "Well, what if those folks had the ability -- what if they

thought and knew that you can trade in the extended hours and they decided to take action? Maybe if they were looking to sell they would've been able to get out at a more favorable price. Or maybe they were looking to buy and they were saved because we can see in the benefit of hindsight it continued to decline at the open." But I think this also is a great example of just showing how few folks are even aware of the ability to trade after hours. So something I wanted to kind of add here --just taking in these charts that are in front of us. So, let's jump in to another way that we can scan and as John mentioned, fortunately we have recently given the ability for Active Trader Pro to scan stocks in the after-hours sessions specifically for after-hours movement. So I'm going to jump over to my Active Trader Pro and it's blank at this point so let's build this out together. So, starting with our kind of quotes and watch list up towards the very top here there is a filters tool. So going with the theme of idea generation we could find stocks that are moving after hours, and if you are familiar with attending some of the morning market and after-market briefings that I am kind of hosting, I guess we'll say, this is something I'm showing in every single morning and after-market briefing. I am always looking at what stocks are moving before and after the bell. I want to know what stocks are catching attention and oftentimes the easiest way to do that is to sort by volume. But right now the default setting is that we're just looking at our standard session. But our new session -- our new kind of addition is that

we can switch this over to after hours, so you can take a look at -- take a note of some of the stocks that are listed here. Let's switch to after hours it's going to be a different number of stocks. It's far less shares, of course. It's only been trading now for roughly about a half hour and we have the ability to kind of focus in a little more on maybe some indices or exchanges that are going to be a little more relevant for you. Because if we're scanning the entire market, you may find a lot of stocks that you have no interest. There's thousands of stocks. I think a lot of folks are sometimes -- at least in our experience here -- gravitating towards the more well-known stocks -- maybe the stock that's in a particular indices. And here we can jump over to say, the NASDAQ 100, the DOW, the S&P 500 -- I'll work with the NASDAQ 100 here. So now it is going to be focusing on securities that are moving relative to within the NASDAQ 100 Index and we can see there have been a few stocks that are kind of jumping up on our list. John was just kind of showing us Tesla that did release their earnings this afternoon and we can see their volume number is ticking right in real time --right before our eyes. Folks are actively trading this and we can sort -- usually what I'll oftentimes do is sometimes focus on -- well, what's that after hours price? How has it moved and the amount of shares traded? And we can see right now we're up about four and a quarter of a percent and oftentimes what I'll do -- again, just to kind of give you a little bit of the way I will use this tool -- is we're already sorting among the more heavily traded

NASDAQ 100 securities with this list. We've got 30 of them -- are listed down below. And I can decide to say, "Well hey, of this number -- so of these 30 stocks -- which ones are seeing a large movement either positive or negative?" And I can go ahead and click on this because they are allowing us to sort it here. We can see that there's some stocks that are down and there are some stocks that are up. Notably we're seeing Tesla among the more heavily traded NASDAQ 100 securities. It is seeing the largest rise in price in the extended hours alone here. So kind of a neat way to focus in and maybe find some ideas if you're interested in what stocks are moving -- what stocks are attracting a lot of attention and of those where we see large percentage movements or, of course, dollar movements relative to their price. And a few other ways that we can kind of use this in the extended hours -- I guess we'll say scan -- maybe you're not interested in looking at just securities that you don't have in the account. Fortunately -- and this is -- I guess I'll say kind of new to me -- because it's only been, I think here now -- I guess it's been here a few years as a feature within our positions. So let's say you want to look at some of the stocks within your account which I'd imagine -- I think many of you probably are looking at the stocks within your own account. Well, we do have -- kind of drag this over to the side here -- we do have the ability to see extended-hours changes in price and in extended-hours percent change and extended-hours last and extended-hours dollar change. So these three -- now

they're only going to show up when we're in the extended hours, of course. So you could add them to your list and I'll go ahead and show how you can add columns just from the manage button here. And you'll want to make sure these extended hours are checked and this little asterisk is letting you know that those columns are only going to be appearing when the market is closed. And you can even take a look at what has been moving -- well, not too much at least in the securities in our demo account. We've got our last price. This is our closing price here and we've got where it currently is. We can see we are more or less flat here. We are slightly up and we can find out the percentage and dollar value change. So nice way to kind of monitor not only what is going on in the overall market, but what is going on within your individual account. And one other -- I would like to say maybe it's a bit of a trick here that I always like focusing on, especially if you're looking at your filters -- maybe you're looking at positions or even a watch list because the extended-hours scan can work in a watch list. And I can just quickly, kind of briefly show this here -- this is a plain jane watch list. We're looking just change -- just percent change -- bid and ask. That is all. And if I were to go ahead and click on add or move columns just like how I could do with the positions, we can go ahead and add the extended-hours columns. And just like that now we're getting the extended-hours changes for securities within your given watch list. Again, kind of a neat way to -- maybe you don't want to go so broad where you're

