

THE ROLE AND ANALYSIS OF THE STOCK MARKET IN ATTRACTING INVESTMENTS

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The need to strengthen the protection of the rights of investors and minority shareholders, improve the payment and collection of dividends was stressed. In addition, the task was given to develop corporate governance, transition to international financial reporting and international auditing standards.

The development of the sector also depends on the qualifications of specialists and the literacy of the population in this area. Today, there are only 300 specialists in our country with the appropriate qualification certificates. Thousands of people work in this field in developed countries.

According to Shokhazami, one of the leading scientists in the country, the securities market trading systems are the conclusion of a contract, verification of the parameters of the contract, clearing (settlement), fulfillment of the terms of the transaction (payment). and a market mechanism organized as a complex trading industry consisting of a set of economic, technical, technological and organizational tools that enable the transfer of securities to a new owner) [1].

The issuance of securities allows enterprises to implement large financial investment projects. For this reason, it is advisable to increase the number of joint stock companies in the regions of the country. An increase in the number of joint-stock companies will allow modernizing the production or service process [2].

The Central Securities Depository also keeps records of the rights of 51 investment intermediaries and their clients to securities. As of 01.01.2022, the number of clients of investment intermediaries who opened deposit accounts 715.60 thousand, including 60.00 thousand legal entities and 656.60 thousand individuals.

Compared to the same period last year, the number of depot accounts decreased by 0.96%. Accounted by investment intermediaries. The total volume of securities at face value amounted to 8,408.86 billion soums. 2,452.25 billion soums were spent. Pieces formed a security. The volume of securities accounted by investment intermediaries increased by 28.76% compared to the same period last year [3].

Concluding from the above theoretical issues, we have given the following authorial definition of the stock market. “The stock market as a segment of the financial market is an infrastructure element of public economic policy, which allows to solve various macroeconomic problems” [4]. These problems include:

- ✓ increased concentration and generalized production;
- ✓ attracting free funds and distributing them among the necessary segments of the economic system;
- ✓ activation of the investment process;
- ✓ transformation of savings of business entities and the population into investment resources;
- ✓ increase the level of capitalization of income of market agents;
- ✓ the involvement of each household in the management of the market and the transformation of private property into the income-generating capital of a wide range of market agents.

