
PROBLEMS IN INCREASING THE INVESTMENT ACTIVITY OF COMMERCIAL BANKS IN THE STOCK MARKET IN OUR COUNTRY

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Today, increasing investment activity through the development of the securities market is one of the important tasks for the economies of many countries, but in this process a number of problems and obstacles may be encountered. It is advisable to study and analyze ways to comprehensively assess investment activity, establish a system to eliminate various existing problems associated with the growth of investment activity due to the development of the securities market in our country:

- stock markets can be very volatile, that is, prices change quickly and unpredictably. This uncertainty can deter private and institutional investors;
- institutional investors often have better access to information and resources than retail investors. This can lead to an imbalance that is disadvantageous for small investors;
- changes in the regulatory framework can affect market conditions and thereby reduce their willingness to invest;
- in some cases, market manipulation may occur, which reduces confidence in the stock market and prevents investors from investing;
- psychological factors can greatly influence investor behavior and lead to irrational decisions;
- a large part of the population does not have sufficient information about the stock market to make informed decisions, which limits their participation in investments;
- many investors prioritize short-term gains over long-term stability, which leads to an unstable market environment;
- a weakening economy or high inflation can affect confidence in the stock market and thereby reduce the willingness to invest;
- rapid technological progress can cause some investors to grow or fail faster than expected, which increases the risk for investors;
- more and more investors are paying attention to sustainable investments.

E- Global Congress

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Date: 30th March 2025

Website: <https://eglobalcongress.com/index.php/egc>

ISSN (E): 2836-3612

The lack of transparency regarding corporate practices creates the basis for potential investors to lose interest in certain markets or investors;

- high transaction costs and commissions prevent small investors from participating in the stock market;
- in some cases, the insufficient liquidity of certain securities makes it difficult for investors to buy or sell assets;
- in some countries, the stock market may be too narrow or dominated by a few large investors, which limits the possibilities for diversifying investments.

It should also be noted that project financing plays an important role in increasing investment activity in the economy. At this point, we considered it appropriate to dwell on the differences between investments and financing. Investments and financing are two important terms in business management, which are often confused with each other. Although they are closely related, they have different functions and objectives within the investor. Investment refers to the process of acquiring and developing assets or investments, while financing refers to the acquisition of financial resources and resources to finance investments and entrepreneurial activities.

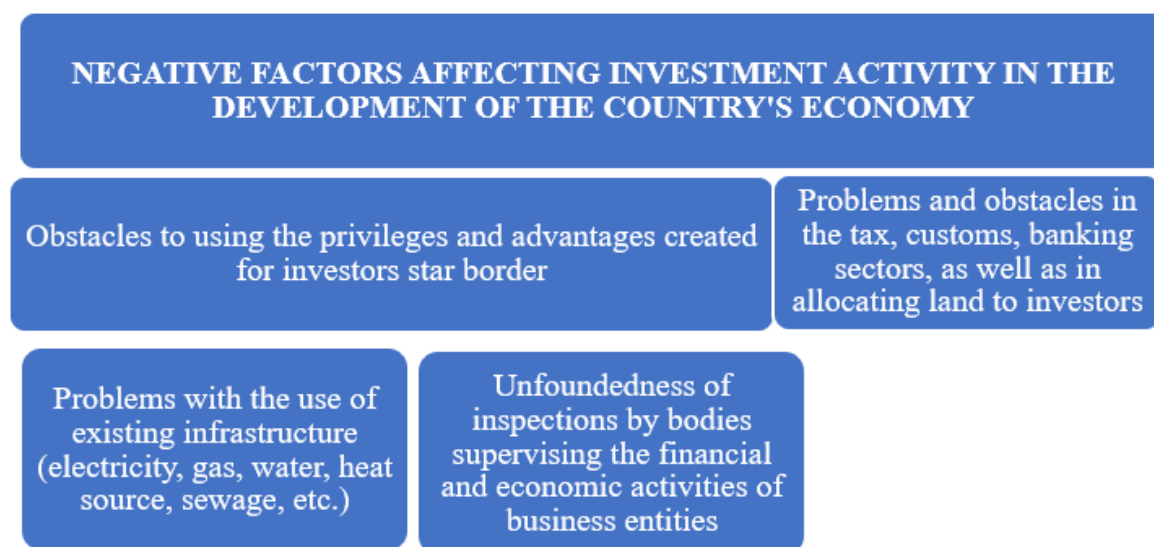


Figure 1. Negative factors affecting investment activity¹

In addition to the factors mentioned above, we can cite four important economic factors that can affect a country's investment activity: economic

¹ Muallif ishlanmasi.

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fluctuations, inflation, labor market conditions, and political risks. Given the importance of investments for the growth and stability of the investor, investors use various sources of financing that they can use to finance their investments. These sources of financing can be divided into two main categories: self-financing and debt financing. Self-financing is the financing of investments using financial resources available to the investor. These include: profits that the investor receives but does not distribute to its owners, created reserves, shares or business shares to attract additional capital from investors. Debt financing involves financing investments at the expense of external funds provided by credit institutions, investors, or other financial partners. Here are some examples: loans issued by financial institutions to finance investments. Financial instruments issued by investors to raise capital through borrowing from bondholders, a financing method in which the investor leases an asset for a certain period of time, and others.

The first major problem of the securities market in our country is the reluctance of the population to contact such an institution as the securities market. Most citizens who have any savings dispose of them traditionally. If the savings are large, then real estate is often purchased, but if the amounts represent a smaller volume, preference is given to bank deposits, less often to deposits in metals, currencies and precious metals. Due to economic instability, some citizens do not resort to investment behavior, trying to save their money from inflation, but, on the contrary, increase their consumption even with the help of credit resources.

In addition to the above, we should consider two main factors in the development trends and prospects of the country's securities market.

Firstly, monetary policy affects the change in the market capitalization of the securities market in our country. The main instrument of the Central Bank's monetary policy is to change the refinancing interest rate. Currently, there are trends in the fluctuation of interest rates, which reduces the liquidity of financial markets. Accordingly, the growth of the market capitalization of issuers in the securities markets is slowing down, which leads to a change in the downward trend.

Secondly, the dynamics of the development of the country's securities market is influenced by the general macroeconomic situation that forms national economic security. This is the state of the national economy, which

allows effectively meeting social needs while ensuring the protection of the socio-economic system and the national economy from negative impacts.

In modern conditions, the prospects for the development of the country's securities market are influenced by such key factors as a change in the vector of the Central Bank's monetary policy and a change in the macroeconomic situation.

At the same time, it is worth noting the impact of technological development on the efficiency of the country's securities market at the current stage, where the emergence of alternative finance in the form of cryptocurrencies and digital financial instruments creates new prospects for the development of the securities market. In addition, all sorts of new products for private investment and trading are emerging that allow increasing the activity of investments in securities among the population.

Today, the most important problem in the world economy is the weak involvement of minority (small) shareholders, who have little opportunity, in the corporate governance of the company, as well as the priority of the vested interests of shareholders-employees, who have delayed or obstructed the restructuring of enterprises.

The secondary securities market in our country is now being formed and is developing. At the same time, the securities market, like all developing stock markets, faces significant difficulties. In our opinion, the development of the secondary market depends on the resolution of a number of problems.

Today, the main attention should be paid to ensuring that the population and institutional investors have access to information about the joint-stock companies whose shares are offered for sale, the results of their current activities and development prospects.

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