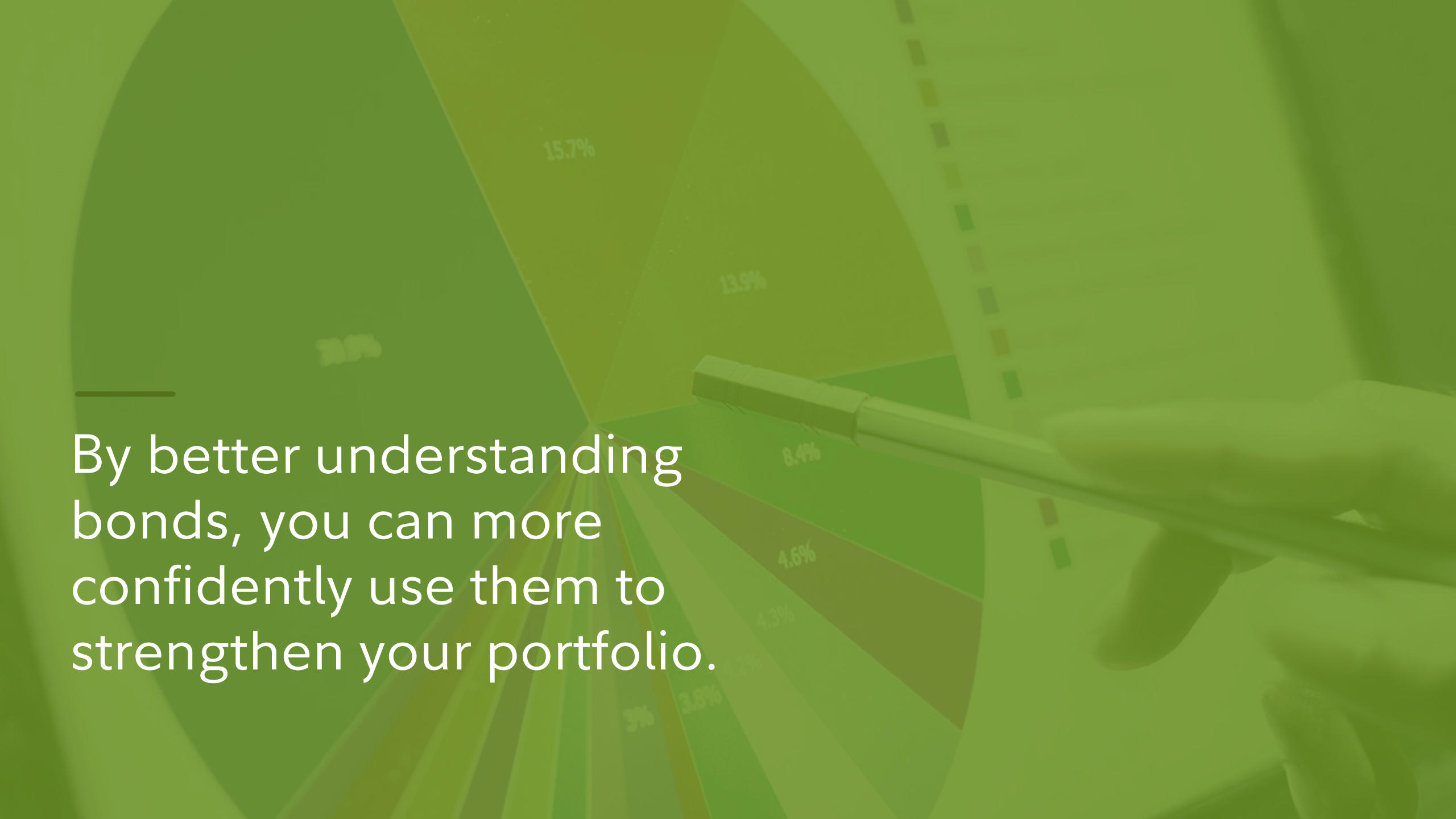




Understanding Bond Pricing



A hand holding a pen points to a pie chart with several segments labeled with percentages. The chart is semi-transparent and overlaid on a green background. The percentages visible are 15.7%, 13.9%, 8.4%, 4.6%, 4.3%, 3.8%, and 3%.

By better understanding
bonds, you can more
confidently use them to
strengthen your portfolio.

Develop an Ongoing Strategy with Fidelity



Education on securities



Resources to help inform and assist you in managing your assets



Insights for helping you make more prudent and informed decisions



Common Questions

1

How many of you currently have bonds in your portfolio?

2

Ever wonder why it's harder to get a bond quote than a stock quote?

3

How many of you have a grasp on what you're being charged per bond trade?

Comprehending
the Bond Market



Assessing Pricing for
Individual Bonds



Understanding
Trading Costs



Today's Agenda

Understanding the Bond Market



The Makeup of the Bond Market Varies from the Stock Market



STOCK MARKET

BOND MARKET

Makeup	Equity shares of publicly owned companies	Debt securities issued by corporations, governments, government agencies, municipalities
Size	Limited to size of shares offered by companies	Relatively small and large debt instruments
Trading marketplace	Centralized (Ex. NYSE or NASDAQ)	Fragmented, bonds are traded "over the counter."
Pricing transparency	Generally transparent and liquid	Larger issuance = more transparent/liquid Smaller issuance = opaque pricing/less liquid

Size



CHARACTERISTICS	BOND	STOCK
Market Size¹	\$44 Trillion	\$46 Trillion
Daily Trading Volumes²	\$848 Billion	\$322 Billion
Number of Securities³	1,197,000	5,284
Ford (example) Outstanding⁴	\$81 Billion	\$37 Billion
Ford (example) Number of Issues⁴	405	1

1. Bonds—SIFMA, Q4 2019, Equity-World Federation of Exchanges 2. Bonds—SIFMA, Q4 2019, Equity AMEX, NYSE, NASDAQ, BATS 3. Bonds-FINRA Feb 2020, Equity-World Federation of Exchanges Dec 2019 4. FINRA—Recent 10-K filing.

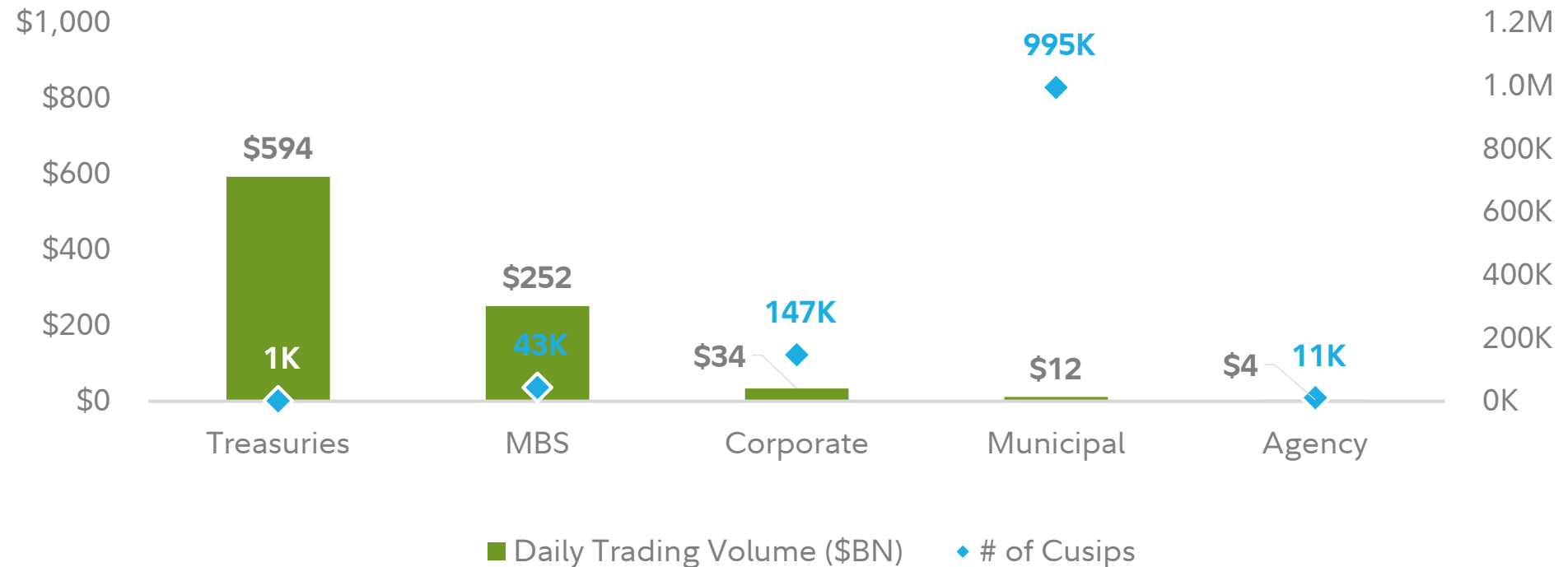
In general, the bond market is volatile, bond prices rise when interest rates fall and vice versa. This effect is usually pronounced for long-term securities.

Any fixed income security sold or redeemed prior to maturity may be subject to a substantial gain or loss.

