



## PRACTICAL ASPECTS FOR STOCK MARKET DEVELOPMENT

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<b>Received:</b> 11 <sup>th</sup> May 2022 <b>Accepted:</b> 11 <sup>th</sup> June 2022 <b>Published:</b> 28 <sup>th</sup> July 2022	The article reflects the practical aspects of stock exchanges and their development. Separately reflected the situation in the global stock market. In conclusion, assumptions are made for the near future.
<b>Keywords:</b> Stock exchange, securities market, market functions, infrastructure, practice.	

### INTRODUCTION

First of all, with the help of the securities market in these countries, the mobilization of free cash and other funds of the population, enterprises and organizations, the state, as well as their direction (placement) in various spheres of the national economy is ensured. As a result, consumers of capital get access to sources of financing, and investors get the opportunity to become owners, save and increase their funds. This is the result that the implementation of the redistributive function of the securities market leads to. This function is the main one for countries with economies in transition in comparison with other resulting indicators of the functioning of the securities market.

The importance of this component of the role of the securities market lies in the fact that if the state is able to debug the mechanism of the functioning of the stock market, its institutional strengthening, it will, in many respects, solve the problem of financing the national economy, which is one of the most important problems for states that have embarked on the path of independent economic development. [1]

### ANALYSIS AND RESULTS

The securities market reveals the market prices for securities that have developed under the influence of supply and demand. The securities market can rightly be called a barometer of the state of society as a whole, since it is very sensitive to the movement of the economic cycle and changes not only in economic processes, but also in the political situation. During periods of depression, crises, including political ones, the indices of securities prices fall. During periods of recovery and recovery, they increase.[3]

Infrastructural strengthening of the stock market contributes to the acceleration of the concentration and centralization of capital. It facilitates the transfer of funds needed to finance investments from one enterprise or sector of the economy to another. The experience of foreign countries shows that with the help of the circulation of securities, it is possible to carry out a more complete and faster transfer of savings and accumulations into investments at a price that would

suit both parties. By infrastructurally strengthening the stock market, the state mobilizes more effectively and more rationally uses the financial resources of enterprises and the savings of the population. [2]

Even a little experience accumulated in our country testifies to the active attraction of funds from various enterprises, organizations and personal savings of the population for modernization, technical re-equipment, creation of new, expansion of existing industries. The securities market contributes to the breaking down of intersectoral and interdepartmental barriers, thereby bringing the process of socialization of production to a qualitatively new level. Its basis is not command-volitional actions, but the real economic interests of the subjects of industrial relations. International experience shows that with the help of a regularly operating securities market, it is possible to flexibly redistribute funds between industries, concentrate them on the most promising areas of scientific and technological progress, that is, help accelerate and optimize structural changes in the national economy.[4]

Thanks to the securities market, the most efficient movement and use of capital, as well as self-financing of farms, is ensured. With a centralized system of distribution of financial resources, it was necessary to spend at least a year to "knock out" funds for the reconstruction or technical re-equipment of an enterprise. In the conditions of a developed securities market, this can be done within one or two months by issuing securities of your enterprise on the market, with the condition that then, from the profit received, it will pay off their buyers. Under this condition, the heads of enterprises will not spend money "anyhow", but will strive to spend it with the greatest return.



**Fig.1. Stock market infrastructure**

With the help of the securities market, specific forms of capital (industrial, commercial, banking) acquire greater mobility, which allows you to quickly concentrate the necessary funds (including personal savings) to solve certain problems.

The systematic turnover of securities stimulates a radical renewal of the country's financial system. With the help of the securities market, ties are being strengthened between the main economic operators - manufacturing enterprises, service providers, commercial banks, stock exchanges and the population.

The securities market becomes an indicator of the organization of the enterprise's corporate governance system, since changes in the market value of the enterprise's shares indicate either an increasing interest of the public and, in particular, investors in this enterprise, or, conversely, a decrease in such interest due to the deteriorating situation.

In the context of the development of various stock market instruments, it becomes possible to cover the unproductive expenses of the state budget, to solve the problem of reducing the excess supply of money in circulation.

When people buy shares, bonds and other securities for cash, the number of banknotes in circulation is reduced, which has a beneficial effect on the state of money circulation. The increasing use of stocks and bonds makes the stock market an important market research tool. The stock market helps to carry out a market comparison of different enterprises, industries, sectors of the economy, and in the context of growing internationalization, the national economies of various countries.

The possession of securities and participation in their trade increase the income of the population, contribute to the improvement of its material well-

being, and also activate the person - the main driving force of society.

The stock market contributes to the formation of a class of owners. Shareholders become co-owners of the enterprise. Democratic principles are being strengthened in the management of production. The interest of employees-shareholders in the positive, final results of their work is increasing. Thus, the stock market is one of the most important mechanisms for overcoming the alienation of a person from the means of production and the results of his work.[5]

At the same time, the stock market can cause a disruption in the normal economic development of the state, bankruptcy of large and small enterprises, negative social consequences, a depreciation of the national currency, a sharp reduction in the inflow of foreign investment, etc. An example of this is the August 1998 crisis and the 2008 crisis in the Russian Federation, which led to the breakdown of the country's banking system and the ensuing consequences.

## CONCLUSIONS

Thus, the securities market can have a different impact on the economy of the state. With its proper organization and skillful state regulation, with the strengthening and improvement of the institutional environment, the impact of the stock market on the national economy is positive. With improper regulation, lack of proper attention from the state, the stock market can create crisis situations not only for issuers, investors and investment intermediaries, but also lead to global collapses and cataclysms of the entire economic system of the country. This is clearly shown by the current global financial and economic crisis. But, in any case, the stock market for a developing economy is an objective necessity.

As we can see, among the professional participants there are no such previously acting representatives as Depositories and Settlement and Clearing Houses. The new edition of the Law "On the Securities Market" eliminated these institutional participants. That is, the very activity of depositories (the so-called second-tier depositories serving their clientele) has been preserved, but transferred to investment intermediaries, which is quite logical.

Secondly, the activities of the settlement and clearing houses were transferred to the RSE "Toshkent", which, in our opinion, is also logical today, although in the future it is possible to use the world practice, in which the activities of depositories and clearing houses are combined into the so-called depository-clearing houses. clearing systems.



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