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IMPROVING MECHANISMS OF ATTRACTING FREE MONEY OF THE POPULATION IN THE SECURITIES MARKET DEVELOPMENT

Abstract. This article focuses on improving the ways of attracting free funds in the development of the securities market and thereby increasing the income of the population, the potential of domestic and foreign investors to invest in the process of primary and secondary public offering of shares in the securities market. However, in research it is showed turnover of money and securities in the world economy which influenced to increasing global investment of capital. In addition to improving securities markets, there are information about analyzing foreign and national securities market, compare models of attracting free money of the population for stock market and process efficiency relating of IPO. Using theoretical concepts and comparative analysis, the author substantiates the impact of improving mechanisms of attracting free money of the population in the securities market on the economy.

Keywords: securities market, available funds, stock market, financial asset, shareholder, market capitalization, market quotes, market maker, IPO, SPO.

Introduction

The modern market economy always needs to new financial resources to realizing investment project. Developing economic sectors by spheres with securities market is more alternative version today. Financial resources are cheaper and liquid in securities market, so that it is preferred to attracting money from it for new project than others ways.

As noted in the economical literature, security market is a component of the wider financial market where securities can be bought and sold between subjects of the economy, on the basis of demand and supply. Security markets encompasses stock markets, bond markets and derivatives markets where prices can be determined and participants both professional and nonprofessional can meet.

World experience shows that the securities market plays an important role in attracting free funds of the population to investment activities and increasing their income, and in the process of globalization this issue is becoming more urgent. One of the main sources of income in the world is the stock market assets. "The capitalization of the global stock market in 2010 amounted to \$50.9 trillion. According to the U.S. Federal Reserve, "52 percent of Americans are shareholders, 10 percent of whom own securities worth an average of \$ 969,000, 40 percent 132,000, and the rest less than \$ 54,000"[1].

Literature review

Large-scale research on attracting and more efficient use of free funds of the population in the development of the global securities market. They cover mainly the role of the securities market in the economy, the types and essence of financial instruments, the importance of attracting free financial resources of investors to the securities market, as well as the issues of control in the stock market. The

fundamentals of the development of the securities market by attracting free money from the population, the stages of development of stock markets, the evolution and mechanisms of attracting free money to them, their scientific, theoretical and methodological aspects have been widely covered in the research works of foreign scientists-economists, such as M.Ranald[2], S.Patrick [3], A.R.William[4]. Among the scientists-economists from the CIS countries working in this area, A.A.Kilyachkov and L.A.Chaldaeva[5] in their research they described the securities market and the activities of the exchange, and V.A.Galanov and A.I.Basov[6] described the general structure of the securities market.

Among the domestic scientists-economists Sh.Sh.Shokhazamy[7] carried out research work on existing trends and general problems in the field of financial markets and securities markets, S.E.Elmirzaev [8] studied the influence of the value and profitability of shares on the securities market, in particular, on flow of potential investors.

Research methodology

Scientifically, there are several research methods in the article while analyzing development of the securities market and its issues. It can be seen that induction, deduction, comparative analysis, trend analysis, abstract and other methods are used in the research.

Analysis and results

The purchase and sale of securities (shares, bonds, bills, etc.) of state and corporate issuers is carried out on the securities market. In the theoretical and methodological evolution of the attraction of free funds to the securities market, the consideration of securities as property is of particular importance. In particular, the economist Keith Dickinson emphasizes "from the point of view of the issuer there are two types of securities, the first is that the company is forced or wants to know who owns its securities. In this case, the register of securities owners is conducted and registered. In the second case, the issuer does not necessarily know or register who owns securities"[9]. It is important to know who is the owner of shares - securities giving ownership to a share in the company - and draw up their lists on them. This is due to the fact that the issuer issuing securities should constantly report to shareholders on major changes in its activities and ensure their participation in making management decisions. The second category of securities is corporate bonds usually produced by the Issuer as debt obligations, and for the company it does not matter to know who they belong.

The circulation of financial assets in the form of securities began in 1815 and continued to grow steadily until 1980. The emergence of large stock exchanges and the intensity of the economy drove the demand for securities (Fig. 1).

