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TRENDS OF DEVELOPMENT OF THE UZBEKISTAN STOCK MARKET AND ANALYSIS OF INFLUENCING FACTORS

ТЕНДЕНЦИИ РАЗВИТИЯ ФОНДОВОГО РЫНКА УЗБЕКИСТАНА И АНАЛИЗ ВЛИЯЮЩИХ ФАКТОРОВ

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Abstract. The relevance and scientific and practical significance of this topic is insufficient knowledge of the theoretical and practical aspects of improving the infrastructure of the stock market in Uzbekistan is not sufficiently studied as an independent, independent research facility, determines the relevance of the chosen topic. In the opinion of the author, in the conditions of the current modernization of the economy it is especially important to create conditions and establish a mechanism for access to the world stock markets and have a share in it. The article analyzes the dynamics and the state of the exchange commodity turnover for 2010-2016, studied the problems, theoretical proposals and recommendations aimed at improving the efficiency of the stock market. In addition, a number of factors affecting the development of the stock market of the Republic of Uzbekistan are analyzed and grouped into groups based on regression analysis, the relevance of the relationship and the direct relationship between them and the conclusions for the development of factors that are high in this regard are determined. At the end of the article, there are a number of proposals for the development of the country's stock market.

Аннотация. Актуальностью и научно-практическим значением данной темы является недостаточная изученность теоретических и практических аспектов совершенствования инфраструктуры фондового рынка в Узбекистане недостаточно изучены как независимый, независимый исследовательский объект, определяет актуальность и выбранной темы. По мнению автора, в условиях текущей модернизации экономики особенно важно создавать условия и устанавливать механизм доступа к мировым фондовым рынкам и иметь в нем долю. В статье анализируется динамика и состояние биржевого товарооборота на 2010-2016 годы, изучены проблемы, теоретические предложения и рекомендации, направленные на повышение эффективности фондового рынка. Кроме того, анализируется ряд факторов, влияющих на развитие фондового рынка Республики Узбекистан, и группируется в группы на основе регрессионного анализа, определяется актуальность отношений и прямая связь между ними и выводы для развития факторов, которые в этой связи являются высокими. В конце статьи есть ряд предложений по развитию фондового рынка страны.

Keyword: securities (stocks, bonds), investments, stock markets, market-makers, underwriting operations, transfer agency, clearing houses, factorial trade turnover, stock index.

Ключевые слова: ценные бумаги (акции, облигации), инвестиции, фондовые рынки, маркет-мейкеры, андеррайтинговые операции, трансфертное агентство, клиринговые палаты, факториальный торговый оборот, фондовый индекс.

Introduction

The development of the secondary securities market, based on the characteristics of the selected model of the formation of the national securities market, has a crucial importance that will ensure the economic stability and competitiveness, and increase the flow of investments. The need to increase the role of the VAT in Uzbekistan in the economy is determined by: The share of capital investments in the total investment by means of the NPV did not exceed ten percent in the past few years, and the ratio of stock market capitalization to GDP was 0.8 percent and trade turnover was 0.2 percent. stable macroeconomic and active investment policies. Therefore, it is important to analyze, evaluate, assess trends in development, learn from experience of developed countries.

The key issue in the stock market analysis, which is a key element of the securities market, is the focus on project finance and development of the economy through emission of shares. However, the results of the current practice in the securities market indicate that its participants and market operations do not fully reflect the existing economic opportunities. It is crucial to attract investment in the economy, to apply effective financing methods, to establish direct links with international financial institutions, and to enhance the role of the securities market in financing the investment activity.

On the basis of active investment policy of our country, it is crucial to further develop the securities market, ensure its transparent and stable functioning, activate attraction of investments by managing subjects, increase market activity of joint-stock companies, improve corporate governance and protect the rights and interests of shareholders.

In this regard, the President of the Republic of Uzbekistan Sh. M. Mirziyoev in his appeal to the Ombudsman critically assesses the stock market of our country as follows: “Another important issue is the further development of the stock market, the Center for Coordination and Development of the Market should be radically restructured.

We will continue to work on the transfer of free state-owned assets to the private sector on a bilateral basis. It is necessary to establish a single procedure for allocation of land parcels through electronic auctions and auctions on the Internet, including for entrepreneurs. For this purpose from 2018 an electronic system for the sale of state assets through electronic trading platforms will be created” (<https://goo.gl/axHvfN>).

Considering the development of the securities market of our country in recent years, especially considering the expansion of the stock market, the role of securities in the investment projects' projects has been rising. Through the stock market tools:

- financing investment activity;
- Increase portfolio investment;
- protection of rights and interests of innovators;
- Increasing market activity - ties of joint - stock companies today is crucial for determining the relevance of this article.

