
Investments of Commercial Banks in Corporate Securities

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Abstract: The market for shares of privatized enterprises has shown itself to be one of the most dynamically developing segments of the stock market. Over the course of several years of existence, the system has gone from a system of unorganized trading in securities in the absence of stock market infrastructure (significant trading, settlement and depository systems) to a well-organized exchange and over-the-counter trading of corporate securities.

Key words: corporate securities, commercial banks, stock market, investment, securities portfolio.

Relevance of the topic: Over the course of several years, a huge number of enterprises entered the market as issuers of securities, whose shares (or, more precisely, derivative securities for the shares of enterprises) were also circulated on international stock markets.

One of the most active participants in the securities market from the very beginning of its formation were domestic commercial banks, which acted in the market both as issuers of shares, and as investors, both speculative and long-term, and, finally, as institutions performing the functions of intermediaries. on the securities market.

Speaking about the place of commercial banks in the securities market, it should be noted that in world practice there are two main models of organizing the securities market - American and German. The American model is based on the principle of maximum restriction of universal banks from professional activities in the stock market. The German model, on the contrary, assumes that the largest participants in the securities market are commercial banks.

The purpose of the study is to assess the place of a commercial bank in the corporate securities market and the prospects of banks in this area of investment activity, taking into account the analysis of foreign and local experience, to develop basic approaches to assessing the value of shares of an enterprise and to highlight the features of assessment methods depending on investment goals.

To achieve the goal of this work, the following tasks were set:

- assess the current state of the stock market from the point of view of determining its attractiveness for investors;
- define the concept of direct and portfolio investments, as well as the features of investment activities of banks;
- highlight the place of investment operations with securities as part of the active operations of commercial banks;
- consider existing methods for assessing the investment attractiveness of securities;

- describe the portfolio investments of a commercial bank, the risks of portfolio investment, as well as possible methods for minimizing them;
- taking into account the analysis of the current practice of performing transactions with securities, propose the optimal technique for organizing transactions with securities in a bank;
- based on the study of foreign theories for estimating the market value of an enterprise's shares, propose an algorithm for estimating the value of enterprises that is acceptable from the point of view of government practice.

The object of study in this work is commercial banks, whose investments in corporate securities have been continuously increasing over recent years.

The subject of the study is the stock market of privatized enterprises, the investment activities of commercial banks, the formation and change in the value of shares, long-term and speculative portfolios of securities, methods of constructing and managing them, the risks of the investment activities of a commercial bank.

Main part.

One of the relatively new areas of investment activity of commercial banks is investing in shares of joint stock companies. The specifics of the activities of banks are determined, on the one hand, by the characteristics of the bank as a credit institution and, on the other, depend on the current and projected state of the stock market.

The main objectives of the activities of commercial banks in the corporate securities market are:

- ✓ attraction of additional resources for traditional activities based on the issue of securities;
- ✓ receiving profit from your own investments in securities in the form of dividends, interest and growth in the market value of securities;
- ✓ generation of income from providing clients with various services for transactions with securities;
- ✓ competitive expansion of the bank's sphere of influence and attracting new clientele through participation in the capital of enterprises and organizations;
- ✓ obtaining additional profits from speculation in securities and insurance of financial risks through transactions with derivative securities.

In our opinion, today commercial banks are in a more advantageous position compared to non-bank investment institutions. Thus, thanks to today's highly organized interbank resource market, it is much easier for commercial banks to attract financial resources to participate in transactions with securities, and therefore, banks have the opportunity to behave more mobile in the market, or deal with larger amounts. In addition, they are able to offer clients a wider range of securities market services, including transaction lending, often better prices and a higher technical and professional level of service.

At the same time, when arguing for the active presence of universal commercial banks in the securities market, we must not forget the fact that the stock market and, especially, the stock market is a risky segment of the financial market, and therefore a credit institution that actively works on it. this market carries an increased risk of non-repayment of funds attracted from creditors and investors.

Thus, today commercial banks are among the most active participants in the stock market. At the same time, they are faced with a whole range of strategic tasks that need to be solved by a bank operating on the stock market. First of all, this is the construction of a technology for carrying out trading operations with securities, namely: the division of functions and the provision of structural relationships between various structural divisions working with securities - a trading division, a division servicing the execution of transactions, accounting and a depository that provides accounting for securities.

In addition, the bank must determine for itself the possible acceptable risks and determine an acceptable investment strategy in the stock market. Of great importance today is the development and systematization of methods for assessing and forecasting the value of shares of privatized enterprises. It should be borne in mind that depending on the investment objectives, as well as the timing and strategic investment preferences, different methods for valuing shares may be used. The relevance of further development of theoretical issues of assessing the value of an enterprise is determined by the fact that today not all shares of Russian enterprises are traded on the market. Therefore, one of the main tasks posed in this work is the development of a theory for estimating the value of enterprise shares depending on investment goals.

Investing in securities is one of many areas of banking activity and their specificity is determined, first of all, by the characteristics of the stock market. It is the state of the stock market, the development of its infrastructure, and the peculiarities of trading that largely determine the nature of the bank's investment operations with securities. This made it necessary to begin this study with a description of the current state, as well as the stages of development of the stock market of privatized enterprises in the country.

Securities portfolio and principles of its formation.

In the world practice of the stock market, an investment portfolio is understood as a set of securities owned by an individual and a legal entity, acting as an integral management object.

The main objective of portfolio investment is to improve investment conditions by giving a set of securities such investment characteristics that are unattainable from the perspective of a single security and are possible only with their combination.

Only in the process of portfolio formation is a new investment quality with specified characteristics achieved. A securities portfolio is the instrument with which the investor is provided with the required stability of income with minimal risk.

Taking into account the investment qualities of securities, it is possible to form various portfolios of securities, each of which will find its own balance between the risk acceptable to the portfolio owner and the expected performance in a certain period of time. The relationship between these factors allows us to determine the type of securities portfolio. Thus, the type of securities portfolio is its investment characteristics based on the ratio of the level of income and acceptable risk.

The classification of an investment portfolio can be based on various characteristics. One of the main ones is the source of income.

In addition to banks, private equity funds acquire large blocks of shares in enterprises on the market. As a rule, they attract funds from Western clients and invest them in companies operating in the country. These funds either purchase shares in the market or invest in creating new campaigns.

Conclusion:

The movement of prices in the stock market depends primarily on the investment preferences that currently dominate the market. If investors at a given time prefer to invest in stocks of a particular industry, then the stock prices of this particular industry group grow faster than others. The essence of investment preference is the answer to the question of where to invest for long-term investment.

It should also be noted that the investment preferences of each investor themselves are in a state of constant change.

Among those investors who invest in public stocks, less theoretical differences in their investment preferences can be observed. These preferences may be of an industry or regional nature (some invest only in oil-producing enterprises, and others only in regional ones), and may be based on the liquidity characteristics or information openness of the issuer. Many investors form their

investment preferences based on a more complex description of the object of potential investment, using both the above characteristics (industry, region, liquidity, openness) and many others.

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