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WAYS TO INCREASE STOCK TRADING IN THE CAPITAL MARKET

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Abstract:
This article examines the various ways to increase stock trading activity in the capital market, focusing on enhancing market liquidity, transparency, and investor participation. In modern financial systems, active stock trading is a key indicator of a healthy and dynamic capital market that supports efficient resource allocation and corporate financing. The study identifies several drivers of increased trading, including improvements in market infrastructure, regulatory reforms, digital trading platforms, and the development of diversified financial instruments. Special attention is given to expanding the investor base through financial literacy programs, incentivizing institutional participation, and ensuring real-time access to market information. Comparative analysis of global capital markets reveals that countries with higher trading volumes typically exhibit stronger investor protections, transparent disclosure systems, and advanced technological integration. The article concludes by proposing a set of policy recommendations aimed at reducing market barriers, boosting investor confidence, and fostering sustainable growth in stock trading, thereby contributing to the overall development of the capital market.

Keywords: *Stock trading; capital market; market liquidity; trading volume; investor participation; financial instruments; digital trading platforms; market infrastructure; regulatory reforms; stock exchange; financial literacy; institutional investors; disclosure standards; investor confidence.*

INTRODUCTION

The development of stock trading in the capital market is a key indicator of a country's financial maturity and investment attractiveness. Low trading volumes often reflect weak investor confidence, limited financial literacy, and insufficient market infrastructure. To increase stock trading activity, it is essential to improve information disclosure by issuers, expand the variety of traded instruments, and introduce digital trading technologies. These measures foster greater market liquidity and broaden participation among both institutional and retail investors. A fundamental way to increase stock trading is to expand the number and quality of securities available on the market. When companies—especially state-owned enterprises—go public through partial or full privatization, market depth and investor choices grow significantly. According to the Asian Development Bank, listing reforms and public share offerings led to a 38% increase in trading turnover across ASEAN capital markets between 2019 and 2022 [1]. Governments can stimulate this process by streamlining IPO regulations, reducing listing costs, and encouraging dual listings for cross-border visibility. In countries like Uzbekistan, the public offering of "Uzmetkombinat" and "Quartz" attracted new investor segments and increased daily turnover on the Toshkent RFB. The more diverse and credible the listed companies, the more active the trading environment. Therefore, broadening the supply of equities is a prerequisite for vibrant stock trading.

An active stock market plays a vital role in channeling capital efficiently and supporting business expansion. However, limited trading volumes in many developing economies stem from structural constraints such as inadequate legal protections, low corporate transparency, and investor risk aversion. Increasing stock trading requires the implementation of incentive mechanisms for both issuers and investors, including tax benefits and simplified listing procedures. By fostering a more reliable and accessible trading environment, capital markets can significantly expand their role in economic development.

Technological modernization of trading systems and the introduction of liquidity support mechanisms are key to increasing daily trading volume. In markets where real-time order-matching platforms, automated clearing,

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and digital investor dashboards are implemented, trading efficiency and frequency rise substantially. For example, after the launch of KRX's automated matching system in South Korea, intraday trading grew by over 45% in two years [2]. Market maker programs—where designated participants ensure continuous two-sided quotes—help narrow bid-ask spreads and reduce volatility, attracting institutional investors. In Uzbekistan, plans to implement similar liquidity-providing mechanisms are expected to improve stock market activity, particularly for low-cap stocks. The more liquid the market, the more attractive it becomes for short- and medium-term investors. Therefore, investing in digital infrastructure and liquidity mechanisms is essential for trading growth.
Strengthening stock trading in the capital market is essential to deepen financial intermediation and ensure efficient price discovery. The stagnation of secondary market activity often results from narrow investor bases, limited institutional participation, and poor market-making capacity. Enhancing trading volumes involves improving regulatory oversight, introducing new financial instruments, and encouraging long-term savings through public awareness campaigns. These efforts contribute to the creation of a more dynamic and inclusive financial ecosystem.

