The impact of the securities market on the state of the economy

Veprikova Alina Sergeevna, student, Plekhanov Russian University of Economics, Moscow, Russian Federation
E-mail: aluminioalariya@gmail.com

Zherebtsova Daria Andreevna, student, Plekhanov Russian University of Economics, Moscow, Russian Federation
E-mail: daria_zherebtsova@mail.ru

Abstract
Securities market plays a key role in the market economy of the modern world. It ensures economic relations between various market entities, distributes investments between industries, and performs as the main indicator of the economic situation in the country.

Keywords: securities market, liquidity, investment portfolio, economic growth, volatility.
The securities market plays an important role in countries with developed market economies, especially in mobilizing free cash for the needs of enterprises and the state, as well as in obtaining basic or additional income for households and individuals. An analysis of the development stages of corporations allows us to determine the role of the securities market in the development of the global economy. [3, p. 98] During the establishment of factory production, the economy did not need to combine large capital, since:

- the sales market was limited due to high transportation costs
- population and wealth were dispersed.

However, the development of entrepreneurship required the expansion of sales markets, which became real after the advent of the transport system created by equity. For countries with a developed securities market, equity contributed to raising funds to create basic sectors of the economy. The application of the principle of limited liability in a joint-stock company has made its impact on any national market. Modern Russia is no exception: privatization took the form of corporatization (shares issue). The structure of equity is a fundamental parameter in the development of the securities market.

The main objectives of the securities market are the formation of a mechanism for the free sale and resale of securities, and the development of sources of capital for the implementation of investment policies. These tasks are achieved through the creation of an effective infrastructure of the securities market.

The securities market is an external source of raising capital in relation to any commercial activity. Typically, the internal financial sources of finance of a company, consisting mainly of depreciation and reinvested part of net profit, make up on average from half to three quarters of the total financial resources needed to maintain and expand production and circulation of goods. The remaining need for financial resources is covered by two main external sources: the bank loan market and the securities market. According to existing estimates, up to 75% of external financial funds are received from the securities market.

In general, approximately 25-30% of the free cash of the population is directly invested in the securities market in developed countries and approximately the same amount is indirectly mediated through insurance and pension funds (companies), which hold most of their assets in securities.

The pricing process in the securities market is very complex, various factors affect the price: demand, supply, costs, competition, risk, etc. On the securities market, the pricing process mainly involves two economic laws: the law of supply and demand and the law of value.

The functioning of the securities market is impossible without professionals serving and
solving emerging problems. The Federal Law “On the Securities Market” [1] stipulates that “professional participants in the securities market are legal entities, including credit organizations, as well as citizens (individuals) registered as entrepreneurs”. Using the terms of Russian law, the following list of professional participants can be comprised:

- brokers and dealers;
- securities managers;
- trade organizers;
- clearing centers;
- registrars;
- depositories.

Brokerage activity is the performance of transactions with securities in the interests of the client under an agreement or commission agreement. Under the contract agreement, the broker acts as an attorney, i.e. he makes a deal on behalf of the client and at his expense. The broker's goal is to find for a client in the market such securities that would suit him at a cost or sell on his behalf a client's securities at a specified cost. Carrying out a transaction under a commission agreement, the broker acts as a commission agent and concludes a transaction on his own behalf, but at the expense of the client.

Dealer activity is the purchase and sale of securities on its own behalf and at its own expense. At the same time, the dealer is obliged to publicly declare the purchase or sale prices of securities (set quotes) and enter into transactions at precisely these prices. The difference between the purchase price and the sale price is called spread. The dealer is obliged to conclude transactions on the terms announced with any person.

A professional participant in the securities market engaged in securities management is called a manager. The procedure for the implementation of securities management activities, the rights and obligations of the manager are determined by the legislation of the Russian Federation (Article 1012 of the Civil Code of the Russian Federation) and agreements. The manager, in carrying out the activities, must indicate that he/she is acting as a manager [8, p. 57].

The organizer of trading on the securities market is required to disclose the following information to any interested person:

- rules for admission of a securities market participant to trading;
- rules for admission to trading in securities;
- order execution of transactions;
- rules restricting price manipulation;
• the schedule for the provision of services by the organizer of trading in the securities market.

