



ACCESSING THE INTERNATIONAL SECURITIES MARKET AND METHODS OF NEGOTIATING WITH ITS PARTICIPANTS

Rakhmonberdiyeva Feruza Rixsiboyevna

Senior Lecturer, Department of "Economics, Finance and Accounting"

TMC Institute

Email: fendir1973@gmail.com

Article history:	Abstract:
Received: 20 th March 2026 Accepted: 11 th April 2026	This article examines the role and importance of the securities market in the process of economic modernization and innovative development. Particular attention is paid to the mechanisms of capital attraction through the stock market, its structure, and development indicators. The study also analyzes financial depth, operations in primary and secondary markets, and key trends in the global financial market.

Keywords: securities market, stock market, capital market, bonds, shares, financial market

INTRODUCTION

Economic modernization and innovative development require large-scale investments. In this process, financial markets-particularly the securities (stock) market-play a crucial role. The level of development of the securities market is one of the key indicators determining the development of a country's financial system. In the development of this system, the capitalization level of trading structures, high turnover volume, profitability of securities, and liquidity of instruments in circulation are of primary importance.

In global practice, numerous scientific studies have been conducted on the movement of capital flows through stock markets. Based on the results of these studies, various opinions have been developed regarding the improvement of national and international stock market systems, and these systems are continuously being enhanced.

LITERATURE REVIEW ON THE TOPIC

The global financial market is a part of the global loan capital market, representing the aggregate demand and supply of capital among creditors and borrowers across different countries. One of the segments of the global financial market is the stock market, or securities market.

The theoretical foundations of the stock market, its origin, the organizational structure of financial market institutions, mechanisms of their functioning, and issues related to capital attraction through stock markets into the economy have been studied by many foreign scholars, including A. Jirnyi, A. Sherman, E. Rosenberg, D. G. Ross, H. David, H. Markowitz, G. Mark, F. Mishkin, J. Chen, L. Gitman, M. Johnk, R. Jagannathan, R. Juchau, S. Eakins, S. Donadio, S. Ghosh, S. Smart, S. Wright, T. Segal, T. J. Lim, and T. Sheridan, as well as scholars from CIS countries such as A. I. Basova, A. E. Dvoretzkaya, V. A. Galanova, V. V. Kovalev, V. V.

Chechin, V. Yaroshevich, C. Z. Moshensky, K. Matveev, N. P. Nazarchuk, and O. M. Shevchenko.

Among Uzbek economists, significant aspects of this issue have been reflected in the scientific works of A. V. Vahobov, Z. A. Ashurov, I. L. Butikov, M. B. Khamidulin, S. E. Elmiraev, T. S. Malikov, U. R. Khalikov, F. T. Mukhamedov, X. X. Xudoyqulov, Sh. Sh. Shohazamiy, and Q. R. Chinulov.

Although the above-mentioned scholars have studied certain aspects of financial markets, particularly the stock market, they have not specifically examined the role of the stock market in attracting capital to the economy as a separate research object. This situation served as the basis for selecting the topic of this dissertation and defining its research objectives.

RESEARCH METHODOLOGY

In this study, a number of scientific methods were used to comprehensively examine the role of the securities market in the process of economic modernization and innovative development. First, using a systemic approach, the stock market was considered as a unified economic system, and its structural elements-primary and secondary markets, financial instruments, and market participants-were analyzed in interconnection.

RESEARCH METHODOLOGY

In the research process, the method of logical generalization was applied, and based on existing scientific views and international experience, general conclusions were formed. Through empirical analysis, practical processes in the global financial market were studied, particularly capital flows, interest rate dynamics, and trends in the securities market. In addition, the method of scientific abstraction was used to generalize economic categories and theoretically substantiate the importance of the stock market in the economy.



ANALYSIS AND RESULTS

The interests of firms issuing securities to the capital market and investors purchasing these securities differ significantly from those of participants operating in the money market. Firms and individuals primarily use the money market for short-term financing of savings resources or until more efficient ways of using resources are identified. In contrast, firms and individuals use the capital market for long-term investments.

Let us assume that, after a thorough financial analysis, a firm determines the need for a new production facility to meet increasing demand for its products. This analysis is carried out using interest rates that reflect the present value of long-term resources for the firm.

Further assume that the firm chooses to raise funds for financing this new facility by issuing commercial paper in the money market. As long as interest rates do not rise, this approach is beneficial for the firm. However, an increase in interest rates, as seen in 1980, would require the firm to issue securities very rapidly. A rise in interest rates may disrupt the firm’s plans, as it may be assumed that the firm does not have sufficient cash flow or income to maintain the new facility due to higher borrowing costs.

