

CURRENT STOCK MARKET DEVELOPMENT TRENDS AND THEIR IMPACT ON BUSINESS DEVELOPMENT

СУЧАСНІ ТЕНДЕНЦІЇ РОЗВИТКУ ФОНДОВОГО РИНКУ ТА ЇХ ВПЛИВ НА РОЗВИТОК БІЗНЕСУ

The article examines the peculiarities of the functioning of the stock market of Ukraine and the factors of its influence on business development. It has been investigated that in recent years the domestic stock market has had contradictory development trends. The total volumes of issues of emission securities on the stock market and the volumes of shares were analyzed and it was established that during the studied period there was a reduction, but the volumes of bond issues increased significantly. The indicators of the stock market in the world were studied and the main conditions restraining the prospects of its effective functioning were highlighted. The stock market is an important segment of the financial system of any country. Traditionally, for developed countries, this market plays the role of a platform for recruiting finance, for less developed and transitory economies, it is a chance to attract direct and portfolio investments, new technologies and an opportunity to significantly improve the economic situation. The main problems of the functioning of the stock market of Ukraine are given, as well as the main directions of its development are proposed.

Key words: stock market of Ukraine, stock exchange, shares, securities, financial resources, dynamics of issuers capitalization.

У статті розглянуто особливості функціонування фондового ринку України та чинники його впливу на розвиток бізнесу. Досліджено, що за останні роки вітчизняний фондовий ринок має суперечливі тенденції розвитку. Проаналізовано загальні обсяги випусків емісійних цінних паперів на фондовому ринку та обсяги випусків акцій та встановлено, що протягом досліджуваного періоду відбулось скорочення, проте обсяги випусків облігацій значно зросли. Досліджено показники фондового ринку у світі та виділено основні умови, що стримують перспективи його ефективного функціонування. Фондовий ринок є важливим сегментом фінансової системи будь-якої країни. Традиційно для розвинених країн даний ринок відіграє роль платформи для рекрутування фінансів, для менш розвинених і транзитивних економік – це шанс залучення прямих і портфельних інвестицій, нових технологій та можливість суттєво поліпшити економічне становище. Згідно з існуючими світовими критеріями, за ступенем зрілості та ризиками фондовий ринок України належить до фондових ринків, що розвиваються, та має потенціал для інтеграції у світовий фондовий ринок завдяки таким факторам: в Україні є значна кількість акціонерних компаній із динамічно зростаючою капіталізацією; на фондових біржах функціонують системи електронної торгівлі; існуюча інфраструктура фондового ринку України відповідає аналогічній структурі фондових ринках розвинених країн; в Україні, хоч і повільно, формується внутрішній інвестиційний попит на інструменти фондового ринку. Діяльність фондової біржі багато в чому визначає ефективність фондового ринку та ступінь впливу на економічні процеси в країні. Саме біржа забезпечує концентрацію попиту та пропозиції цінних паперів, їх баланс за рахунок біржового ціноутворення, що справді відображає рівень ефективності функціонування акціонерного капіталу. Для фінансової системи кожної країни визначальним фактором є ступінь залучення банківського сектора та фондового ринку до фінансування інвестиційної активності підприємств. Розвиток фондового ринку підвищує рівень участі компаній у процесі залучення додаткових коштів для своїх інвестиційних програм шляхом розміщення своїх цінних паперів на ринку, також розвинений фондовий ринок відіграє ключову роль у фінансуванні економіки в порівнянні з банківським сектором. Наведено основні проблеми функціонування фондового ринку України, а також запропоновані основні напрями його розвитку.

Ключові слова: фондовий ринок України, фондова біржа, акції, цінні папери, фінансові ресурси, динаміка капіталізації емітентів.

UDC 336.76-043.86

DOI: <https://doi.org/10.32782/bses.80-25>

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Formulation of the problem. The stock market is an important segment of the financial system of any country. Traditionally, for developed countries, this market plays the role of a platform for recruiting finance, for less developed and transitory economies, it is a chance to attract direct and portfolio investments, new technologies and an opportunity to significantly improve the economic situation. At the same time, the stock market of Ukraine has been at the stage of formation for about 30 years, and the real sector of the economy, unfortunately, practically does not use the opportunities of the stock market to attract investment resources.

Analysis of recent research and publications. The work of many domestic scientists is devoted to the study of the peculiarities of the functioning

and development of the stock market of Ukraine: S.V. Bezvukha, A.O. Zaitseva, M.I. Iorgachova, V.I. Osypova, T.O. Krusir, O.V. Redko, Tesheva L.V., Shtefan L.B., Shuba O.A., Yavorska V.O. and others. However, its current state indicates the presence of many unresolved issues that require further study and the search for solutions. Setting objectives.