Volume: US Bond Markets



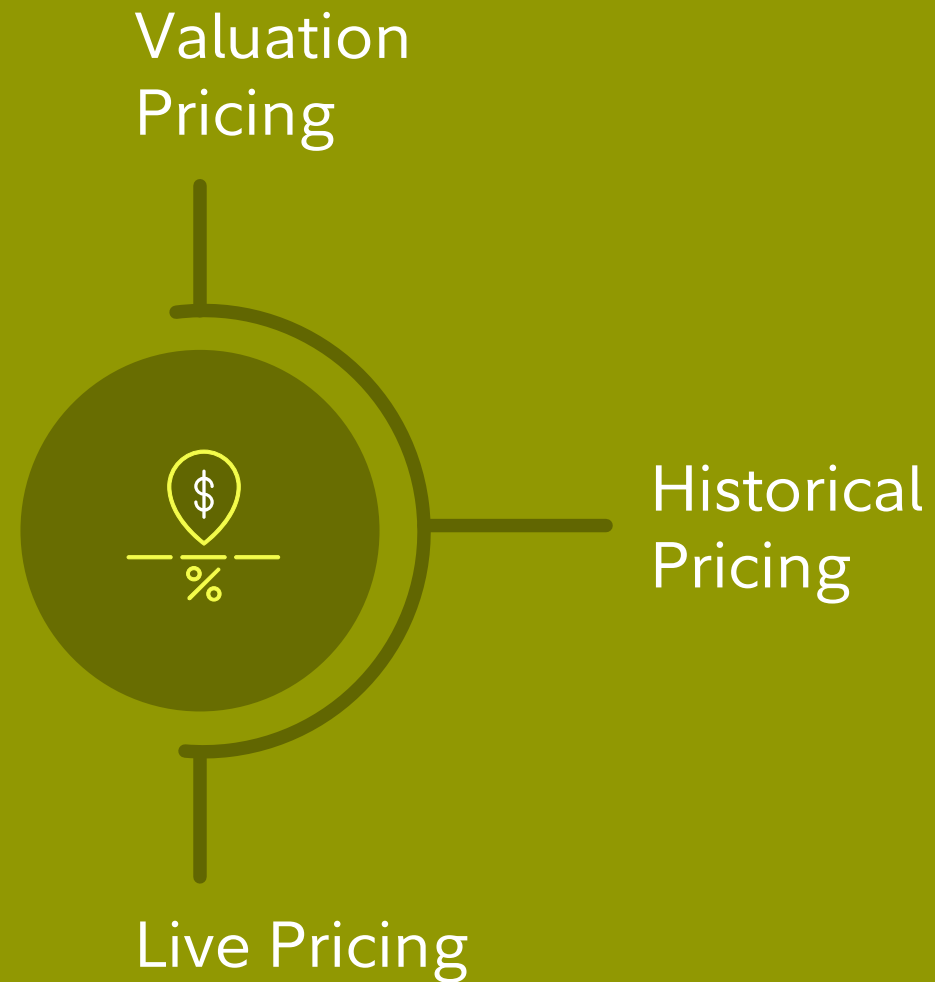
DAILY TRADING VOLUME (\$BN) AND CUSIPS OUTSTANDING



Source: FINRA, SIFMA, Dec 2019

The bond market can be **difficult to navigate** because of its fragmented nature, its size, and its inconsistent trading.

Assessing Pricing for Individual Bonds



Valuation Pricing: Monthly Statement

Bond Pricing Valuation



Bonds (continued)

Description	Maturity	Beginning Market Value Jun 1, 2020	Quantity Jun 30, 2020	Price Per Unit Jun 30, 2020	End. Market Value Accrued Int. (AI) Jun 30, 2020	Cost	Unrealized Gain/Loss Jun 30, 2020	Est. Annual Income (EAI)	Coupon Rate
Corporate Bonds (continued)									
WELLS FARGO CO NEW NOTE	01/24/23	1,031.00	1,000.000	103.6210	1,036.21 13.38	1,003.87 ^B	32.34	30.70	3.069
FIXED COUPON MOODYS A2 S&P A- SEMIANNUALLY NEXT CALL DATE 01/24/2022 CONT CALL 01/24/2022 CUSIP: 949746SK8									
Total Corporate Bonds (7% of account holdings)		\$1,933.67			\$2,001.33	\$1,977.87	\$23.46	\$65.70	
Municipal Bonds									
BABYLON N Y TAXABLE PUB IMPT BDS	09/01/24	\$11,131.40	10,000.000	\$111.7420	\$11,174.20 \$141.67	\$10,004.26 ^B	\$1,169.94	\$425.00	4.250%
FIXED COUPON MOODYS Aaa S&P AA+ SEMIANNUALLY CUSIP: 05620PDJ9									
Total Municipal Bonds (37% of account holdings)		\$11,131.40			\$11,174.20	\$10,004.26	\$1,169.94	\$425.00	

Valuation Pricing: Nightly Valuation



Symbol	Last Price (Change)	Today's Gain/Loss	Total Gain/Loss
FCASH** CASH	\$1.00 (\$0.00)	\$0.00 0.00%	n/a n/a
34540TDZ2 FORD MOTOR CREDIT COMPANY MTN 3.50000% ... 3.500% 12/20/2022	\$96.119 (\$0.00)		
36290SYJ4 GOV'T NAT'L MTG ASSN POOL #616413 5.00000% 0... 5.000% 05/15/2034	\$114.818 (+ \$0.0013)		
74348YV24 PROSPECT CAP CORP MTN 3.75000% 08/15/2029 3.750% 08/15/2029	\$83.038 (- \$0.034)	-\$0.34 -0.05%	-\$169.62 -16.97%
902748AA0 UIL HLDG CORP NOTE CALL MAKE WHOLE 4.6250... 4.625% 10/01/2020	\$100.496 (- \$0.009)	-\$0.18 -0.01%	-\$2.33 -0.12%
90348JDY3 <small>BL</small> UBS BK USA SALT LAKE CITY UT CD 2.90000% 10/... 2.900% 10/05/2020	\$1.0064 (- \$0.0003)	n/a n/a	+\$6.44 +0.64%
912810PZ5 UNITED STATES TREAS BDS 2.50000% 01/15/2029 ... 2.500% 01/15/2029	\$129.237 (+ \$0.2794)	n/a n/a	+\$47.17 +3.15%
912828YL8 UNITED STATES TREAS NTS SER AE-2024 0.12500... 0.125% 10/15/2024	\$105.139 (+ \$0.1089)	n/a n/a	+\$62.74 +3.07%

912828YL8
UNITED STATES TREAS NTS SER AE-2024 0.12500...
0.125% 10/15/2024

\$105.139
(+ \$0.1089)

For illustrative purposes only Source: Fidelity.com Screen-print taken on 12/22/2016

Valuation Pricing: Bond Details



Overview | Price & Performance

Details

CUSIP	74348YV24
ISIN	US74348YV240
SEDOL	--
Pay Frequency	SEMI-ANNUALLY
Coupon	Step-up
Maturity Date	08/15/2029
Moody's Rating	BAA3
S&P Rating	BBB-
Issuer Events	YES
Survivor Option	YES
Bond Type	Corporate
Sector	FINANCE (BANK)
Interest Accrual Date	08/22/2019