Retail investors play a vital role in boosting trading volumes, especially in emerging capital markets where institutional investment remains limited. Increasing public participation requires removing barriers such as high transaction costs, poor access to market information, and low financial literacy. A World Bank study showed that countries introducing retail-focused investor education and mobile trading applications observed a 60% increase in new retail accounts and a 35% rise in average trade volume within three years[3]. Providing tax incentives for long-term individual investors and simplifying KYC procedures also boosts market inclusivity. In countries like India and Brazil, retail trading now constitutes over 40% of stock exchange activity due to targeted reforms. In Uzbekistan, mobile brokerage apps are in development to bring more citizens into the market. Therefore, fostering retail inclusion directly contributes to higher and more stable trading turnover.

Investor confidence is a critical determinant of stock trading volume. When market participants trust that listed companies follow proper governance and disclosure standards, they are more likely to engage in regular and long-term trading. The OECD reports that capital markets with high governance standards experience trading volumes up to 50% higher than those with weak transparency[4]. Enhancing corporate reporting, enforcing disclosure of beneficial ownership, and maintaining independent regulatory oversight increase credibility. Uzbekistan's move to adopt IFRS and mandatory quarterly reporting for JSCs is a positive step toward this goal. The alignment of domestic corporate practices with global standards attracts both domestic and foreign portfolio investors. Thus, transparency and corporate governance are not only legal requirements but strategic tools to drive active trading.

Integrating domestic capital markets with regional and global markets stimulates cross-border investment flows and increases stock trading. Dual listings and cooperation with international exchanges expand investor bases and improve the visibility of domestic companies. According to UNCTAD, firms listed on both domestic and foreign exchanges experience 70% more trading volume due to exposure to larger, more liquid investor pools[5]. For Uzbekistan, initiatives to align its capital market regulations with international practices and attract foreign custodians can support future listings abroad. Participation in regional platforms like the Eurasian Economic Union's financial integration mechanisms can also increase foreign investor confidence. As foreign portfolio capital enters the market, trading volume increases through diversified demand and arbitrage activity. Therefore, regional integration is a long-term driver of active and deep stock trading.

Increasing stock trading in the capital market is crucial for mobilizing private savings and supporting corporate financing through equity. A major barrier to growth in this area lies in the lack of investor trust and the dominance of speculative behavior. Strategic solutions include enhancing financial reporting standards, ensuring timely corporate disclosures, and supporting the role of institutional investors. These actions not only stimulate trading activity but also reinforce the integrity and resilience of capital markets.

THE RELEVANCE OF THE RESEARCH SUBJECT.

The dynamics of stock trading in the capital market serve as a crucial indicator of economic transparency, investment activity, and the efficiency of financial intermediation. However, in many emerging economies, stock trading volumes remain disproportionately low due to a range of institutional, regulatory, and infrastructural shortcomings. These include weak investor confidence, insufficient market liquidity, outdated trading technologies, and a lack of diversified financial products. Limited public awareness and participation, particularly among retail investors, further exacerbate market stagnation and constrain turnover

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ratios. Enhancing stock trading activity is essential not only for increasing market capitalization and attracting long-term investment but also for improving asset pricing mechanisms and capital allocation efficiency. To achieve this, it is imperative to implement measures such as tax incentives for active investors, automation of trading platforms, and wider dissemination of market analytics. Moreover, fostering a vibrant ecosystem of institutional investors, broker-dealers, and financial advisors can significantly boost market engagement. Therefore, a comprehensive investigation into the structural barriers and strategic solutions for stimulating stock trading is highly relevant, as it underpins the development of a deep, liquid, and resilient capital market infrastructure.

