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IMPROVEMENT OF OPERATIONS OF COMMERCIAL BANKS IN THE SECURITY MARKET

Absamatov Anvar Ergashevich

Associate Professor of Termiz University of Economics and Service

Ergasheva Dilnoza Anvar qizi

Termiz Economic Service University, 1st year student of Economics Education.

Abstract

Investment operations with securities are one of the main types of asset operations of commercial banks. Therefore, the development of investment operations of banks with securities is one of the necessary conditions for ensuring their liquidity and financial stability. The article identifies problems related to the development of investment operations of commercial banks with securities and develops scientific proposals aimed at solving them.

Key words

commercial banking, investment, securities, corporate securities, government securities, inflation, devaluation, diversification, interest rate.

In order to increase the financial resources in the economy in the development strategy of the new Uzbekistan for 2022-2026 approved by the Decree of the President of the Republic of Uzbekistan dated January 28, 2022 No. increasing the level of digitalization of production and operational processes in the sector, finance and banking up to 70% by the end of 2026 is recognized as a necessary condition for the sustainable development of the country's economy. This, in turn, creates the need to develop the basis of digitization of transactions with securities. Commercial banks, as part of their financial activities, provide financial services to customers, corporate clients, and governments and other organizations. These banks offer coordinated services, especially in the stock market. Through these services, customers or corporate customers will be able to manage the purchase, trading and sale of securities (such as mutual funds, bonds, foreign exchange markets and other financial instruments). The stock market is one of the main parts of financial commerce. The following examples can be included in these market features: selling securities to the buyer and the amount of cover prices that can be prohibited or increased; collusion of several organizations against each other and influence in the direction of funding; availability of speculative opportunities covering quantities and prices; to be related to the changes in the exchange rate and financial policy. The role of commercial banks in the stock market is mostly related to stock trading. The peculiarity of the development of investment and emission activities of commercial banks in the stock market of the Republic of Uzbekistan is manifested in the fact that priority is given. It is important to accelerate the investment processes in the economy, to modernize the leading sectors and enterprises of the economy, to encourage technical and technological renewal, and to ensure innovative development. Development of methods, means and mechanisms of investment banks in the system of banking and finance development of the Republic of Uzbekistan, making changes to the existing legal and regulatory documents for effective regulation of the stock market, developing the infrastructure of the stock market implementation of such tasks as development, application of new economic standards in conducting and organizing the activities of participants, and improving the activities of self-coordinating organizations remain urgent. One of the most important methods of the state regulation of the securities market is the registration of securities in circulation. At this stage of the securities movement, the regulatory body must make sure that the issuance of securities can be carried out on the basis of a specific investment project, that the funds of investors will be spent in accordance with an effective, pre-developed business plan, and then bring profit. It is during the registration of the issue that the regulatory body pre-controls the activities of the issuer in order to prevent extortion.

World experience shows that the development of investment operations carried out by commercial banks with securities is a necessary condition for ensuring their liquidity and financial stability. The reason for this is that investments in highly liquid securities are an important factor in ensuring the liquidity of commercial banks, while income from investments in corporate securities is one of the main sources of banks' net profit. The experience of countries with developed economies in the last century clearly confirmed that only the market economy provides the highest level of economic efficiency. The effectiveness of the market mechanism is directly related to the extent to which the economy is fully covered by commodity-money relations. This means that along with the commodity markets, it is necessary to form the financial market, including the securities market, which is considered its component. Because the market economy cannot function without a developed circulation of securities. It is an undeniable fact that the transition to a socially oriented market economy based on the principles of the stock market model of the Republic of Uzbekistan is the integral part of the republic's economic development strategy. If we look at the experience of the developed countries of the world, the stock market has been formed spontaneously for many years. After that, laws regulating the securities market were adopted. In our country, together with the national securities market, legal regulations regulating its activity are being improved in parallel.

The income of commercial banks from investments in securities is in the form of dividends and interest, which play an important role in ensuring the financial stability of banks. Investments in the form of equity participation of banks provide income in the form of dividends, while their investments in bonds, preferred shares, deposit and savings certificates provide income in the form of interest. However, the fact that investments in securities have a very small weight in the total volume of commercial bank assets forces them to maintain a large amount of non-yielding assets. The reason for this is that the commercial bank uses non-yielding monetary assets (funds in the bank's Nostro representative account at the Central Bank) in order to fulfill the current liquidity indicator, which is the lowest normative level of 30%, established by the Central Bank. funds in the representative accounts of "Nostro" in other banks, cash in the cash register) will be forced to keep large amounts. This issue is especially relevant in the conditions of Uzbek banks, where the weight of demand deposits in the volume of gross deposits is high. The latest stage of economic reforms implemented in our country was a new stage in the development of the securities market. Now special attention is being paid to the stock market. In particular, the stock exchange, that is, the secondary market of securities, was established. Investment companies and funds, clearing houses and stock shops, advertising firms and private investment funds (KIFs) were formed in order to rapidly organize the infrastructure of the stock market. The participation of Uzbek banks in the stock market is very weak. we can also see that the share of investments in the structure of assets is 1.5 percent. However, commercial banks are considered to be the most active participants in the stock market of our country, as we can see from the table below. The analysis of the practice of investment operations of commercial banks of Uzbekistan shows that while the share of investment operations in the total assets of the banks is insignificant, the annual growth rate of these operations is also very unstable and low in the total assets of the bank. is organizing. It is worth noting that there were periods of extremely high growth in some banks. Based on the analysis of the assets of some commercial banks within the framework of the thesis research, we came to the conclusion that the annual growth of commercial banks' investments should be no less than the average annual growth rate of their assets. The financial resources formed at the expense of issued securities as part of the total resources of commercial banks of our country were very weak during the period under analysis and amounted to only 1.3 percent as of January 1, 2020. the indicator was even lower. If we compare the stock market turnover of the CIS countries with GDP, it consists of 1.2% in Uzbekistan, 1.5% in Kazakhstan, 1.1% in Kyrgyzstan, and 5.4% in Russia. we can witness that.

Conclusions and suggestions The development of the state securities market in our republic allows the Central Bank to carry out repo operations, and commercial banks create the possibility of obtaining loans from the Central Bank by pledging state securities. The very small share of investments in securities in the total volume of assets of commercial banks of the Republic of Uzbekistan (1.1%) indicates the underdevelopment of investment operations of commercial banks with securities. Commercial banks do not allow to reduce the risk level of transactions with securities, as the level of diversification of the portfolio of securities is low.

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