



ACTIVITY OF THE FINANCIAL MARKET OF UZBEKISTAN AND TOOLS

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Abstract: The financial market of Uzbekistan has experienced significant changes in recent years and plays a key role in ensuring the stable development of the country's economy. This article provides an analysis of the functioning of the financial market and its instruments, as well as an assessment of its achievements and problems.

Key words: Finance, Financial market, stability, financial market activity, Efficient system.

Financial Market Structure: Money Market: The central element of the money market

It is the Central Bank of the Republic of Uzbekistan (MBB), which issues currency, regulates monetary policy and ensures the stability of the financial system.

Commercial banks are the main participants of the money market, providing loans to legal entities and individuals, as well as carrying out settlement operations. Non-bank credit organizations (microfinance organizations, pawnshops) complement the activities of commercial banks by providing microloans and other financial services to the population.

Stock market: The Stock Exchange of Uzbekistan (FSE) is the main platform for trading stocks and bonds. The government securities market is developing, which plays an important role in attracting investments to the public sector. The



corporate bond market is at an early stage of development, but has great potential to attract long-term investments to the private sector.

Insurance Market: Insurance companies provide various insurance services like property insurance, personal insurance, health insurance, etc.

The development of the insurance market helps to protect the economic interests of business entities and the population from various risks. **Forex market:** Forex market activity in Uzbekistan is regulated by the Central Bank of Russia. The Forex market allows traders to speculate on exchange rates, but comes with high risks. **Financial market instruments:** **Deposits:** Placing funds in banks to receive interest. **Loans:** obtaining funds from banks to finance various purposes. **Shares:** Securities that give the right to receive part of the profit issued by joint-stock companies and to participate in the management of the company. **Bonds:** Securities issued by governments or companies that give the right to a fixed income. **Insurance policies:** agreements with insurance companies to protect against various risks. **Currency transactions:** Buying and selling currencies in the foreign exchange market.

Problems and prospects of the development of the financial market of Uzbekistan: **Problems:** insufficient development of the infrastructure of the financial market: limited access to financial services: there are not enough bank branches and points of access to financial services in all regions of the Republic.

Low development of the electronic payment system: Cash payments are widespread, which reduces the efficiency and security of financial transactions. **Underdevelopment of the derivatives market:** the possibilities of using risk protection and risk management tools are limited.

Low financial literacy of the population: Lack of understanding of the basics of the financial market: The population often lacks knowledge about various financial instruments, their risks and benefits. **Low level of trust in financial institutions:** Negative past experiences with financial institutions reduce trust in



them. Wide spread of fraud: unscrupulous market participants can deceive citizens, which negatively affects the image of the financial market. Limited access to financial services for small and medium-sized businesses: high interest rates on loans: Many small and medium-sized enterprises find it difficult to get loans on preferential terms. Complexity of paperwork: bureaucratic procedures can hinder access to financial services. Limited supply of specialized products : Lack of products tailored to the specific needs of SMEs. Inadequate diversification of financial instruments: the dominance of bank loans: the range of available financial instruments for investment and attracting funds is limited.

Underdevelopment of the venture capital market: difficulties in attracting investments to innovative projects. Limited use of Islamic financial instruments: While the demand is there, the supply of such instruments is limited.

Prospects for development: Improvement of the legislative and regulatory framework: Adoption of laws aimed at the development of the financial market: Creation of a more favorable environment for the activities of market participants. Strengthening the protection of investors' rights: increasing confidence in financial instruments. Improving the regulation of financial markets: ensuring the stability and security of the financial system.

Development of the infrastructure of the financial market: expanding the network of bank branches: increasing the access to financial services for the population. Improving the electronic payment system: reducing costs and improving user convenience. Development of derivatives market: creation of risk protection and asset management tools. Increasing the financial literacy of the population: conducting educational campaigns: disseminating information about the work of the financial market. Developing financial education programs: increasing knowledge about financial instruments and risks. Creating accessible information resources: increasing the availability of financial services information.



Expand access to financial services for small and medium-sized businesses: Create SME support programs: Provide preferential lending, consulting services, and other support measures. Development of online platforms for SMEs: simplifying access to financial services. Creating specialized financial products: developing tools tailored to the needs of SMEs. Diversification of financial instruments: Development of the stock market: Expansion of opportunities for investment and attracting funds. Creation of venture capital means: support of innovative projects. The development of Islamic finance: meeting the demand for alternative financial instruments.

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