THE PROBLEM OF THE RESEARCH. Despite the recognized importance of capital markets in mobilizing financial resources and promoting economic efficiency, the volume and liquidity of stock trading in many emerging economies remain relatively low. Although stock exchanges are designed to facilitate secondary trading, the practical mechanisms that stimulate active buying and selling of equity securities are often underdeveloped or poorly coordinated. One of the persistent problems is the limited number of institutional and retail investors, which directly reduces trading frequency and market depth. Moreover, inadequate disclosure practices, weak corporate governance, and low levels of investor protection significantly hinder confidence and dampen market participation. The absence of diversified financial products, such as derivatives and exchange-traded funds (ETFs), further restricts the development of a dynamic trading environment. Technological underinvestment, insufficient financial education, and restrictive regulatory frameworks contribute to the slow adoption of electronic trading platforms and market-making practices. In many cases, listed companies do not actively engage with the investor community or implement measures to enhance the liquidity of their shares, such as buyback programs or dual listings. Empirical studies have shown that markets with limited transparency and inefficient information dissemination often experience thin trading volumes and high volatility. These structural and institutional barriers prevent capital markets from fulfilling their full potential as engines of investment and innovation. Therefore, research into practical and policy-oriented ways to increase stock trading in the capital market is essential to strengthening market infrastructure, improving investor engagement, and enhancing the overall efficiency of capital allocation.

THE PURPOSE OF THE RESEARCH. The purpose of this study is to develop scientifically substantiated recommendations aimed at increasing the volume and efficiency of stock trading in the capital market. The research seeks to explore institutional, regulatory, and behavioral factors that currently constrain active trading and reduce overall market liquidity. By analyzing both domestic and international experiences, the study identifies effective mechanisms for improving price discovery, transaction efficiency, and investor engagement. Special emphasis is placed on enhancing transparency in corporate disclosures, reducing transaction costs, and improving the technological infrastructure of trading platforms. The study also evaluates the role of institutional investors, market makers, and regulatory bodies in deepening secondary market activity and ensuring pricing stability. Drawing on best practices outlined by organizations such as the OECD (2023) and IOSCO, the research aims to adapt global standards to local market conditions in a manner that supports inclusivity and long-term growth. The investigation further considers the impact of digital innovations, such as algorithmic trading and blockchain-based settlement systems, on enhancing market accessibility and operational integrity. The ultimate goal is to offer actionable strategies that can stimulate stock turnover, foster investor confidence, and broaden participation in equity markets. These insights are intended to support both policymakers and corporate issuers in creating a more vibrant, transparent, and liquid capital market environment.

THE SCIENTIFIC ESSENCE OF THE RESEARCH.
The dynamics of stock trading activity in capital markets have long been a central subject of inquiry among leading financial economists. Scholars such as **Andrei Shleifer** and **Robert Vishny** have established that investor confidence and stock market liquidity are highly sensitive to the structure and enforcement of corporate governance mechanisms. Their 1997 paper emphasized that when ownership is concentrated and investor protections are weak, market activity diminishes as external investors face expropriation risks[6]. This view is echoed in the seminal studies of **Rafael La Porta**, who demonstrated through cross-country analysis that legal origin and the strength of investor rights significantly explain cross-sectional variations in trading volumes and stock market development[7]. Thus, stock trading cannot expand meaningfully without regulatory and institutional conditions that guarantee the safety of capital, reduce agency costs, and uphold shareholder interests.

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Another cornerstone of market trading efficiency is the degree of internal corporate governance at the firm level, a subject extensively researched by **Lucian Bebchuk** and colleagues. Their 2009 paper, *What Matters in Corporate Governance?*, identified which governance variables—such as board independence, staggered boards, and anti-takeover provisions—statistically influence firm valuation, market participation, and shareholder engagement[8]. Bebchuk's research showed that firms with shareholder-centric governance structures were more attractive to both institutional and retail investors, which led to higher share turnover and lower liquidity risk premiums. By contrast, firms with entrenched management and weak disclosure practices suffered from illiquid stocks and high capital costs. These findings suggest that internal governance mechanisms play a central role not only in firm performance but in overall market liquidity and trading frequency.

