

Is ChatGPT the death knell for investment banks?

Over the past few weeks, ChatGPT has been one of the most talked-about new products in the tech world.



Source: Supplied. Heloise Greeff, an eToro popular investor.

This algorithm has been developed to the extent that it is capable of doing a huge number of things that no other single algorithm can do. Could it be as revolutionary as the invention of the television, or the arrival of Bill Gates on the scene, or could it have the sort of impact that Amazon has had on online shopping?

As we learn about what ChatGPT can do, we are starting to see the possibilities for its application - and to consider its potential impact on different sectors of the economy.

“ChatGPT is an AI tool that has become popular in trading and investment circles,” explains Heloise Greeff, an eToro investor, and one of the most copied investors on the social trading platform.

Democratisation of the world of investment

“This algorithm uses advanced data analytics that allows investors to make more informed decisions about where and how to invest their money. The system allows for any trader to have access to sophisticated data analysis, and so ChatGPT will in effect democratise the world of investing, since a sophisticated decision support tool of this kind has never been so easily accessible to the retail investor.

"Through access to this sort of information, an investor could be able to anticipate changes in the market and so make more informed decisions about when to sell or to buy.

"But, in the financial services industry, there have been fears that investment banks may have no place in the future since technology like ChatGPT has the potential to disrupt some of the services that banks offer," Greeff explains.

Enhancing the role of banks

She in fact believes that ChatGPT could enhance the role that banks can play if they adopt the technology to provide users with better data, to automate processes, and so to allow the banks to focus on more value-added activities.

"This is a phenomenal AI tool and, rather than being frightened of it, everyone in the financial sector should learn about it and see how they can use it in their own work," she says.



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18 Jan 2023



Greeff is excited about the potential benefits that ChatGPT offers. "This is a tool that will allow retail investors to analyse financial data in ways that have not been possible before. It can delve into huge volumes of data, and that provides us with far more information about companies and shares, moves in the markets, and so on.

"All in all, it means that an investor will have greater access to information - and access to insights that are more credible."

Greeff has been using bespoke machine learning algorithms in her work for over a decade already, and so she is excited that tools like ChatGPT make it easier for anyone without a technical background to apply AI to their investing strategy.

"Access to accurate and credible information is a vital element of successful investing, and this tool gives us more information than we have ever been able to get hold of, so I am thrilled about how accessible this makes AI to the retail investor."

According to Greeff, ChatGPT could revolutionise the world of investing and the financial markets.

"I think that we need to embrace it and learn how to use it for our own benefit - rather than see it as a threat," she concludes.

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