Formulation of the goals of the article. The significance of the current state of the stock market development and its impact on the development of business in Ukraine through the analysis of its main characteristics, and the identification of its main problems and directions for improvement.

Presentation of the main material. The stock exchange is the main element of the stock market, and it is also an indicator of the efficiency of capital

movement and the rapid development of the economy. It is a virtual marketplace where buyers and sellers can trade existing securities. Stocks are also called stocks or equity, most companies have shares with a turnover of more than a billion dollars. The stock market acts as a powerful and effective platform for the realization of opportunities for the mobilization of financial resources and the birth of a number of new competitive investment instruments. The main role of the stock exchange is to serve the movement of money capital, which mediates the distribution and redistribution of national income both in the national economy as a whole and between social groups, sectors and spheres of the economy. The activity of the stock exchange largely determines the efficiency of the stock market and the degree of influence on economic processes in the country. It is the stock exchange that ensures the concentration of demand and supply of securities, their balance at the expense of stock exchange pricing, which truly reflects the level of efficiency of the functioning of equity capital [1].

IN 2021 year, investors again waved off from news, which can collapse shares For example, the disputed presidential election, the attack on the US Capitol, historically high inflation in the world, disruptions in supply chains, etc. However, none of these events not prevented securities from reaching their historical highs, and the world stock market continue your constant development. Even all more boisterous the global pandemic of COVID-19 or its new forms – Delta and Omicron – did not become an obstacle for business Hence, let's consider modern trends and dynamics functioning world stock market.

Before starting the analysis directly of the stock market, it is worth paying attention attention to the development of the global financial market, the structure of which includes the market valuable papers.

Indicator, which is interested more everything – it average index development financial markets in dynamics. According to the International Monetary Fund as a point as a starting point for this index for the developed countries of the world, we will take the year 2000 with the indicator y 0.43 points During the following several years financial markets rapidly developed having reached his own historical the maximum in 2007 year – 0.49 ball, however, at the end of the same year, the fall of the market economy and the credit crisis began, as a consequence of the mortgage crisis. Therefore, after the global economic crisis, the development index financial markets in the developed countries of the world over time fell to the level of 0.425 points 2015, and the index was never able to return to its pre-crisis level the last 10 years, those not Less is tracked positive dynamics during the last ones several years, stopping on marks in 0.45 score by summaries in 2021 [5].

With regard to developing countries, the situation can be called similar to above, because the peak of the development of financial markets falls on 2007 (0.13 points), followed by a decline in the next 5 years and a gradual recovery, which in the given case reached equal 0.14 score in 2021 year, what is the best indicator development financial markets by the last 20 years. It is also important to note that there is a large gap between the level of development financial markets in developed and developing countries, in particular the difference reaches 0.31 points in 2021. This is due to the fact that in the less developed countries of the world worse political situation, macroeconomic environment, imperfect legal framework and potentially more corrupt factors

The Financial Stability Board traditionally in 2022 year released your annual report of monitoring by world financial institutions. Although information by 2021 year missing but according to with report dimensions of the world financial assets annually stable are growing setting new one's record marks 2020 year not turned out to be an exception. Therefore, the world financial assets have already reached the mark 460 trillion dollar USA. Moreover, the largest share of assets belongs to the NBFi sector (retirement and investment funds, and also insurance corporations), further something Less have corporate banks, and with relatively small indicators central banks and public financial institutions [2].

Shock financial market on beginning pandemic revealed gaps in normative and legal base, which needs further attention with side regulatory and supervisory bodies. Although the share of assets held by the NBFi sector has declined sharply with times world financial and economic crisis 2008 year, in 2020 year she remained extraordinarily high Growth assets given sector is ahead magnification assets central and commercial banks part by aggressive monetary policy by central banks and the participation of commercial banks in government stimulus measures (for example, direct lending programs and state guarantees). Growing role fintech companies and large technology corporations in the financial sector, as well as an increase in decentralized structures financing that does not fall under the legal framework of commercial banks, they can more speed up more growth sector NBFi [9].

Further let's see on general trends development world stock market by prism national stock indices, importance whose was described before in qualification work. In the context of the last decade, it can be argued that stock markets in the most developed countries the world such as China, USA, Great Britain and Germany, and also everything European region – markedly grew up in their own scales However, ambiguous is dynamics development Ukrainian market valuable papers Although he really pond better, but considering statistics stock market

of Ukraine not you can characterize as such, what stable is developing and is improving in in all aspects (Table 1) [6].

After a busy 2020, the first steps were finally taken on the way to restoration. Deployment vaccines against COVID-19, low percentage rates, improving consumer demand and a large-scale fiscal stimulus package in the US – the main ones factors which contributed to stabilization volatility and world achievement stock market to new highs. But there were also negative shocks. In the second in the middle of 2021, gas prices jumped, supply chains were disrupted, and in November appearance new ones forms COVID-19 contributed additional uncertainty on everyone financial markets Year ended strengthening inflationary pressure, perspective increase interest pond and escalation world geopolitical voltage [9].