A third pillar of the research literature is the analysis of **information asymmetry** in financial markets, rigorously modeled by **George Akerlof**, **Joseph Stiglitz**, and **Michael Spence**—each a Nobel Laureate in Economics. In his classic 1970 article, Akerlof showed how markets can collapse entirely when quality uncertainty deters informed trading[9]. Building on this, **Stiglitz** and **Weiss** (1981) developed a model demonstrating that lack of transparency in financial markets leads to adverse selection and credit rationing, which limits participation and suppresses transaction volume[10]. Their theories have been empirically validated in stock markets, where firms with inconsistent disclosures or non-standard accounting practices face wider bid-ask spreads and reduced investor trading. These contributions underline that reducing information asymmetry through mandatory and verifiable disclosures is essential for improving stock trading efficiency.

The link between stock trading and ownership structure has also been emphasized by **Simon Johnson**, **Raghuram Rajan**, and **Luigi Zingales**, who have collectively shown how concentrated ownership and political connections reduce investor protection and undermine market mechanisms. In their influential 2000 paper, Rajan and Zingales argue that financial development is often suppressed by incumbents who resist transparency and competition in order to preserve rents[11]. Their empirical analysis revealed that markets with dispersed ownership and institutional investor dominance exhibit higher trading activity and capital market depth. Johnson's work further illustrates how controlling shareholders can engage in "tunneling"—the transfer of assets from publicly traded companies to private entities—which discourages secondary market participation[12]. Together, these studies underscore the importance of promoting ownership diversification, transparency, and equal access for fostering liquid stock markets.

Among domestic economists, S.E. Elmirzayev [13] carried out in-depth analytical studies on key trends and institutional barriers hindering the expansion of stock trading in Uzbekistan's capital market. A.I. Karimov [14] investigated how fluctuations in share value and corporate profitability impact trading activity, particularly regarding the behavior of both institutional and private investors. Meanwhile, F.T. Mukhamedov [15] focused his research on improving the functionality of securities trading infrastructure in Uzbekistan, identifying structural inefficiencies and proposing market-driven solutions. Furthermore, scholars such as SH.X. Otaxonova [16], and S.U. Omonov [17] conducted comprehensive studies addressing various factors limiting stock market liquidity, and they developed targeted recommendations aimed at stimulating trading volumes, increasing market depth, and ensuring sustainable investor engagement in the national capital market.

In conclusion, the core economic research reveals a consistent pattern: increased stock trading is a result of multidimensional reforms that target both market infrastructure and the incentives of corporate insiders. Leading economists have shown through theory and data that when governance frameworks are strong, disclosures are credible, and ownership is fairly distributed, capital markets become deeper, more inclusive, and more active. Without these structural and behavioral corrections, any attempts to stimulate stock trading are likely to result in short-term gains rather than systemic change. Therefore, this study draws upon the robust empirical work of Shleifer, La Porta, Bebchuk, Stiglitz, Rajan, and others to argue that sustainable increases in stock trading are attainable only when market participants operate under institutional rules that enforce fairness, limit expropriation, and reduce opacity. These scientific insights form the intellectual backbone of policies aimed at capital market revitalization.

RESEARCH METHODS. In the article, a set of scientifically grounded research methods is employed to explore the ways to increase stock trading in the capital market. The inductive method is used to generalize strategies from practical experiences of capital markets where trading volumes have significantly expanded due to reforms and innovation. The deductive method is applied to test theoretical assumptions related to

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market liquidity, investor incentives, and trading infrastructure. Through comparative analysis, the study contrasts the performance of markets with varying levels of digitalization, regulatory flexibility, and investor outreach, revealing critical success factors. Trend analysis is utilized to observe historical changes in stock trading activity, including the effects of macroeconomic shifts, policy changes, and technological adoption. The abstract method supports the modeling of institutional and behavioral factors influencing trading dynamics, such as market confidence, transaction costs, and availability of financial instruments. Together, these methods form a coherent analytical foundation for identifying policy interventions and institutional improvements — such as implementing targeted reforms and digital tools to increase stock trading in the capital market.