scanning the entire market or an entire indices, you only want to focus on the number of stocks that are in your own watch list that you would only be really inclined to be following anyway. Watch lists are great tools here on Fidelity.com and Active Trader, and it's great that you can even see what they're doing once the bell has rung. And, the little tip that I wanted to really bring up if you're looking at watch list filters or your positions is that these can be linked to your chart. So it's kind of bringing up maybe a blank chart that I typically use here and I'm going to -- just for the illustrating the way that we can customize this -- let's kind of fit everything together, make it a nice orderly Active Trader Pro layout here. And I'm going to go ahead and use this little link tool. Switch this over to grey and it's pulling in some kind of default underlying at this point, but let's say we want to focus on now Tesla that is moving in the extended hours. By double clicking on this it will pull up my chart and it will automatically populate with whatever my time frame and whatever my frequency is. If I jump this over to today -- back on the one minute bars we're seeing this movement. I can quickly scan through among these stocks within the filters. If I were to, for example, just start clicking through, we can see movements that are taking place but they're not all trading at an equal fashion. Just notice the size of this little grey section here. First one I go to, Tesla, it's a little bit wider. Some of these others it might be a little narrow because there hasn't been much trading that has been taking

place, we can see, in the after-hours session. So this is another way that you can kind of quickly monitor securities. You're not just getting it from a pure price perspective but we can see the price history with our chart and any indicators or volume bars, for example, that we have already set up within them. So a neat way to scan with some of the filters tools or from your own positions window. But I think, John, at least in this final maybe one third of the webinar today, you got to go over the way to trade in the extended hours. And it's certainly one of the more -- I guess we'll say -- kind of intimidating trading tickets that we have here at Fidelity. There's a lot of information and I was showing at the very beginning for those of you that don't know or haven't seen our directed trade tool, and I wanted to at least have everyone maybe take a look -- maybe get comfortable with it just from a visual perspective before we start introducing. But, as I mentioned, if I haven't scared anyone off from extended hours and maybe I have positioned it as something that could be a useful kind of option for you -- a trading option for you in the future, you're going to want to learn a little bit more about the directed trade window. So John, I'll let you go ahead and kind of pull us up with a directed trading ticket.

Jonathan Lord: Absolutely and clearly somebody's trading. A lot of volume out there. So this is a marketplace certainly and it continues. And as you can see,

again, it may not be as orderly as we sometimes see in the regular markets, but definitely a fascinating thing. So, glad you guys are here to learn a little more about this -- get some exposure to it if you didn't already know about it. We'll get into some of the more practicality though -- actually placing a trade. So again, we'll stick with what we've been looking at here with Tesla just because -- hey, I wanted to show some of this volume and how it might reflect here. So, to start out we do want to say "Hey, how do I get to this tool?" Oddly enough its under trade and orders, so we want to put in our trade, we do have the ability to say directed trade and extended hours. It's right there on this button. So what you can do is you can use this during the regular session. By no means is this saying you can only use this during extended hours. This can be your default trading ticket. Pull this up, place your trades. And a lot of people do appreciate it as a regular trading tool it has some additional functionality. It is sort of that next step up, though. You're probably used to seeing maybe the basic trading ticket. It does have a lot more information, lot flying through it. If you do want to read up about it though and if you're interested and -- again, we can't get into everything -- what do all these letters mean and each individual one -- you do need to -- if you right click on this up here, you can go into the help button and that'll take you directly to that menu item. Also under the help you can get some more information about it. So, if you want to know what some of these things mean, definitely a

good tool because it'll have a lot of different -- not that lot of nuance to it that you did -- definitely can't get into everything here. But I want to start out again as we've done -- we've got our chart on the right side, we've got the actual trade ticket here from the directed trade. You can choose your account. It does give you a little bit of the image of buying power, of course, you enter in your symbol and you'll note that this is also able to be linked. So as we change this from symbol to symbol these two will be linked together. Again, if you want multiple tools open you can do another tool -- you can have that filters tool, you can have them all linking together. Again, one of the nice things of functionality of Active Trader Pro. We do also have extended hours on the website and, of course, through the app. So keep that in mind. I know we are obviously -- this is focused on Active Trader Pro. We want to emphasize that this is not the only place to place these trades. There is nuance to it -- there's differences there, though. You're maybe not getting all this information and streaming. You may be surprised when you enter a trade in the extended hours on what kind of fill you might get, or that you didn't get a fill. That's because, as you can see, when something has even 1,000 dollars per share like Tesla, the amount of volume coming through is substantial. And so I'm going to start with a couple things and we'll get into the actual trading. What is all this stuff here at the bottom? That's where we'll start. So, you have -- one, the active market of the bid and asks being communicated -- left -- on the left side

