

[Transcript] AI Hustle: News on Open AI, ChatGPT, Midjourney, NVIDIA, Anthropic, Open Source LLMs / SEC Greenlights Nasdaq's AI-Powered Order Type - What's Next?

Welcome to the OpenAI podcast, the podcast that opens up the world of AI in a quick and concise manner.

Tune in daily to hear the latest news and breakthroughs in the rapidly evolving world of artificial intelligence.

If you've been following the podcast for a while, you'll know that over the last six months I've been working on a stealth AI startup.

Of the hundreds of projects I've covered, this is the one that I believe has the greatest potential.

So today I'm excited to announce AIBOX.

AIBOX is a no-code AI app building platform paired with the App Store for AI that lets you monetize your AI tools.

The platform lets you build apps by linking together AI models like chatGPT, mid-journey and 11 labs, eventually will integrate with software like Gmail, Trello and Salesforce so you can use AI to automate every function in your organization.

To get notified when we launch and be one of the first to build on the platform, you can join the wait list at AIBOX.AI, the link is in the show notes.

We are currently raising a seed round of funding.

If you're an investor that is focused on disruptive tech, I'd love to tell you more about the platform.

You can reach out to me at jaden at AIBOX.AI, I'll leave that email in the show notes.

So the interesting thing here is that NASDAQ Incorporated has just received the green light from the United States Security and Exchange Commission, of course, the SEC, to introduce the market's first AI-driven order type.

So this groundbreaking development has the potential, I believe, to significantly enhance the speed and also the efficiency of an already very high-velocity market.

The stock market right now is crazy, all sorts of stocks are on a tear, and there's all sorts of very interesting things that are happening right now in that space.

So in any case, this approved order type, which is known as the Dynamic Midpoint, extends life order or M.E.Lo, and it aims to accelerate the rate at which trades are matched and to minimize market impact.

So both of these are crucial factors to optimizing trading outcomes for investors, but essentially what the SEC has opted not to comment on the matter, so that's an interesting stance.

And NASDAQ's announcement comes at a time when the interest in AI applications in the capital markets is steadily growing.

So traders employ various different order types as programmed instructions to guide exchanges in the handling of their trades, and the M-E.Lo or M.E.Lo initially launched back in 2018, and it's strategically designed for investors who play the long game.

So it operates on a 10 millisecond waiting period to enable longer-term investors to interact and trade with one another.

So the dynamic iteration of M.E.Lo is particularly innovative as it utilizes a form of AI known as reinforcement learning, obviously, right?

And this AI technology observes market behavior and makes real-time adjustments to the whole holding period.

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So the ultimate goal is to enhance both the quality of trade executions and the percentage of orders filled in the market, and according to NASDAQ's own research, the AI-infused order type has delivered promising results.

So they say that there is a 20.3% increase in fill rates and an 11% reduction in market or in markouts.

So these statistics underscore, I think, the potentially transformative impact of AI-powered solutions in capital markets.

Now, I'm definitely not a financial guru.

I am no expert in this field.

But from the layman's understanding, let me give you the layman's understanding of this, and I'm sure if there are people that are, you know, if there is incredible traders, make sure to join our Facebook group and give your own comments on this.

But from my understanding of this, from someone that is not, again, not financial advice and not a financial guru, I've seen this in a small scale.

So back when the crypto markets were a rip in two years ago, I saw this in a sense where I would very frequently, if you try to sell low-cap coins or coins with, you know, they're not very popular.

They're kind of these alt coins, these smaller coins.

The problem would be there's only so many buyers, and sometimes it's hard to find buyers.

So there's something you could do where essentially you would adjust the rate that you would sell these coins.

You pretty much put a discount on them, so you're like, I will sell my coin for the market rate or up to like, you know, 10% lower than that rate, and there's some other adjustments you could do.

Anyways, you pretty much have to increase your, you'd have to keep increasing your discount rate.

I forget what the technical term for that is, until a point where it's going to just like sell instantly.

Now, I'm assuming this is the same issue that we're seeing right now with these long-term traders.

When they say long-term traders, I'm assuming that also means quote-unquote whales, right? These big traders, they have really big, they have super large portfolios, and so when they're trying to liquidate, I'm assuming that that's a little bit tricky.

So with this new AI system, essentially, they're getting a 20% increase in fill rates, so I'm believing that the fill rate, like it's easier for them to actually fill the sale at the right price with this AI the way that it's selling it.

And it's having an 11% reduction in markouts.

So that's my basic understanding of it, if I'm incorrect, feel free to correct me.

But Owen Lau, who is a senior analysis at Oppenheimer & Koch, he highlighted the competitive advantages of this new development, and what it could offer the NASDAQ, and this is what he said, quote, this new order type can increase order fill rate and reduce holding times if successfully implemented, which could help NASDAQ take market share from other exchange operators.

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So this is interesting because this is not necessarily, this is obviously something that benefits the quote-unquote consumer, whoever is consuming these services, right?

The traders and whatnot.

But by being able to more effectively fulfill these trades, they're arguing that the NASDAQ itself, the entire exchange that hosts the entire, you know, many stock companies, obviously the NASDAQ isn't the only stock exchange, but they're saying this is actually going to help the NASDAQ as a whole to, you know, essentially take market share from other exchange operators, so its own competitors.

So very interesting, people are quite bullish on this, right?

They're literally saying this is going to make the entire NASDAQ do better.

Very interesting to see how this plays out.

I think in summary of this whole thing, NASDAQ's kind of newly SEC approved AI driven order type has the capability not just to revolutionize trade executions, but also to underscore this, the really big role of artificial intelligence and financial markets.

So with early metrics indicating improved efficiency and performance, I think the new order type could potentially significantly alter the landscape of modern trading.

Definitely an area we'll be following into the future and I'll keep you informed on.

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I'll drop a link in the description to this podcast.

We'd love to see you there where we share tips and tricks of what is working in ChadGPT.

It's a lot easier than a podcast as you can see screenshots, you can share and comment on things that are currently working.

So if this sounds interesting to you, check out the link in the comment.

We'd love to have you in the community.

Thanks for joining me on the Open AI podcast.

It would mean the world to me if you would rate this podcast wherever you listen to your podcasts and I'll see you tomorrow.