Tim not Less, despite on all modern challenges development world stock market, him succeeds stable grow in their own scales and adapt to new changes during the last 5 years. In particular, capitalization of the world stock market reached 123 trillion. dollar USA for the last year. Most fraction assets falls American region (Americas; 57 trillion dollar USA), further – Asian-Pacific (APAC; 38 trillion dollar USA) and least on Europe, Near East and Africa (EMEA; 28 trillion dollar USA) [6].

Such way by the results consideration modern trends and dynamics the functioning of the world stock market can be said to continue for the second year in a row to set new historical indicators, which are positive. After all, despite on international geopolitical voltage, global pandemic COVID-19 and as consequence economic problems world community businessmen and investors skillfully adapts and finds new ones creative ways development and enrichment. In particular, this is evidenced by the average index of the development of financial markets, which is improving the last few years, and also strengthening world market valuable papers through the prism of the stable growth trend

of national stock indices together with increasing capitalization of the entire market.

Hence, statistics exit of the world companies on IPO and non-IPO significantly differs when comparing the pre-war period and directly during the pandemic. At surprisingly, the dynamics only improved in the new realities. If for the period 2017 – in 2019, on average, about 2,408 companies entered the market with assistance primary public offers and non -IPO, then in first year pandemic crisis the indicator was 2,825 enterprises, and in 2021, when a larger share of companies was able to adapt to new business conditions, the indicator almost doubled [5].

The most successful IPO in 2021 year by version Morningstar is:

1. Coinbase. Although size agreements does the company the biggest public debut in 2021 year, platform exchange cryptocurrency Coinbase not received significant income, When started bargain on public market, after all she allowed to its stakeholders to start selling shares directly through a direct public offering proposal Sum funds raised amounted to 37.7 billion dollar USA.

Coinbase gained widespread attention as the first cryptocurrency company to which became public. Many see this as an important step on the way to the mainstream implementation cryptocurrencies. Public listing allowed investors get indirect access to cryptocurrency by buying Coinbase shares. As the majority income companies is coming from Commission by transactions, the results Coinbase changeable from quarter to the quarter because they are correlated with cryptocurrency markets.

2. Roblox. The company that manages the platform of online video games called great interest from investors. The actual losses of the company increased compared to last year due to increased platform development costs. Nevertheless, Roblox reached success on public market almost by doubling own market capitalization since the beginning of trading up to 63 billion dollars. USA. Amount of funds raised in progress The IPO amounted to 13.8 billion

Table 1

The world stock indices in 2010, 2015, 2021

Index	Year		
	2010	2015	2021
PFTS (Ukraine)	611	394 (-36%)	522 (+32%)
UX (Ukraine)	1589	1053 (-34%)	1718 (+63%)
RTS (Russia)	1582	735 (-54%)	1622 (+121%)
SSE Composite (China)	2800	3075 (+10%)	3632 (+18%)
Euro STOXX 50 (Europe)	2983	3100 (-4%)	3919 (+26%)
S&P 500 (USA)	1300	1930 (+48%)	4796 (+148%)
FTSE 100 (Great Britain)	5900	6100 (+3%)	7516 (+23%)
DAX (Germany)	7170	9684 (+35%)	16271 (+68%)

Source: [9]

dollars. USA. During the pandemic, Roblox expanded its base users from 19.1 million active per day in the fourth quarter of 2019 to more than 47 million in the fourth quarters 2021 year.

3. Rivian. Producer electric cars spent most traditional IPO in USA by the last five years surpassing Uber. Sum involved funds in go IPO constituted 11.9 billion dollar USA.

Rynkova capitalization Rivian (105 billion dollar USA) surpassed General Motors and Ford, ago company became one from the largest car manufacturers in the world Despite the fact that a month after the public debut, the mood of investors in mainly remained positive, Rivian necessary will be to scale own production and achieve profitability in industry with very tough competition.

Of investment flows from IPO and non -IPO, then they also significantly have changed in retrospective the last ones 5 years to 2019 year followed regular decline to equal close 700 billion dollar USA, but abrupt jump happened in 2020 – 935 billion dollars. of the USA involved by companies in the course of IPO and non -IPO, and in This is in 2021 indicator grew up to a record 1,310 billion dollar USA [6].

Considering the impact of the global stock market on business, it is necessary separately to turn attention on factor COVID-19, which influenced on everyone simultaneously. Svitova the financial crisis of 2008–2009 and the crisis related to COVID-19 are characterized by different shocks for world demand and offers Financial crisis 2008 year largely seen as a negative demand shock caused by a huge shortening corporate investments and significant shortening consumption goods long-term use by about 30%. Since the costs of internal services during the global financial crisis were significantly restrained, the loss of global GDP was not exceeded 0.6%.