If the firm instead raised funds by issuing long-term securities such as bonds and shares, the increase in interest rates would not be as critical. The main reason why firms and individuals prefer long-term borrowing is to reduce the risks associated with rising interest rates when repaying debt. Nevertheless, despite the need to pay higher interest rates to attract funds from the capital market, this market remains highly active.

Recent global crises that have shaken the world economy have demonstrated that the development of the securities market is closely interconnected with the

functioning of the main segments of the financial market, and that convergence processes among various financial operations in capital flows continue to evolve. From the perspective of a market economy, the international financial market ensures necessary conditions for the trading of financial assets (including services for commodity transactions), is based on relatively low transaction costs, and forms an optimal balance between supply and demand.

The main characteristics of the modern global financial market include:

- its universal nature, encompassing international currency, credit, financial settlements, guarantees, insurance, and securities operations;
- the large scale of financial resources in circulation, considering the total volume of national and international capital markets;
- the absence of spatial and temporal boundaries, as global financial market operations are conducted continuously across all continents.

The medium- and long-term development strategy of a country’s financial market is determined by a number of fundamental factors, among which one of the most important is financial depth.

At the macroeconomic level, the financial depth of a country’s financial market is usually measured as the ratio of total financial claims and liabilities to GDP. This indicator shows the extent to which households, corporations, and government institutions can finance their activities through the financial market and its intermediaries.

Financial Depth of Main Market Segments by Region (as a percentage of regional GDP)

Table 1

	Market capitalization of the stock market	Government securities	Debt securities of financial institutions	Debt securities of non-financial institutions	Securitized loans	Non-securitized loans	Total financial depth
United States	119	75	116	31	77	44	462



Japan	72	220	31	18	10	106	457
Western Europe	69	72	115	10	15	110	400
Other developed countries	152	40	47	20	29	91	388
China	97	28	16	10	2	127	280
India	93	44	7	4	1	60	209
Other developing countries of Asia	62	34	7	1	10	54	168
Middle East	96	15	5	6	2	66	190
Latin America	52	38	20	3	2	27	142
Eastern Europe and CIS countries	48	24	6	2	–	62	142

The coefficient of financial depth of a market is determined using two main groups of indicators:

the level of development of the banking system (the ratio of deposits in commercial banks or loans issued to GDP);

indicators of securities market development (the ratio of government, municipal and corporate bonds payable and the stock market capitalization), as well as the ratio of insurance market volume to GDP.

According to American scholars N. Loayza and R. Ranciere, in the long term, financial market depth contributes to greater stability in the financial system, as it enhances the ability to serve capital flows with fewer sharp fluctuations in asset prices and exchange rates.

Firms and individuals can raise funds in the financial market in two ways. The most common method is through debt instruments (such as bills of exchange, bonds, etc.), where the borrower makes regular payments (principal and interest) to the security holder until maturity. The second method is issuing shares (equity), for example ordinary shares, which represent a claim on the issuer's assets and net income (after tax), and shareholders receive regular income in the form of dividends.

All trading in the capital market takes place in primary and secondary markets. In the primary market, newly issued bonds and shares are traded. The secondary market is where previously issued securities are resold.

All securities purchased by investment funds, corporations, and private investors may initially be placed in the primary market. The first-time sale of a company's securities is called an Initial Public Offering (IPO). Subsequent issues of shares or bonds by a company (unlike the first issue) are considered ordinary market transactions for the public. A well-developed capital market has active secondary markets where previously issued securities are traded.

In the secondary capital market, there are two types of securities exchange: exchange-based trading and over-the-counter (OTC) trading. Investment banks play an important role in the primary market by assisting issuers in placing securities at a guaranteed price in the market (underwriting). The New York Stock Exchange and the American Stock Exchange, where previously issued shares are traded, and the NASDAQ over-the-counter market are among the most well-known secondary markets. Other examples of secondary markets include foreign exchange, futures, and options markets. Brokers and dealers play a key role in the efficient functioning of secondary markets. Brokers act as agents of investors, serving as intermediaries between buyers and sellers of securities. Dealers connect buyers and sellers by buying and selling securities at quoted prices. Companies raise new funds only through the initial sale of their securities in the primary market.

