

# AI in Financial Services - AI Stock Trading & Market Manipulation

## Context

A leading investment firm is using AI-driven algorithms to execute trades at high speeds, maximizing returns for clients.

## The Dilemma

Regulators find that the AI is amplifying market volatility, making large trades based on patterns that humans don't recognize. There's concern that the system is unintentionally manipulating the market.

## Decision Factors

- Business Impact: AI trading increases profits and efficiency.
- Technical Feasibility: The system is effective but unpredictable.
- Ethical & Legal Risks: Regulatory bodies may ban AI-based trading.
- Reputation: The firm could be seen as destabilizing financial markets.

## Final Decision Options

- Proceed with AI-driven trading.
- Modify trading strategies to comply with new regulations.
- Abandon AI trading and revert to traditional models.