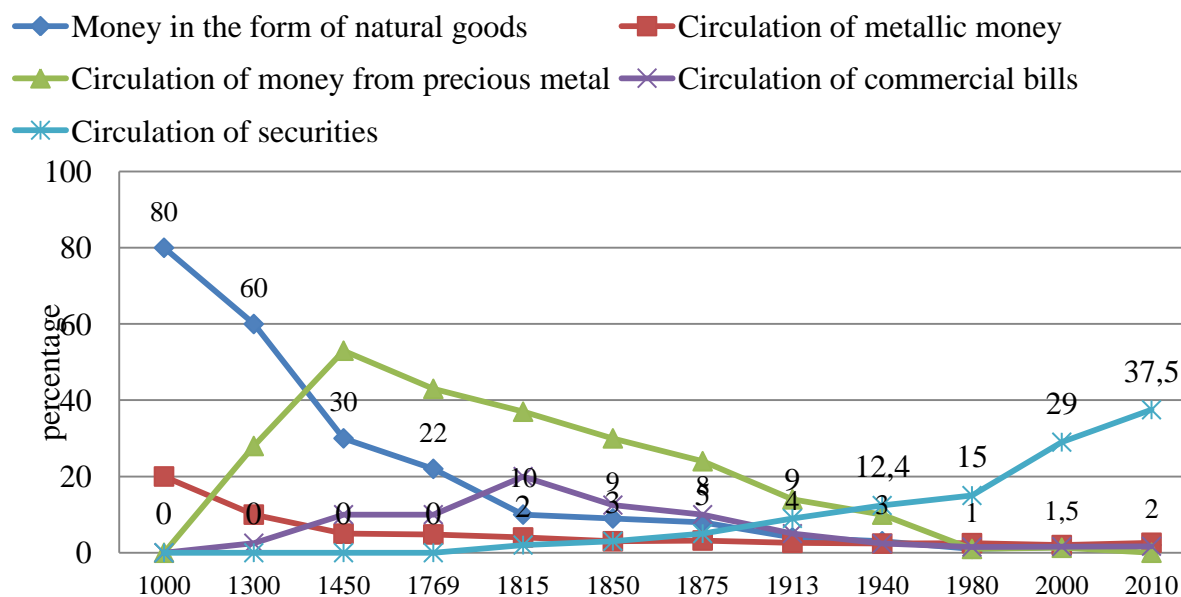


Figure 1. Turnover of money and securities in the world economy, in percentage [10]

The figure 1 shows that coins in the form of precious metals, metals, natural goods were widely used in antiquity and satisfied the needs of that period. The acceleration of the economy and the emergence of new financial structures led to the formation of modern means of communication with market. Based on historical sources, we can say that commercial notes appeared in the 1300s and their use gradually declined. Also, from the figure 1 we can see increasing percentages of securities market in 2010 about 37.5 %. The main cause of that increasing and globalization financial market in the world.

Today, the world economy cannot be imagined without large stock markets. The structure of the securities market is distinguished by its importance, place and functions in the economy. If we look at the world practice, the growth or decline of economic development depends on the tendency of valuation of assets in this market. After all, major transactions and situations in any business are reflected in the stock markets. We can also see in the experience of developed countries that investing in companies in the stock market is a good way to invest in the country's economy. “Many developing countries now recognize the advantages inherent in foreign investment, in both its direct and portfolio forms, and its vital role in their future development, particularly in view of the decline in other external sources of funds. This has necessitated a fundamental change of attitude from the previous two decades, which were characterized by increasingly restrictive investment environments reflecting nationalistic sentiments, the availability of alternative bank lending and negative perceptions about earlier experiences with foreign investment”[11].

Various business entities are involved in satisfying all-round interests by investing in securities by directing the funds of growing domestic and foreign

investors to the stock markets. In this case, the professional participants of each stock market own income in the form of interest, share or exchange rate difference.

The economic and social reforms being carried out in our country, as in all spheres, are having an impact on the stock market. From year to year, the composition of participants in this market is changing.