Trends of development of the Uzbekistan's stock market

As you know, the investment in equities is widely used in the world practice. The basis of financial investments is securities and their derivatives. Securities are the tools that determine the market activity of firms and companies through their investment attractiveness. Attracting funding sources for placement of securities is mainly well-developed in the corporate securities market segment. The mechanism of economic mechanism, based on shareholder relations, is formed

through the emission of shares through direct investment of the invested funds into investment activity, the company's charter capital. Through emission issues, the issuer will have the opportunity to increase its investment activity and to attract funds based on debt relations for the implementation of new investment projects. The placement of securities is primarily performed on the primary markets, and their circulation (re-sale) is carried out on the secondary securities market. These processes are organized individually or through institutional forms. In the world practice, their establishment is mainly through investment institutions. They perform professional and noble operations on primary and secondary markets. There is also an internationally integrated global operation that can monitor and track global investment movements and investment processes. In order to attract funds, capital consumers circulate securities and, at the time of their sale, receive funds for the production (trade, finance, etc.). Relationships between capital consumers (emitters) and suppliers (investors) are made on terms of repayment, payment or ownership of property.

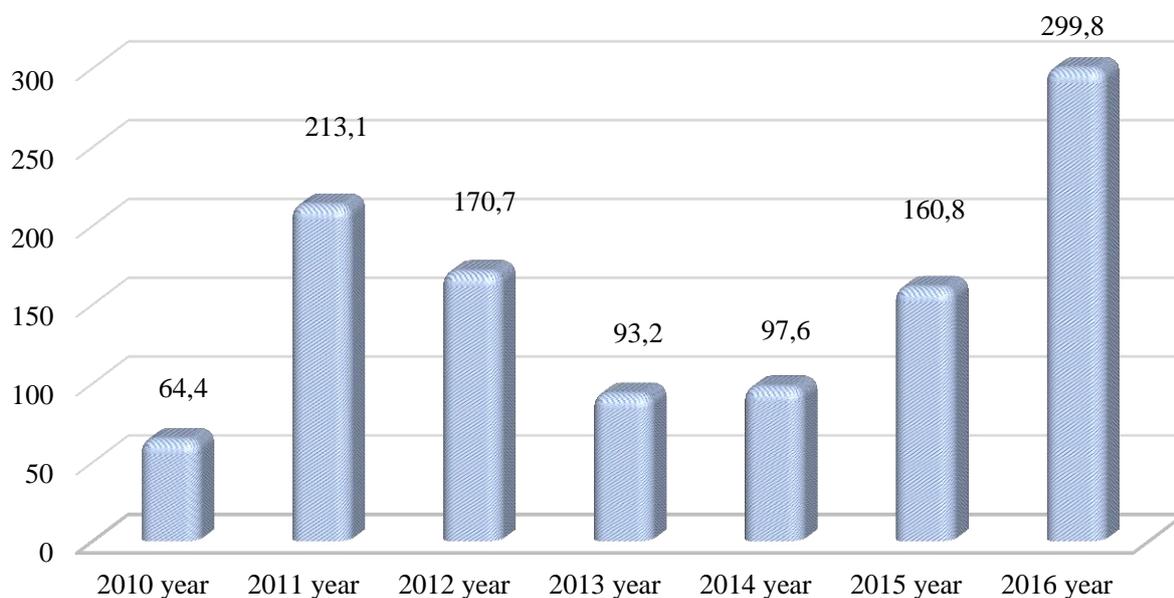


Figure. Dynamics of trade turnover of the Republican Stock Exchange "Tashkent" for 2010-2016 (billion sums)
(Datas of 2010-2016 yy of "Toshkent" Republic Exchange)

Figure 1 shows that the stock market will grow by 299.8 billion in 2016, ahead of 2011. was able to reach the sum. The main reason for this is the increase in the number of joint-stock companies listed on the listing by easing listing requirements. Today, the number of joint stock companies operating in the country makes up 607, but in recent years the order of exchange listing has been extensively developed, and today, the number of listed companies is 183, while their share in the exchange turnover is 82.5%, while 607 joint-stock companies relatively low. In the list of companies listed in the Uzbek Stock Exchange, the main focus is on the size of their statutory fund, while the stock exchanges of developed foreign countries analyze the results of the last three financial years of the enterprise and are listed companies of economically viable companies.

Analysis of impactant factors on the stock market

The index is influenced by a wide range of external and internal macroeconomic factors. They affect its effectiveness, which is expressed in volatility. Thus, N. Bloom, professor of economics at Stanford University (USA), who studied the American economy for 60 years, concludes that the

best indicator of crisis processes in the economy is the volatility of the stock market. He drew attention to the fact that an increase in the volatility index leads to a decrease in the gross domestic product (GDP). On the eve of the last economic crisis, the volatility of the stock market in America has more than doubled. As indicators of volatility change is a set of indicators of business activity in the economy, monetary policy, financial markets and the international economy, the conjuncture of world commodity markets, as well as external economic factors [1]. To build a model for the efficiency of the stock market in Uzbekistan, it is necessary to identify factors that affect its volatility. These factors may be indicators of changes in volatility and, as a consequence, indicators of the performance of the stock market of the Republic of Uzbekistan. For the construction of a system of factor indicators, we select the most important of them that determine the trends in the UCI stock index (Figure).