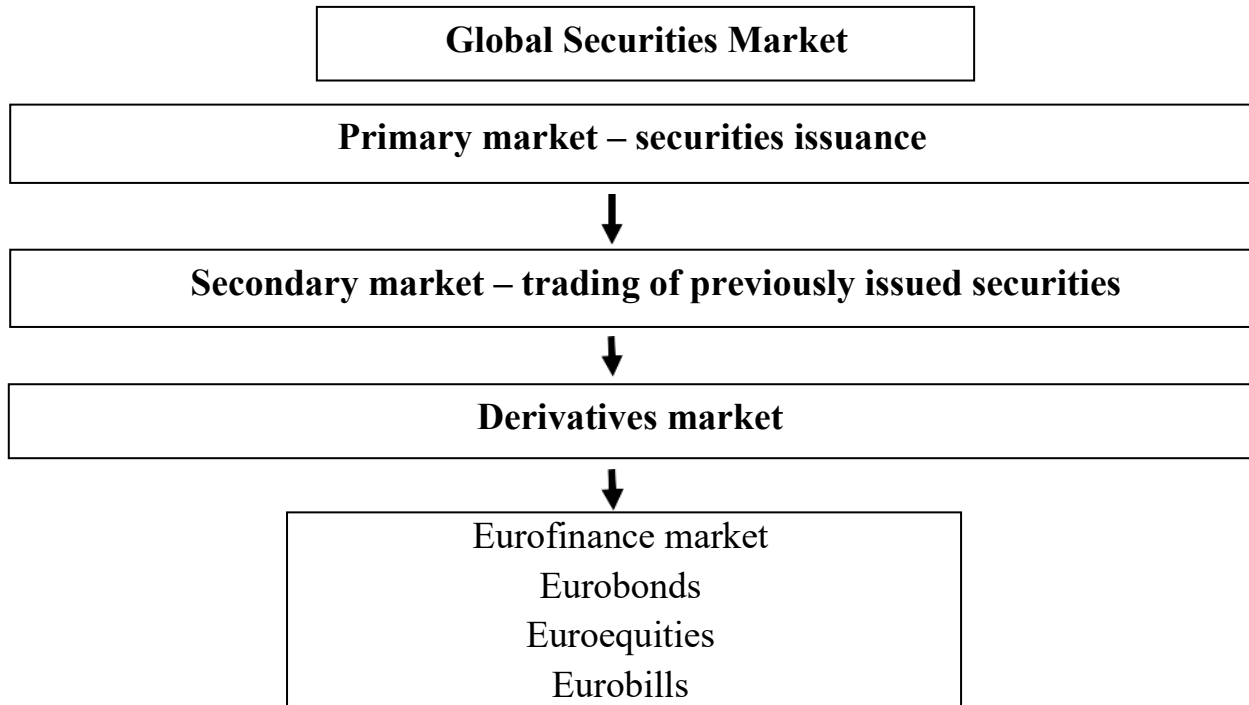


Figure 1. Structure of the Global Securities Market

Investors purchasing securities in the primary market do not pay a higher price to the issuer than their quoted price in the secondary market. The higher the price of securities in the secondary market, the higher the price of newly issued securities in the primary market, and consequently, the greater the volume of capital raised. The conditions in the secondary market have a decisive impact on corporate decisions regarding the issuance of new securities and their success. The structure of the global stock market includes not only primary and secondary markets but also markets for derivative financial instruments and Eurofinance markets.

In the Eurofinance market, transactions are conducted with securities denominated in euro currencies, primarily in US dollars, as well as in euros and Japanese yen. Approximately half of all sources of international lending and financing correspond to the annual net issuance share of the global stock market. In modern conditions, issuers of foreign bonds are mainly leading developed countries.

The international stock market consists of the following interrelated elements:

1. Freely transferable cross-border instruments, with no restrictions on non-resident operations; instruments originally designed for cross-border trading and not registered with any national regulatory authority; and instruments that emerged under globalization as national stock markets lost

strict national boundaries. For example, instruments traded on exchanges such as the NYSE or LIFFE are no longer limited to the country where the exchange is located. Due to liberal economic policies in the United States and the United Kingdom, these instruments have become accessible to investors worldwide.

2. Counterparties (investors, issuers, investment banks, brokerage firms, exchanges);
3. Infrastructure (depositories, clearing organizations, financial information systems, payment systems);
4. Information and analytical services (market information provision, ratings of market participants and issuers, consulting, auditing, and legal services).

The functioning of the global loan capital market is closely interconnected with the international stock market, and this interdependence has further strengthened due to securitization processes, where traditional bank loans are replaced by securities issuance. The repayment of these securities and interest payments are made from funds received from bank borrowers for loan repayment.

The development of the international stock market is characterized by the following main trends:

1. Deepening and expansion of the market;



2. Growth of financial instrument trading within international stock assets;
3. Concentration of the market in leading global financial centers;
4. Creation of new financial instruments;
5. Computerization of the market;
6. Increasing significance of securities from developing countries in the market.