Redemptive Features

Call Protection	View Schedule NO
Continuously Callable	YES
Called Bonds	NO

PROSPECT CAP CORP MTN

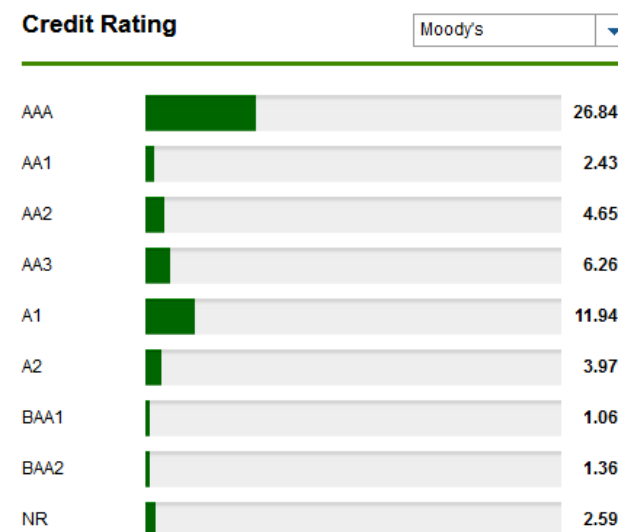
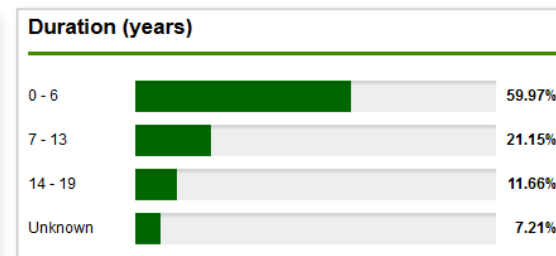
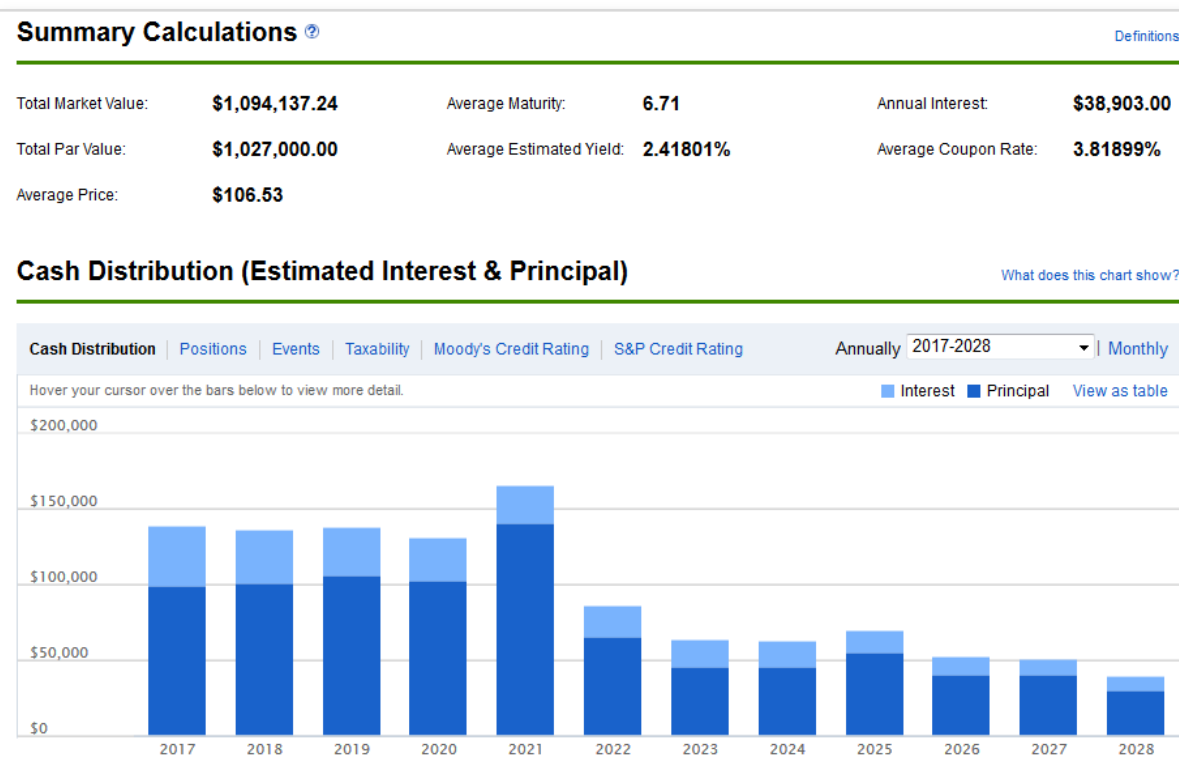
3.75000% 08/15/2029

Overview | **Price & Performance**

Basic Analytics	Complex Analytics
Price (Bid)	N/A
Price (Ask)	N/A
Depth of Book	--
Ask Yield to Worst	N/A
Ask Yield to Maturity	N/A
Current Yield	--
Yield to Sink	--
Third Party Price	83.208
Spread to Treasuries	N/A
Treasury Benchmark	N/A
Recent Trade	View Recent Trades
Price	85.650
Quantity	5
Date/Time	07/14/2020 11:45:24
Buy/Sell	CB

For illustrative purposes only Source: Fidelity.com Screen-print taken on 12/22/2016

Valuation Pricing: Fixed Income Analytics



For illustrative purposes only Source: Fidelity.com

Historical Pricing: Trading Liquidity



SANTA CLARITA CALIF PUB FING AUTH
04.00000% 06/01/2034REV LEASE REV BDS SHERIFF STATION PROJ

Overview Price & Performance News & Documents

Basic Analytics

Price (Bid)	N/A
Price (Ask)	116.686
Depth of Book	--
Ask	1.467%
Ask	2.562%
Yield	--

Best Offer: 116.686
No Bids

Complex

Duration to W
Option Adjust
Option Adjust
Convexity to V
Option Adjust

Trades often months apart
Pricing increased over time, in line with general Muni market

SANTA CLARITA CALIF PUB FING AUTH LEASE 04.00000% 06/01/2034REV LEASE REV BDS SHERIFF STATION PROJ

Trade View Options

Table Chart

Customer Buy/NMAB Customer Sell

Price	Quantity	Yield	Date	Buy/Sell
114.95	15	1.70%	6/19/2020 16:05:39	Customer Buy
112.95	15	1.99%	6/19/2020 16:05:39	Dealer to Dealer
108.669	15	2.66%	3/26/2020 11:14:12	Dealer to Dealer
108.294	15	2.71%	3/26/2020 11:14:12	Customer Sell
101.137	10	3.81%	3/24/2020 12:41:06	Customer Buy
101.062	10	3.82%	3/24/2020 12:41:06	Customer Sell
101.062	10	3.82%	3/24/2020 12:41:06	Dealer to Dealer
113.885	10	2.01%	11/4/2019 15:21:23	Customer Buy

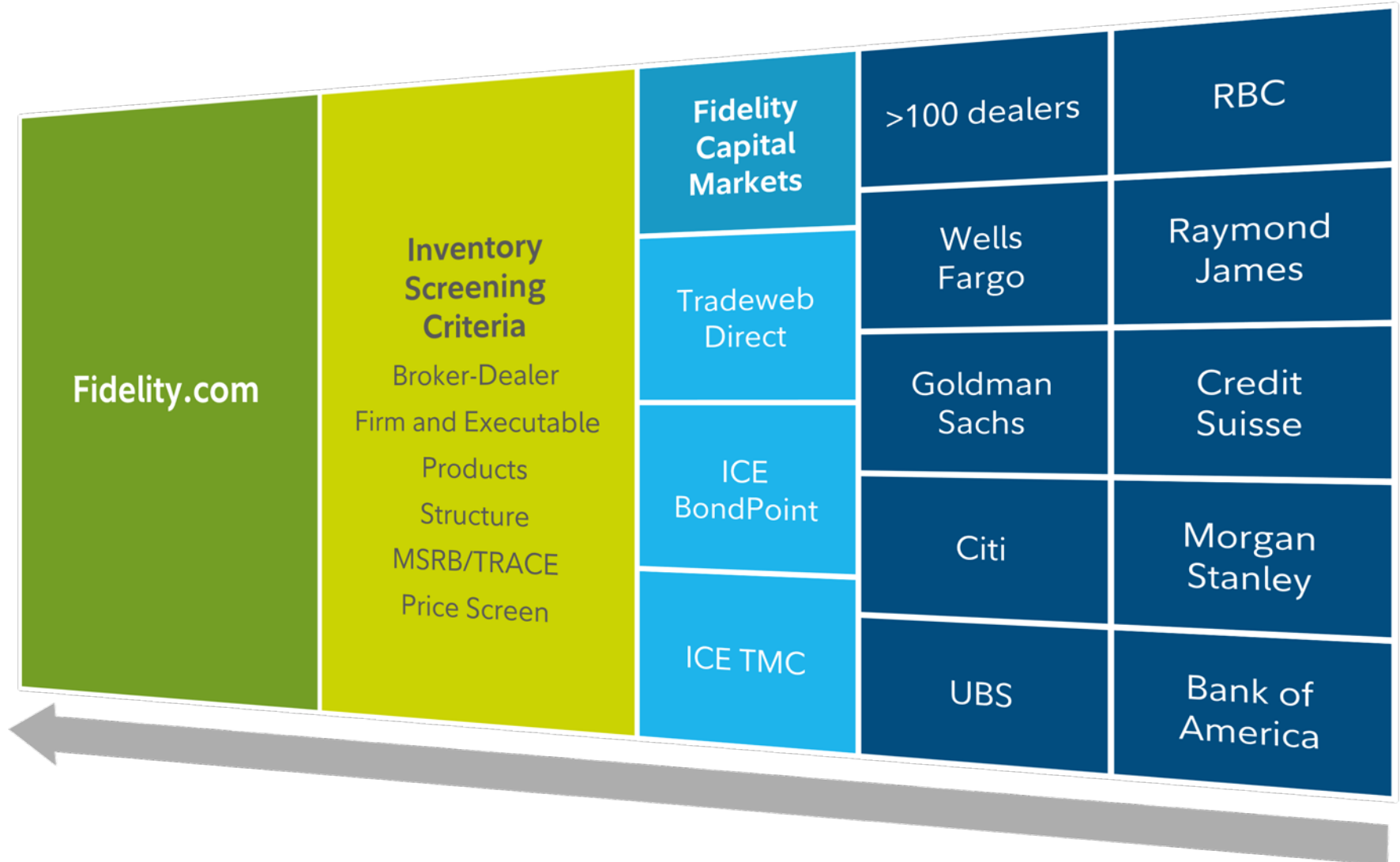
For illustrative purposes only Source: Fidelity.com Screen-print taken on 06/19/2020