As factors influencing the further development of the stock market and attracting local and foreign investors to it, we can first of all point to the real growth of incomes in the country and the effect of investment in financial markets (Table 1).

Table 1

Attracting free money of some foreign investors in the securities market of Uzbekistan, 01.01.2022 [12]

№	Countries	Volume of investment, billion sum	Number of stock holders, numbers			Investing for Joint stock company
			Total	Business	Individuals	
1	Kazakhstan	1 164.5	413	6	407	71
2	Russia	577.4	1 482	27	1455	199
3	United Kingdom	514.3	36	34	2	35
4	Switzerland	276.4	140	7	133	122
5	Germany	136.7	87	24	63	51
6	US	102.1	78	23	55	44

From the given information we can see volume of investment from foreign investors top 5 in period 01.12.2021 that there are 1164,5 billion sum from Kazakhstan, 577,4 billion sum from Russia Federation, 514,3 billion sum from United Kingdom, 276,4 billion sum from Switzerland, 136,7 billion sum from Germany, 102,1 billion sum from US. The total investment portfolio of foreign shareholders is 3.87 trillion sums. Also, number of foreign stock holders totally consist 3134 in 01.01.2022 and increasing about 8 percentages than old years.

Table 2

The structure share in the capital of joint-stock companies of Uzbekistan [13] 01.12.2021

Sectors	The structure share in the capital of joint-stock companies			
	volume, billion sum	percentage, from total	percentage, from sectors	Joint stock company
Total	149 036.0	100.00	100.00	603
Government total	122 569.2	82.24	100.0	238
Ministry of Finance	88 617.53	59.46	72.3	238
Recovery and development fund	26 474.94	17.76	21.6	
State assets management agency	6 741.30	4.52	5.5	
Others	735.43	0.49	0.6	
State holdings total	7 451.80	5.0	5.0	163
Private sectors total	19 015.00	12,76	12,76	552

From the table 2 we can see the structure of the state's share in the capital of joint-stock companies in Uzbekistan which consist 122 569.2 billion sum and 82.24 percentage from the total. Completely it is given information about shares of 238 Joint stock companies which is Ministry of Finance 88 617.53 billion sum, Recovery and development fund 26 474.94 billion sum, State assets management agency 6 741.30 billion sum.

Given the high share of the state in joint-stock companies throughout the country, in the process of liberalization and modernization of enterprises, the production of national relations to private investors through the organization of SPO conciliators on the stock market will be effective.

