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Current state of the world securities market

Abstract. *The scientific article discusses the world securities market and its current state. The development of the modern world securities market, in addition to general economic trends affecting the stock market, is also characterized by specific trends. The market capitalization of the global securities market is calculated by region from the total volume of exchange operations. Based on the data contained in the final report of the world Federation of exchanges for 2019, the countries of the world are classified according to the concentration of stock markets. The list is headed by the United States, Japan, great Britain, China, France, Germany and Canada, Switzerland and Australia, and other countries. The article analyzes market capitalizations and sales transactions of the New York, Tokyo, and London stock exchanges. The current index values of these three exchanges are determined.*

Keywords: *the global securities market, securities, stocks, stock exchanges, index exchanges.*

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Introduction. One of the main directions of financial globalization is the formation and development of the international securities market, which ensures the movement of transnational capital flows and its placement. The global securities market initially developed as part of the national market, and then gradually became a segment of the international market. First of all, it was focused on transactions with foreign securities in national markets, such as the purchase and sale of international securities.

The purpose of the research is to analyze the current state of the world securities market. To achieve this goal, we studied data and statistics from global financial organizations, such as the IMF and the International Federation of exchanges. To study the current state of the global securities market, data were taken from the most famous trading platforms such as the New York stock exchange, the Tokyo stock exchange, and the London international stock exchange.

Research Methods. During the writing of the article used such theoretical research methods as

analysis and synthesis, induction and deduction, modeling, as well as empirical research methods such as quantitative and qualitative analysis, comparative analysis.

Results and discussion. Securities market is the set of relations between financial market participants that are part of the financial market, related to the redistribution of funds through the issuance and circulation of securities.

In a narrow sense, the global securities market is a specific international instrument market that is traded in a limited range of market segments. In the book «Securities market» Tsibulnikova V. Yu. presented the following tools as instruments of the international securities market:

- shares of foreign companies (exchange and over-the-counter transactions);
 - foreign bonds and Eurobonds, markets that allow foreign borrowers to raise funds by placing their own securities;
 - derivatives (forward, futures, options, etc.)
- are groups of the above-mentioned instruments as a base asset. Cross-border capital movement

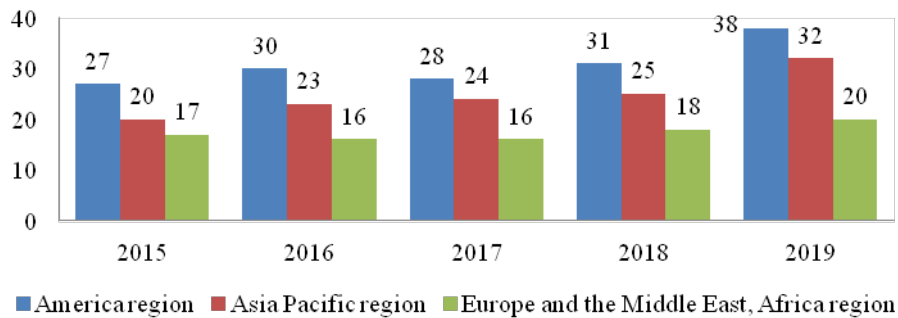


Figure 1 - Market capitalization by region of the total volume of exchange operations 2015-2019
 Note: prepared by authors based on the literature [3].

instruments carry out hedging and speculative transactions between residents of different countries [1].

Many modern economists, financiers, participants in the stock market and exchange trading, it is obvious that the main indicator that evaluates the work of the international securities market is the stock index. The stock index reflects the dynamics of the securities market. Using this indicator, you can determine the entire macroeconomic situation on the market by comparing the current period of the securities market with the indicators of previous indices.

Among the main participants in the global securities market, the following main groups can be distinguished: stock exchanges and alternative trading systems, various financial companies and funds that directly and indirectly participate in the market; international financial organizations (IMF, WB and regional development banks, etc.). through these participants, a large amount of funds accumulated and redistributed through the market infrastructure enters the market [2].

