

Stock market: current state and development prospects

Zavoloka L.O.

Senior Instructor,
University of Customs and Finance

Linnik A.O.

Student,
University of Customs and Finance

Kolesnik D.S.

Student,
University of Customs and Finance

The article analyzes the peculiarities of functioning of the stock market of Ukraine, as well as substantiates directions for increasing its liquidity and efficiency. An analysis of the main tendencies and patterns of stock market development, dynamics of volumes of trades has been analyzed. Conclusions are made regarding the further development of the stock market in Ukraine, as well as several recommendations aimed at improving the stock market situation in the future.

In the stock market of Ukraine, securities are traded in documentary and non-documentary forms, registered and bearer. In order to conclude on a stock exchange or on an organized over-the-counter market securities agreements issued in a documentary form, securities are immobilized at the depository servicing them.

Rights to participate in management, income generation, etc. can be exercised since the introduction of changes to the register of holders of registered securities. The ownership of bearer securities, issued in documentary form, passes to the new owner from the moment of transfer (delivery) of securities. In the case of alienation of immovable bearer securities, the ownership of securities passes to the new owner from the moment they are credited to the account of the owner of the custodian.

One of the main sources of information on the development of emerging markets for international investors is the data collected and disseminated by the international rating agency Standard & Poor's. According to the classification "Standard & Poor's," Ukraine is classified as "Frontier markets", which includes, in addition to Ukraine, 36 other countries (in particular, Romania, Slovenia, Cyprus, Panama). "Frontier

markets" are markets that are small compared to "Emerging markets" (from the English "emerging markets").

During January 2018, the volume of corporate investment fund shares registered by the Commission amounted to UAH 2.23 billion, which is more than UAH 1.8 billion compared to the data for the same period in 2017. As of the start of registration as of January 31, 2018, the number of registered corporate and mutual investment funds amounted to 2 342 collective investment institutions, of which:

- 544 – corporate investment funds,
- 1,798 – unit investment fund.

The stock market in one or another country is characterized, first of all, by the volume of stock trading in securities, the number of securities traded on stock exchanges. As a result of trades on the organized market during January, the volume of exchange contracts with securities amounted to 21.5 billion UAH. During January 2018, compared to the same period in 2017, the volume of stock exchange contracts with securities at trade organizers increased by 49.4% (or by UAH 7.1 billion) (January, 2017 – UAH 14.3 billion).

The research of the current state of the national stock market has shown that, in general, it has a strong development potential. The directions of market perfection should be based on solving the identified developmental problems and can be grouped into four main groups:

- improvement of the legislative framework;
- development of stock infrastructure;
- expansion of bidding and harmonization of its structure;
- Improving the tools and capitalization of the market as a whole.