JPMorgan & Their Influence on Financial Market

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Abstract

JPMorgan Chase & Co. is an American multinational finance corporation headquartered in New York City and incorporated in Delaware. It is the largest Bank in United State and world largest Bank in Market Capitalised in 2024. JPMorgan Chase was created in 2000 by the merger of New York City banks J.P. Morgan & Co. and Chase Manhattan Company. the firm is a major provider of investment banking services, through corporate advisory, mergers and acquisitions, sales and trading, and public offerings. The Chase Manhattan Bank was formed upon the 1955 purchase of Chase National Bank (established in 1877) by The Bank of the Manhattan Company (established in 1799), the company's oldest predecessor institution. The Bank of the Manhattan Company was the creation of Aaron Burr, who transformed the company from a water carrier into a bank. In February 2025, Matt Sable and Melissa Smith were appointed as co-heads of commercial banking by JPMorgan Chase after a leadership reshuffle. They will oversee the service to over 70,000 clients across North America and report to John Simmons and Filippo Gori. Both have decades of experience under their belt, with Sable spearheading financial institutions and Smith specializing in innovation economy and middle market banking. (Wikiwand, 2025)

Key words*: Investment Banking, Corporate Advisory, Mergers & Acquisitions (M&A), Sales and Trading, Public Offerings (IPO Services)*

 ISSN: 2583-6145

1. Introduction

The financial sector is the part of the economy made up of firms and institutions that provide financial services to commercial and retail customers. This sector comprises a broad range of industries including banks, investment companies, insurance companies, and real estate firms. In order for an economy to remain stable, it needs to have a healthy financial sector. This sector advances loans for businesses so they can expand, grants mortgages to homeowners, and issues insurance policies to protect people, companies, and their assets. It also helps build up savings for retirement and employs millions of people. (Investopedia, 2025) The largest companies within the financial sector are some of the most recognizable banking institutions in the world, including the following:

- JPMorgan Chase (JPM)
- Wells Fargo (WFC)
- Bank of America (BAC)
- Citigroup (CG)

Financial Market

They are any marketplace where stocks, bonds, and other investments are traded. Financial markets are an important part of the economy as they match buyers and sellers to promote investment activity. Because of broader potential systematic risk in these types of markets, they can be highly regulated.

Capital Market

A marketer including all institutions, organisations, and instruments providing medium and long-term funds is known as a Capital Market. A capital market does not include institutions and instruments providing finance for a short term, i.e., up to one year. Some of the common instruments of a capital market are debentures, shares, bonds, public deposits, mutual funds, etc. An ideal capital market is one which allocates capital productively, provides sufficient information to the investors, facilitates economic growth, where finance is available to the traders at a reasonable cost, and where the market operations are fair, free, competitive, and transparent

Money Market

A market for short-term funds that are meant to use for a period of up to one year is known as Money Market. In the general case, the money market is the source of funds or f inance for working capital. The transactions held in the money market involve lending and borrowing of cash for a short term and also consist of the sale and purchase of securities with one year term or securities which get paid back (redeemed) within one year. Some of the common instruments of the money market are Call Money, Commercial Bills, T. Bills, Commercial Paper, Certificates of Deposits, etc.

IMPACT OF AI ON SECTOR AND COMPANY

Impact of A.I. in Financial Sector

One might observe the impact of AI on financial markets in 3 areas.

First, *efficiency*. In the financial sector, as in many other industries, AI—and in particular Generative AI—is being used to enhance productivity by speeding up and automating many current tasks.

From our observation and outreach, we see finance as an industry that is particularly ready to take advantage of these advances, as the efficient processing of data is already central to most activities in finance. Therefore, from back-office operations to customer-facing interfaces, and from research to building analytical models, we expect this to take off rapidly.

Second, *evolutionary improvements*. AI, in the form of machine-learning and neural networks, has been used by cutting-edge investment firms for at least ten years, and in our understanding now plays a significant role in the automated and high-speed trading that dominates many of the most liquid and deepest markets in the world.

What is new is that the large language models that form the backbone of the most impressive generative AI systems are now enabling investors to process very large amounts of unstructured, often text-based, data to enhance their already powerful analytical tools.

