

Analysis of the Current State of the Practice of Organizing the Trading of Shares and Bonds

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Abstract: In our country, the investment attractiveness of joint stock companies is relatively low, and the state's share is high, and aspects such as the underdevelopment of the local stock market create certain obstacles in attracting capital through bonds. For this reason, it is relevant to study the current state of capital raising through stocks and bonds.

Key words: share, bond, joint-stock companies, corporate bonds.

Introduction

With the further development of the financial market, there is an opportunity to obtain cheap and long-term financial resources by organizing bond circulation in order to cover the deficit of the state budget and to finance new promising projects of joint-stock companies. Although the practice of bonds is used as an alternative source of bank loans in the international financial market, bonds cannot compete with bank loans due to the underdevelopment of the stock market in developing countries. At the same time, it is especially important to expand the composition and size of alternative sources of financing in our country, and to use the opportunities created by the organization of bond circulation in financing the activities of joint-stock companies. In the development strategy of New Uzbekistan for 2022-2026, in order to increase financial resources in the economy, the tasks of increasing the turnover of the stock market from 200 million US dollars to 7 billion US dollars in the next 5 years have been defined. The work to be carried out in the framework of the gradual liberalization of capital movement in our country and the privatization of large enterprises and their shares (shares), including through the stock exchange, is specifically indicated in the Decree of the President of the Republic of Uzbekistan No. PF-60 of January 28, 2022. The fact that it was passed shows how important the reforms in this area are and the influence of the stock market on the development of the country's economy is significantly higher.[1]

Analysis and results

In recent years, attention has been paid to the issue of bonds, including Eurobonds, in order to develop the stock market of our country and increase investment attractiveness. In addition to various local commercial banks, real sector enterprises are also organizing the emission of Eurobonds. As of January 1, 2023, the Central Depository has 166,762.49 billion of 628 joint-stock companies. soums with a total nominal value of 16446.01 billion. the account of issuance of securities is being kept. During 2022, the volume of securities issuance will be 13,714.55 billion. increased by 4,234.9 billion soums, and the number of shares. increased to pieces.

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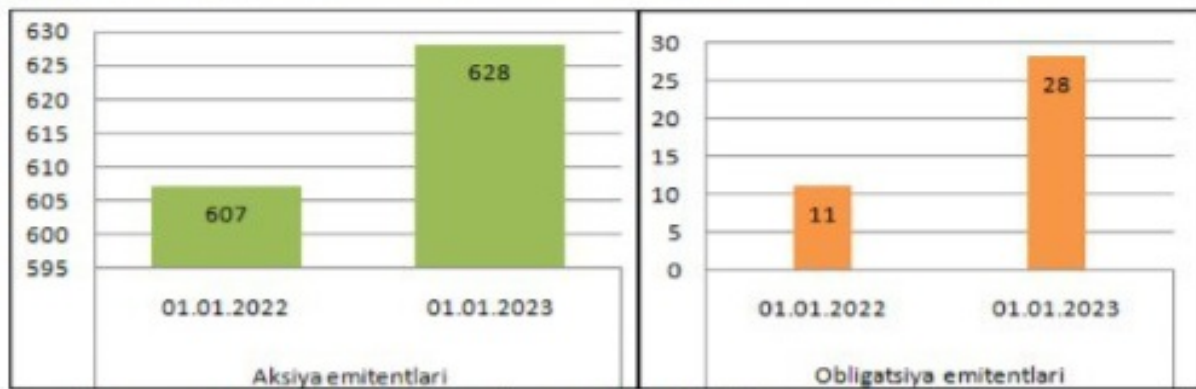


Figure 1. Growth of stock and bond issuers [2]

According to these data, the number of issuers of shares increased by 21 issuers in 2023 compared to 2022 and amounted to 628. Bond issuers

In 2022, it increased from 11 to 28 issuers in 2023. Table 1. Volume of transactions by networks, billion soums[3]