According to the report of the World Federation of exchanges for 2015-2019, the leading positions in the world in terms of regional activity in

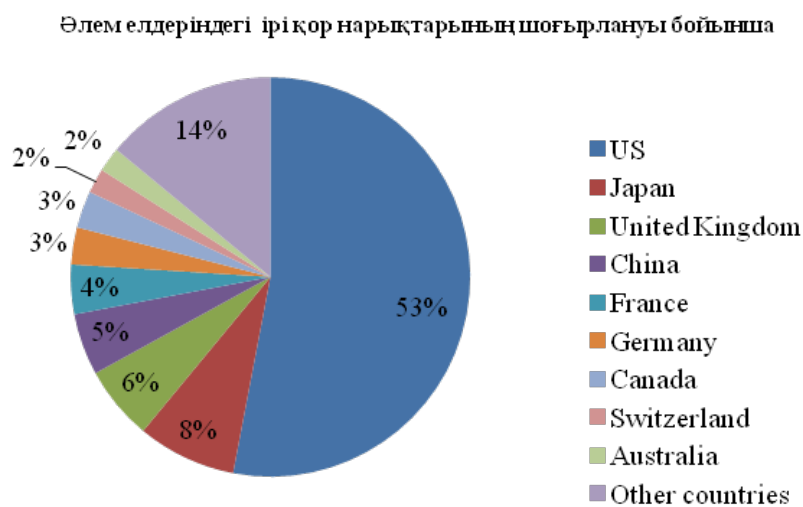


Figure 2 - Classification of states relative to the concentration of major stock markets in the world in 2019
 Note: prepared by authors based on the literature [3].

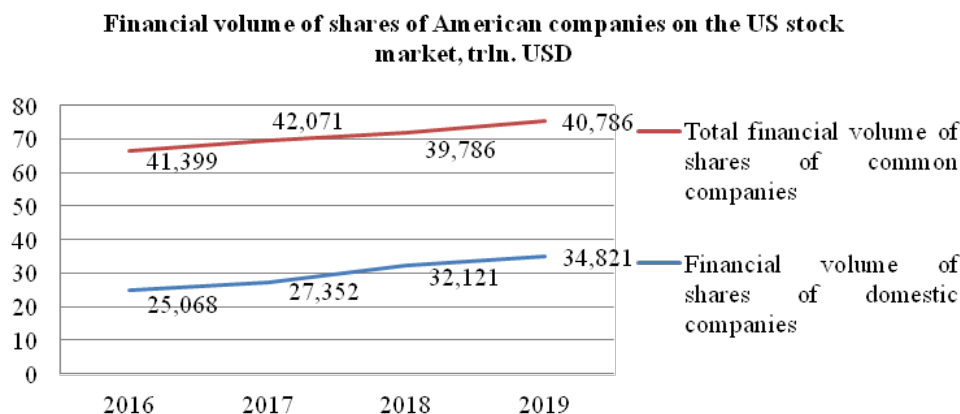


Figure 3 - Financial volume of shares of US-owned companies on the US stock market

Note: prepared by authors on the basis of literature [3].

exchange trading are occupied by the states of the American continent, the states of the Asia-Pacific region-on the 2nd place, in Europe and the Middle East, and the countries of the African region-on the 3rd place.

As can be seen from figure 1, the capitalization level of the American region in 2019 was 38 bln. US dollars, the Asia-Pacific region 32 bln. US dollars cracks and the capitalization of the states of Europe and the Middle East, Africa region 20 bln. US dollars reached. Compared to 2018, the growth rate increased by 22% in the Americas, 28% in the Asia-Pacific region and 6% in Europe, the Middle East, Africa.

Based on the data contained in the final report of the world Federation of exchanges for 2019, the countries of the world classified the countries of the world by the concentration of stock markets. The list is led by the United States (53%), Japan (8%), Great Britain (6%), China (5%), France (4%), Germany and Canada (2%), Switzerland and Australia (2%) and other countries (14%). To sum up, the top three are the United States, Japan and the United Kingdom (Figure 2).

