



Home > Personal Finance

'Alexa, buy me 10 shares of Boeing'

By **Alessandra Malito**

Published: Oct 27, 2018 12:18 p.m. ET

4

Aa

TD Ameritrade partners with Amazon to bring stock trading capabilities to the digital assistant



Trading in the market has become a lot easier.

Amazon's digital assistant Alexa can tell you the weather and news, play you your favorite song, answer all sorts of questions — and now she can trade stocks for you too.

But she probably shouldn't, financial advisers say.

TD Ameritrade **AMTD, +0.40%** unveiled a partnership with Amazon **AMZN, +0.00%** on Wednesday that will allow users to hear market updates, check account balances and learn financial lessons (like the difference between a market and limit order) from Alexa.

See Also Debris Found in Search for Indonesian Plane Crash





If you're a TD Ameritrade client, you can trade through voice command after clearing numerous security steps, including a PIN and two-factor authentication. "Every step you're taking before executing that trade is verified and validated to make sure that's what you want to do," said Sunayna Tuteja, head of strategic partnerships and emerging technologies at TD Ameritrade. Quick access to trade orders can help some investors — especially those who follow the market day to day and are well-versed in investments — act in a timely manner.

Alexa's new capabilities come as more consumers are leaning on digital assistants, like Apple's **AAPL, -0.08%** Siri and Google Assistant **GOOGL, +0.24%**

'Anything that makes it easier for people to trade stocks is likely dangerous to that investor's health.'

Paul Fenner, president and founder of TAMMA Capital in Commerce Township, Mich.

But should the average consumer have such easy access to trading through a digital assistant? Some advisers argue no. "Anything that makes it easier for people to trade stocks is likely dangerous to that investor's health," said Paul Fenner, president and founder of TAMMA Capital in Commerce Township, Mich. "I don't see it as a way that helps investors during market corrections when emotions are already high."

Don't miss: Stock-market volatility is a great way to test your nerves as an investor

There are no additional fees to use the Alexa-based service but TD does charge \$6.95 per trade. Before securely finishing the transaction with a PIN, the customer chooses the company, number of shares and whether he or she wants to make a market or limit order.



web searches to find the answers to their questions, or look through their contacts list to call their physician.

But that ease could be harmful in a financial context. “I’m picturing here you’re cutting onions and someone on the news says such and such stock is up and now down, and then you bark up to Alexa to make a trade based on this,” said Kashif Ahmed, president of American Private Wealth in Bedford, Mass. There’s one big problem with that scenario: That’s usually not the time to make such trades, he said.

Investors are at risk of making emotional decisions and, therefore, mistakes with their **investment portfolios**. They may be afraid of losing the money they’ve already invested (“loss aversion”) or not consider what one trade could do to the rest of their portfolio (“narrow framing”). They may also be susceptible to “anchoring”; this happens when an investor is too focused on past events and does not adapt to a changing market, or becomes overly optimistic about their potential returns.

Advisers typically try to talk through trade requests with their clients before acting. “Convenience is great, until it isn’t,” said Ashley Foster, a financial adviser at Nxt: Gen Financial Planning in Houston, Texas. Foster talks with clients to see if they’re making a rash decision. “Selling or buying based off emotion can have big consequences for an investor. The extra convenience can turn into a costly mistake,” he said.

Also see: Your children have lessons to teach Alexa

Investors shouldn’t be too quick to make trades, advisers said. They should avoid “thinking fast” and rely on automating their investment choices, according to Daniel Crosby, founder of Nocturne Capital and author of “**The Behavioral Investor**.” If they don’t have a financial professional to talk to, investors should read about the fundamentals underpinning the stock price before making any investment moves, Ahmed said.

“Simply acting on the impulse, I think, is a bad idea,” he said.