
Prospects for the Development of the Money Market of Our Country on the Basis of International Experience

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Abstract: The article carried out an analysis of the possibilities of improving the Monetary Market of the Republic of Uzbekistan on the basis of international experiments and the opportunities of resident financial institutions to attract resources internationally. The possibilities, advantages and disadvantages of the development of the Uzbek money market on the basis of foreign experience have been feared in detail. At the same time, scientifically based proposals for the development of the money market of Uzbekistan using foreign experience were developed and recommended for practical application.

Key words: Money market, financial market, capital market, foreign exchange market, instruments of the money market, financial regulator.

Introduction

One of the main directions of the rapidly developing social and economic reforms in Uzbekistan and the state development strategy under implementation is to attract investments in the economy and create sources of income of the population from investments through the development of the National money market. Not every state that has established a national economy under the laws of a market economy can be achieved without developing a money market. One of the components of the transition to a market economy is the development of the financial system of the country.

The experience of developing countries shows that the money market is becoming the most important segment of the developing financial sector. In addition, by the level of development of the money market, it is possible to evaluate the financial system as a whole. The money market has already become a component of universal economic policy. In developed foreign countries, from this market, on the one hand, the state, enterprises and organizations, while the population attracts the necessary funds for themselves, on the other hand, the enterprise, organization and population receive an economic effect (income) by directing their vacationing funds to the purchase of securities.

The hypothesis that the development of the financial sector of the economy, including the money market, contributes to economic growth in the country, has significant empirical support from scientific research conducted in developed and developing countries.

The money market is the part of the financial market in which mainly short-term (up to a year) credit operations are carried out. Operations in the money market serve the working capital movement of firms, short-term resources of banks. In a broad sense, the money market is a market in which private individuals, state, non-state institutions come out with a demand for money, and banks with a supply of money.

As long as a market economy exists, it cannot be imagined without a money market. It is known that it is natural points to borrow or lend money as long as there is money, in addition, it is widely developed to divide money into other public monetary units as currency in order to make a profit. So, in the current market economy, borrowing money has become a normal economic event. For example: firms buy equipment, machinery, raw materials, fuel, Pay Wages, farmers buy seeds,

fertilizers and machinery, the state to cover their spending, individuals borrow or buy money to generate additional income. The conclusion from this is that there is a demand for money.

At the same time, there will be a surplus reserve of money in other legal entities and individuals, from which there is a conclusion money offer. Demand for money and money supply are the basis of the existence of the money market. If a simple conclusion is made, it seems that there is a similarity between the money market and credit relations, in fact, it is not so, there is a big difference between them. If money is involved in the money market in which all the subjects own money, the loan refers to monetization in terms of borrowing and using money that is owned by others. The commonality of a loan with the money market is that both of them have a relationship that will be on the money supply, while their difference is characterized by the fact that the method of accumulating and using money is different.

Analysis of the relevant literature

The money market is given different definitions in the economic literature and regulatory documents, let's stop at the main ones.

Transactions in the money market are carried out by commercial banks with the aim of ensuring the liquidity of the bank or generating income through the placement of funds, and by the Central bank based on the goals of monetary policy (regulation. 2018). In our opinion, it is necessary to expand the participants of the money market, relying on international experiences. In this case, it is necessary to enrich the money market not only with commercial banks and the central bank, but also with such participants as the government, non-bank financial intermediaries, dealers and brokers, non-financial organizations, population, asset management agencies, controlling bodies, industrial associations.

From the practice of the world money market, it is known that short-term Treasury obligations or Treasury vouchers (they are also called Treasury tickets) are one of the main driving tools of the money market. According to the Central Bank of Russia (2015) - "the money market represents the interbank lending market. The main task of the money market is the distribution of liquidity (funds) between its participants. Through money market instruments such as REPO transactions and currency swaps, the Bank of Russia provides short-term funds and thus regulates the level of liquidity of the banking sector, which is manifested by a change in the level of Representative accounts of credit organizations with the Bank of Russia". And according to this information, the money market remains only an interbank lending market with the aim of ensuring the liquidity of banks. But, taking into account the fact that the participants are not only banks, we consider that the money market – a market that provides its participants with liquidity and places investments-is desirable.