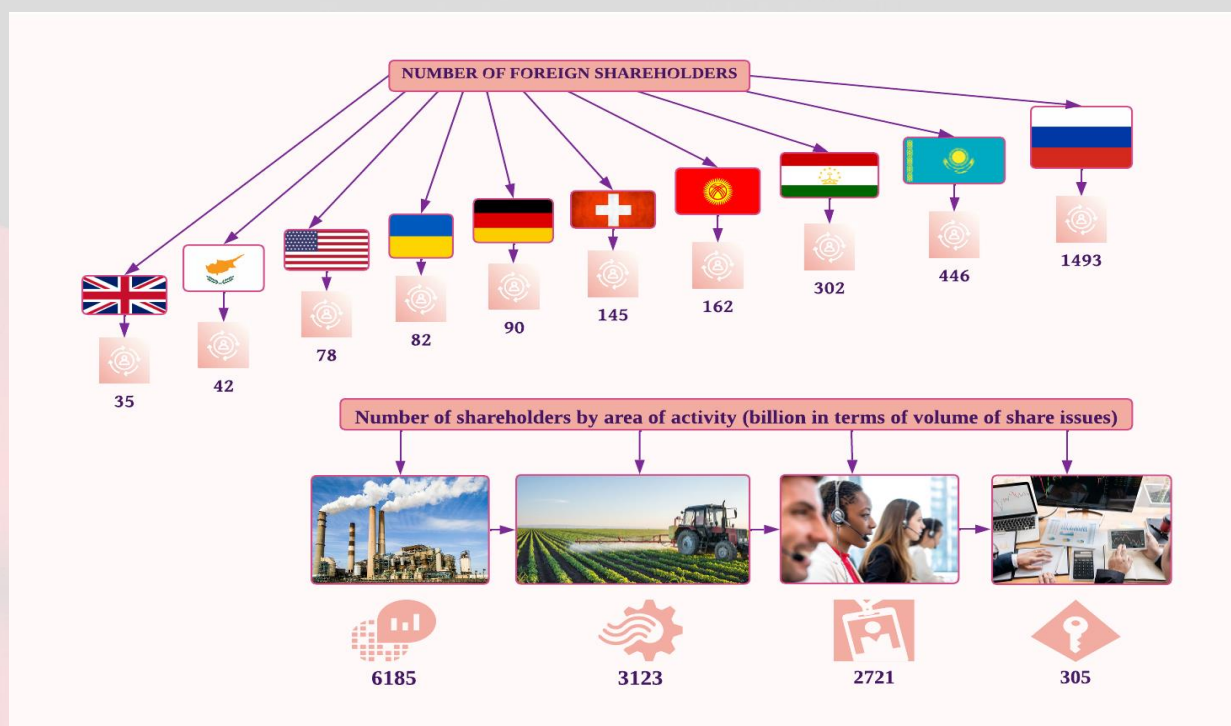


Figure 1. Foreign investments in the stock market of Uzbekistan and number of shareholders by area of activity (billion in terms of volume of share issues) [5]

Among these countries, Russian shareholders are the leaders in the stock market of Uzbekistan. This will have a positive impact on the company's operations, as well as increase its financial stability in the future.

As shown in the figure above, we can see in terms of share issuance sectors, in which 6,185 shares were issued by joint-stock companies specializing in the industrial sector, with the industrial sector occupying a high position. This has a positive impact on the financial stability of the industry.

The volume of shares of economic management bodies in the charter capital of 163 JSCs amounted to 7,482.3 billion soums. In 2021, the volume of assets of economic management bodies increased by 3,097.8 billion soums, and the number of JSCs decreased by 13.

The Central Securities Depository shall ensure the single accounting of securities in the depository system of the Republic of Uzbekistan. In 2021, the Central Securities Depository received 173 sets of documents for the issuance of securities by the authorized state body for regulation of the securities market. During the reporting period, the Central Securities Depository accounted for a total of 122 issues, including 18 issues of primary and new, 95 issues of additional securities and 9 issues of bonds. Issuance of securities of 8 issuers due to liquidation, part of securities issues of 28 issuers, one or more issues of 8 issuers and bonds of 6 issuers issues were withdrawn from the Central Depository.

During 2021, the Central Securities Depository has formed 2,256 registers for holding general meetings of shareholders, as well as for other corporate actions.

The stock market is a key indicator of the economy, strengthening ties between manufacturing enterprises, service providers, commercial banks, stock exchanges, investment institutions and the population. In our opinion, in order to further develop the securities market in our country:

1. Organization of the over-the-counter market of shares of joint-stock companies formed as a result of privatization. Establishment of self-governing associations, associations in order to coordinate, regulate, control the activities of over-the-counter market participants, provide appropriate assistance, protect their rights and interests. Today, the development of production processes in our country requires a reconsideration of relations with the stock market, which increases the intensity of this process. It should be noted that as a result of economic reforms, the disposal of state-owned property and the organization of relations between economic entities of different forms of ownership in accordance with the laws of the market create opportunities for various risks [6];
2. Bring the ratio of total securities in circulation to GDP to at least 10-15% by the end of 2025, based on the development of the stock market development strategy for 2020-2025;
3. Directing a certain percentage of the assets of insurance companies to the stock market, allowing banks to purchase highly liquid securities in the primary market.

Summarizing the positive experience in the development of global fund infrastructure, it can be said that in order to address the challenges of improving the stock infrastructure of Uzbekistan, it is necessary to adapt and use market mechanisms and instruments tested by European investors for decades to attract investment to the Uzbek economy and protect investors.

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