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Research Article

IMPROVEMENT MECHANISM OF ATTRACTING THE VALUE OF PAPERS TO THE NATIONAL ECONOMY THROUGH INVESTMENTS

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ABSTRACT

This scientific article analyzes the importance of the development of the stock market in the development of the national economy and today's trends. The dynamics of changes in the volume of securities trade in the Republic of Uzbekistan over the years have been analyzed. Scientific proposals and recommendations on increasing the investment opportunities of joint-stock companies by increasing the volume of securities trading have been formulated.

KEYWORDS

Capital market, stock, bond, trend, financial resources, financial strategy, financial supply, investment strategy, corporate finance, corporate management.

INTRODUCTION

At present, it is very important to attract foreign investments for the further development of our

economy, the creation and reconstruction of new enterprises equipped with modern equipment

and high technologies. This, first, creates an opportunity to solve important socio-economic problems, such as increasing the employment and income of the population. Large-scale reforms are being implemented in Uzbekistan to actively attract foreign investments, establish free economic zones, guarantee the rights of foreign investors and protect them, create favorable conditions for attracting foreign direct investments, and fundamentally improve the investment environment.

In the development strategy of New Uzbekistan for 2022-2026, priorities such as "to gradually liberalize the movement of capital in our country, attract foreign capital flows to the financial market mainly in the medium and long term, allow the purchase of state securities by non-residents, and increase liquidity in the corporate securities market" tasks are noted separately [1].

Based on the above, it should be noted that the introduction of modern instruments of capital attraction from the stock market by joint-stock companies into national practice, in particular, the creation and improvement of economic and legal foundations, finding a positive solution to the issue of personnel in the field, and increasing the interest of large financial institutions to use

these instruments are the relevance of research in this direction. manifests itself. Also, in the development of the national capital market, it is important to ensure their independence and further increase their international integration based on international practical experience.

Review of literature

A number of studies have been carried out by domestic and foreign economists to shed light on the economic foundations of the stock market, the importance of the development of the stock market in the development of the national economy.

In addition to the definition of the capital market proposed by M.I. Kasimova, it can be said that "the stock market is an economic relationship between subjects of economic activity, which, on the one hand, creates a demand and, on the other hand, a supply of investment products." In this regard, M.I. Kasimova legally "links" the capital markets to investment goods, that is, money, securities and other forms of value, the purpose of which is to make a profit. In the capital market, long-term and short-term capital and liabilities are widely circulated [2]. According to R.R. Rubtsov, "The financial market is a set of

economic relations and institutions related to the movement of money capital" [3]. According to F. Mishkin, the author of many scientific literature on the international financial market and institutions, their organizational and economic foundations, "the stock market is a market that serves to transfer the funds of people with surplus funds to those who lack funds" [4].

Mutual financial relations between corporate structures and securities, the mechanism of attracting investments by corporate structures through financial markets, and the issues of attracting foreign investments to the activities of corporate structures were studied in I.L. Butikov's scientific research [5]. F.T. Mukhamedov's scientific research focuses on securities trading systems and their development, which includes factors affecting the development of securities trading systems, current problems and ways to overcome them [6]. K. Z. Khomitov's scientific research studies included the evaluation of company securities and placement on stock exchanges, priority areas of stock exchange activity, investment in projects, and profitability issues [7]. In the research conducted by N.R. Tursunova, the economic nature of corporate bonds issued by joint-stock

companies was studied, as well as scientific conclusions were developed based on the analysis of the state of corporate bonds issued and placed by commercial banks, the state of circulation of corporate bonds on the stock exchange [8]. In the scientific research carried out by H.K. Khudoykulov, models of valuation of stock market assets, in particular, models of valuation of the level of profitability of company shares in the stock markets and their specific characteristics were studied. As a result, scientifically based conclusions on types of financial asset valuation (CAPM) models and features of their use were developed [9]. Funding of joint-stock companies through shares - consists of financing of joint-stock companies through initial, IPO, secondary, closed subscription based on capitalized profits, additional and preferred shares and securities convertible into shares [10].

