

In Uzbekistan, the use of the Stock Market in Attracting Financial Resources by Corporate Entities is One of the Tools

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Abstract

The article analyzes the impact of the level of diversification of stock market instruments in attracting capital to the economy, as well as practical recommendations for future diversification of stock market instruments in Uzbekistan by comparing the performance of the Uzbek capital market with the results of some countries developed.

Keywords: *Stock market, securities market, financial market, stock, bonds, mortgage bonds, assets, securitization, mortgage savings, credit, integration, economic transformation, diversification.*

Introduction

Today, Uzbekistan's capital market is entering a new stage of development, with a number of economic reforms taking place in the country. As a result, many reforms are underway to actively use the stock market infrastructure to increase capital inflows into the economy. But not all of them are done on time. In particular, the Decree of the President of the Republic of Uzbekistan dated May 13, 2019 "On additional measures for the development and expansion of the mortgage market" PF-5715 until January 1, 2020 The development of the draft Law on Mortgage Securities [1], which is important in reducing some restrictions on the issuance of securities and regulating this activity, was mentioned, but still task execution was not fully ensured. In addition, in the transformation of the economy, the opportunities for the movement of financial resources through the stock market are not fully used, in particular, "as a source of financial resources for corporate structures - primarily bank loans" [2], the state-owned economy The fact that the subjects increase their charter capital and meet their needs for financial resources, mainly through closed issuance, reflects the relevance of this research topic today.

Research methodology

Methods such as comparison, induction, deduction, analysis, synthesis were used in the study and analysis of the use of stock market instruments in the attraction of financial resources by corporate structures.

Analysis and results

Today, in the process of economic transformation in our country, it is expedient to use stock market instruments in the privatization of state-owned enterprises. Therefore, it is necessary to analyze the structure of stock market instruments in our country.

The level of diversification of stock market instruments in our country is very low. This can be seen in the table below on the instrument composition of the RSE "Tashkent".

Table 1. [3] The structure of trades on instruments in RSE "Tashkent".

Indicators	2015 year		2016 year		2017 year		2018 year		2019 year		2020 year	
	Size (billion soums)	Stock (%)	Size (billion soums)	Stock (%)	Size (billion soums)	Stock (%)	Size (billion soums)	Stock (%)	Size (billion soums)	Stock (%)	Size (billion soums)	Stock (%)
Stock market	153,5	95,3	295,8	98,7	295,6	99,0	683,3	99,5	400,2	90,4	510,9	88,4
Bond market	7,5	4,7	4,0	1,3	3,0	1,0	4,0	0,5	38,6	9,6	67,3	11,6
Total	161,0	100	299,8	100	298,6	100	687,3	100	438,8	100	578,2	100

From the data in the table above, it is clear that in our country the attraction of resources through bonds is not sufficiently regulated. As a result of studying the data in the table above, we have seen that in recent years, two commercial banks have been actively involved in attracting financial resources through bonds in Uzbekistan. It turns out that other large companies provide the necessary financial resources (borrowed funds) mainly through loans from commercial banks. This makes it difficult for us to positively assess the degree of diversification of instruments in the trades of RSE "Tashkent" and shows that "the market for corporate bonds and government securities is underdeveloped" [4]. In order to increase the effectiveness of our analysis by comparing our indicators in this area, we will consider similar indicators of some CIS member states, whose economic indicators and the timing and conditions of economic reforms are close to Uzbekistan.

Table 2. [5] The volume of trading in stocks and bonds on the stock exchanges of the CIS countries

Indicators	Volume of shares traded (mln. USD)	Volume of shares traded (billion soums (10476.92 soums))	Volume of bond trades (mln. USD)	Volume of bond trades (billion soums (10476.92 soums))	Total trading volume of shares and bonds (mln. USD)
KASE (Kazakhstan Stock Exchange)	572,5 (5,8%)	5 992,8	9332,3 (94,2%)	97773,8	9904,8 (100%)
BCSE (Belarusian Currency and Stock Exchange)	43,3 (5,2%)	453,7	792,2 (94,8%)	8 299,8	835,5 (100%)
MICEX (Moscow Stock Exchange Group)	324 358,0 (88,0%)	3 398 272,8	44 247,7 (22,0%)	463 579,6	368 605,7 (100%)
PFTS (Ukrainian OTC)	14,2 (8,6%)	148,8	150,6 (91,4%)	1577,8	164,8 (100%)

Trading System)					
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If we analyze the data in Table 2, we can see that the most positive indicators for these instruments are in the stock exchange of the Russian Federation. In addition, the volume of shares and bonds in 3 of these stock exchanges is much higher than the volume of shares traded. It is because According to the data of 2019, bonds are valued at about 0.5% of the total volume in the securities market of the country, and the share of the stock market is around 99.5% (according to the results of the Central Securities Depository in 2020, 149,502, The total volume of shares amounted to 26 billion soums, the total volume of bonds amounted to 281.24 billion soums) [6].\

In Uzbekistan, in order to improve this indicator and increase the level of diversification of their sources of financing, companies should reduce restrictions on the issuance of corporate bonds, which are an alternative to bank loans, in particular, limited liability companies and additional limited liability companies. opportunities have also been created for companies to issue corporate bonds. We believe that this, in turn, will have a positive impact on the effectiveness of economic reforms and increase the movement of financial resources through the stock market. This is because Uzbekistan, which has a developing economy, the stock market is in need of reform, the stock market is below the potential of the economy, and finally "prefers the credit market" in attracting foreign and domestic capital [7] Attracting financial resources through the stock market to corporate structures, which is an alternative to, has a positive impact on the country's capital inflows.

Conclusions and suggestions

In view of the above, there is an opportunity to accelerate trading in the stock market through the issuance of mortgage bonds in the field of commercial banks and government securities. At the same time, the two core models of mortgage bonds for Uzbekistan are the "European traditional (single-stage) model and the American two-stage model" [8]. Under the first model, commercial banks can independently issue mortgage-backed bonds and lend to real estate, while in the second model, commercial banks use the American model to sell mortgage-backed bonds to the market and distribute risks. In Uzbekistan, the issue of such bonds will not only increase the level of securities conversion and increase the liquid assets of commercial banks, but also solve some of the problems of housing. Therefore, the introduction of two-tier mortgage bonds in our country will give positive results.

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