On difference from financial crisis 2008 year global recession, caused by the COVID-19 pandemic, is described as a shock to both supply and demand.

As for the proposal activities governments, directed on containment spread virus, such as strict restrictions, border closures and social distancing have caused rapid rising trade costs, reduced labor mobility and factory closures or sharp abbreviation production IN own queue it influenced on global value chain by interrupting domestic and international supply as goods, Yes and services Of demand then uncertainty income, social distancing and unemployment affected aggregate demand and ultimately GDP, especially in the service sector. Reduction in demand and supply for services that constitute 50–80% GDP in the majority countries contributed to significant reduction world GDP in in 2020 about on 3.3%.

During the last ones 5 years are changing trends by direction investment funds. Times, the needs of humanity and the interests of businessmen are changing. More in detail with rating sectors world economy investment flows in 2017–2021 can be found lower (Table 2) [9].

If in 2017 the real estate sector was still the most attractive for investment, then in 2021 – it went down to the third step, while the first place was taken by information technologies, followed by medicine. It cannot be said that there is a need for information technologies is currently greater, but at the beginning of the pandemic, the direction of cash flows in medicine was justified biological a threat humanity, which succeeded translate in controlled state. AND ago as consequence pandemic need in digitization the world became extremely relevant.

As mentioned earlier, the influence of the stock market on the development of a separate business you can to display by prism participants trade on my opinion totality of trading participants constitutes a complete stock market, and therefore following this logic exist quite influence on any the company which quoted on market valuable papers.

Therefore, the transformative influence of the world stock market plays a considerable role in

Table 2

Rating sectors world economy by investment streams in 2017–2021 years

No	2017	2018	2019	2020	2021
1	Real estate	Medicine	Medicine	Medicine	Informational technologies
2	Medicine	Real estate	Real estate	Informational technologies	Medicine
3	Informational technologies	Informational technologies	Informational technologies	Real estate	Real estate
4	Naturalresource	Naturalresource	residential communal services	residential communal services	Naturalresource
5	residential communal services	residential communal services	Naturalresource	Naturalresource	residential communal services
6	Finances	Finances	Finances	Retail	Retail
7	Retail	Retail	Retail	Finances	Finances

Source: [9]

the development of any business. In particular, this is evidenced by growing indicators in the last 5 years, the number of IPOs and non-IPOs of global companies in the course of which enterprises attract record investment funds, which extremely necessary for further growth business in his own segments. At this in modern globalized world, trends have changed in favor of business companies involved in IT sector and medicine. Also, based on the analyzed behavioral cases reactions of trading participants, it can be concluded that all investors as a whole of the stock market can influence the fate of an individual company, the value of its shares and respectively, the market capitalization, and sometimes they can "sink" both the business and separate market.

Conclusions from the conducted research.

So, according to the results of consideration of modern trends and dynamics of functioning of the world stock market, it can be said that the stock market continues for the second year in a row establish new ones historical Indexes, which is positive. After all, despite on international geopolitical voltage, global pandemic COVID-19 and as a result of economic problems, the world community of businessmen and investors skillfully adapts and finds new creative ways of development and enrichment. In particular, this is evidenced by the average index of the development of financial markets, which is improving the last few years, as well as the strengthening of the global securities market through prism stable trends growth national stock indices together with increase capitalization everything market.

Regarding the state of the Ukrainian stock market, it can be concluded that the stock market has a very low level of development, the number of instruments offered on the market is limited, the stock market does not fulfill its basic function of attracting financial resources by issuers on it. All this significantly affects the capital structure of domestic enterprises, since they have limited opportunities to enter the stock market and manage such a structure by issuing shares and bonds of enterprises. The impossibility of adequate use of stock market tools by legal entities significantly limits their potential opportunities to expand their own activities and economic growth, and, as a result, limits the economic growth of the country's economy as a whole. This requires the implementation of quick and systematic measures to improve the existing model of the functioning of the stock market of Ukraine.

The main areas of improvement and development of the domestic stock market include: development of

corporate reform; increasing the efficiency of regulation of issuers; development of existing and introduction of new tools on the stock market, application of new tools on stock markets; the application of stimulating the inflow of investments to the stock market; increasing the activity of foreign investors on the Ukrainian financial market; ensuring reliable and efficient functioning of the market infrastructure; formation of a progressive regulatory framework, taking into account the mistakes of previous periods and guided by the acquired experience; the implementation of a number of measures, which include increasing the volume of trades on stock exchanges to a level corresponding to the task of developing the country's economy; strengthen the information campaign among the population about the advantages and opportunities of investing in the stock market.

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