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Mechanisms of Financing the State's Investment Activity through the Stock Market

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The Decree "On priority measures to liberalize the exchange rate policy" signed by the President of the Republic of Uzbekistan Sh. Mirziyoyev in the framework of this Action Strategy has literally served as a legal basis for reforming the country's monetary system, its further liberalization.

This Decree of the President of the Republic of Uzbekistan is primarily aimed at radically reforming the existing system of currency regulation, liberalizing foreign exchange policy, creating equal conditions for all business entities in foreign trade. However, at the same time, there is a lot of work to be done by the Central Bank to regulate the foreign exchange market and ensure the stability of our national currency. In particular, how can the stability of the national currency be achieved through the formation of a term foreign exchange market?

The main players in the futures market are commercial banks, foreign trade companies, currency and stock exchanges and brokerage firms. Types of currency transactions: forward, swap, option, futures and others. Forward and swap transactions are mainly carried out by commercial banks, while options and futures are mainly carried out in the exchange segment.

Term currency transactions have a number of features, in particular:

- ✓ there is a time interval between the structure and execution of the transaction;
- ✓ The term, rate and amount are set at the time of the transaction, but no amount is placed in the accounts until the deadline.

The growth of any country's economy, ensuring price stability in the country, as well as many indicators of macroeconomic development are directly related to the stability of the national currency. Successful implementation of the tasks set in the field of liberalization of the economy and deepening reforms in order to create a developed market economy in the Republic of Uzbekistan depends in many respects on the level of consistent stability and appreciation of the national currency - the soum.

The results of a well-founded study on the formation of the futures market can help economists make decisions on this situation, as well as achieve economic growth, ensure the stability of the national currency, encourage exports, attract foreign investment and thus develop national production.

The practical significance of our research is that at the current stage of economic development of

the republic, the practical application of foreign exchange operations in the foreign exchange and interbank markets can contribute to the improvement of this mechanism.

The most basic convenience of the smallest squares method is the following:

- ✓ easy to understand and simple to calculate;
- ✓ calculations are very fast.

However, caution is required when using this method, as the quality of the indicators does not lead to the required goal due to errors in modeling when the smallest squares method is used. In general, this method can be written as follows:

$$Y_t = \alpha_0 + \alpha_1 x_{1t} + \dots + \alpha_n x_{nt}$$

Here:

α_0 and $\alpha_{1...n}$ – constant i.e. coefficients;

Y_t – subject variable;

$X_{1...n}$ – an independent variable can take any value.

Our study analyzes the top 5 foreign trade partners of Uzbekistan. They are China, Russia, Kazakhstan, Korea and Turkey.

The impact of fluctuations of foreign exchange rates against the national currency on the financial performance of enterprises engaged in export and import activities, their income and expenses, especially the financial condition of business entities with foreign currency liabilities.

Table 1. Influence of the GDP of the partner countries on the foreign trade of the Republic of Uzbekistan with the partner countries ¹

| № | Countries | R ² | P value | F statistics |
|---|------------|----------------|---------|--------------|
| 1 | China | 0.9186 | 0.005 | 0.000 |
| 2 | Russia | 0.5186 | 0.013 | 0.002 |
| 3 | Kazakhstan | 0.9531 | 0.000 | 0.000 |
| 4 | Korea | 0.6677 | 0.001 | 0.000 |
| 5 | Туркия | 0.7693 | 0.506 | 0.285 |

We analyze the above result as follows. When we look at China, we first evaluate the square R, and it has a very strong correlation of 91 percent, i.e., the coefficient of determination is 91 percent, which means that the correlation between the indicators is very strong. This means that the sample also covered 91 percent of the population.

An important aspect of stimulating the development of the term foreign exchange market is to provide the market with information. According to the calculations of a number of leading scientists, the lack of information transparency of the term market is a major factor hindering its development. The main directions of the policy of increasing the information transparency of the foreign exchange market are prompt disclosure of information on upcoming changes in financial legislation, regular publication of policy materials on current priorities of state regulation of the derivatives market, as well as statistical information on key foreign exchange market segments. is to go.

An effective means of state regulation of the futures market is the direct participation of government agencies in trading in the derivatives market. Such operations allow to effectively solve the problems of short-term market regulation, mitigate the fluctuations of quotations, ensure market liquidity, influence the current situation in the foreign exchange market.

¹ Prepared by the author in a computer program based on data from worldbank.org and the IMF.

Procedures, methods and tools and mechanisms of all organizational, legal, economic and political relations used by the Central Bank in the development and implementation of the structure of the foreign exchange market are the sum of monetary policy.

The exchange rate regime, which is an instrument of exchange rate policy, and the effective choice of exchange rate policy determine the effectiveness of its other instruments (devaluation, revaluation, intervention, diversification, currency restrictions, exchange control, etc.).

In the development of the concept of long-term development of monetary policy in Uzbekistan (2017-2022) and the "Road Map":

- a) establishment of specific targeted measures for the transition to a free exchange rate regime;
- b) creation of an expanded and improved infrastructure for foreign exchange transactions;
- c) full realization of the right of economic entities to free access to their foreign exchange assets inside and outside the country;
- d) improvement of communication channels of monetary and monetary policy instruments;

In our opinion, the Mandell-Fleming model of studying the impact of monetary policy on macroeconomics is of relative priority. Given that this model is widely used in the practice of many developed and developing countries, it is important to creatively use the approaches outlined in it to improve the methodology of the country's monetary policy.

In conclusion, balancing the supply and demand of money in the economy is one of the most important priorities of monetary policy. Achieving such a balance is directly related to the type, shape, number, scope and effectiveness of monetary instruments.

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