First of all, it is necessary to conduct an econometric study to determine the factors most influencing the volatility of the UCI index. This study provides an opportunity to determine the degree of influence of each factor on the index of volatility of the UCI index. All the factors chosen by us for analysis were included in the construction of the model. The results of the evaluation of the most significant factors are presented in Table. Based on the analysis, we sampled and obtained the first group of internal factors. This group includes indicators that characterize business activity in the economy (exchange rates, product market volume, inflation). The second group comprised general factors, independent of industry specific factors: GDP growth rate, indices of industrial production, real incomes of the population [4]. Studies have shown that the factors that have the greatest impact on the volatility of the Uzbek UCI stock index are:

Table.

FACTORS DETERMINING THE DEGREE OF INFLUENCE
ON THE VOLATILITY OF THE UCI INDEX

<i>Years</i>	<i>Stock Market Indices</i>	<i>GDP, billion. UZS</i>	<i>Investment in Fixed Capital, billion. UZS</i>	<i>Deposited balance residual</i>	<i>Rate of maneuvers (%)</i>	<i>Remaining funds in the correspondent account, billion. UZS</i>
	<i>Y</i>	<i>X1</i>	<i>X2</i>	<i>X3</i>	<i>X4</i>	<i>X5</i>
2010	112	62 388,3	15 288,2	458,5	18,8	122
2011	345	78 764,2	17 953,4	890,6	20	135
2012	405	97 929,3	22 797,1	1168,8	21	182
2013	696	120 861,5	28 689,4	1549,6	22	211
2014	774	145 846,4	35 225,6	1804,75	24,5	268
2015	886,5	171 808,3	41 670,2	2059,9	25,6	305
2016	990,1	199 325,1	49 770,7	2515,05	26	359

- 1) the index of the real effective rate of national currency to foreign currencies [3];
- 2) the level of monetization of the economy (a positive value of this indicator indicates a high saturation of the economy with money, with an increase in the level of monetization, there is a rise in prices for stock assets, while the volatility of the UCI index increases);
- 3) the indicator of investments in fixed assets (the increase in the volume of investments directly affects the value of the volatility of the UCI index, hence, with increasing investment, the coefficient of variation of the UCI index increases);
- 4) the balance of trade (directly depends on the level of volatility of the UCI index, with the increase in the balance of trade balance, the volatility of the UCI index increases);
- 5) balances on correspondent accounts of credit institutions with the Central Bank of the Republic of Uzbekistan;
- 6) the dynamics of the volume of attracted bank deposits (the reverse relationship, that is, the decrease in the value of bank deposits, entails an increase in the volatility of the index of the stock market in Uzbekistan, therefore, it is necessary to increase the volume of attracted deposits to normalize the UCI stock index by the level of riskiness);
- 7) profitability of US government securities (there is a feedback between these factors, that is, with a decrease in the yield of US government securities, the probability of increasing the volatility coefficient increases);
- 8) consumer price index of Uzbekistan (there is a direct correlation between the consumer price index and the index volatility, that is, the probability of exceeding the coefficient of variation in the value of the stock index of the Republic of Uzbekistan decreases with the decrease in the consumer price index);
- 9) the dynamics of world oil prices and the risk level of the index (have a direct interdependence: with an increase in oil prices, the coefficient of index variation increases);
- 10) rates in the interbank credit market (interbank credit rates and the stock index have a negative coefficient, therefore, when the rates on the interbank credit market are lowered, the volatility of the stock index increases) [2].

Gradual reduction of state-owned stakes in Uzbekistan is one of the important conditions for the development of the stock market.

Conclusion

One of the most effective ways to fund investment activity through the stock market is the infrastructure of the stock market, that is, when the underwriting organizations are engaged in the placement of securities and the purchase of unredeemed securities, market makers are required to maintain prices, is an investment intermediary that undertakes to conclude bargains.

-the size of the primary and secondary equity markets at 20-80% should increase the role of trustworthy managers of investment assets to serve many minority shareholders.

-ensuring active and quality participation of the joint-stock companies and other investors in the financial market by expanding their activities in the securities market and protecting their legal interests, thereby enhancing market liquidity and attractiveness;

-structural discretion should be gradually reduced in the share capital of major strategic issuers-companies;

-ensuring the issuance of Uzbek issuers to internationally integrated stock markets on the basis of increasing the capitalization level and applying a government-initiated IPO mechanism;

-the expansion of the banking sector, including the types of banking securities in Uzbekistan, plays an important role in the development of the stock market and, in addition, the attraction of additional financial resources to the real sector of the economy;

-other stable and effective non-joint stock companies should be allowed to issue corporate bonds;

-extensive opportunities for new financial instruments emission and securitization of assets should be created.

In our opinion, it is necessary to implement a program of multilateral measures to ensure the effectiveness of investment projects at equity capital, including through the provision of market activities, the formation of a highly liquidated securities market, enhancing the protection of rights and interests of investors, increasing portfolio investment, further development.

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