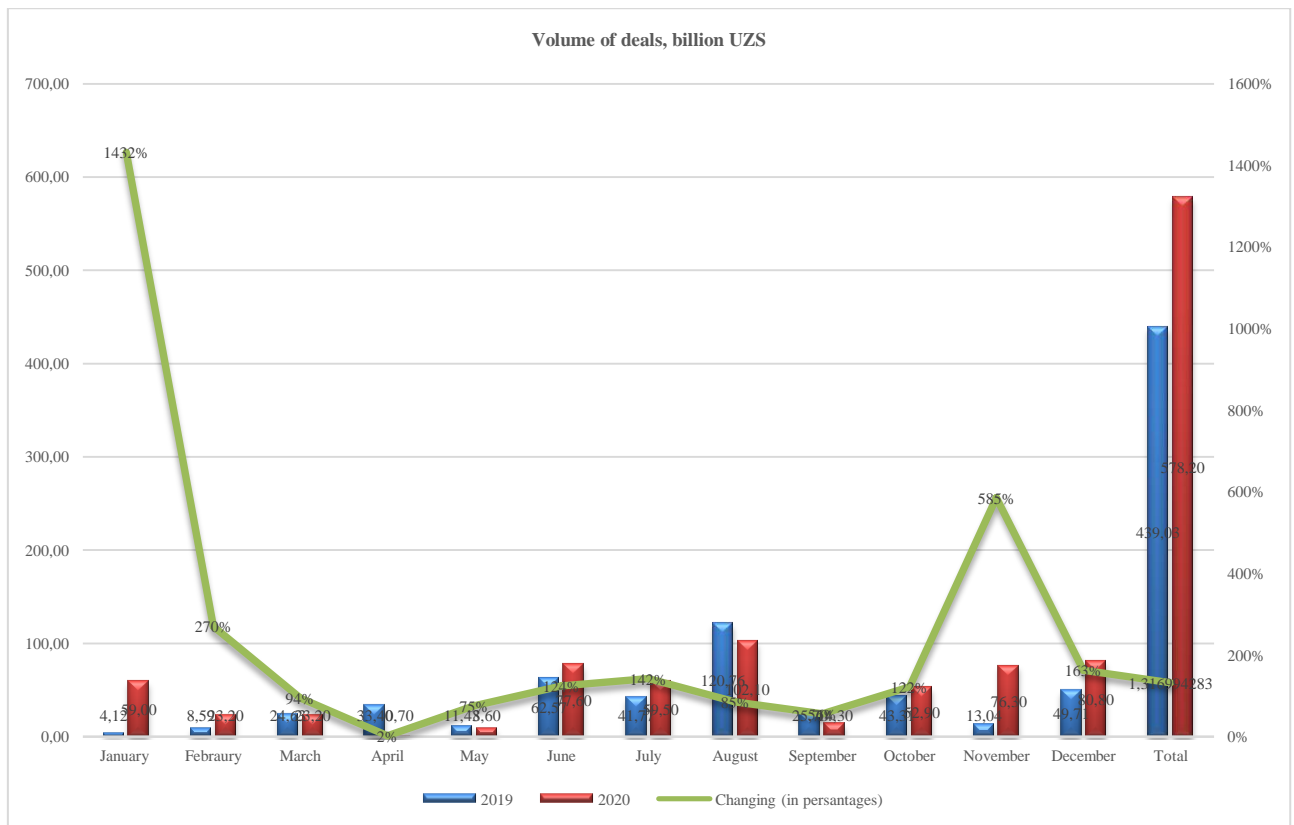


Figure 2. Volume of deals in “Tashkent” RSE, billion UZS [14]

The securities market in the country is organized by the "Tashkent" Republican Stock Exchange and "Elsis Savdo" joint-stock company. From the following figure we can see volume of deals in “Tashkent” RSE in 2019 and 2020 years. Total value of stock market consists 578.2 billion sum in 2020 year or increasing 131.69 percentages from 2019. From the given figure it is shown in June and august months is more trading.

As factors influencing the further development of the stock market and the attraction of local investors in it, we can first of all point to the real growth of incomes in the country and the effect of investment in financial markets. Examples of income in the securities market through securities, which are financial assets, are annual and quarterly dividends, profit from price increases or decreases, interest payments, and capitalization income.