Live Pricing: Fidelity Bond Aggregation



~75K
Unique Bonds
Offered

~120K
Total Offerings



Live Pricing: Live Listing of Bonds Available



Research > Fixed Income > Individual Bonds > Search Results

Corporate Bond Search Results [Help/Glossary](#)

[View other important information and risks of investing in fixed income securities.](#)

[Table View](#) [Price/Yield Calculator](#) | [Taxable Equivalent Yield Calculator](#)

YOUR KEY SEARCH CRITERIA [Edit](#) | [Save](#)

Search Name	CORP A1 to A3 A+ to A-
Maturity Date	04/2025 to 04/2027
Moody's Rating	A1 to A3
S&P Rating	A+ to A-
Call Protection	All
Sinking Fund Protection	Yes
Sector	All

Attributes Legend

IE: Issuer Event CP: Call Protection SFP: Sinking Fund Protection ER: Extraordinary Redemption
 SO: Survivor's Option D: Depth of Book Available

Total Bonds Found: 166

Select Action [OK](#)

	Description	Coupon	Maturity Date	Rating		Bid		Ask		Yield to Maturity	Depth of Book	3rd Party Price / Recent Trades
				Moody's	S&P	Yield	Price Qty(min)	Price Qty(min)	Yield to Worst/ Yield to Sink			
<input type="checkbox"/> 1	HSBC BANK BOND 7.65000% 05/01/2025 ISIN #US597433AC57 SEDOL #0593005	7.650	05/01/2025	A2	A-	4.411	123.614 100(10)	124.403 250(250)	4.316 --	4.316		124.495 View
<input type="checkbox"/> 2	BHP BILLITON FINANCELTD BOND 6.42000% 03/01/2026	6.420	03/01/2026	A3	A	3.978	119.530 100(10)	122.214 44(44)	3.682 --	3.682		120.193 View

For illustrative purposes only Source: Fidelity.com

Live Pricing: Treasuries and Corporate Live Bid and Offer Prices



Description	Coupon	Maturity Date	Rating		Bid		Ask	
			Moody's	S&P	Yield	Price Qty(min)	Price Qty(min)	Yield to Worst
UNITED STATES TREAS NTS NOTE 1.62500% 05/15/2026	1.625	05/15/2026	AAA	--	1.688	99.421 1,000(1)	99.469 1,000(1)	1.683

Bid Price: 99.421
Ask Price: 99.469
Yield Spread: 0.005%

Description	Coupon	Maturity Date	Rating		Bid		Ask	
			Moody's	S&P	Yield	Price Qty(min)	Price Qty(min)	Yield to Worst/ Yield to Sink
WELLS FARGO CO MTN BE 4.10000% 06/03/2026 FR	4.100	06/03/2026	A3	A-	3.398	105.904 75(10)	105.999 2(2)	3.387 --

Bid Price: 105.904
Ask Price: 105.999
Yield Spread: 0.011%

For illustrative purposes only Source: Fidelity.com

Live Pricing: Municipal Bond Offerings



State	Description	Coupon	Maturity Date	Rating		Underlying Rating		Bid		Price Qty(min)	Ask Yield to Worst/ Yield to Sink	Yield to Maturity
				Moody's	S&P	Moody's	S&P	Yield	Price Qty(min)			
IL	KENDALL KANE & WILL CNTYS ILL CMNTY UNIT00.00000% 02/01/2027SCH DIST NO 308 GO SCH BDS OSWEGO SER.	0.000	02/01/2027	AA2	NR	AA2	--	--	No Bid --(-)	71.956 5(5)	3.120 --	3.120
NJ	NEW JERSEY ST HIGHERED ASSISTANCE AUTH 05.10000% 12/01/2026STUD LN STUD LN REV BDS STATE OF NEW	5.100	12/01/2026	AA2	AA	--	--	--	No Bid --(-)	106.893 45(10)	2.990 --	4.276
IL	COOK CNTY ILL CMNTY COLLEGE DIST NO 508 05.25000% 12/01/2026ULTD TAX GO BDS CITYCOLLEGE OF CHICAGO	5.250	12/01/2026	--	AA	--	--	--	No Bid --(-)	116.347 45(5)	2.807 --	3.382
IL	COOK CNTY ILL CMNTY COLLEGE DIST NO 508 05.25000% 12/01/2025ULTD TAX GO BDS CITYCOLLEGE OF CHICAGO	5.250	12/01/2025	--	AA	--	--	--	No Bid --(-)	117.132 10(10)	2.700 --	3.143
IL	PINGREE GROVE ILL SPL SVC AREA NO 2 03.50000% 03/01/2026SPL TAX REF BDS CAMBRIDGE LAKES PROJ	3.500	03/01/2026	--	AA	--	--	--	No Bid --(-)	106.578 10(10)	2.649 --	2.724
IL	WILL CNTY ILL CMNTY UNIT SCH DIST NO 00.00000% 11/01/2026365-U VY VIEW GO SCHBDS SER.2007 B	0.000	11/01/2026	AA2	AA	AA2	AA-	--	No Bid --(-)	76.166 75(25)	2.640 --	2.640
IL	UNIVERSITY ILL UNIV REVS AUX FACS SYS 03.62500% 04/01/2027REV BDS SER. 2011	3.625	04/01/2027	AA3	AA-	AA3	--	--	No Bid --(-)	105.191 15(5)	2.570 --	3.057
IL	WILCO AREA CAREER CTR ILL DEBT CTFS 02.37500% 12/01/2025SER.2016	2.375	12/01/2025	--	AA-	--	--	--	No Bid --(-)	98.658 140(5)	2.535 --	2.535
IL	WILL CNTY ILL CMNTY UNIT SCH DIST NO 00.00000% 11/01/2025365-U VY VIEW CAP APPREC BDS SER.2005	0.000	11/01/2025	AA2	AA-	AA2	AA-	--	No Bid --(-)	79.203 50(10)	2.501 --	2.501
CA	SALINAS CALIF UN HIGH SCH DIST GO BDS00.00000% 10/01/20262002 ELECTION SER. 2003 A	0.000	10/01/2026	AA2	AA-	AA2	A+	--	No Bid --(-)	77.624 5(5)	2.475 --	2.475

Bid		Ask	
Yield	Price Qty(min)	Price Qty(min)	Yield to Worst/ Yield to Sink
--	No Bid --(-)	71.956 5(5)	3.120 --
--	No Bid --(-)	106.893 45(10)	2.990 --

For illustrative purposes only Source: Fidelity.com

Live Pricing: Depth of Book



Trade	Description	Coupon	Maturity Date	Next Call Date	Rating		Bid		Ask			Depth of Book
					Moody's	S&P	Yield	Price Qty(min)	Price Qty(min)	Yield to Worst/ Yield to Sink	Yield to Maturity	
Buy Sell	JOHNSON & JOHNSON NOTE CALL MAKE WHOLE4.50000% 09/01/2040	4.500	09/01/2040	View	AAA	AAA	2.105	139.123 100(10)	142.091 100(10)	1.959 --	1.959	?

JOHNSON & JOHNSON NOTE CALL MAKE WHOLE4.50000% 09/01/2040

Depth of Book as of 07/14/2020 at 21:48 pm

Bids				Asks			
Action	Yield	Quantity(Min)	Price	Price	Quantity(Min)	Yield	Attributes
Sell*	2.105	100(10)	139.123	142.091	100(10)	1.959	IE SFP
Sell	2.137	470(9)	138.483	142.574	45(9)	1.936	IE SFP
Sell	2.155	1001(2)	138.119	142.600	12(12)	1.934	IE SFP
Sell	2.169	250(25)	137.852	142.985	500(2)	1.916	IE SFP
Sell	2.202	500(2)	137.187				

*Indicates best price

5 dealers bidding
Different quantities
and prices

4 dealers offering
Different quantities and prices

Live Depth of Book and Historical Recent Trades for Corporate Bonds



APPLE INC NOTE CALL MAKE WHOLE 2.40000% 05/03/2023ISIN #US037833AK68 SEDOL #B8HTMH6

Print

Depth of Book as of 07/17/2020 at 09:41 am

Bids				Asks				
Action	Yield	Quantity(Min)	Price	Price	Quantity(Min)	Yield	Attributes	Action
Sell*	0.428	100(10)	105.450	105.731	1304(2)	0.330	IE SFP	Buy*
Sell	0.442	200(2)	105.411	105.753	1000(2)	0.322	IE SFP	Buy
Sell	0.444	1000(2)	105.404	105.755	100(10)	0.321	IE SFP	Buy
Sell	0.459	99(10)	105.363	105.771	239(2)	0.316	IE SFP	Buy
Sell	0.460	150(10)	105.360	105.810	7(7)	0.302	IE SFP	Buy
Sell	0.472	25(10)	105.353	105.820	1(1)	0.295	IE SFP	Buy
Sell	0.477							
Sell	0.484							
Sell	0.491							
Sell	0.758							
Sell	1.026							
Sell	1.299							