This has implications across areas that can benefit from deeper pools of information, including enhancing the power of broad and extensive forecasts, but also for the ability of

ISSN: 2583-6145

quantitative investors to quickly analyze complex documents such as bond indentures or corporate earnings releases, thereby improving price discovery across asset classes.

In addition, through efficiency gains stemming from the use of AI-assisted coding, data gathering, and investment analysis, Gen-AI is likely to lower barriers to entry for quantitative investors into less liquid asset classes, such as emerging markets and corporate debt. This should lead to an improvement of market liquidity in these asset classes, but could also create some financial stability challenges, which I will discuss shortly.

Third, *revolutionary transformation.* While the evolutionary changes are well underway, the much larger jump from AI-generated model inputs to very sophisticated autonomous AI-driven financial agents still seems far off.

Many market observers and academics have been envisioning scenarios and producing papers involving autonomous AIs that generate and execute trades without human oversight, but market participants are not at all comfortable with this idea yet.

At present, market participants are not looking for AI-generated strategies that rely on "black box" analyses that result in unexplainable trading patterns. Moreover, most participants view having human oversight as an essential part of any AI-based strategy for regulatory, risk-management, liability, and ethical reasons. Still the area is evolving very quickly, and we need to keep our eyes open. (IMF 2024)

JPMORGAN'S NEWS AND EXPERTS' OPINION OF RECENT TRENDS

JPMorgan's Bank

JPMorgan Chase faced a massive cyberattack, compromising data from 76 million households and 7 million small businesses—one of the largest breaches ever. (Greenberg, Perlroth et al.)

After the 2008 financial crisis, JPMorgan Chase, Bank of America, and Wells Fargo tried to win back trust with careful messaging. (Hearit)

It seems like Chase Manhattan's $30.9 billion buyout of JPMorgan in 2000 was a bold move that pushed it into serious investment banking territory. (Kumar)

 ISSN: 2583-6145

Big banks like JPMorgan and even smaller ones risk losing a major source of financial support, as it looks like political drama is putting the Export-Import Bank in serious trouble. (Peters)

JPMorgan and Bank of America play it safe with old-school banking rules, while digital banks move fast with real-time tools. (Mia)

JPMorgan's Coin platform uses AI to scan legal documents and pull key info fast. It boosts efficiency while keeping things transparent and within regulatory rules. (Batte & Andrew)

JPMorgan is shelling out **$330M** to settle a huge scandal linked to the 1MDB fraud case.

Some JPMorgan staff are trying to start a union because of pay and office drama. Tensions rising inside the bank.

Banks are going all-in on Big Data, and J.P. Morgan's using it to catch fraud, cut risks, and make sharper moves. (김규현)

JPMorgan Chase has brought in Jerry Lee, a veteran dealmaker from Goldman Sachs, as its new global chair of investment banking. With decades of experience and $300B in deals behind him, he's set to help the bank ride the expected wave of dealmaking in 2026.(M jalender,2014)

JPMorgan has started using AI in a big way, and it's already showing results. The bank says its AI tool has helped increase sales to rich clients by almost **20%**, and in the coming years, it expects its customer base to grow by about **50%** (Erdoes, May 5).

The bank's $18 billion tech budget is powering AI tools used by 200,000 staff every day, with some advisors saying their productivity has tripled. (Business Insider, 2025)

JPMorgan's CIO explained that a coding assistant has made engineers 10–20% more efficient, freeing them to work on bigger projects (Beer,2025).

The bank renamed its blockchain unit from **Onyx** to **Kinexys** after handling more than **$1.5 trillion worth of deals**. Now, it wants to grow further by helping settle payments between **U.S. dollars and euros** (Iacovcich, FStech, 2024).

 ISSN: 2583-6145

In India, JPMorgan teamed up with Axis Bank to allow 24/7 U.S. dollar payments for companies in GIFT City, giving them more flexibility and lower costs (Reuters, 2025).

JPMORGAN STOCK PRICE TREND DEC 2019- NOV 2020

Introduction to the Line Chart: JPMorgan Chase & Co. Stock Prices

The line chart shows the daily closing stock prices of JPMorgan Chase & Co. from late December 2019 to November 2020. It reflects how the company's stock price changed over this period.