The US stock market is the world's largest stock market by turnover. The US is a symbol of financial power and the financial industry as a whole. The largest exchange in this state is the New York stock exchange. The history of the exchange dates back to 1792. The stock exchange is determined by the shares of industrial companies according to the world-famous Dow Jones index. It includes 30 large companies called

«blue chips». Among them are the world-famous Amegisap Express, Apple, Chevron, Coca-Cola, IBM, Microsoft, Procter&Gamble, Intel, etc.

The World Bank report for the period from 2016 to 2019 provides information on the financial volumes of listed companies owned by this country as part of the stock market in the US stock market. In the period from 2016 to 2019, the volume of shares of domestic companies amounted to 25.068 trln. US dollars from 34.821 trln. US dollars recorded an increase. Trading in shares of American companies in the total volume of company shares volume. This means that the accounts for 85% of the total financial American stock market is dominated by trading in shares of American companies (Fig. 3).

The history of the London stock exchange dates back to 1570. The official discovery was registered in 1801. Since companies that issue their shares for sale are constantly working to improve their reputation and leading positions in the international securities market, they must meet the high listing requirements. Currently, it sells 50% of the shares of issuers from all over the world. The leading index of the London stock exchange is the FTSE 250 index. The total number of index components is 238. Among them: IG Group, Intermediate Capital, Rmodp Americap, JP Magda Indian, Ncma Rahma and others.

As can be seen from table 1, the London stock exchange, in accordance with the report for 2017-2019, provides information on trading, sales and financial volumes of current shares

Table 1

Analysis of trading on the London stock exchange for the period 2017-2019

Indicators	01.01.2017	01.01.2018	Growth rate	01.01.2019	Growth rate
Shares (units)	4220714	4519788	7,1%	4393030	-2,8%
Volume of shares (mln. €)	83616	87711	4,8%	87994	0,3%
Bonds (units)	292803	331688	13,2%	373215	12,5%
Volume of bonds (mln. €)	16617	17828	7,2%	16847	-5%
Derivatives (units)	155572	172409	10,8%	186039	8%
Volume of derivatives (mln. €)	12197	13429	10,1%	15484	15,3%
Repo transactions (units)	72075	93308	29,5%	84480	-9,5%
Volume of repo transactions (mln. €)	6415273	6367413	-0,7%	6414224	0,7%
Total trading (units)	21169105	20907410	-1,2%	25109010	20,1%
Total trading volume (mln. €)	137253	121213	-11,7%	148425	22,5%

Note: prepared by authors on the basis of literature [4-7].

and bonds, the number of sales and financial volumes of operations with derivatives. It was found that the growth rate in 2018 compared to 2017 increased by 12.5% in bond sales, by 8% in derivatives trading and by 0.7% in General trading operations. Comparing the indicators of 2017 and 2018, only the growth rate showed that in the financial volume of repo transactions decreased by -0.7%, in General, for trading-by -1.2%. For the rest of the indicators, the growth rate has positive results.

As can be seen from figure 4, when performing transactions with securities on the London stock exchange trading the greatest number of securities held shares, 2-bonds and 3-derivatives. In 2019, there were 23 times more transactions with shares than with bonds.

The Tokyo Stock Exchange is one of the largest Asian stock exchanges in the international securities market. This exchange was officially opened in 1878. Currently, about 2,300 securities of about 30 foreign companies and Japanese

