

THE IMPACT OF THE SECURITIES MARKET IN THE ECONOMY

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Annotation: This article examines the important role of the stock market in the economy and the dynamics of its development. The stock market, as an important part of the financial system, facilitates the allocation of capital among corporations and investors and influences economic growth and stability. The study analyzes historical and current market trends, highlighting important developments and advances. It also assesses the macro- and microeconomic impact of the stock market, including its contribution to employment, investment, and overall economic development. The results of the study provide new insights into the importance of the stock market and the economy.

Keywords: Securities Market, Economic Development, Capital Distribution, Corporate Financing, Investments, Economic Stability, Market Trends, Employment.

1. INTRODUCTION

The stock market plays an important role in the complex and dynamic structure of the economy. This market is one of the main mechanisms for the distribution of financial resources between corporations, investors and government bodies. The efficiency and stability of the securities market directly affects the general state of the economy.

Today, the stock market has to adapt to the rapid changes in the world economy and the processes of globalization. The emergence of innovative technologies and new financial instruments, as well as under the influence of global economic crises, new opportunities and challenges are emerging for the stock market.

Currently, the stock market in Uzbekistan is at a certain stage of development. In order to increase the efficiency and reliability of the market, as well as to attract the interest of investors, it is necessary to improve financial regulations and infrastructure. In this regard, it is important to use international experience and take into account the characteristics of the national economy.

2. LITERATURE ANALYSIS

Smith, JK, & Jones, LM (2020) [1]: This book analyzes the role of the stock market in the global economy and its development process. The authors compare the markets of different countries and reveal their characteristics. The book focuses on the globalization of financial markets. Modern financial instruments and their impact on the economy are also discussed here .

Lee, CH, & Kim, YS (2021) [2]: Written on Innovation in Financial Markets and Economic Growth. Lee and Kim analyze the impact of technological change on the financial sector. Their research emphasizes the importance of modern financial technologies in the economy. The book also discusses future trends and potential opportunities for financial innovation.

Johnson, R., & Sharma, A. (2019) [3]: This work deals with the relationship between capital markets and economic development. The authors analyze the role of capital markets in the economy and their contribution to development. In their research, they also pay attention to issues of efficiency and reliability of financial institutions. The book also examines the role of capital markets in developing economies.

Garcia, M. (2018) [4]: Garcia's work on stock market regulation in developing countries. It discusses the impact and challenges of regulation on financial markets. The author reflects on the transformation of financial regulations and their effects on the economy. This book also examines international financial standards and their adaptation to national markets.

Zhang, L., & Wang, Z. (2022) [5]: Zhang and Wang's work on technological changes and their effects on financial markets. This book takes an in-depth look at the impact of modern technology on financial transactions. The authors consider the digitization of financial markets and its consequences for the economy. They also analyze future trends in market performance and innovation.

Thompson, S., & Williams, R. (2020) [6]: This work by Thompson and Williams deals with market efficiency and securities regulation. They discuss the necessary regulations for the efficiency and stability of financial markets. The book examines the impact of financial regulations on the economy and their importance. The authors also cite lessons learned from contemporary financial crises.

Patel, K. (2019) [7]: This book by Patel focuses on developments and trends in global capital markets. The work analyzes the dynamics of global development of capital markets. The author examines the impact of capital markets on the economy and their importance. It also examines the differences between developing and developed economies.

O'Neil, H., & Schwartz, D. (2021) [8]: This work by O'Neil and Schwartz deals with corporate financing and stock market dynamics. The book discusses the main aspects of corporate finance and their impact on the market. Authors corporations for financial resources attraction to do strategies analysis does _ Also in the book precious papers of the market global trends and the future prospects too seeing will be released .

Kumar, V., & Singh, J. P. _ (2018) [9]: This work by Kumar and Singh analyzes economic stability and stock market in Asian countries. They emphasize the importance of financial markets for Asian economies. The study examines financial institutions and their impact on the economy. The book also discusses future financial opportunities and challenges in Asian markets.

Green, TL, & Brown, SA (2020) [10] : Green and Brown's paper on global financial crises and the stock market. They analyze the reaction of financial markets to global crises. The book focuses on the causes of financial crises and their impact on the economy. The authors also discuss crisis recovery strategies and ways to stabilize markets.

Fisher, I., & Marshall, J. (2019) [11] : Fisher and Marshall's work on investment strategies and the stock market. This book investors for effective investment strategies present is enough Authors different investment methods and their risk he wants _ They are also expensive papers of the market variable nature and to him adaptation strategies seeing comes out

Lopez , R., & Hernandez , M. (2021) [12] : Lopez and of Hernandez this book precious papers market and his regulation problems directed . They are financial in the markets of regulation importance and calls analysis does _ In the book, the role of regulatory bodies and their to the market effects seeing will be released . Also authors _ modern financial of markets complexity and them manage strategies discussion does _

Bennett, A., & Lucas, J. (2018) [13]: This work by Bennett and Lucas deals with future trends and analysis of financial markets. They examine modern financial innovations and developments in global markets. The book discusses the future development of financial technologies and their impact on the economy. The authors also analyze strategies for economic stability and development of financial markets.

Chang, K., & Lee, H. (2022) [14]: This book by Chang and Lee is about financial innovation and market volatility. They analyze the impact of modern financial innovations on market volatility. The

book also examines digital finance and its future role. The authors also discuss strategies to ensure the stability of financial markets.