№	Tarmoqlar nomi	Bitimlar hajmi(mlrd so'm)
1	Banklar	790,24
2	Agrosanoat	331,76
3	Energetika	100,82
4	Sanoat	97,22
5	Transport	66,19
6	Sug'urta	56,63
7	Qurilish	11,83
8	Lizing	7,74
9	Aloqa	0,12
10	Boshqalar	686,51

No. Name of branches Transaction volume (billion soums) 1 Banks 790.24 2 Agro-industry 331.76 3 Energy 100.82 4 Industry 97.22 5 Transport 66.19 6 Insurance 56.63 7 Construction 11.83 8 Leasing 7.74 9 Communications 0.12 10 Others 686.51 In the first half of 2023, securities of JSCs and LLCs in 10 sectors of the economy were traded, of which securities belonging to the banking sector were the most sold - 67,985 transactions were concluded with them, which is 6 times more than the figure for the same period last year (+606.00%). In addition, in the first half of the year, the number of transactions with the securities of issuers in the banking, industrial and insurance sectors made up more than 70 percent of the total transactions. The largest volume of stock transactions during the reporting period was due to transactions with securities of companies in the banking sector (790.24 billion soums), which made up 37.00 percent of the total volume of transactions, while in 2022 during this period, the largest transactions were formed at the expense of securities of companies related to the construction network (1.92 trillion soums).



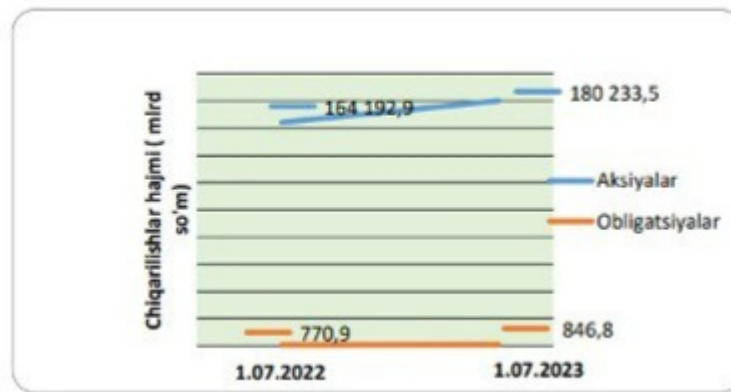


Figure 2. Increase in the volume of issuance of shares and bonds[4] 164 192.9 180 233.5 770.9 846.8
Volume of issuance (billion soums) 07.1.2022 07.1.2023 Shares Bonds 190 As of July 1, 2023
According to the Central Depository, the issue of 16,443.21 billion securities of 614 joint-stock companies with a total nominal value of 180,233.53 billion soums is kept. During the first half of 2023, the volume of securities issuance is 13,471.04 billion. increased by 2.80 billion soums, and the number of shares. decreased to one. Also, 557.8 thousand pieces of corporate bonds with a total amount of 846.80 billion soums issued by 29 issuers are kept on account. 592.63 billion of them. 343,600 soums were issued by 23 LLCs. This shows that LLCs are active in attracting capital by issuing corporate bonds. In 2022, this figure will be 874.60 billion issued by 28 issuers. 620,000 pieces of corporate bonds with a total amount of soums are kept on account. 504.63 billion of them. We witness that 21 LLCs issued 255,600 pieces with a total amount of soums. [5]

Conclusion

21 is issued by LLC.[5] The following conclusions were formed based on the study of the current state of the bond market. The country's government should not ignore the development of the bond market and should pay attention to the consistent continuation of reforms for its development. Because by developing the bond market, the state will be able to create competition with the banking sector, develop the banking sector, and effectively launch the activities of the general stock market. In recent years, joint-stock companies, including commercial banks, have organized capital raising practices through Eurobonds in our country. In this case, it should be noted that the practice of Eurobonds was mainly organized by joint-stock companies with state participation. In this case, although the investment attractiveness of joint-stock companies is not high, the state's support played an important role.

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