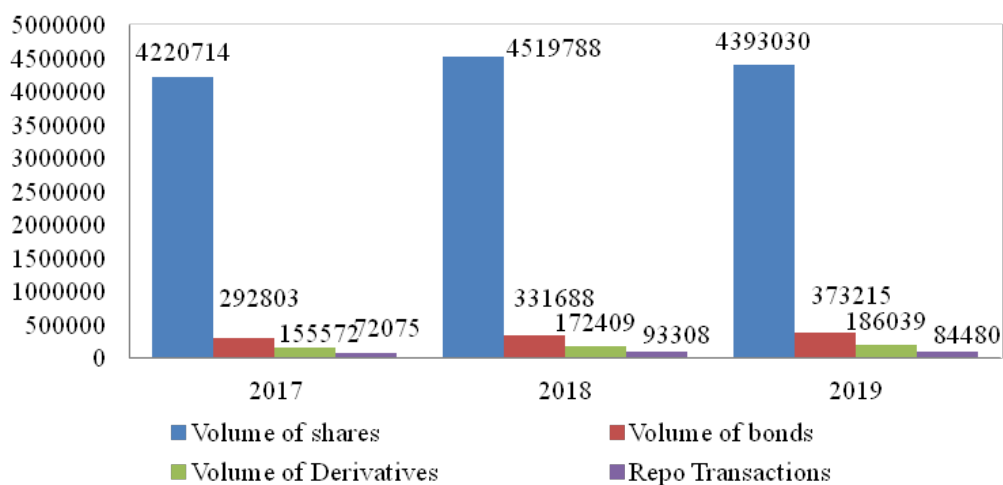


Figure 4 - Volume of securities traded on the London stock exchange 2017-2019

Note: prepared by authors based on the literature [4-7].

Analysis of transactions on the Tokyo stock exchange for 2017-2019

Indicators	01.01.2017	01.01.2018	Growth rate	01.01.2019	Growth rate
Number of listed companies	3654	3712	1,5%	3710	-0,1%
Bonds (units)	258367	295043	14%	266233	-9,7%
Volume of bonds (mln. ¥)	6215	5273	-15,2%	5967	13,1%
Total trades (mln. units)	58,746	47,526	-19%	52,885	11,2%
Total trading volume (mln. ¥)	59942	53600	-10%	70054	30%

Note: prepared by authors based on the literature [8].

manufacturers are sold on the Tokyo Stock Exchange. The exchange includes the main index «NIKKEI 225». Among them are Wahoo Jarap, Yamato Holdings, Mitsubishi Electric, Nissan Motor and others.

As can be seen from table 2, the Tokyo stock exchange, in accordance with the report for 2017-2019, reports on trading, the number of companies listed over these years, sales and financial volumes of bonds in circulation. The growth rate of 2019 compared to 2018 shows that bond sales decreased by -9.7%, and compared to the indicators of 2017 and 2018, the growth rate increased by 14%.

As shown in figure 5, the volume of bond transactions on the Tokyo stock exchange as a whole was equal to 10.7% of trading on the exchange in 2017; 9.5% in 2018 and 8.1% in 2019. The dynamics of growth in the volume of

securities trading in General showed positive results every year.

Based on data from the world Bank relating to the stock markets of the United States, Great Britain, and Japan for the period 2014-2019, indicators are determined in terms of the contribution of the volume of current shares to GDP.

As can be seen from figure 6, the volume of current shares in the US securities market increased to 199-207% of GDP between 2013 and 2018. This explains the fact that the total volume of shares in the US stock market is 2 times higher than GDP. Accordingly, in the UK, this indicator increased by 92-104%, and in Japan-by 53-104%, that is, in 2018, the turnover of shares exceeded the GDP indicator.

As can be seen from figure 7, in the period 2015-2019, the value of the DJI index of the