Recent Trades

Trade View Options

AS OF 09:41:14 AM ET 07/17/2020

Table Chart

Customer Buy/NMAB Customer Sell/NMAS Dealer to Dealer

*Indicates best price

Price	Quantity	Yield	Date	Buy/Sell	Trade Attributes
105.561	3	0.389	7/17/2020 08:33:57	NMAB	
105.507	100	0.408	7/17/2020 08:27:37	Customer Sell	
105.732	3	0.329	7/17/2020 07:49:06	Customer Buy	
105.533	112	0.399	7/17/2020 07:25:04	NMAB	
105.704	132	0.341	7/16/2020 16:59:02	Dealer to Dealer	
105.553	3067	0.394	7/16/2020 16:58:08	Customer Sell	NREM

Best Offer: 105.725
Best Bid: 105.436
Yield Spread: 0.098

Recent Trades
Investor Bought earlier at 105.732
Investor Sold earlier at 105.553

For illustrative purposes only Source: Fidelity.com


Charting for Recent Trades



Fidelity | Recent Trades

APPLE INC NOTE CALL MAKE WHOLE 2.40000% 05/03/2023ISIN #US037833AK68
SEDOL #B8HTMH6

Trade View Options AS OF 09:05:22 AM ET 07/17/2020  

Customer Buy/NMAB Customer Sell/NMAS Dealer to Dealer 

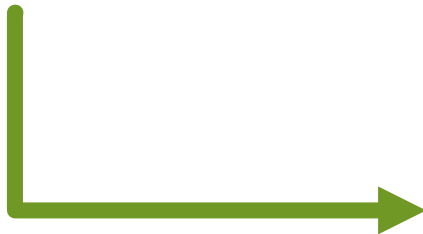


Live Pricing: Request for Bid Quote

Note : Our system is currently showing no active bid quotes for this security.

Account	
As of 07/18/2019 10:32am ET Refresh	
Total Account Value	\$24,342.12
Cash Available to Trade	\$6,366.24
Committed to Open Orders	\$0.00
Settled Cash	\$132.91

Action: Request for Bid Quote [What is this?](#)
CUSIP: 796532BC2 [View Bond Details](#)
Description: SAN BENITO CNTY CALIF CTFS PARTN 05.00000% 10/01/2021COPS JAIL FAC PROJ SER. 2019
Quantity:
 Quantity is the number of bonds. 1 bond equals \$1,000 face value.



Your request for bid quote has been received by Fidelity

Responses to your request will be emailed to you and posted on the [Bid Requests Page](#). Please check this page for your request's estimated response time. Depending on the security, responses may be posted between 30 minutes and 90 minutes.

Please note: your request is valid only until the close of the current trading day.

Order Information

as of 07/18/2019, 10:40 AM

Account
Action Request for Bid Quote
CUSIP 796532BC2
Description SAN BENITO CNTY CALIF CTFS PARTN 05.00000% 10/01/2021COPS JAIL FAC PROJ SER. 2019
Quantity 5

Next Steps

- To place a sell order from a Bid Response, go to your [Bid Requests page](#)
- Check your email and/or your messages on the Portfolio Summary page for response to your request.
- Go to [Find Bonds and CDs](#).

Access Bid Wanted Dashboard

- Price discovery for securities without an "active" bid quote available on Fid.com
- Allows multiple dealers to competitively bid on the position

Live Pricing: Bid Wanted Dashboard



Bond & CD Bid Quote Status

[Orders](#) | [Online Message Center](#)

Select an Account

View by Account

AS OF 02:59 PM ET 07/15/2019

Request Date/Time	Issue Description	CUSIP	Quantity	Best Bid	Bid Valid Until	Bid Status	Action
07/15/19 1:34 PM ET	CALIFORNIA ST GO VAR...	13063CW97	5	--	N/A	Response Expected: 03:04:49 PM ET	
07/15/19 2:18 PM ET	FIRST NATL BK LONG ...	329864AB8	1	98.012	04:15:00 PM ET	Responded	Place Order
07/15/19 1:36 PM ET	BMW BK NORTH AMER ...	05580ARZ9	7	99.532	02:06:00 PM ET	Expired	Request Bid
07/05/19 1:49 PM ET	SAN BENITO CNTY ...	796532BC2	5	107.54	04:45:00 PM ET	Expired	Request Bid
06/25/19 1:57 PM ET	SAN BENITO CNTY ...	796532BC2	5	107.58	04:45:00 PM ET	Expired	Request Bid
06/18/19 10:07 AM ET	SAN BENITO CNTY ...	796532BC2	5	107.61	03:04:00 PM ET	Expired	Request Bid

Easily see the Best Bid:
98.012

Clearly identify the
exact time a bid
response will be
returned

Ability to Place Order
directly from Dashboard

For illustrative purposes only Source: Fidelity.com

Accounts & Trade | Planning & Advice | News & Research | Investment Products | Why Fidelity

Home > Research > Fixed Income > [Help/Glossary](#) | [Email](#) | [Share](#) | [A A A](#)

Fixed Income, Bonds & CDs

[Find Bonds & CDs](#) | [Research & Markets](#) | [Bond Tools](#) | [Service & Solutions](#) | [Understanding Bonds](#)

NEW Competitive bond pricing study. [See how much you can save at Fidelity.](#)

Choose from 75,000 new issue and secondary market bonds and CDs, and over 120,000 total offerings quotations when including our depth of book. Only \$1 per bond mark-up/mark-down for secondary bond trading, \$0 for US Treasuries online.

Search Bonds or Funds: **Bonds** | Funds

By CUSIP or Type (for bond name): CUSIP

Search by CUSIP: Enter CUSIP number **Search**

Yields: **Bonds (91,287)** | New Issues (233) | CDs & Ladders (5,951) | Annuities | Funds | ETFs | Managed Accounts

Bond types and ratings are listed in the left column, maturities across the top. The numerical values represent the high or median yield for each category based on offerings that may be available. Select a value to see bond search results and review the yields offered in the context of the structure and risks of specific offerings. Visit [Investment Products > Fixed Income](#) to read more about the advantages and risks of brokered CDs and the different bond types listed.

View by: Highest Yield Median Yield	Pop out the yield table ↗									
Understanding This Table	3mo	6mo	9mo	1yr	2yr	3yr	5yr	10yr	20yr	30yr+
CDs (New Issues)	0.15%	0.15%	0.15%	0.15%	0.25%	0.30%	0.65%	1.20%	--	--
BONDS										
U.S. Treasury	0.13%	0.13%	0.13%	0.13%	0.15%	0.18%	0.29%	0.62%	1.08%	1.30%
U.S. Treasury Zeros	--	--	--	0.07%	0.13%	0.21%	0.37%	0.78%	1.22%	1.38%
Agency/GSE	0.34%	0.20%	0.20%	0.19%	0.29%	0.36%	0.69%	1.57%	2.00%	1.98%
Corporate (Aaa/AAA)	0.30%	0.10%	--	0.17%	--	0.30%	0.68%	1.35%	1.95%	2.91%
Corporate (Aa/AA)	0.30%	0.29%	0.36%	0.32%	0.40%	0.58%	0.92%	1.83%	2.48%	3.69%
Corporate (A/A)	0.34%	0.40%	0.68%	0.75%	1.27%	1.24%	1.52%	2.60%	3.44%	3.73%
Corporate (Baa/BBB)	0.76%	0.65%	2.92%	2.29%	3.43%	5.75%	5.87%	7.57%	5.75%	5.57%
Municipal (Aaa/AAA)	--	0.50%	0.49%	0.60%	0.44%	0.75%	1.05%	1.70%	2.11%	--
Municipal (Aa/AA)	0.38%	0.47%	0.43%	0.58%	0.88%	1.00%	1.35%	2.47%	2.60%	3.38%
Municipal (A/A)	0.53%	0.47%	0.90%	0.76%	1.40%	1.51%	2.20%	2.75%	2.86%	2.50%
Taxable Municipal*	0.37%	--	--	0.26%	0.80%	1.90%	2.30%	2.70%	2.24%	3.70%

AS OF 9:29 PM ET 07/14/2020. YIELDS MAY BE DELAYED UP TO 15 MINUTES.