ANALYSIS AND RESULTS

Increasing stock trading in the capital market requires a comprehensive approach that addresses both structural and behavioral challenges faced by investors and issuers. One of the most effective strategies is improving market liquidity through the introduction of market makers, reduction of bid-ask spreads, and implementation of automated trading systems. Regulatory reforms that lower transaction costs and simplify tax procedures can also play a critical role in encouraging frequent participation from both institutional and retail investors. Enhancing corporate transparency and mandating the disclosure of accurate, timely financial information can significantly boost investor confidence and reduce information asymmetry. Expanding the number of listed companies—especially by supporting IPOs of state-owned enterprises and SMEs—would diversify investment options and attract more trading activity. Additionally, developing investor education programs and strengthening financial literacy can cultivate a more informed investor base, leading to higher engagement in trading. A combination of these measures, supported by stable macroeconomic conditions and robust governance, can foster a dynamic and resilient capital market ecosystem.

The vibrancy of a capital market is often measured by the volume and frequency of stock trading, which reflects investor confidence, market liquidity, and the quality of listed companies. In many emerging and transition economies, stock trading remains underdeveloped due to a combination of institutional, regulatory, and behavioral constraints.

This section provides a comprehensive analysis of the factors that influence stock trading activity and offers evidence-based recommendations to increase trading volumes, improve liquidity, and foster a more active capital market.

Research and market data suggest that stock trading volumes are driven by the following primary factors:

market depth and liquidity
corporate transparency and financial disclosures
availability of institutional investors
market infrastructure and trading technology
regulatory environment and investor protection

These drivers are often weak or fragmented in less developed markets, limiting the ability of stock exchanges to attract consistent investor participation.

A cross-sectional survey involving 250 market participants (retail investors, institutional investors, and brokers) in five emerging markets identified the top barriers to active stock trading:

Table 1
Major constraints to increased stock trading[4]

Barrier	% of Respondents
Low market liquidity	66%
High transaction costs and taxes	52%
Lack of reliable financial information	49%
Limited number of listed companies	43%
Weak investor confidence due to poor governance	39%

Table 1 presents key barriers to the growth of stock trading, as identified by survey respondents, revealing several structural and institutional weaknesses within the market. The most critical constraint is low market liquidity, cited by 66% of participants, which reflects the difficulty investors face when attempting to buy or sell shares without significantly affecting prices. High transaction costs and taxes, noted by 52% of respondents, also discourage frequent trading and reduce the overall attractiveness of the stock market. A lack of reliable financial information, reported by 49%, undermines transparency and hinders informed investment decisions. Additionally, the limited number of listed companies (43%) restricts portfolio diversification opportunities and reduces investor interest. Lastly, weak investor confidence, attributed to poor corporate governance, was identified by 39% of respondents, emphasizing the need for regulatory

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improvements and better protection of shareholder rights. These findings suggest that enhancing liquidity, improving disclosure standards, and fostering sound governance are essential for deepening stock market participation.

The findings suggest that both supply-side (companies, exchanges) and demand-side (investors) improvements are essential to stimulate trading.

Policy and Institutional Measures to Increase Stock Trading

To address these constraints, a multi-pronged approach involving regulatory, infrastructural, and market reforms is needed. The following table summarizes the key strategies to enhance stock trading volume and efficiency.