Clearing activity - the activity to determine mutual obligations (collection, reconciliation, adjustment of information on securities transactions and preparation of accounting documents for them) and their offsetting on the supply of securities and settlements on them. The legal entity that carries out clearing and has the appropriate license from the Federal Service for Financial Markets of Russia is called a clearing organization.

A professional participant in the securities market engaged in depository activities is called a depository. Only a legal entity can be a depositary.

Depositories contribute to the acceleration of settlements between participants in the securities market, since the purchase and sale of securities held by the depository are executed by transferring money from one deposit account to another. Acting as a nominee holder, depositories help registrars carry out the function of paying dividends, organize absentee voting, and disseminate information about the issuer that investors need.

The securities market is a relatively new phenomenon in Russia, for the majority of the population incomprehensible. The long-term unstable economic situation in the country does not contribute to overcoming the negative attitude towards the securities market. [4, p. 102] Nevertheless, Russia, as a state that has embarked on the path of market relations, needs a securities market.

In Russia, which has a mixed market model, commercial banks with all rights to operations with securities and non-banking investment institutions are present with equal rights. The following features characterize the Russian securities market:

• small volumes and low liquidity;
• underdeveloped material base, trade technologies, regulatory and information infrastructure;
• lack of a state long-term policy for the formation of a securities market;
• extreme instability in stock price movements and low investment qualities of securities;
• expanding the market for government debt and government demand for money, which reduces productive investment in securities.

In modern economic conditions, the Russian stock market is growing steadily. In the period from 2008 to 2017, the capitalization of the securities market in relation to GDP increased from 26.7% to 39%. Capitalization data are presented in table 1.
Table 1. Market capitalization of Russian issuers, bln rub.

<table>
<thead>
<tr>
<th>Year</th>
<th>Moscow stock exchange</th>
<th>GDP</th>
<th>Cap/GDP</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Stock market</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>11,017</td>
<td>41,277</td>
<td>26.69%</td>
</tr>
<tr>
<td>2009</td>
<td>23,091</td>
<td>38,807</td>
<td>59.50%</td>
</tr>
<tr>
<td>2010</td>
<td>29,253</td>
<td>46,309</td>
<td>63.17%</td>
</tr>
<tr>
<td>2011</td>
<td>25,708</td>
<td>55,967</td>
<td>45.93%</td>
</tr>
<tr>
<td>2012</td>
<td>25,213</td>
<td>68,164</td>
<td>36.99%</td>
</tr>
<tr>
<td>2013</td>
<td>25,324</td>
<td>73,134</td>
<td>34.63%</td>
</tr>
<tr>
<td>2014</td>
<td>23,156</td>
<td>79,200</td>
<td>29.24%</td>
</tr>
<tr>
<td>2015</td>
<td>28,769</td>
<td>83,387</td>
<td>34.50%</td>
</tr>
<tr>
<td>2016</td>
<td>37,823</td>
<td>85,918</td>
<td>44.02%</td>
</tr>
<tr>
<td>2017</td>
<td>35,914</td>
<td>92,081</td>
<td>39.00%</td>
</tr>
</tbody>
</table>

The modern Russian securities market follows the development trends of the world market. The tendency towards concentration and centralization is a general market tendency, which is manifested in the securities market in the enlargement (by the number of employees, capital, branches, etc.) of professional intermediary organizations and in the reduction of their number, including the number of stock exchanges operating in each country.

The unification of national securities markets in world practice goes in such areas as [2, p. 33]:
- providing opportunities for any investor to operate with securities,
- regardless of their nationality;
- close connection of national markets with each other thanks to modern means of communication and organization of bank settlements on a global scale;
- transition to uniform standards of activity in the stock markets of developed countries and their general regulation, etc.

Computerization. The modern securities market is already impossible without its widest computerization, which provides both the conclusion and maintenance of a huge number of daily transactions with securities. Computerization is the basis for a number of innovations in the securities market.

Securitization is a tendency to attract more and more capital, regardless of their form of existence, to the securities market by short-term or long-term presentation of them in the form of...
various types of securities. This is especially true for capital, which for various reasons is currently inactive form, for example, in the form of real estate, such as housing, fixed assets, stocks of raw materials of a long nature, etc.

The strengthening of regulation and control, first of all by the state, over the securities market is explained by the enormous role that it plays in the modern era, and therefore the reliability of this market, the degree of trust in it from all its participants should only increase and strengthen.

References