Live Pricing: The Yield Table

[Fidelity.com](#) > [Research](#) > [Fixed Income Bonds & CDs](#)

Quick and easy scan of 120 comparative yield data-points

Derived every 15 minutes from live bond inventory

Immediate, one-click, access to search results for that category

For illustrative purposes only Source: Fidelity.com

Live Pricing: Using the Fidelity.Com Bond Yield Table

View by: **Highest Yield** | Median Yield

View by Highest or Median yields

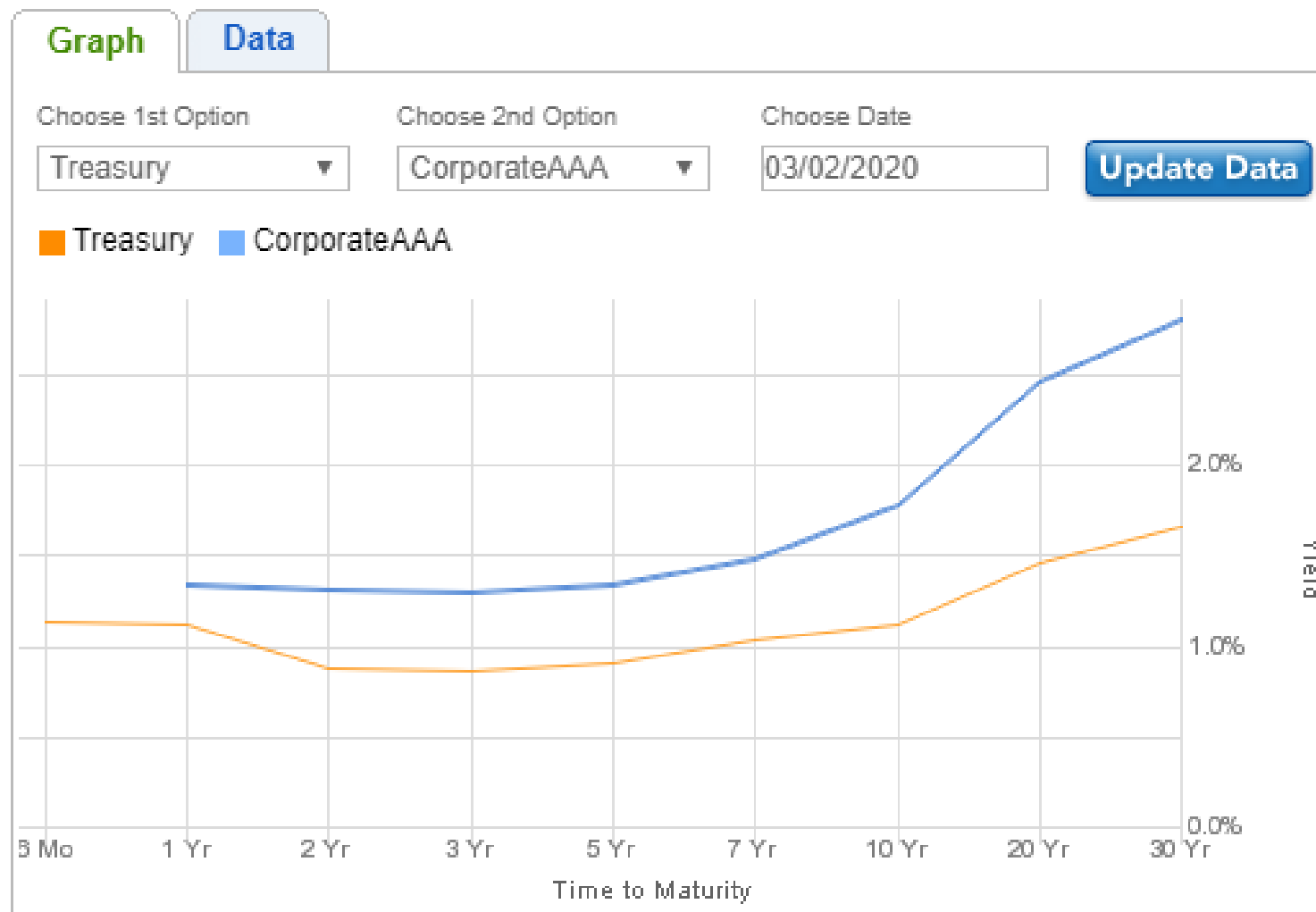
Pop out the yield table [↗](#)

Understanding This Table	3mo	6mo	1yr	2yr	3yr	5yr	10yr	20yr	30yr+	
CDs (New Issues)	0.15%	0.15%	0.15%	0.15%	0.25%	0.30%	0.65%	1.20%	--	--
BONDS										
U.S. Treasury	0.13%	0.13%	0.13%	0.13%	0.15%	0.18%	0.29%	0.62%	1.08%	1.30%
U.S. Treasury Zeros	--	--	--	0.07%	0.13%	0.21%	0.37%	0.78%	1.22%	1.38%
Agency/GSE	0.34%	0.20%	0.20%	0.19%	0.29%	0.36%	0.69%	1.57%	2.00%	1.98%
Corporate (Aaa/AAA)	0.30%	0.10%	--	0.17%	--	0.30%	0.66%	1.35%	1.95%	2.91%
Corporate (Aa/AA)	0.30%	0.29%	0.36%	0.32%	0.40%	0.58%	0.92%	1.83%	2.48%	3.69%
Corporate (A/A)	0.34%	0.40%	0.68%	0.75%	1.27%	1.24%	1.52%	2.60%	3.44%	3.73%
Corporate (Baa/BBB)	0.76%	0.65%	2.92%	2.29%	3.43%	5.75%	5.87%	7.57%	5.75%	5.57%
Municipal (Aaa/AAA)	--	0.50%	0.49%	0.60%	0.44%	0.75%	1.05%	1.70%	2.11%	--
Municipal (Aa/AA)	0.38%	0.47%	0.43%	0.58%	0.88%	1.00%	1.35%	2.47%		
Municipal (A/A)	0.53%	0.47%	0.90%	0.76%	1.40%	1.51%	2.20%	2.75%		
Taxable Municipal*	0.37%	--	--	0.28%	0.80%	1.90%	2.30%	2.70%	2.24%	3.70%

Click on a yield to see offerings

Fixed Income Market Data

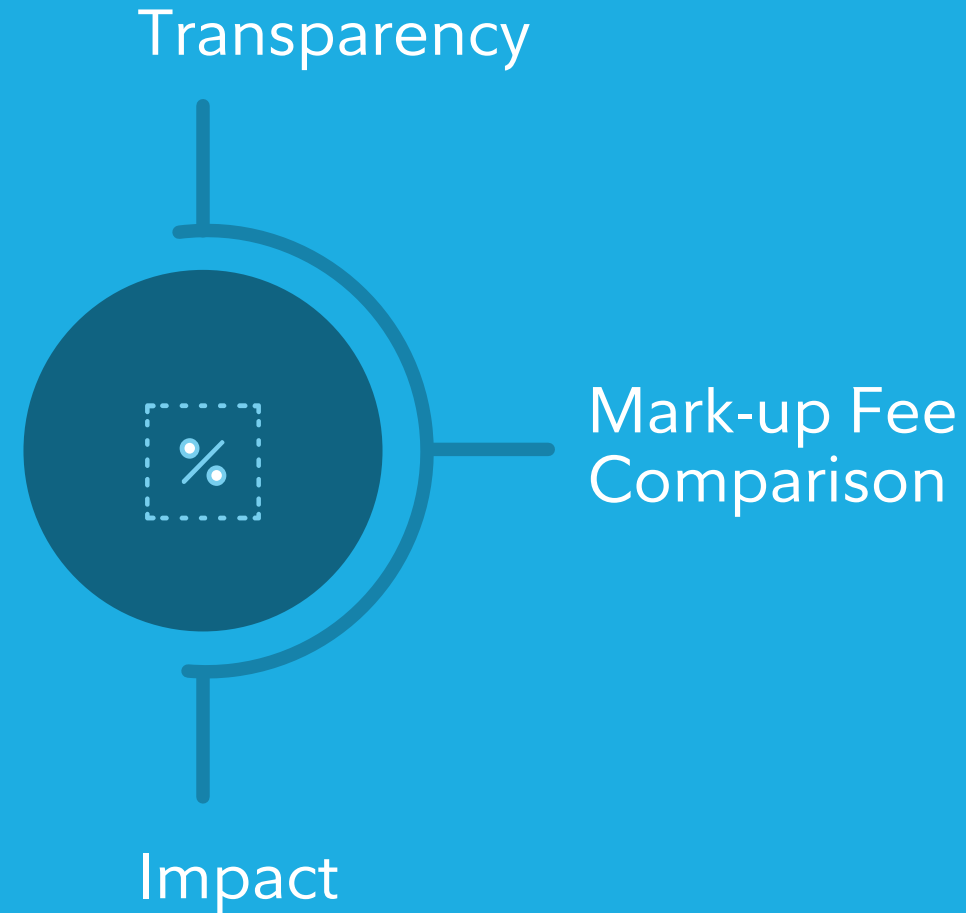
Yield Curve | [Key Rates](#) | [Market Benchmarks](#)