is the bid, on the right side is the ask. You may have also heard that as the offer. So the bid and the offer or the bid and the ask. And those are going to be important things to note when you are placing trades. You've probably -- if you haven't used this tool -- you've probably seen this one here -- the standard level ones which are effectively just saying, "Hey, what was the last trade? What was the change? And then what would we have in terms of the current bid and ask? And then what are those prices?" So bidders are again looking to buy -- sellers are looking to sell. So this will be the highest bid price. That is 100 shares or more if it's showing up here. So this is times 100 -- so this would be 400 shares will be showing as available to you there is how that is calculated. When you see these times one it's showing that there is 100 shares. What you'll see here is the actual flowing and what's behind that. We're not just seeing this one. There's not just 100 shares out there to buy -- there's not just 700 shares to sell. There are thousands and thousands of shares out there at different prices trying to see if their bid or their limit order on each side gets filled. And so that's what this is getting a representation or map of and you can see how quickly things are moving, of course. The different colors are showing you within those ranges, so if we have multiple -- again, this is moving so fast. We've got actually some -- you're going to get some crazy numbers coming in but this is giving you everything that's at 1,017.90 will show up in that first color. So it's telling you how much you had

in terms of liquidity within that range but moving a little bit fast for us. But I'm going to go back to that Booking where, remember, it may be a little bit quieter for you there. As you can start to see we can get a little bit better of a picture of -- hey, here's 2,255. We have 100 shares and that matches up with what we see here as the best bid on the offer side. What you'll find -- 10 shares at 22, 74 doesn't match up here. Well, that's because we have to go down to the first point where we see 100 shares -- in this case 200 -- give me a little better picture. And as we can see, no trades have really gone through. This right side here is going to tell us the time in sales. Hey, just in time. Somebody put in a one share trade as we will see, and then we'll get the marketplace that that's on. Marketplace might not matter to you. Again, for some traders it's very important. These are our ECNs as we mentioned earlier from James. There's lots of different marketplaces we still have out there -- not all of them are going to be displayed here. So there may be additional marketplaces that are placing these orders you may not be displaying. And, of course, if you go out and have access to a market order in the extended hours, of course, it doesn't show here, it just goes through at the available shares. Why is this important? It might be important if you are again wanting to buy 500 shares. That would be a big trade, but if you wanted to buy 500 shares of Booking and you were looking to do that now and there was some reason -- well, guess what? You would start taking out this liquidity -- you would start

moving up this list and you might be surprised -- hey, I might be really surprised -- number one that I got 10 shares filled at 22,74 but the rest of these start to, again, take out this additional liquidity. So if I'm buying here at 22,74 I might also still be buying shares much higher -- 20, 30 dollars higher than what I expected. So that's why number one -- market orders in the extended hours are something that is not allowed. If you were to put in a big trade and didn't know about it, you could take out liquidity and your purchases would just continue moving up this list, in the same way your sale might go through if you're selling 500 shares. Okay well, start out at 22, 58 but you start taking out these levels here and you start getting lower and lower and lower prices for your fill. So that is why a limit order can help you. I can say, "I will only accept this price or better," and then, again, from the extended hours it will only be for that session. Of course, we've only got the one trade here. If a trade is filled on one side or the other it'll give us a color. So red would be implying that the trade went off at the bid price. If you see black it will be on the other side -- or a green on the other side and then black would be in the middle if you have a midpoint. So again, important to understand this. Also, this is a great representation of that spread as James was talking about earlier -- the risk of -- hey, look at how much difference we have between the bid and the ask with regards to some liquidity of 100 shares at least. So, if you were to be buying you would immediately be kind of surprised to show that you actually