Total sales of securities and bond sales on the Tokyo stock exchange, mln. ¥

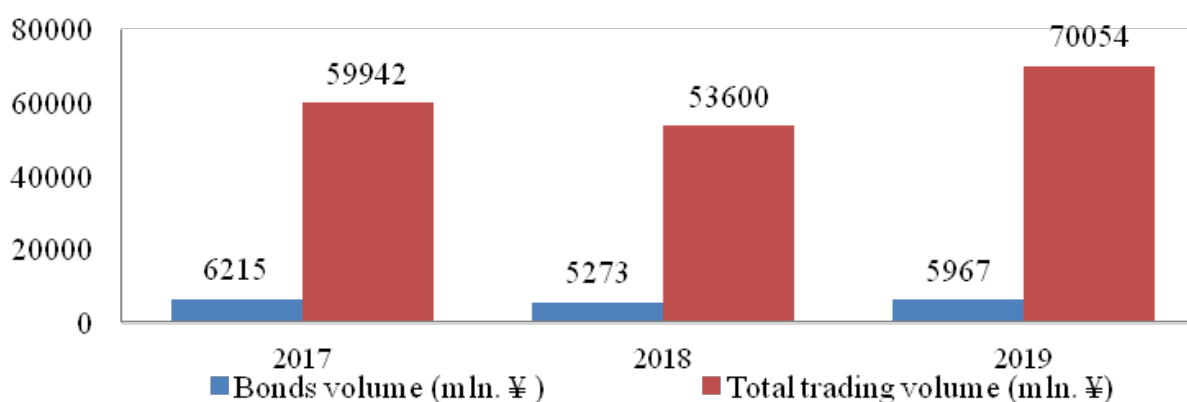


Figure 5. Total securities sales and bond sales on the Tokyo stock exchange

Note: prepared by authors based on the literature [8].

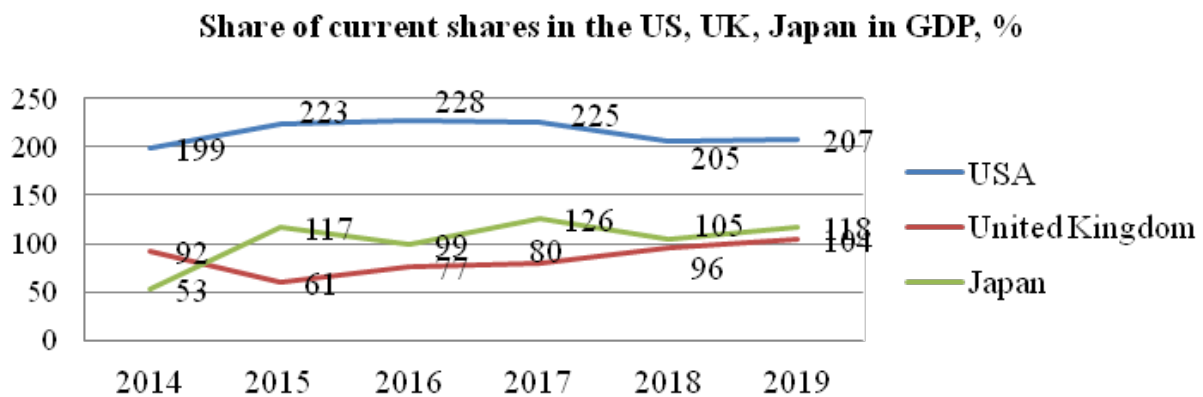


Figure 6 - Share of the volume of current shares of the US, UK, Japan in GDP 2014-2019
Note: repared by authors based on the literature [4].