RESULTS

By the end of 2023, 411,870 trade deals with a total value of 2.71 trillion soums were registered in Uzbekistan. A total of 28.08 billion securities of 107 issuers participated in these transactions. Comparing the volume and number of transactions made in 2023 with the same periods

of 2020-2022, it should be noted that the number of transactions has increased significantly. In 2023, the number of transactions in the period under consideration increased by 410.23% compared to the above periods. A decrease of 43.90% was observed in the volume of trade deals compared to 2022. However, it should be noted that positive dynamics are observed in the growth of the volume of transactions, excluding the last year.

In 2023, 398,808 deals were concluded with shares of 93 issuers in the G1 - "Main Board" section, which is the main trading floor of the "Stock Market" stock market. The largest volume of transactions corresponded to transactions of 157.35 billion soums concluded with ordinary shares of "Octobank" ATB /OCBK/. T1-"Nego Board" trading area, i.e., in the negotiated auction

mode, in the section where transactions are concluded with packages of securities, the volume of which is at least 1% of the total number of issued securities, during the period under review, 28 148 transactions with the issuer's securities totaling 1.91 trillion soums were recorded. The largest volume of transactions was made with ordinary shares of "Solutions lab" JSC /SOLA/, which amounted to 672.68 billion soums or 24.80% of the total stock exchange volume. "FoP Board" intended for the placement of securities by the issuer as a result of the implementation of securities trading transactions or the issuance of the "Securities clearing and delivery without payment" method without cash settlement 3 tests and 1 large deal worth 248.38 billion soums with the securities of "Qoqon Biokimyo" JSC were carried out on the trading floor (Table 1).

Table 1

Stock market and trading floor analysis

№	Sections of the Trading System	2023 year			
		Number of issuers	Number of trades(units)	Number of securities (ths.units)	Trading volume (mln. UZS)
	USTC sections:				
I.	«Stock Market»:	101	398960	28060049,8	2516315,87
1.	G1 - «Main Board» - main section of these:	93	398808	18066709,9	362874,63
	Market making	1	215	6,18	414,82

2.	T1 - The section is in the mode of a negotiated auction «Nego Board»	28	148	9923863,8	1905064,61
3.	NC -Section of non-monetary settlements «FoP Board»	4	4	69475,9	248376,62
II.	«Bond Market»	7	477	59,1	92178,1
1.	G1 - main section «Main Board»	7	477	59,1	92178,1
2.	T1 - The section is in the mode of a negotiated auction «Nego Board»	0	0	0	0
III.	REPO Trades Market	0	0	0	0
1.	R1-«Repo Nego Board»	0	0	0	0
	In the USTC brokerage system				
1.	Initial placement of securities IPO	3	12433	20437,5	104254,1
Total		107	411870	28080546,4	2712747,93

Emitentlarning qimmatli qog'ozlari bilan tuzilgan bitimlarning eng katta hajmi va eng ko'p soni Toshkent shahrida joylashgan emitent qimmatli qog'ozlari bilan qayd etilgan. Ushbu hududdagi emitentlarning qimmatli qog'ozlari bilan tuzilgan barcha 291 746 ta bitimning umumiy summasi 2,02 trln so'm bo'lib, birja savdolari umumiy

hajmining 74,57 foizini tashkil etdi. Bitimlar hajmi bo'yicha keyingi o'rinni Farg'ona viloyati emitentlarining qimmatli qog'ozlari egalladi. Ushbu viloyatda joylashgan aksiyadorlik jamiyatlarining qimmatli qog'ozlari savdosi hajmi 571,46 mlrn so'mni tashkil etdi (2-jadval).

Table 2

Dynamics of securities trading in the regions of the Republic of Uzbekistan

№	Regions	Number of trades, units	Quantity of securities, mln. units	Trading volume, mln. UZS
1.	Andijan region	40972	108,38	30877,37
2.	Bukhara region	14940	0,83	1933,81
3.	Tashkent city	291746	27808,08	2022785,48
4.	Jizzakh region	2211	0,071	237,61
5.	Kashkadarya region	3524	2,93	11773,11
6.	Navoi region	9254	1,53	4817,28
7.	Namangan region	366	0,062	530,78
8.	Republic of Karakalpakstan	6	0,71	6913,72
9.	Samarkand region	636	0,077	1079,48
10.	Tashkent region	30851	10,52	50916,65
11.	Fergana regio	16843	145,16	571644,39
12.	Khorezm region	521	2,14	9238,2
Total		411870	28080,54	2712747,93