Table 2
Strategic measures to boost stock trading activity

Measure	Expected Outcome
Reduce capital gains taxes and transaction fees	Improves attractiveness for active traders
Introduce market-making and liquidity providers	Reduces bid-ask spreads, increases depth
Mandate quarterly financial disclosures	Builds investor trust and transparency
Launch SME and tech-sector listing platforms	Broadens market offerings and diversity
Improve online trading platforms and access	Expands investor participation
Encourage participation from pension and mutual funds	Increases institutional trading base

When these strategies are pursued in combination, they improve both the quantity and quality of trading, fostering a more mature and efficient market.

International Experience: Comparative Stock Turnover Ratios

Comparing stock turnover ratios (annual traded volume as % of market capitalization) provides a useful benchmark of activity:

Table 3
Stock market turnover ratios – selected economies (2022)[3]

Country	Stock Turnover Ratio (%)
United States	130.5%
Germany	78.4%
Poland	41.7%
Uzbekistan	5.3%
Vietnam	22.9%

Table 3 highlights significant variation in stock market turnover ratios across selected countries in 2022, reflecting the liquidity and activity levels of their equity markets. The United States leads with a turnover ratio of 130.5%, indicating a highly liquid market where shares are traded frequently relative to market capitalization. Germany also demonstrates strong market activity with a 78.4% ratio, while Poland's 41.7% turnover reflects moderate trading efficiency in its capital market. In contrast, Uzbekistan's turnover ratio stands at just 5.3%, pointing to extremely low stock market liquidity and limited investor engagement. Vietnam, with a turnover of 22.9%, shows more active trading compared to other emerging economies but still falls short of developed market standards. These figures suggest that countries like Uzbekistan need to implement structural reforms, improve market infrastructure, and enhance investor confidence to stimulate trading and deepen capital market participation. The very low turnover in some emerging markets (e.g., Uzbekistan, Vietnam) highlights the urgent need for reforms in transparency, product diversity, and investor engagement.

The volume of stock trading in a capital market is a leading indicator of financial system health and investor sentiment. Increasing trading activity requires not just technical improvements in trading platforms, but also:

Enhanced financial literacy

Corporate governance reform

Expansion of high-quality listings

A stable macroeconomic and legal environment.

By implementing these reforms, governments and regulators can unlock more efficient capital allocation, stimulate private sector growth, and integrate domestic markets with global capital flows.

In recent years, the development of financial technologies has significantly impacted the infrastructure of the stock market, increasing the speed of trading processes and enhancing convenience for investors [18]. Moreover, as digital platforms have

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become more integrated into market operations, real-time data access and algorithmic trading have revolutionized decision-making mechanisms. While these innovations have improved market efficiency, they also necessitate stricter cybersecurity measures and regulatory frameworks to mitigate potential risks.

Table 4
Trading results of securities by region on the "Toshkent" Republican Stock Exchange in 2022 [19]

Region	Number of Issuers	Number of Transactions	Number of Securities	Transaction Volume (UZS)
Rep of Karakalpakstan	5	83	3,194,490	39,293,691,648.92
Andijan region	4	8,601	41,814,582	16,769,840,129.57
Bukhara region	9	648	9,689,323	16,051,218,885.17
Fergana region	10	9,062	10,429,576	60,999,925,563.36
Jizzakh region	1	301	34,658	126,710,383.05
Namangan region	4	1,245	135,944	4,037,097,570.22
Navoi region	3	6,822	4,359,403	14,602,655,278.41
Kashkadarya region	8	169	512,833	12,513,676,356.32
Samarkand region	2	305	1,357,135	14,167,059,932.03
Syrdarya region	2	4	150,663	326,102,481.09
Tashkent city	47	34,984	36,066,662,551	2,658,061,671,456.47
Tashkent region	16	18,479	11,010,930	1,962,863,604,773.77
Khorezm region	3	20	5,408,094	16,394,164,342.02
Total	**114**	**80,723**	**36,154,760,182**	**4,816,207,418,800.40**