Live Pricing: The Yield Curve

For illustrative purposes only Source: Fidelity.com

Understanding Trading Costs

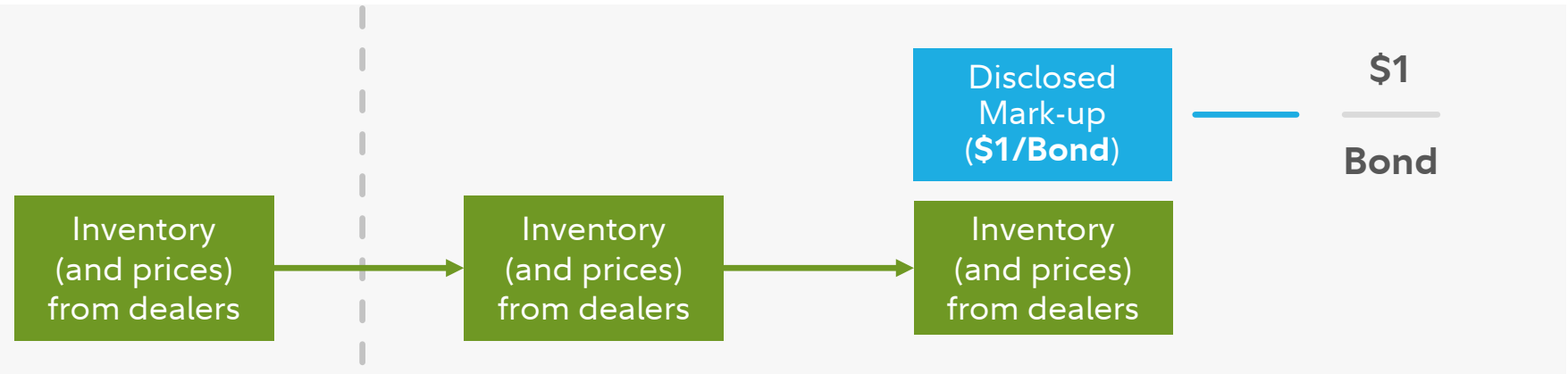


Cost Transparency



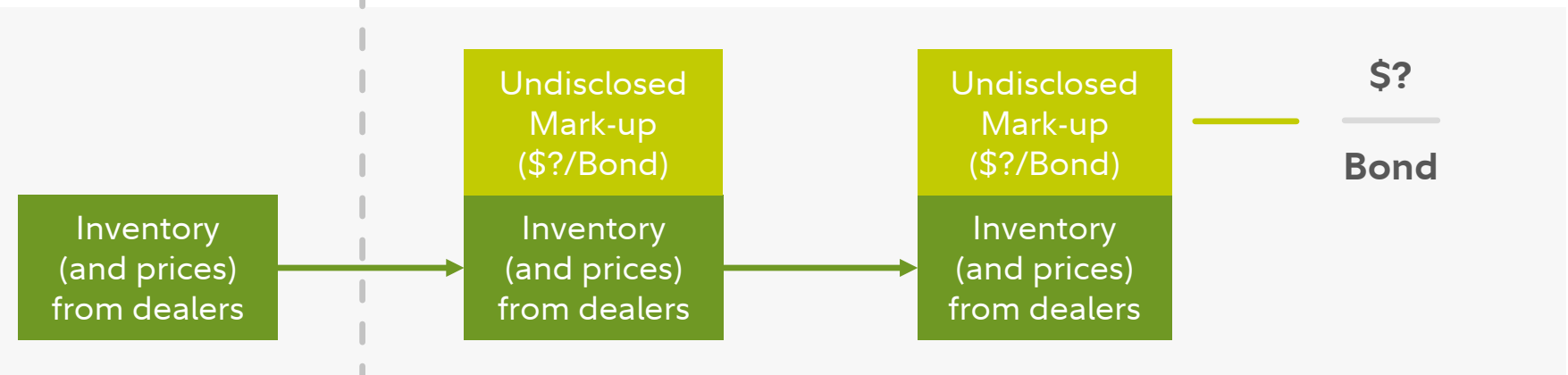
A

**Fidelity Process:
"Transparent Pricing"**



B

**Markup Broker Process:
"Undisclosed Pricing"**



Mark-up Fee Comparisons



KOHL'S CORP NOTE CALL MAKE WHOLE 3.25000% 02/01/2023

Trade View Options

AS OF 07:10:09 AM ET 07/17/2020

Table Chart

Customer Buy/NMAB
 Customer Sell/NMAS
 Dealer to Dealer

Price	Quantity	Yield	Date	Buy/Sell	Trade Attributes
99.12	3	3.617	7/16/2020 12:28:01	Dealer to Dealer	ATS
99.12	3	3.617	7/16/2020 12:28:01	Dealer to Dealer	
99.02	3	3.659	7/16/2020 12:28:01	Customer Sell	
99.22	3	3.575	7/16/2020 12:28:00	Customer Buy	
99.12	3	3.617	7/16/2020 12:28:00	Dealer to Dealer	ATS
100.976	15	2.806	7/16/2020 11:51:50	Customer Buy	
100.2	15	3.159	7/16/2020 11:51:50	Dealer to Dealer	ATS
100.2	15	3.159	7/16/2020 11:51:50	Dealer to Dealer	ATS
100.14	15	3.187	7/16/2020 11:51:50	NMAB	
100.2	3	3.159	7/16/2020 09:59:33	Customer Buy	NREM
100.2	3	3.159	7/16/2020 09:59:33	Dealer to Dealer	ATS
100.1	3	3.206	7/16/2020 09:59:33	NMAB	
101.314	10	2.658	7/9/2020 09:16:04	Customer Buy	
100.56	10	2.997	7/9/2020 09:16:04	Dealer to Dealer	ATS
100.45	10	3.047	7/9/2020 09:16:04	Dealer to Dealer	
100.35	10	3.092	7/9/2020 09:16:04	Customer Sell	

Another broker's **\$7.54 per bond Mark-up**
(101.314 – 100.56)

Fidelity's **\$1 per bond Mark-up**
(100.45 – 100.35)

For illustrative purposes only
Source: Fidelity.com

Confirms now display Mark-up/down



REFERENCE NO.	TYPE	REG.REP.	TRADE DATE	SETTLEMENT DATE	CUSIP NO.	ORDER NO.		
	1*	W##	06-06-18	06-08-18	89236TDU6			

You Bought
100,000
at 98.5660

DESCRIPTION and DISCLOSURES
 TOYOTA MOTOR CREDIT CORP MTN
 WE HAVE ACTED AS PRINCIPAL.
 COUPON 1.95000% MATURITY DATE
 04/17/2020
 CURRENT YIELD 1.978
 YIELD TO MATURITY 2.746%
 TO VIEW SECURITY DETAILS AND TRADE
 ACTIVITY, GO TO
<https://bondfacts.finra.org/89236TDU6>
 EXECUTION TIME 15:47:52
 MARK-UP/DOWN IS THE DIFFERENCE (DOLLAR
 AND %) BETWEEN THE PREVAILING MARKET
 PRICE (PMP) AND TRADE PRICE. N/A
 REPRESENTS INSTANCES WHERE TRADE PRICE
 IS BETTER THAN PMP.
MARK-UP \$100.00 / 0.1016%
 MOODY'S AA3 STANDARD & POOR'S AA-
 INTEREST PAID SEMI-ANNUALLY

Principal Amount 98,566.00
 Interest 276.25
 Settlement Amount 98,842.25

REFERENCE NO.	TYPE	REG.REP.	TRADE DATE	SETTLEMENT DATE	CUSIP NO.	ORDER NO.		
	1*	W##	06-06-18	06-08-18	45471ANMO			

You Sold
105,000
at 114.3590

DESCRIPTION and DISCLOSURES
 INDIANA FIN AUTH HOSP REV REF BDS
 INDIANA UNIVERSITY HEALTH INC 2014 A
 WE HAVE ACTED AS PRINCIPAL.
 COUPON 5.00000% MATURITY DATE
 12/01/2026
 CALLABLE NEXT CALL 12/01/24 @ 100.000
 CURRENT YIELD 4.372
 YIELD TO MATURITY 3.064%
 YIELD TO CALL 2.579% TO 12/01/24 @
 100.000 REVENUE
 SUBJECT TO EXTRAORDINARY CALL
 CONTINUOUSLY CALLABLE FROM 12/01/24
 TO VIEW SECURITY DETAILS AND TRADE
 ACTIVITY, GO TO
<https://emma.msrb.org/cusip/45471ANMO>
 EXECUTION TIME 02:40 PM
 MARK-UP/DOWN IS THE DIFFERENCE (DOLLAR
 AND %) BETWEEN THE PREVAILING MARKET
 PRICE (PMP) AND TRADE PRICE. N/A
 REPRESENTS INSTANCES WHERE TRADE PRICE
 IS BETTER THAN PMP.
MARK-DOWN \$105.00 / 0.0874%
 BOOK ENTRY ONLY
 MOODY'S AA2 STANDARD & POOR'S AA

Principal Amount 120,076.95
 Interest 102.08
 Settlement Amount 120,179.03

For illustrative purposes only
 Source: Fidelity.com



Don't get overcharged for bonds

Do you know how much your broker charges for bond trading? At Fidelity, our bond pricing is clear, transparent, and low. Explore our bonds, or learn more below.

[Search for Bonds](#)



Why pay more?

	Wells Fargo Price average higher vs Fidelity	Morgan Stanley Price average higher vs Fidelity	Merrill Lynch Price average higher vs Fidelity
1 Corporate bond	\$20.16	\$22.10	\$9.15
1 Municipal bond	\$10.96	\$16.14	\$13.81
Example trade of 22 bonds	\$240-\$440	\$355-\$485	\$200-\$300

The average price differentials per bond in the table are taken from a [March 2020 study by Corporate Insight](#),* which was commissioned by Fidelity. This illustrates how you could save an average of \$15 per bond by choosing Fidelity versus potentially spending more elsewhere.

