

**INDICATORS OF ORGANIZED SECURITIES MARKETS IN FOREIGN COUNTRIES
AND THEIR STATE OF DEVELOPMENT**

Bobomurotova Manzura Panjievna

Assistant of the Tashkent Financial Institute

Annotation: The article discusses the use of the experience of developed countries in improving the organized securities market in our country, as well as the dynamics of the development of the organized securities market in foreign countries.

Keywords: Organized securities, foreign experience, stock market, stock market capitalization.

Introduction.

It is known from the experience of foreign countries that organized securities have become one of the most important means of providing investment in the economy. In them, the state of the development of this market is considered as a literal unit of measurement, like a barometer, which determines the state of economic development of the whole economic system. According to economists, "the stock market is emerging on a global scale as a mechanism for attracting investment for the development of the economy, the transformation of funds into investments and the movement of capital."

The development of organized securities markets in foreign countries is taking place under the influence of global economic processes. The movement of financial capital flows under the influence of economic processes observed in recent years, the direct impact of objective factors, including the restriction of international capital movements due to the COVID-19 pandemic since 2019, also had an impact on the development of organized securities markets. This is due to the fact that in 2018 the capitalization of the stock market reached US\$ 111.1 trillion, US\$ 93 trillion in 2019, US\$ 95 trillion in 2020.

According to the World Federation of Exchanges (WFE), the negative impact of the COVID-19 pandemic on the economy has led to extraordinary volatility in global financial markets. Market participants are forced to comply with the requirement to guarantee their investments and revalue the value of derivatives as the situation changes. This, in turn, affects the change in sales volume.

Dynamics of development of the organized stock market in foreign countries, in billions of dollars

№	Name of countries	Years					Share in world capitalization in 2019, %
		2015	2016	2017	2018	2019	
1	USA	25067	27352	32120	30436	34429	50,0
2	XXP	8188	7320	8711	6324	8515	12,4
3	Japan	4894	4955	6222	5296	6191	9,0
4	Hong Kong (China)	3184	3193	4350	3819	4899	7,1
5	Saudi Arabia	421	448	451	496	2406	3,5
6	India	1516	1566	2331	2083	2179	3,2
7	Germany	1715	1716	2262	1755	2098	3,0
8	Switzerland	1519	1403	1686	1441	1834	2,7
9	Australia	1187	1268	1508	1262	1487	2,2
10	Brazil	490	758	954	916	1187	1,7
11	South Africa	735	951	1230	865	1056	1,5
12	Spain	787	704	888	723	797	1,2
13	Singapore	639	640	787	687	697	1,0
14	Thailand	348	432	548	500	569	0,8
15	Indonesia	353	425	520	486	523	0,8
Total:		51043	53131	64568	57089	68867	100 %

The analysis of market capitalization of 15 developed countries with high market capitalization from 2015 to 2019 can be seen on the Table 1 above. The USA and China had the highest shares of stock market capitalization in 2019, 50 percent and 12.4 percent, respectively. In this TOP-15 ranking, after the USA and China, Japan occupies 9.0% and Hong Kong 7.1%. Based on the data in this table, it can be said that significant changes can be seen in the development of the organized stock market in Saudi Arabia. This is due to the fact that in 2015-2018 the capitalization of the organized securities market in the country amounted to an average of 454 billion dollars, while in 2019 the capitalization of the organized securities market in this country amounted to 2406 billion dollars. In other words, we see that this figure has increased more than 5 times compared to 2015.

The following figure shows the capitalization of the stock market in regional close countries with relatively similar growth rates.