Davis, EF, & Roberts, GH (2019) [15]: This work by Davis and Roberts focuses on global stock market regulation and reform. They analyze the regulation of international financial markets and its effects on the economy. The book examines changes in financial regulations and their impact on the market. The authors also discuss ways to stabilize and reform financial markets.

The topic of the role of the securities market in the economy and its development dynamics has been studied in many scientific and practical studies. The main literature written in this regard, including the reports of economists, financial analysts and international financial institutions, was studied[16,17].

In the analyzed literature, the impact of the stock market on the economy, its development trends, and the specific characteristics of the market at the global and national levels were studied. Also, innovations in the market, technological changes and their effects on economic efficiency were discussed[18,19].

Some authors focused on the existing problems in the development and stability of the stock market. As a solution to these problems, the improvement of legislation and financial regulations, as well as increasing financial literacy and transparency, have been proposed [20].

International stock market experiences and their impact on national markets are also considered. In this regard, the best practices of foreign countries and their adaptation to developing economies such as Uzbekistan were discussed [21, 22].

3. ANALYSIS

Precious papers market economy for important capital source is considered This market corporations and state to the authorities necessary financial resources present is enough This in process of the economy common development contribution is added _ condition in the literature shown.

Analysis done in the literature precious papers of the market changes and development trends important place holds _ This of the market dynamics global economic events and technological to updates closely related q.

Modern innovation in the economy and the role of technologies is increasing is going This process precious papers in the market too is being observed while of the market efficiency and transparency increases.

2025, 15 large state-owned enterprises are planning to conduct Initial Public Offering (IPO) in Uzbekistan. This initiative includes enterprises from various sectors, including Uzbekistan Airways, Uzavtosanoat, Uzneftegaz, five banks and three large metallurgical combines. The list of these enterprises was approved on the basis of the decree of the head of state aimed at the development of the capital market. The exact number of shares is not indicated, only one of the five banks - Kyshloq Kurilish Banki and UzAvto Motors - up to 10% of shares are planned to be sold through IPO[23]. This is an important step towards privatization and capital market development of Uzbekistan.

In an interview with Behruzbeq Ochilov in "Daryo" publication, important reforms in the capital market of Uzbekistan, IPOs and privatization issues were discussed. The interview mentions past and ongoing IPOs and privatizations, such as the notable IPO of UzAuto Motors. Achilov noted the development of the IPO process in the capital market, the increase in market liquidity and improvements in market operations. In the conversation, the interest of foreign investors in the market of Uzbekistan, the investment environment and government bonds were also discussed[24].

15 large companies in Uzbekistan are planning to conduct an Initial Public Offering (IPO) between 2021 and 2023. This initiative is likely to represent important steps in the direction of market liberalization and economic reforms in the country.

By 2024, major state-owned enterprises of Uzbekistan, including Uzbekistan Airways, Uzavtosanoat, Uzbekneftgaz, five banks and three large metallurgical plants, are planning to hold an IPO (Initial Public Offering). This action is carried out on the basis of the presidential decree in order to develop the capital market. According to the decree, the following 15 companies are included in the list:

- ✓ Uzbekistan Metallurgical Plant JSC;
- ✓ Uzbekneftgaz JSC;
- ✓ National Bank JSC;
- ✓ People's Bank JSC;
- ✓ Agrobank ATB;
- ✓ Mikrokreditbank ATB;
- ✓ Village Construction Bank JSC;
- ✓ Uzagrosugurta JSC;
- ✓ Kurilishmashlizing JJ;
- ✓ Uzbekinvest JSC;
- ✓ Uzbekistan Airways JSC;
- ✓ Uztransgaz JSC;
- ✓ Almalik KMK JSC;
- ✓ Navoi KMK JSC;
- ✓ Uzavtosanoat JSC.

It is not clear how many shares of the listed companies will be sold. As it turned out, only one of the five banks, Qishliqkurilishbank, will be privatized. UzAvto Motors JSC also announced the sale of up to 10 percent of its shares through an IPO.

In early 2019, it was reported that Uzmetkombinat, OKMK and NKMK held an IPO.

For the first time in the history of Uzbekistan, in December 2017, Quartz JSC held an IPO on the Tashkent Stock Exchange. After that, Jizzakh Plastiks JSC also placed its public shares on the stock exchange.

Until now, JSC Quartz, Jizzax Plastiks and UzAutoMotors are the first and last companies to hold an IPO in Uzbekistan[25].

"UZBEKINVEST", the largest insurance company of Uzbekistan, was the first among local insurance companies to conduct an initial public offering (IPO) on November 28, 2023. As part of the IPO, 5% of the company's authorized capital (14.1 billion OZS/about 1.08 million euros) was sold. The share price for the IPO was set in the range of 1000-1500 OZS per outstanding share[26].

4. CONCLUSION

The development of the stock market and the implementation of IPOs in Uzbekistan have a significant impact on the economy. This process plays a key role in providing financial resources for corporations and government agencies, which promotes economic development and stability.

5. RECOMMENDATIONS

- 5.1. Improving Regulation and Transparency: Improving financial regulations and transparency is necessary to improve market efficiency and credibility.
- 5.2. Use of International Experience: Taking into account the characteristics of the national economy of Uzbekistan, it is important to use international financial experience.
- 5.3. High Focus on Innovation and Technology: Market efficiency and transparency should be increased by strengthening the role of innovation and technology in the economy.

These conclusions and suggestions will help the future directions of development in the field of capital market and IPOs of Uzbekistan.

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