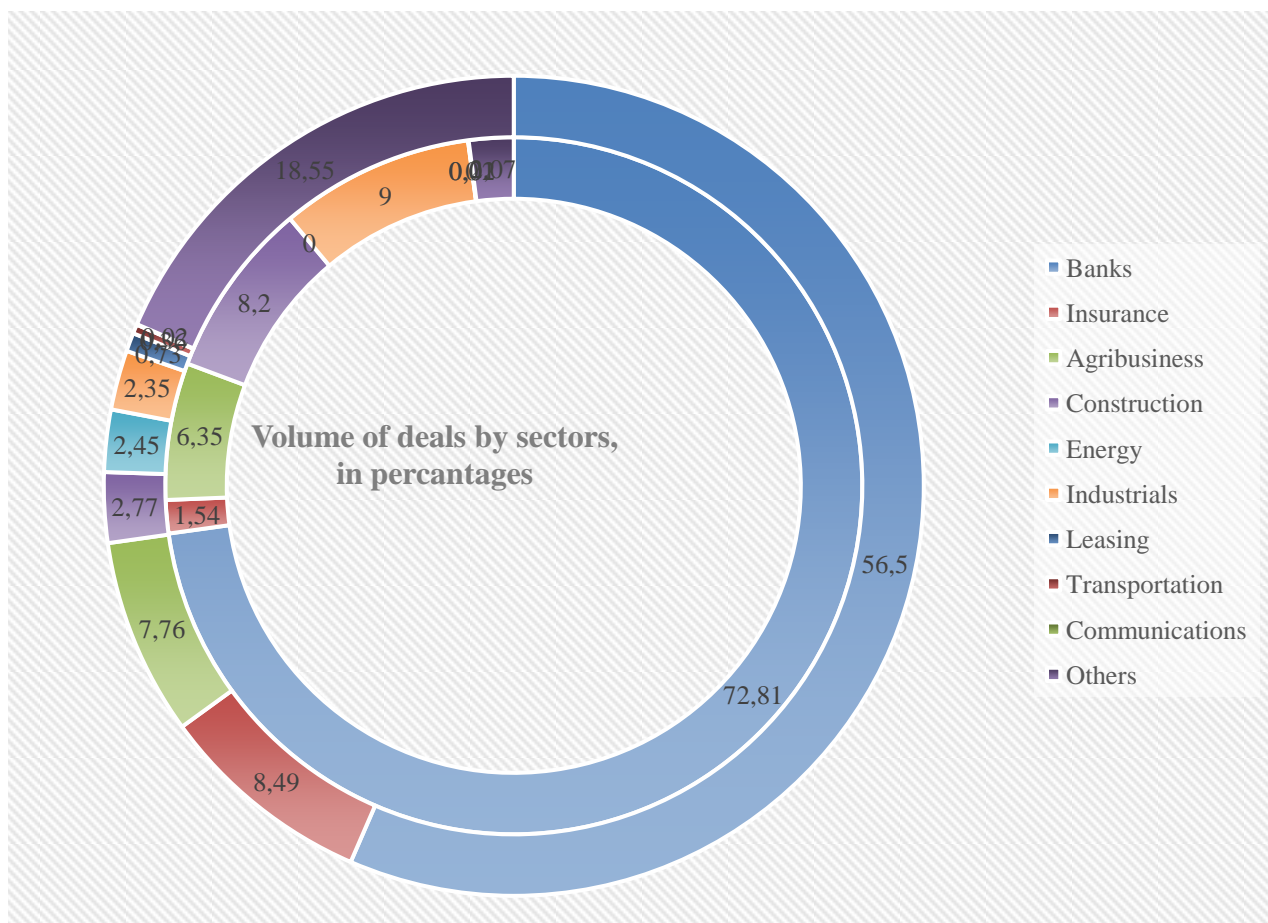


Figure 3. Volume of deals by sectors, in percentages

The main factors to analyzing of the securities market for achieving effiancing in the country is amount of free float stocks’ profitable companies by sectors. In the figure 3 it can see information volume of deals by sectors, in percentages in period 2019 and 2020(inner circle 2019 year and outer circle 2020 year). The chart demonstrates banks is more liquidly sectors as we can see 72.81 percentages in 2019 and 56.5 percentages in 2020 from the total value. Next level is construction companies which stocks change on quickly from 8,2 to 18,55 percentages in that period and it had been influenced by issuers such as “Qizilqumsement”, “Kvarts”, “Ohangaronsement” JSC.

Conclusion and proposals

At present, the state has set a number of tasks for the above-mentioned structures responsible for the securities market, including the development of the stock market, attracting local (free funds of businesses and the population) and foreign investors and increasing the capitalization of companies. The effective functioning of these structures is of great importance in the development of the national economy. After all, any investor can easily invest in a reliable and efficient project and markets.

Based on the above scientific research and analysis, the following recommendations were made:

- The main circulating financial instruments in the stock market of the Republic are: shares and bonds. The development of a system for organizing the trading of new instruments in the securities market and increasing the attractiveness of the market is of great importance today;

- it is a modern requirement to establish integrated links between stock exchanges for the population to buy and sell shares of international companies. The development of international stock markets is directly related to the level of their availability with financial technologies, especially web technology-based platforms;

- The development of the securities market in the national economy and its integration with the global stock market will be an important factor in meeting the demand for financial resources for local businesses and the development of their businesses. In particular, if we look at the experience of China, Japan and Singapore, the privatization of the country and the sale of state-owned enterprises to foreign investors through the stock market has created a new flow of financial resources and played an important role in national economic development.

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