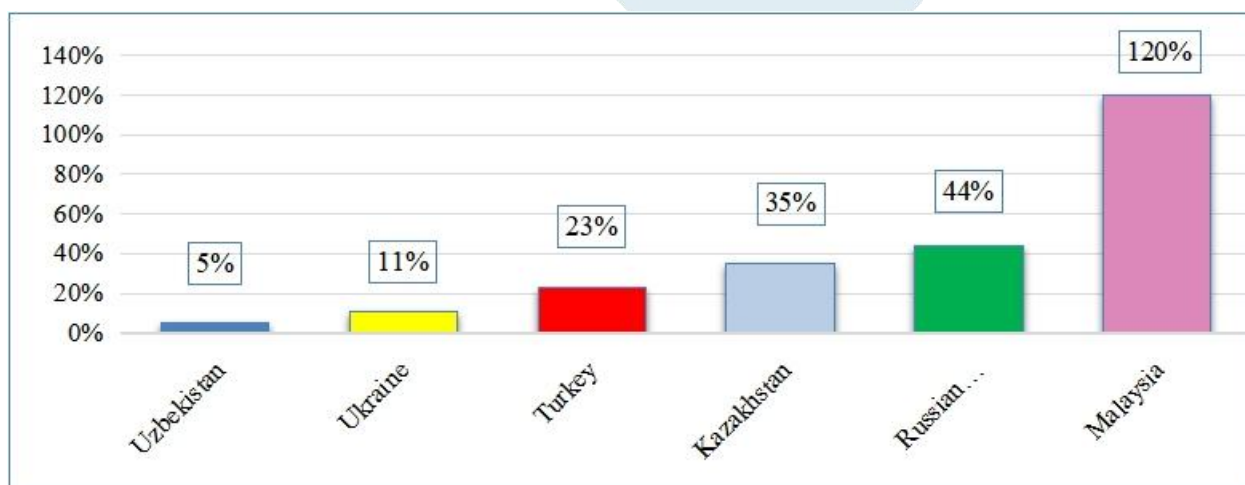


Figure 1. Market capitalization of companies listed in the organized securities market in foreign countries, in percent

Based on the data in Figure 1, it can be seen that the stock market is relatively well developed in the neighboring countries. In particular, the market capitalization is 35% in Kazakhstan, 23% in Turkey, 11% in Ukraine and 44% in the Russian Federation. Moreover, the figure is 120 percent in Malaysia, indicating that the country's organized stock market is in good shape.

Table 2

The share of capitalization of the organized stock market in foreign countries in relation to GDP, in percent

№	Name of countries	Years				
		2015	2016	2017	2018	2019
1	Hong Kong (China)	1029,4	995,3	1274,9	1055,9	1338,5
2	Saudi Arabia	64,4	69,6	65,6	63,1	303,5
3	South Africa	231,7	321,0	352,2	235,0	300,6
4	Switzerland	223,5	209,0	248,0	204,4	260,9
5	Singapore	207,8	201,1	230,3	184,1	187,4
6	Japan	111,5	100,7	127,9	106,9	121,8
7	Malaysia	127,1	119,4	142,9	111,0	110,8
8	Australia	87,8	104,9	113,5	88,1	106,5
9	Thailand	86,9	104,7	120,3	98,9	104,7
10	Qatar	88,1	102,0	78,2	85,2	87,2

11	India	72,1	68,3	87,9	76,8	78,5
12	Norway	50,3	62,7	72,1	61,1	73,3
13	Philippines	77,9	75,2	88,4	74,4	73,1
14	Chile	78,0	84,8	106,4	84,1	72,2
15	Bahrain	62,0	60,2	61,2	58,1	69,7

Table 2 analyzes the share of organized stock market capitalization in relation to GDP in 2015-2019. According to the table, in 2019, the volume of capitalization of the organized stock market in Hong Kong, a special regime region of China, ranked first in the world in terms of its share in GDP (1338.5%). In 2019, the figure was 303.5 percent in Saudi Arabia, 300.6 percent in South Africa, 260.9 percent in Switzerland and 187.4 percent in Singapore.

In these countries, we see that the volume of capitalization of the organized stock market in 2019 compared to other years has increased significantly relative to GDP. The next countries are in the second place in the table due to the fact that the volume of GDP is higher than in other countries. Including Japan, Malaysia, India and others.

