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IMPROVEMENT OF INVESTMENT INSTITUTIONS IN THE FINANCIAL MARKET

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ABSTRACT

The financial market is a structural, but the main and separate part of the general market of any country. However, the basis of the financial market is the market of real goods. At the same time, the financial market is manifested as a structure of the real economy and the commodity market, provides financial support and coordinates the commodity market and the economy, expresses the objective state of the economy in general and determines its development.

Keywords: financial market, Functions of the financial market, Indirect financing includes, capital market, primary market.

INTRODUCTION

The financial market is a field of economic relations between sellers and buyers of financial (monetary) resources and investment assets (means of organizing financial resources). The financial market consists of a system of foreign exchange, securities, debt capital or money markets.

The financial market is a broad and complex economic category and describes the relationship between property owners and investors and borrowers interacting through certain financial institutions. For the modern economy, the financial market is a special "nerve center", depending on the level of its development, it is possible to think about the "condition" of the country's economy, because it is possible to control the economic activity of society by influencing the financial market. We know that in the history of mankind, there are two most common ways of using savings: keeping cash or buying securities.

Most of the savings are made by families in society, and investments in the economy are made mainly by economic entities. In the course of development, a certain mechanism was developed for the set of institutions and tools that regulate the transfer of these money flows from the first to the second. The financial market functions as such a mechanism.

Functions of the financial market:

- attracting temporary free funds by selling securities;
- financing of the reproduction process;
- distribution function - helps the flow of capital between industries and companies;
- increase the efficiency of the economy as a whole.

Today's financial market is based on a large number of financial institutions or intermediaries. It is a market where there are sellers and buyers, i.e. money and other financial assets are bought and sold. They can be given for temporary use (in the form of bonds) or completely (in shares).

At the same time, financial markets are supplied by many different channels from owners of funds to borrowers. In the economic literature, they are divided into two main groups.

The first group includes ways of providing funds directly from the owners of savings to borrowers. They, in turn, are divided into two types: equity financing - according to which the entrepreneur takes into account the exchange of funds for part of his property (common shares) and debt financing - according to which the firm borrows funds at a pre-agreed interest rate (bonds) with the condition that they will not be paid later and will not take ownership of the company. It determines the development and functioning of the entire stock market.

Indirect financing includes all operations of placing depositors' funds in financial institutions: commercial banks, insurance and trust companies, pension funds, etc. For example, financial institutions provide funds for various projects using the funds of small and large depositors. The "indirect" nature of financing is that the depositors themselves do not invest their funds directly in these projects. Long-term cash deposits of individuals and legal entities are used by financial intermediaries to issue investment loans, investment loans are traded with long-term securities.

Savings do not need to be invested only in long-term investments, they can be used to buy "short-lived" securities - short-term treasury obligations, bills, etc. Together with short-term deposits of citizens and legal entities and other elements of the money supply, they form the money market.

The money market is the object of implementation of monetary policy of the Central Bank. It is designed for trading with assets of credit institutions; these assets serve as the most important reserves of liquid funds of credit institutions in the Central Bank. Thus, by increasing or decreasing the value of assets, the Central Bank influences the willingness of some banks to lend and, therefore, the value of interest on loans and the value of interest rates on deposits.

The stock market emerged at the dawn of commercial capital, and in most Farb countries it is one of the most stable and established parts of the economic mechanism. It is already embedded in the exchange and over-the-counter trading system, it has its own beliefs and traditions, some rules and traditions have a centuries-old history.

The capital market creates conditions for solving the problem of raising capital to solve major state problems, which is an important task for the country.

The main financial instruments of the capital market are corporate and local government bonds, shares, guaranteed loans, medium and long-term treasury obligations and other types of bonds.

Capitalization is an indicator of investment in the stock market and the economy as a whole. Enterprise investment, stock market investment and country economy investment are different.

In order for a country to have a stable development and gain its value in the world economy, it is necessary to organize and shape a number of its economic markets. One such market is the stock market.

A security is a monetary document that confirms the owner of the document's property right and debt relationship with its issuer, that is, the importance of a security is that it is both a property title, a debt obligation, and the right to receive income at the same time. and the obligation to pay part of the income. It can also be in the form of a separate document or an entry in the account sheets.

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According to the Civil Code of the Republic of Uzbekistan (Article 96) "Documents confirming property rights in accordance with the established form and mandatory requirements are considered securities, and these rights can be exercised or transferred to other persons only if they are presented. As soon as securities are transferred to another person, all rights confirmed by them are transferred to that person. Securities include the following: shares, bonds, promissory notes, deposit and savings certificates, a savings account of a bank in which money is given to the provider, and other documents included in the category of securities by law." Any economic category has market characteristics, which include ownership, form of issue, nature of circulation and risk level of investments in this security, income.

Securities are monetary documents issued in accordance with the law and having a nominal value. They represent ownership relationships and confirm the right to own some property or amount of money. Securities provide for the payment of income in the form of dividends or interest, as well as the possibility of transferring the rights arising from these documents to other persons.

Thus, all securities are income-producing and arise in the market, as in other markets, in the relationship between the seller and the buyer. Here, securities appear as goods. Transactions with them are carried out at auctions and banks.

The stock market is one of the most important components of the market economy. Being part of the financial market, it acts as a channel that collects savings and then turns them into financial assets for investment in the economy and improvement of its productive capacity. The stock market complements and interacts with the banking credit system. Commercial banks usually do not grant loans for more than one year. The stock market allows producers to attract a large amount of money for practically any period and on more favorable terms than bank loans. This market, like any other market, consists of a system of economic relations in which supply and demand meet.

The primary market of securities means the primary and repeated (secondary, etc.) issuance and circulation of securities for the purpose of selling them to the original owners (investors), that is, to legal entities and individuals. This market is a market that organizes and ensures placement of securities. In other words, the primary market is the market in which primary and secondary securities are placed with their original owners. State and municipal bonds, as well as shares and bonds of various joint-stock companies are issued in this market.

In order to issue and place securities on the primary market, the following actions are performed:

- joint-stock companies determine their authorized capital, types of issued securities, conditions of their circulation;
- looking for an investment bank that will receive a guarantee for placement of securities issued by a joint-stock company;
- evaluates the decision and actions of the investment bank, lawyers, auditors, joint-stock company on the issue of securities;
- the directorate of the joint-stock company, investment bank, lawyer and auditors prepare an application for registration of the issue prospectus to the commission on securities and stock exchange;

- the investment bank that has received the securities placement guarantee distributes a rough copy of the issue prospectus among potential investors, and sales agents collect orders.

The most important function of the primary market is that the information it prepares about the issuer should be a complete basis for the investor to choose that issuer.

CONCLUSION

In developed foreign countries, through the financial market, on the one hand, state enterprises and organizations, the population attract the necessary funds for themselves, on the other hand, enterprises, organizations and the population use their temporarily idle money in securities. Few will benefit by directing them to buy. This ensures the movement of financial resources and stimulates economic growth. Increasing the investment activity of the financial market should be carried out not only with the increase in the value of assets and trading volumes, but also the activity of all participants of the securities market should be ensured. It is desirable to direct the development of the stock market to the activation of financial resources, their rational use and redistribution in order to somewhat accelerate economic development.

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