The data presented in Table 4 reveals significant regional disparities in securities trading activity on the "Toshkent" Republican Stock Exchange in 2022. Tashkent city dominated the market with 47 issuers conducting nearly 35,000 transactions involving over 36 billion securities, totaling over 2.65 trillion UZS in transaction volume. Tashkent region followed with 16 issuers and a transaction volume of approximately 1.96 trillion UZS, though the number of securities traded was significantly lower than in the capital. In contrast, regions such as Jizzakh and Syrdarya displayed minimal trading activity, with Jizzakh recording only one issuer and a transaction volume below 127 million UZS. The relatively high transaction count in regions like Fergana and Andijan demonstrates active participation, despite their lower total volumes compared to Tashkent. Meanwhile, the Republic of Karakalpakstan and Bukhara region recorded modest volumes, but the number of issuers and securities traded indicate a growing interest in capital market instruments. These figures underscore the need for targeted regional policies to stimulate market engagement and enhance the geographical balance of capital market development in Uzbekistan.

Enhancing stock trading in the capital market requires implementing multifaceted economic, legal, and institutional reforms that promote transparency, efficiency, and investor confidence. One of the most effective ways is improving information disclosure standards and corporate reporting practices to ensure that market participants have timely, reliable, and accessible financial data. Expanding the range of financial instruments, including derivatives and exchange-traded funds, can also attract a more diverse group of institutional and retail investors with different risk appetites. The introduction of advanced digital trading platforms and the integration of fintech solutions help reduce transaction costs, increase market accessibility, and improve execution speed for both local and foreign investors. Moreover, establishing favorable tax incentives, ensuring the protection of minority shareholder rights, and strengthening regulatory frameworks significantly contribute to creating a more attractive and liquid stock trading environment within the national capital market.

CONCLUSIONS AND SUGGESTIONS

Expanding stock trading activity is essential for capital market development, improved liquidity, and overall financial system efficiency. Vibrant equity markets promote better capital allocation, reduce the cost of capital for companies, and offer diversified investment opportunities for both retail and institutional investors. However, achieving deeper and more dynamic stock trading requires targeted reforms, modern infrastructure, and greater investor participation.

Based on the analysis and best practices observed globally, the following recommendations are proposed to increase stock trading in the capital market:

Enhance Market Liquidity. Introduce market-making mechanisms, reduce transaction costs, and improve settlement efficiency to attract more active trading and boost trading volume.

Upgrade Digital Trading Platforms. Invest in user-friendly, secure, and real-time digital trading platforms to facilitate seamless access for retail investors and improve trading efficiency.
Promote Financial Literacy and Investor Education. Launch nationwide campaigns and training programs to raise awareness about capital market instruments, trading strategies, and risk management.
Strengthen Disclosure Standards and Market Transparency. Ensure timely, accurate, and accessible corporate disclosures to build investor confidence and enable informed decision-making.
Implement Targeted Regulatory Reforms. Streamline listing requirements, simplify onboarding procedures for new investors, and adopt flexible trading rules to foster broader market participation.
Introduce Trading Incentives. Consider tax incentives, lower fees for frequent traders, or loyalty programs to encourage higher levels of participation, particularly among retail investors.
Encourage Institutional Investor Engagement. Facilitate the entry of pension funds, mutual funds, and insurance companies to increase demand and provide long-term liquidity.
Develop a Broader Range of Financial Instruments. Expand the variety of equity-linked products such as ETFs, REITs, and derivatives to cater to diverse investment strategies and risk profiles.
Strengthen Stock Exchange Infrastructure. Modernize exchange technology, enhance cross-border connectivity, and ensure robust cybersecurity to support high-frequency and algorithmic trading.
Promote Technological Integration and Innovation. Leverage blockchain, AI, and data analytics to improve market surveillance, reduce fraud, and offer smarter trading tools for investors.
By implementing these strategies, policymakers and market participants can foster a more active, inclusive, and resilient stock trading environment. This will not only deepen capital markets but also contribute to sustainable economic growth and financial system stability.

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