It is also advisable to conduct analyzes by region. For this reason, we assess the impact of external competition on the development of the organized securities market in Uzbekistan by looking at the development of the organized securities market in the countries of the Commonwealth of Independent States (CIS). Information on the development of the organized securities market in these countries is considered on the basis of data from the International Association of CIS Exchanges and on the example of stock exchanges as an organized securities market in these countries. Analysis of the development trends of the organized securities market in the CIS countries shows that the development of the securities market in these countries cannot be assessed as satisfactory due to insufficient development of corporate governance, privatization, financial services infrastructure.

The fact that the organized securities market in these countries is not integrated with the global securities market, and the underdevelopment of their joint stock companies, also affects the functioning of the organized securities market.

The volume of stock market capitalization on the stock market, which is a member of the International Association of CIS Exchanges, which is part of the above-mentioned stock exchanges, shows that the securities market in these countries is underdeveloped. These countries include organized securities markets in the Russian Federation, such as the Moscow Stock Exchange (85%), the St. Petersburg Currency Exchange, as well as the Belarusian Currency Exchange (9.7%), the Kazakhstan Stock Exchange KASE (4%) the stock market capitalization volume is relatively high.



Figure 2. The share of the organized securities market (stock market) in the GDP of the CIS countries, in percent

From the analytical data of Figure 2 above, it can be seen that the organized securities market in the CIS countries has developed differently. This can be seen in the fact that the stock market segment of the organized securities market in them varies in its share of capitalization in GDP.

In particular, this figure was 30-48% in the Russian Federation in 2015-2019, 25-30% in Kazakhstan, an average of 2.5% in Armenia, 3.6-5% in Kyrgyzstan, 2.4-8% in Ukraine and 3.2-6% in Uzbekistan. In the Republic of Belarus in 2017 there was a sharp increase in this regard. In particular, in 2015-2016, the stock market segment of the organized securities market in the country accounted for 1-2.6% of the country's GDP, but in 2017, this figure rose sharply to more than 280%. In 2019, this figure was 143%. This is directly related to the process of "mass privatization" in the country.

It is expedient to analyze the above analytical data in more depth on the example of countries that are relatively close to the indicators of development of the organized securities market of our country.

In this regard, we consider the fundamental analysis of the organized securities market of the Republic of Kazakhstan, a close neighbor of Uzbekistan, the analysis of issuers in the organized securities market of Kazakhstan (on the example of the stock market segment) and the analysis of developers in the organized securities market.

The fundamental analysis of the organized securities market in Kazakhstan shows that the quantitative level of reliability of the organized securities market in this country is 99%. This, in turn, is important in increasing the flow of foreign investors to this market.