Minimum markup or markdown of \$19.95 applies if traded with a Fidelity representative. For U.S. Treasury purchases traded with a Fidelity representative, a flat charge of \$19.95 per trade applies. A \$250 maximum applies to all trades, reduced to a \$50 maximum for bonds maturing in one year or less. Rates are for U.S. dollar-denominated bonds; additional fees and minimums apply for non-dollar bond trades. Other conditions may apply; see [Fidelity.com/commissions](#) for details. Please note that markups and markdowns may affect the total cost of the transaction and the total, or "effective," yield of your investment. The offering broker, which may be our affiliate, National Financial Services LLC, may separately mark up or mark down the price of the security and may realize a trading profit or loss on the transaction.

Markup - For secondary market bonds and CD purchases, the difference (dollar and %) between the Prevailing Market Price (PMP) and the trade price. Mark-up is calculated as: $\text{Mark-up} / \text{Total initial price} \times 100$. The mark-up includes, but may not be limited to, Fidelity's \$1 per bond pricing. Details available on our fee schedule.

Pricing: Fidelity's \$1 Per Bond Transaction Costs Are Very Competitive

Online:

[Fidelity Viewpoint: How much am I paying for my bonds?](#)

For illustrative purposes only

Source: Fidelity.com, June 2020

See disclosure on page 37 for details on this study

Comprehending
the Bond Market



Assessing Pricing for
Individual Bonds



Understanding
Trading Costs



In Review

Fixed Income, Bonds & CDs

[Find Bonds & CDs](#) | [Research & Markets](#) | [Bond Tools](#) | [Service & Solutions](#) | [Understanding Bonds](#)

NEW Competitive bond pricing study. [See how much you can save at Fidelity.](#)

Choose from 75,000 new issue and secondary market bonds and CDs, and over 120,000 total offerings quotations when including our depth of book. Only \$1 per bond mark-up/mark-down for secondary bond trading, \$0 for US Treasuries online.

Search Bonds or Funds By CUSIP or Type (for bond name) Search by CUSIP

CUSIP

[Saved Searches](#) | [Bond Ladder](#) | [Bid Requests](#)

Yields [Bonds \(91,287\)](#) [New Issues \(233\)](#) [CDs & Ladders \(5,951\)](#) [Annuities](#) [Funds](#) [ETFs](#) [Managed Accounts](#)

Bond types and ratings are listed in the left column, maturities across the top. The numerical values represent the high or median yield for each category based on offerings that may be available. Select a value to see bond search results and review the yields offered in the context of the structure and risks of specific offerings. Visit [Investment Products > Fixed Income](#) to read more about the advantages and risks of brokered CDs and the different bond types listed.

View by: [Highest Yield](#) | [Median Yield](#) [Pop out the yield table](#)

Understanding This Table	3mo	6mo	9mo	1yr	2yr	3yr	5yr	10yr	20yr	30yr+
CDs (New Issues)	0.15%	0.15%	0.15%	0.15%	0.25%	0.30%	0.65%	1.20%	--	--
BONDS										
U.S. Treasury	0.13%	0.13%	0.13%	0.13%	0.15%	0.18%	0.29%	0.82%	1.08%	1.30%
U.S. Treasury Zeros	--	--	--	0.07%	0.13%	0.21%	0.37%	0.78%	1.22%	1.38%
Agency/GSE	0.34%	0.20%	0.20%	0.19%	0.29%	0.36%	0.69%	1.57%	2.00%	1.98%
Corporate (Aaa/AAA)	0.30%	0.10%	--	0.17%	--	0.30%	0.68%	1.35%	1.95%	2.91%
Corporate (Aa/AA)	0.30%	0.29%	0.36%	0.32%	0.40%	0.58%	0.92%	1.83%	2.48%	3.69%
Corporate (A/A)	0.34%	0.40%	0.68%	0.75%	1.27%	1.24%	1.52%	2.60%	3.44%	3.73%
Corporate (Baa/BBB)	0.76%	0.65%	2.92%	2.29%	3.43%	5.75%	5.87%	7.57%	5.75%	5.57%
Municipal (Aaa/AAA)	--	0.50%	0.49%	0.80%	0.44%	0.75%	1.05%	1.70%	2.11%	--
Municipal (Aa/AA)	0.38%	0.47%	0.43%	0.58%	0.88%	1.00%	1.35%	2.47%	2.60%	3.38%
Municipal (A/A)	0.53%	0.47%	0.90%	0.76%	1.40%	1.51%	2.20%	2.75%	2.86%	2.50%
Taxable Municipal*	0.37%	--	--	0.26%	0.80%	1.90%	2.30%	2.70%	2.24%	3.70%

AS OF 9:29 PM ET 07/14/2020. YIELDS MAY BE DELAYED UP TO 15 MINUTES.



Contact Us
800-544-5372

[Fixed Income Service Messages](#)

Spotlight



Competitive Studies
[Competitive Bond Pricing Study NEW](#)

Outside Contributors
[Forbes: New Rules Require Brokers To Disclose Commissions On Bond Trades](#)

[EMMA guide for Senior Investors](#)

[FINRA: Confirmation Disclosure FAQ](#)

Take a Course
[Leveraging fixed income & bond investing tools on Fidelity.com](#)



- [Participating in New Issue Offerings](#)
- [Learn about and sign up for fixed income alerts](#)

Where to start: Fidelity.com > Research > Fixed Income, Bonds & CDs

fixedincome.fidelity.com/ftgw/fi/filanding

For illustrative purposes only

Source: Fidelity.com



How Fidelity Can Help



Meet with a
Fidelity investment
professional

Further understand your current
bond holdings

Explore how you may improve your
portfolio with bonds

See if you're currently paying additional
mark-ups on bond transactions

Disclosures



1. (from pages 33) Fidelity commissioned Corporate Insight to study bond pricing, available online, for self-directed retail investors from three brokers that offer corporate and municipal bonds for comparison to Fidelity's standard online pricing. The [study](#) compared online bond prices for more than 27,000 municipal and corporate inventory matches from January 28 through March 2, 2020. It compared municipal and corporate inventories offered online in varying quantities. The study found that, on average, the three online bond brokers identified in the chart were asking \$15.41 more per bond. Corporate Insight determined the average price differential by calculating the difference between the prices of matching corporate and municipal bond inventory at Fidelity, including Fidelity's \$1 per bond mark-up for online trades vs. the prices offered online for the same bonds from the three brokers in the table, then averaging the differences of the financial services firms. An order size of 22 bonds was selected to illustrate the hypothetical trade because this is the average for Fidelity's retail brokerage account holders who purchased individual municipal or corporate bonds during 2019. The analysis included investment grade corporate and municipal bonds only, as the three brokers in the study do not offer non-investment grade bonds for purchase online.

Minimum markup or markdown of \$19.95 applies if traded with a Fidelity representative. For U.S. Treasury purchases traded with a Fidelity representative, a flat charge of \$19.95 per trade applies. A \$250 maximum applies to all trades, reduced to a \$50 maximum for bonds maturing in one year or less. Rates are for U.S. dollar-denominated bonds; additional fees and minimums apply for non-dollar bond trades. Other conditions may apply; see [Fidelity.com/commissions](https://www.fidelity.com/commissions) for details. Please note that markups and markdowns may affect the total cost of the transaction and the total, or "effective," yield of your investment. The offering broker, which may be our affiliate, National Financial Services LLC, may separately mark up or mark down the price of the security and may realize a trading profit or loss on the transaction.

References to individual securities are for illustrative purposes only, and should not be construed as investment advice.

In general, the bond market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities). Fixed income securities also carry inflation risk, liquidity risk, call risk and credit and default risks for both issuers and counterparties. Any fixed income security sold or redeemed prior to maturity may be subject to loss.

Disclosures



Interest income earned from tax-exempt municipal securities generally is exempt from federal income tax, and may also be exempt from state and local income taxes if the investor is a resident in the state of issuance. A portion of the income received may be subject to federal and state income taxes, including the federal alternative minimum tax. In addition, investors may be subject to tax on amounts recognized in connection with the sale of municipal bonds, including capital gains and "market discount" taxed at ordinary income rates. "Market discount" arises when a bond is purchased on the secondary market for a price that is less than its stated redemption price by more than a statutory amount. Before making any investment, investors should review the official statement for the relevant offering for additional tax and other considerations.

The tax information contained herein is general in nature, is provided for informational purposes only, and should not be construed as legal or tax advice. Fidelity does not provide legal or tax advice. Fidelity cannot guarantee that such information is accurate, complete, or timely. Laws of a particular state or laws that may be applicable to a particular situation may have an impact on the applicability, accuracy, or completeness of such information. Always consult an attorney or tax professional regarding your specific legal or tax situation.

Past performance is no guarantee of future results.

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

765139.11.0

1.9872603.116