At the start of the timeline, the stock price was relatively steady. However, around March 2020, there was a noticeable drop, likely due to the global uncertainty caused by the COVID-19 pandemic. After this decline, the stock showed some fluctuations but gradually recovered in the following months. By the end of the year, the stock price had improved significantly, showing signs of stability and recovery.

This chart helps to give a clear view of how external events, such as the pandemic, affected the stock performance of one of the world's leading financial institutions.

JPMorgan Chase Stock Performance During Early 2020 Market Turmoil

Between **February 20 and March 9, 2020**, JPMorgan Chase's stock took a sharp dive — dropping from around **$137.49 to $93.44**. That's nearly a third of its value gone in just over two weeks. It was a dramatic and unsettling stretch, marking one of the most volatile moments in recent market history.

The biggest reason behind this steep drop was the rapid global spread of **COVID-19**. What began as a health crisis in China quickly turned into a worldwide concern. By late February, the virus was spreading across Europe and reaching the U.S., raising serious fears about lockdowns, halted travel, business closures, and widespread economic disruption. Understandably, investors reacted fast — and not calmly. The uncertainty triggered a wave of selling, especially in sectors like banking, which rely heavily on a healthy, functioning economy.

Table 1: JPMORGAN Stock Prices Before and After Event

BEFORE	AFTER

137.49	121.52
135.81	116.96
132.16	119.85
126.26	113.97
126.64	108.08
121.37	93.44

Market anxiety hit a high point on **February 27**, when the **Dow Jones Industrial Average** fell more than **1,100 points in a single day** the biggest drop in its history at that point. JPMorgan, as one of the largest and most visible U.S. banks, felt the impact along with the rest of the market.

To make matters worse, just as investors were trying to process the effects of the pandemic, a new shock hit: an **oil price war** between **Russia and Saudi Arabia**. Both countries ramped up production, flooding the market with cheap oil and sending prices into a freefall. This added even more uncertainty, shaking confidence across all sectors not just energy.

By **March 9**, JPMorgan's stock had dropped to **$93.44** its lowest point in years. While the fall was steep, the bank managed to hold up better than some of its peers, thanks to its solid financial foundation and reputation for stability. Still, those few weeks were a stark reminder of how quickly fear and uncertainty can ripple through global markets and how even the biggest players aren't immune

t-Test Analysis of JPMORGAN Stock Prices Before vs. After Event

t-Test: Paired Two Sample for Means		
	BEFORE	*AFTER*
Mean	129.955	112.3033333
Variance	38.85275	108.0046667
Observations	6	6
Pearson Correlation	0.874165601	
Hypothesized Mean Difference	0	
df	5	

t Stat	7.458877963	
P(T<=t) one-tail	0.000341748	
t Critical one-tail	2.015048373	
P(T<=t) two-tail	0.000683496	
t Critical two-tail	2.570581836	

The t-test compares JPMorgan's stock prices before and after a key event. The average price dropped from **$129.96** to **$112.30**, with variance increasing from **38.85** to **108.00**, showing more volatility after the event. Using 6 paired observations, the test found a strong correlation of **0.87** between before and after prices. The **t-statistic** of **7.46** and very low **p-values** (both under 0.001) show the drop is statistically significant and unlikely due to chance. This confirms that JPMorgan's stock price fell meaningfully after the event. (NASDAQ, 2024-2025)

Searches for JPMorgan Chase & Co. were **low early on**, **spiked in 2008**, stayed **steady till 2016**, rose again in **2018–2021**, and have **declined to moderate levels since 2022**.

India, searches for JPMorgan Chase & Co. were **high in the mid-2000s, fell sharply after 2008**, stayed **very low through 2013–2017**, and show a **small recovery after 2021**. **High → decline → very low → slight rise.**

CONCLUSION

JPMorgan's stock analysis shows a sharp fall during the 2020 pandemic, followed by recovery, proving its resilience. The t-test confirms this decline was significant. Google Trends further highlights that public interest rises during major financial events but has settled at moderate levels in recent years.

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