might be showing a little bit of a loss, and that's because the next available person to buy your shares from you, again, is much lower. So, those are things to keep in mind. Again, I wanted to show you kind of an extreme example here. If we were to pull up something else such as SPY, of course we're going to start seeing trades flying -- flowing through. This thing is liquid in the extended hours, you'll get a little bit better of a picture. Again, this will start really flashing first as these trades start to fly through the same way that that Tesla one did as well. Want to show real quick -- I know we're running up into kind of the end of the session here -- I wanted to also get into the customization, of course, as well. But again, the actions that you have are the normal ones -- buy, sell, buy to cover, sell a short -- those are available to you. You also, of course, can set up your quantity here -- that's important. You could, in theory, just go directly in and click on one of these if you did see a price -- save yourself a couple of clicks. You could do that. Just, again, be careful. If you're buying 1,000, of course, your count will need to be able to support that. It also chooses the route for you when you do that, so just keep that in mind as well. The clear out button is here. So again, we can go back through -- hey, I'm looking to purchase -- I like what's going on out there, whatever it may be, and then you'll see only one representation here -- that limit, again, that flips as we enter into the extended hours. And then you have your ability to type in your limit price. You can route that to a number of these

here ARCA. You have FDLM which is the Fidelity Dynamic Liquidity Management System -- that will be Fidelity's smart router -- and then you have XNMS which is the NASDAQ ECN. So these three are available to you. Again, you can then go over here and choose your additional time in force or TIF. You have the day plus -- or the immediate or cancel -- hey, I'm going to put this order out there. If it doesn't fill it's going to go ahead and cancel it. In most of these cases with the limit -- again, if you don't, if you're putting it at a midpoint or something to that effect, a day plus is a good way to put in that order that will stay through until the end of the extended hour session. The FDLM ends at 6:00 Eastern, these other two will end at that 8 o'clock -- those orders. And it'll only be good for that time period. Keep that in mind. But that would be how you would go through it -- you'd go and hit the preview and place. Again, you can see this information coming through. It's a marketplace that's available to you through Fidelity as long as you're coded for extended hours. Another thing I just real quick wanted to focus on with day plus -- this is an interesting thing because you can place this during the day for an order that goes in to the extended hours, so day plus will be for the entire day. So, if you placed a day plus order to FDLM and you did this at noon during that lunchtime lull there and you had that order out, that day plus order will continue on through the extended hours and be a live order. The other side of that -- stop orders, things of that nature do not go into the extended hours.

If you have a good till cancel stop order out there trailing stop, it is not valid for extended hours. Part of that has to do with the flipping of the sides here. The other part of that is because those trigger market orders -- again, having it in extended hours could be a liability. If you were saying my stop was at 445, 97, you might be surprised that your market order starts taking out liquidity lower and not getting out at a -- you'd be very surprised at maybe an illiquid security. So those would only be valid for the normal session. If you have an order open to sell you need to cancel that out and then place a new one in the extended hours, because otherwise if those shares were spoken for. We're right up close to time. James, tell us a little bit about -- maybe how to customize a couple features as we run into the end of the hour here.

James Savage: This is certainly -- quite a -- what could feel a little bit of a busy trading ticket at first and really that's why I kind of have to comment on the differences on the charts that you showed. I have to comment a little bit on the difference in the updating of the quotes, as well as just the time in sales between Booking, where we saw one lonely trade of one share, and then we've got something like Tesla, which is just significantly seeing a high amount of volume. Of course, that's what we'd expect given an earnings event that was just recently announced. We've got large trades, we've got shares in the hundreds, we also have shares -- just one share. We've got all these mix of the

various traders at whatever brokerage firm that they're trading at. Of course, this is showing the market center -- this is not just Fidelity trades. This is every trade that is kind of going through and being reported to the market. But yeah there's a few things I'd like to at least talk about just to help -- maybe kind of increase the accuracy and the speed of your trading within our directed trade tool. So, I'm going to jump over to my Active Trader Pro and still looking at Tesla -- still keeping with the same stock here. And as John was mentioning, a very quick way is just clicking on the ask if you're looking to buy, clicking on the bid if you're looking to sell, but you also have the shares that might not be ideal for you or maybe you don't necessarily want that limit. So when it comes to customizing this there's a way to jump into the settings. Now, there's a few ways. With any tool you can always right click on it, go to settings. Or you can just click on settings and move on over to the directed trade, and from here we can change a few things such as the colors. We want the industry or blues -- which is just varying shades of blue. Would we want to have any max book quantities? It's kind of unique where if you're clicking on those market centers that we talked about -- and you know you're never going to want to place a trade that's 1,000 shares -- this will limit the amount of shares that are selected when you click on one of those market centers. So, it's something to add. Again, it might not be necessary for you but you could add it just as a bit of a failsafe, especially if you're someone that doesn't have a preview -- maybe