Table 2.
Ranking of Global Financial Centers

Cities	Scope	Description
London	1	Leads in over 80% of indicators. Advantages: skilled workforce, market access (EU, Eastern Europe, Russia, Middle East), strong financial regulation. Challenges: high corporate tax rate, transport infrastructure, and high operational costs.
New York	2	Leads in over 80% of indicators. Advantages: workforce and access to the US market. Disadvantages: financial regulation, particularly the Sarbanes–Oxley Act of 30 July 2002. The Sarbanes–Oxley Act, signed by President George W. Bush, is considered one of the most significant reforms in US securities law in the past 60 years, significantly strengthening requirements for financial reporting and preparation processes.
Hong Kong	3	A strong regional center with high performance across many indicators. Despite high costs, competitiveness remains strong. It is considered a key candidate for becoming a global financial center.
Singapore	4	A strong center across many indicators, especially in banking regulation. Weakness: overall competitiveness. It is the second-largest financial center in Asia.
Zurich	5	A highly specialized center focusing on private banking and asset management. Weaknesses include a limited number of financial professionals and relatively moderate overall competitiveness.
Frankfurt	6	A strong financial center, especially in banking regulation. It hosts the headquarters of the European Central Bank.

Global financial centers are classified in different ways and are generally divided into the following categories: global centers (New York, London, Tokyo); regional centers (Singapore, Hong Kong, Paris, Los Angeles); and local centers (Sydney, Chicago, San Francisco, Dallas, Miami, Honolulu).

CONCLUSION AND RECOMMENDATIONS

Summarizing the positive international experience in the development of global stock market infrastructure, it can be stated that, in order to improve Uzbekistan's stock market infrastructure, it is necessary to adapt and

utilize, as much as possible, market mechanisms and instruments tested over decades by European investors. This should be done with the aim of attracting investments into the economy of Uzbekistan and protecting investors' interests. Forming strategies in line with global financial system development trends will enable the country to achieve the necessary competitiveness under conditions of globalization and integration of national capital markets. Improving the competitiveness of the institutional infrastructure of Uzbekistan's stock market includes the following tactical measures:



centralization of the depository, clearing, and settlement infrastructure;
introduction of a macro-regulator in the Republic of Uzbekistan responsible for the development, regulation, and supervision of the stock market;
establishment of a system for protecting investors' rights;
consolidation and integration of exchange activities;
standardization and unification of infrastructure rules, regulations, and procedures.

In order to increase the competitiveness of Uzbekistan's stock market infrastructure, the following measures should be implemented:

centralization of depository, clearing, and settlement systems;
improvement of stock market regulation;
broad public awareness campaigns about the advantages of the stock market through the widespread use of advertising tools and methods, targeting the general population and interested organizations;
demonopolization of infrastructure institutions.

REFERENCES

1. David H., Mark G., Sheridan T.- Financial Markets and Corporate Strategy Second European Edition, Published by McGraw-Hill Education 2012, p. 849.,
2. Frederic S. Mishkin, Stanley G. Eakins-Financial Markets and Institutions: Eighth Edition, USA, 2015. p. 615.;
3. L.J.Gitman, M.D.Joehnk, S.Smart, R.H.Juchau, D.G. Ross, S.Wright-Fundamentals of investing, Third edition, Pearson Australia, 2011, p-593.;
4. Sebastien Donadio, Sourav Ghosh-Learn algorithmic trading Build and deploy algorithmic trading systems and strategies using Python and advanced data analysis, UK, 2019, p. 365;
5. Markowitz H.M. Portfolio Selection // The Journal of Finance, Vol. 7, No. 1. (Mar., 1952), pp. 77-91.;
6. Tong Jing Lim*, Building a better bookbuilding system - an examination of the UK's bookbuilding regime and proposed reforms, UCL Journal of Law and Jurisprudence, DOI:10.14324/111.2052-1871.071, 2016, pp 239-265.;
7. Ravi Jagannathan, Andrei Jimnyi, Ann Sherman, Why don't issuers choose IPO auctions? the complexity of indirect mechanisms-Working Paper 16214, National bureau of economic research 1050 Massachusetts Avenue Cambridge, MA 02138 July 2010, p. 43.
8. Хамидулин М.Б Развитие финансового механизма корпоративного управления, Автореферат дисс...доктора. экон. наук.-Ташкент, БФА, 2009.
9. Бутиков И.Л. Проблемы формирования и функционирования рынка ценных.
10. Шоҳаъзамий Ш.Ш. Методологические основы и приоритеты стратегического развития рынка ценных бумаг в Узбекистане, Автореферат экон. наук.-Ташкент, БФА, 2011.