During 2023, 411,393 transactions with a total value of 2.62 trillion soums were concluded with 28.08 billion securities of 101 issuers, including IPOs, in stock market trading. The largest volume of transactions was recorded in February, which reached 945.24 billion soums. The maximum volume fell on February 15, the total amount of transactions on this day was 584.34 billion soums. The lowest volume was 65.91 million soums on August 16. The largest number of transactions was concluded in December, which reached 87,172 units, and the lowest number of transactions was recorded in January (15,630

units). December 18 is the day with the largest number of transactions, 13,355 units, which is more than 8 times the average number of daily transactions for 2023, according to the conclusion of two IPOs. The lowest figure was made on February 16 - 472 transactions. In 2023, the average number of daily transactions of the stock market on all platforms was 1,658, the average daily volume of transactions was 10.57 billion soums, and the average daily trading volume of securities was 113.23 million units.

During 2023, the initial public offering (IPO) of securities of 3 issuers was successfully held on

the trading floors of the "Tashkent" Republican Stock Exchange. From November 30, 2022, to February 15, 2023, the initial public offering of shares of "UzAuto Motors" JSC /UZMT/ was held on the stock exchange. As part of the IPO of UzAuto Motors JSC, 1,383 applications worth 56.89 billion soums were collected, which is 29.1% of the total volume of shares offered. The objects of application were 784.70 thousand ordinary shares of the issuer. The price of one share was 72,500.00 soums, and the nominal value was 5,000.00 soums. According to the

underwriter, 80.1% of the outstanding shares were allocated to institutional investors and the remaining 19.9% to retail investors. On December 12-15, 2023, the initial placement of shares of "Uzbektelecom" JSC /UZTL/ was held on the stock exchange. The company's IPO received 10,950 applications worth 33.25 billion soums, which is 100% of the total volume of the offered shares. 60% of the outstanding shares were given to corporate and institutional investors, and the remaining 40% to retail investors.



Figure 1. The dynamics of trading of securities of companies and the dynamics of market price changes

Today, in the development of the practice of attracting financial resources from the international capital market by the joint-stock companies of our country, not only commercial banks but also enterprises of the real sector of the economy should be more widely involved in these processes. Improving this practice, it will have a positive effect on the gradual reduction of the state's share in the authorized capital of these joint-stock companies, the strengthening of integration into the international financial market, the acquisition of independent international rating indices, and the development of a modern corporate governance mechanism.

Diversification of existing types of bonds - implementation of appropriate measures for issuing options and futures, as well as development of mechanisms for legal regulation of the placement of new types of securities (including securitization and mortgage bonds) and their circulation.

CONCLUSION

Summarizing the positive experience in the development of the world's fund infrastructure, it can be said that market mechanisms and instruments tested by European investors for

decades to solve the tasks of improving the fund infrastructure of Uzbekistan are used to attract investments to the economy of Uzbekistan and protect the interests of investors. It is necessary to adapt to the conditions of Uzbekistan and use it as much as possible. Formulating the strategy taking into account the direction of development of the world financial system allows to achieve the necessary competitiveness in the conditions of globalization and integration of national capital markets.

The goal of the development of the stock market of our country is to turn it into one of the main financial markets of the economy by creating an effective market for allocating resources and capital accumulation for all categories of investors. As directions of market development, it is necessary to develop electronic platforms to provide different choices to investors by introducing modern types of securities, as well as to increase financial literacy in "entering" the international capital market.

The tendency of commercial banks to participate in the developing securities market as the largest institutional investors is explained by the fact that many of them have a high level of capitalization, strong information bases about the state of their

various segments, as well as qualified specialists in the field of investment management. Having such important criteria of competitiveness opens many opportunities for the commercial banks of Uzbekistan to use a wide range of financing tools for innovative development programs of the republic's enterprises. It should be noted that commercial banks are the most experienced and investment institutions of the stock market of Uzbekistan. In addition to the above, the need for banks to expand the scope of services for enterprises and improve their quality is connected with the emergence of serious competitors in the form of more economically favorable financial structures (investment funds, insurance) in the financial market of Uzbekistan.

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