



## IMPROVEMENT OF FINANCIAL MARKET ACTIVITY THROUGH DEVELOPMENT OF CORPORATE STRUCTURES

**Jo'rayev Og'abek**

The student of TSUE

ogabekjorayev081@gmail.com

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### ABSTRACT

*This article discusses the role of the financial market in the country's economy, the prospects for the development of the financial market in our country, and the issues of ensuring the activity of corporate structures in the development of the financial market.*

Today, the financial market is an important link in the development of the economy. Therefore, the development of the financial market in our country and, as a result, the reduction of the state's share in corporate structures is an important issue. In this regard, a number of measures are being taken in our country, because it is a difficult issue to find a place in the world market and developing and developed countries without establishing a good financial market.

The financial market is of decisive importance in the economic system. It is the vehicle that drives the economy, a platform where surplus units meet deficit units and negotiate various financial arrangements. The goal of financial market development is to increase the ability of the financial market to work effectively as an intermediary. An efficient financial market has a wide range of financial instruments, credit risks, etc., with the right risks and opportunities, that is, on the supply side, offering a choice of issuers to meet all classes of asset demand. On the demand side, there should be a large amount of investment demand from different investors with different risks. In addition, diversity among issuers and investors usually leads to better market development, which leads to active exchange of financial assets. A highly liquid financial market is capable of providing a large volume and variety of financial instruments at the lowest possible cost. Here, financial instruments can be exchanged quickly at reasonable prices. An efficient clearing and settlement system is a key factor in reducing transaction costs

Increasing the importance of the development of the financial market in the country's economy today is one of the urgent problems. Several foreign and local scientists have conducted research in this regard.

In his article "The Role of Financial Markets in Economic Growth", Ercan Ekmekçioğlu,

one of the foreign economists, wrote the following about the financial market: "Financial markets are important in ensuring economic growth in any economy. They are closely related to all markets and almost all individuals in the economy. This increases the importance of financial markets. Of course, the best way to analyze money is to emphasize the close relationship between real assets and financial markets". Another economists Duc Hong Vo, Son Van Huynh, Anh The Vo and Dao Thi-Thieu Halar in an article entitled "The Importance of the Financial Derivatives Markets to Economic Development in the World's Four Major Economies" "The development of the derivatives market has long attracted interest among researchers, politicians and financial agencies. It directly plays a very important role in the financial system and contributes to various aspects of the economy," they wrote.

In Uzbekistan, the role of the financial market in the economy, its structure, issues of development, theoretical and practical aspects Sh.Shokhazami in his book entitled "Financial Market and Securities Market" wrote: "The problem of increasing the importance of the national financial market in the economy arises from the need to attract investments in order to modernize the economy, ensure stable industrial and economic growth, and reduce inflation. An effective solution to this problem is inextricably linked with ensuring the level of competitiveness and safety, stability and liquidity, attractiveness and risk-freeness of the financial market for investors.

Financial market development then supports the introduction of repos and derivatives in the relevant financial markets, which in turn leads to better risk management and financial stability, which in turn improves economic prosperity. Liquidity and price stability in the short-term interest rate market can help support liquidity in the stock market. This, in turn, should reduce the amount of money issued for governments and other issuers of securities. In fact, the secondary market for government securities can act as a catalyst for the development of a market for fixed income securities, the yield of which is an indicator of the price of private market credit. The development of these markets must be accompanied by the development of the necessary market infrastructure, including robust payment and settlement systems and a supportive legal framework.

The largest segment of the financial market is the stock market. Therefore, we will consider the analysis of the stock market below.

The trading turnover of the "Tashkent" Republican stock exchange between 2012 and 2018 shows that the annual turnover of the Republican stock market in 2012 was 170.7 billion. 93.2 billion soums in 2013. soums, 97.1 billion in 2014. soums, 166 billion in 2015. amounted to soums, and by 2016 we can see an increase in the sales volume indicators. Also, the sales volume in 2016 was 299.8 billion. 298.6 billion soums in 2017. was soums, and in 2018, it can be seen from the data of the diagram that the volume of trade turnover increased significantly, that is, the annual trade turnover of the Republican Stock Exchange in 2018 was 687.9 billion soums. we can see that it has reached soum.

The development of the financial market opens up a number of opportunities. In turn, the development of the financial market and modern financial infrastructure is one of the main conditions for the transition to the path of innovative development. Only under such conditions will it be possible to activate investment activities and generate investment flows, and then redirect them to the field of high technologies. Direct investment, which is one of the main factors of economic growth, cannot be achieved without creating the basic elements of

modern financial markets. With the help of the financial market, the movement of funds in the economy is ensured, as well as the continuous formation of financial resources, their effective use and investment. It ensures the free movement of investment money between different sectors of the economy, free and rational use of financial resources.

The figure below shows the number of annual contracts concluded on the "Tashkent" Republican Stock Exchange in 2012-2018. According to the data in the picture, the number of contracts in 2012-2013-2014 was about 900 units, that is, 916, 941, 918, respectively, and since 2015, we can see that the number of contracts has increased. In 2015-2016-2017, the number of contracts was 2794, 3080, 2572, respectively. By 2018, the number of contracts concluded on the Republican Stock Exchange has increased significantly, as can be seen from the diagram. This year, the number of contracts has reached 13,751, that is, several times more than in previous years, which will certainly contribute to the development of our economy.

Due to disruptions in the real market of the economy and the financial market, enterprises are facing difficulties in using modern tools of the financial market to attract investment funds. The question of increasing the weight of households in the market of corporate securities through the penetration of the financial market remains one of the urgent problems that are waiting for a solution.

The development of the financial market and modern financial infrastructure is one of the main conditions for the transition to the path of innovative development. Only under such conditions will it be possible to activate investment activities and generate investment flows, and then redirect them to the field of high technologies. Direct investment, which is one of the main factors of economic growth, cannot be achieved without creating the basic elements of modern financial markets. With the help of the financial market, the movement of funds in the economy is ensured, as well as the continuous formation of financial resources, their effective use and investment. It ensures the free movement of investment money between different sectors of the economy, free and rational use of financial resources.

Financial markets allow companies to improve their financial position by raising equity capital, or by issuing bonds or shares. This allows them to develop their business and finance their projects by creating long-term financing opportunities instead of short-term financing like bank loans. For investors, financial markets offer the prospect of added value to capitalize and asset appreciation in exchange for income called "dividends." Financial markets finance companies that need investors who have the funds to invest.

In the current conditions of economic reforms, the need to increase the importance of corporate structures through the development of the stock market that is forming in our country is also an important issue in the development of the country's economy. We can make the following suggestions in this regard.

Firstly, to ensure the regulation, control and stable development of the financial market of Uzbekistan in accordance with the requirements of world practice, as well as to further improve the legal framework for the protection of the rights of participants and investors of the financial services market, and to further liberalize the financial market in accordance with the requirements of world standards, increase its stability and the level of capitalization.

Secondly, to bring the trading of securities of the country's corporate structures to the secondary markets and strengthen its free placement. In this regard, first of all, activation of

the secondary market of securities in our country.

Thirdly, to carry out transactions with derivative financial instruments within the framework of the real economy or basic asset transactions in the financial market of our country. Introducing mechanisms to limit speculative practices with derivative financial instruments. And further development of REPO, SVOP operations in order to regulate liquidity in the financial market.

Fourth, to further simplify the processes related to the issuance of securities by commercial banks in our country and to increase their attractiveness for issuers and investors, to further improve new types of bank deposits, deposit certificates and corporate bonds in order to increase the long-term resources of banks.

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