have no trade confirmation -- you're just a one click and placing a trade. This could at least add some extra level of protection so you don't put on a trade that is possibly larger than what you intended. We do have some option default but we're not going to be focusing on options today and I'm going to focus on the stock shortcuts. I will cover this on order types, though. As John mentioned, this trading tool -- this directed trade window is also used during the regular session as a little more of an advanced style of trading ticket. So these order types that you see here aren't really going to be applicable in the extended hours session. I just wanted to mention it so you're aware of it, but we can move on to some of the stock shortcuts which are kind of a fun way to quickly get a buy and sell order at the desired possible setup for you. So, I'm going to add maybe just one ticket here. I'll click on this little plus sign -- it's fairly small -- and we can choose to have a ticket that will maybe sell at the bid, buy at ask, buy at the bid or sell at the ask. Maybe you want to wait a little bit for the opportune price and I'm going to choose custom. This is where you can really get creative with your own trade ticket and let's build a little ticket together. So I'm going to call this the -- we'll label this as a buy and we can put a little description. We can put anything you want. This is more or less a reminder for you and we'll just put action to place trade and I'll show you where we can read this shortly. So in this case I could choose really whatever I want here but since I'm labeling this buy, let's make it correspond to a buy

action. And our order type is something that we still need to make sure that we're choosing the appropriate order type if we're intending to use this in the extended hours. As I mentioned, this trade ticket can be used for the regular session where we can use markets, where we can use trailing stop limits. But after hours we're going to be limited to limit orders, so keeping with the theme let's choose a limit order. And maybe you're showing that you like round lots so we'll do a -- possibly 200 shares in here. So two round lots. And we can choose a limit price. Do we always want to be buying it at the ask? Maybe we want to try to wait for just a slight tick down -- kind of a unique set up. We could do maybe below the ask -- we're looking to go below the ask by just a penny. So maybe just inch out that extra little penny per share for whatever that asking price is. We might not get a fill. Maybe we will at a slighter better price. And when it comes to time enforce you have to understand that -- especially if we're intending to do this in the after hours where we don't have that day plus -- we do the immediate or cancel, but maybe we just want to choose none selected so you can at least have to make one choice. Could stick with the immediate or cancel even maybe to make this a little bit kind of unique. And we've got some various routes that we can trade within the extended hours. I'll go ahead and pick on one and let's go ahead and apply this. So just like that we were able to build a button where if I were to click on buy it gave our presets. Buy, right? Two hundred shares with our limit -- it's a

penny under the ask at the route selected. We've got our time enforce and in this case no conditions because we are in the extended hours. SO you can set a few buttons here to quickly enable you to get in and out and more efficiently use the directed trade window. So we really wanted to kind of cap it off with the way that you'd be able to kind of -- we could say -- correspond with the overall marketplace through the ideal tool to trade in the extended hours. Now yes, we did focus specifically on Active Trader Pro. You can still do this within Fidelity.com. Slightly different setup on the trade window but it is still going to be available in both platforms and the mobile app, of course, for those of you that like to trade from your mobile device. But I did just take a look at the time and I do realize we are already right at the top of the hour here and I want to be respectful of everyone's time. Hopefully you'll explore a little bit of what we have to offer here with some of the extended hours tools. We've still got a few hours left in the after-hours session, so we definitely want to encourage you all to explore what we have.

END OF AUDIO FILE

Technical analysis focuses on market action - specifically, volume and price. Technical analysis is only one approach to analyzing stocks. When considering which stocks to buy or sell, you should use the approach that you're most comfortable with. As with all your investments, you must make your own determination as to whether an investment in any particular security or securities is right for you based on your investment objectives, risk tolerance, and financial situation. Past performance is no guarantee of future results.

Investing involves risk, including risk of loss.

You can place brokerage orders when markets are opened or closed. However, orders placed when the markets are closed are subject to market conditions existing when the markets next open. Any equity requirement necessary for trade approval will be based upon the most recent closing price of the security that you intend to buy or sell. Because of fluctuating conditions, the ultimate execution price may differ at times from the most recent closing price.

When placing orders when markets are closed, carefully consider any limitation you may wish to place on the transaction. Fidelity reserves the right to refuse to accept any opening transaction for any reason, at its sole discretion. See more information about extended hours trading.
https://scs.fidelity.com/webxpress/help/topics/learn_extended_hours_trading.shtml

Trailing stop orders may have increased risks due to their reliance on trigger pricing, which may be compounded in periods of market volatility, as well as market data and other internal and external system factors. Trailing stop orders are held on a separate, internal order file, place on a "not held" basis and only monitored between 9:30 AM and 4:00 PM Eastern.

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Fidelity Brokerage Services LLC, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917

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