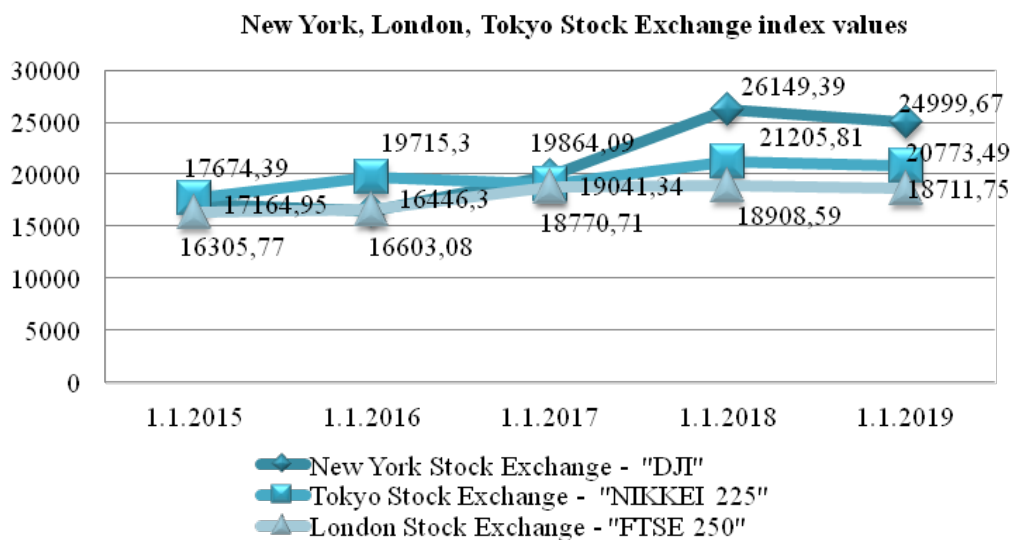


Figure 7 -Values of stock exchange indices in New York, London, Tokyo
Notes: prepared by authors based on the literature [10].

new York stock exchange was from 17674.39 to 24999.67, the Tokyo stock exchange value of the NIKKEI 225 index was from 17164.75 to 20773.49, and the London stock exchange value of the FTSE 250 index was from 16305.77 to 18711.75 positions were raised. An increase in the position of the index value means an increase in the share prices of the companies that make up the index, high liquidity.

Conclusion. We note that at present, developed financial centers of the world play a special role in the development of the international securities market. Every year, the stock exchanges in New York, London, and Tokyo offer new methods

for developing the securities market. Among them: the introduction of new technologies on the exchange platform, the use of reliable international banks in clearing operations, joint work with international arbitration courts in disputes between participants, the establishment of strict rules for listing companies, ensuring the liquidity of securities of companies that first entered the stock exchange, etc. Despite the quantitative and qualitative differences in the stock markets of these countries, they all have the same goal - to work on constantly improving their credibility and leading positions in the global securities market.

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Әлемдік бағалы қағаздар нарығының қазіргі жай-күйі

Аннотация. Ғылыми мақалада әлемдік бағалы қағаздар нарығы және оның қазіргі жағдайы қарастырылады. Қазіргі заманғы әлемдік бағалы қағаздар нарығының дамуы, қор нарығына әсер ететін жалпы экономикалық үрдістерден басқа, ерекше үрдістермен де сипатталады. Әлемдік бағалы қағаздар нарығының нарықтық капиталдандырылуы өңірлер бойынша биржалық операциялардың жалпы көлемімен есептеледі. Дүниежүзілік биржалар Федерациясының 2019 жылғы қорытынды есебінде қамтылған деректерге сүйене отырып, әлем елдері қор нарықтарының шоғырлануы бойынша жіктелінді. Тізімді АҚШ, Жапония, Ұлыбритания, Қытай, Франция, Германия, Канада, Швейцария, Австралия және басқа елдер басқарады. Мақалада нарықтық капиталдандыру және Нью-Йорк, Токио және Лондон қор биржаларының сагу операциялары талданды. Аталған үш биржаның индекстерінің ағымдағы мәндері анықталды.

Түйін сөздер: әлемдік бағалы қағаздар нарығы, бағалы қағаздар, акциялар, қор биржалары, биржаның индексі.

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Современное состояние мирового рынка ценных бумаг

Аннотация. В научной статье рассматривается мировой рынок ценных бумаг и его современное состояние. Развитие современного мирового рынка ценных бумаг, помимо общих экономических тенденций, влияющих на фондовый рынок, характеризуется также специфическими тенденциями. Рыночная капитализация мирового рынка ценных бумаг рассчитывается по регионам от общего объема биржевых

операций. Основываясь на данных, содержащихся в итоговом отчете Всемирной федерации бирж за 2019 г., страны мира проклассифицированы по концентрации фондовых рынков. Список возглавляют США, Япония, Великобритания, Китай, Франция, Германия и Канада, Швейцария и Австралия и другие страны. В статье проанализированы рыночные капитализации и транзакции продаж Нью-Йоркской, Токийской и Лондонской фондовых бирж. Определены текущие значения индексов указанных трех бирж.

Ключевые слова: мировой рынок ценных бумаг, ценные бумаги, акции, фондовые биржи, индекс биржи.

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