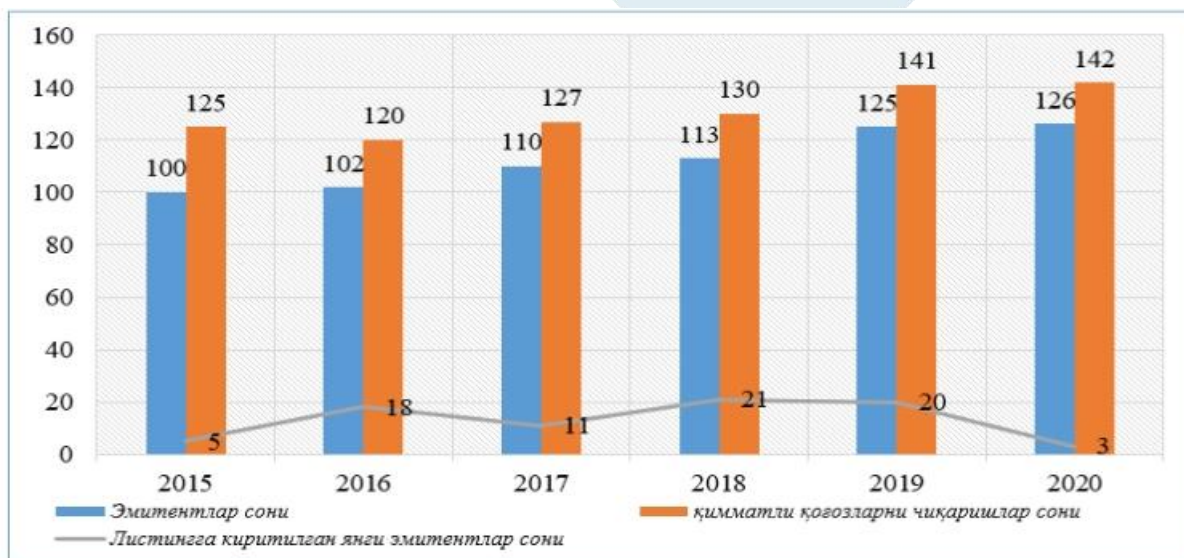


Figure 3. Analysis of issuers' activity in the organized securities market of Kazakhstan (on the example of the stock market segment)

In 2019, the number of issuers increased by 23% compared to 2015, which means that this year the number of issuers increased by 24 compared to the comparable year. The number of securities issued by these issuers in 2019 amounted to 142, an increase of 13% compared to 2015.

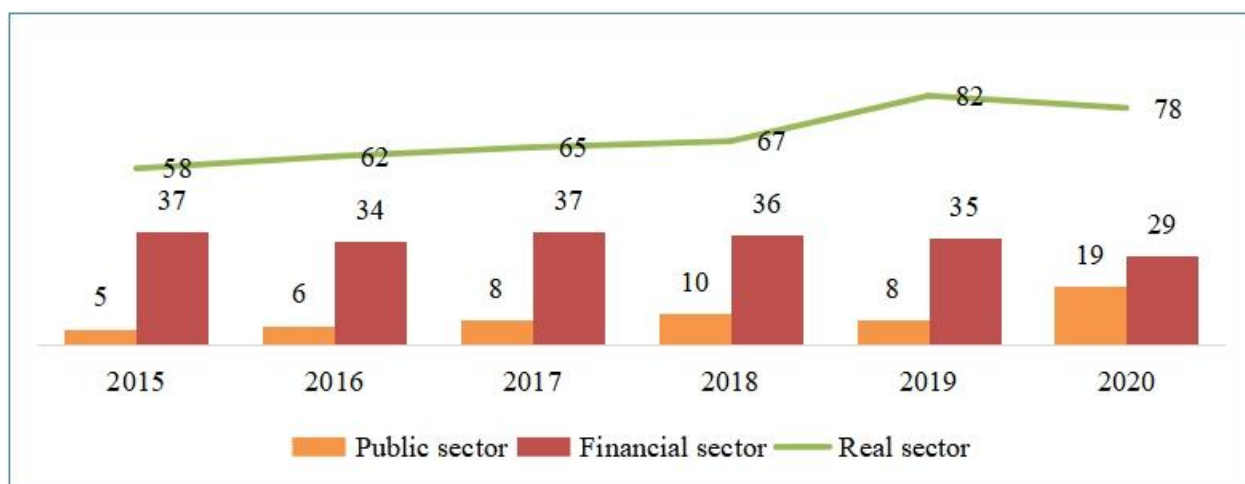


Figure 4. Analysis of the state of development of issuers in the organized securities market of Kazakhstan by sectors of the economy

Based on the analysis of the state of development of issuers by sectors of the economy in the organized securities market in Kazakhstan, we see that the share of the real sector is leading in terms of issuers. The location of the International Financial Center in this country also means that the role of the real sector in the regional securities market will increase. The government sector in this country is also active in 2019. That is, in 2019, 19 of the total number of issuers were related to the government sector. The average share of the real sector in the organized securities market in Kazakhstan is more than 26%.

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In conclusion, the stock market in foreign countries is one of the main segments of the economy. The strong integration of the organized securities market in foreign countries into the global financial market is one of the guarantees of their successful growth trend.