The money market is a relatively short-lived market of operas, usually the distribution and redistribution of liquidity through available free cash for a period of up to a year. The functions of the money market-this means regulating the liquidity of all individuals involved in the economic system and the economy as a whole. (Mandron and Kuzina. 2017). The definition that the author gives to the functions of the money market is quite reasonable. Because the activity of the money market affects not only the activity of its participants in a certain period, but also the liquidity and activity of all participants involved in the field of Finance and economics.

According to the European bank's "concept for the development of monetary markets in countries with a developed and developing market economy" (2016), "the money market is the intersection of treasury operations of central banks, governments, banks, noble financial institutions and enterprises". It can become a means of demanding savings or excessive savings and protecting various risks. The money market is also a platform for the application of the most common instruments of monetary policy, providing the basis for the development of the capital and financial markets in general.

Research methodology

The study was conducted in the Republic of Uzbekistan by the Central Bank, including the official data collection website manbalariga tayanilgan Holda yoritildi. Shuningdek, an igilgan researcher, analyzed the data, comparable, methodological and research methods.

Analysis and results

In any economy, money markets perform several important functions. They help commercial banks provide price signals by managing liquidity, easing liquidity and interest rates, securing funding, and setting capital boundaries, and serve to initiate monetary policy impact, liquidity, and financial systems sustainability measures.

Transactions for the attraction and placement of funds between commercial banks are carried out through the unified electronic trading platform of the currency exchange of the Republic of Uzbekistan, created in 2018 in accordance with the regulation "on the procedure for the implementation of transactions on the interbank money market through an electronic trading platform" and the "rules for conducting transactions on the interbank money market".

Over the past 25 years, targeted inflation targeting has become popular as a set of monetary policy practices and a way to achieve price stability under flexible exchange rate conditions. Today, the targeted orientation of inflation is used by more than 30 countries that have developed, developed and had a transitional economy in one form or another. Examples of developed countries include Canada and Japan, the emerging market economy Brazil and Russia, and Moldova and Ghana, which have a transitional economy. Others, including the Federal Reserve Bank of the United States and the European Central Bank, refrain from making official statements and follow a similar practice of inflation targeting.

The implementation of measures to reduce the level of inflation creates conditions for improving the living standards of the population and sustainable economic growth. Therefore, the Presidential Decree of the president of the Republic of Uzbekistan dated November 18, 2019 No. 5877 "on improving the policy of pulkredit through the gradual transition to the inflation targeting regime" was adopted, according to which the following were established as priorities for the development of the money market:

- introduction of new instruments of regulation of the money market, ensuring the effective impact of the regulator on the credit market;
- application of comprehensive monetary policy instruments for the purpose of regulating interest rates in the money market and managing inflation processes;
- By January 1, 2020, market instruments affecting the monetary market interest rates, including central bank bonds, overnight deposits, permanent-tone deposit auctions, government securities and credit auctions under foreign currency pledge, and overnight loans;
- the mechanism of the interest corridor of the main interest rate in the implementation of flexible interest policy through the regular intervention of the central bank in the interbank money market in a month;
- implementation of money market operations with state securities and the creation of a single platform for the placement of Free Cash funds of the Treasury in commercial banks;
- The application of a corridor of interest rates as the main criterion for transactions in the money market.

In solving the above tasks, it is considered important to apply the methodology of maintaining the monetary policy of the Central Bank of developed countries and increase the effect of this policy on macroeconomic indicators. In these states, as the main monetary instrument of monetary policy, interest policy is widely used. This tool will quickly determine the balance of gross demand and gross supply in the money market, and will be very handy in quick decision-making.

Well-developed money markets are only available in a few high-income developed countries. In other countries, including Uzbekistan, the money markets are narrow, not well integrated, and in many cases almost non-existent.

Despite the many differences between countries, which can be expressed, the degree of development of the country's financial system, including the money markets, is directly related to the level of development of its economy.

As for the currency market segment of the money market, in this market it is possible to observe the trend and state below, it can be feared that the development and reform of local currency markets is closely related to the basis of the selected exchange rate regime and monetary policy. There are several reasons why the flexibility of the exchange rate, the stability of prices and the development of the money market depend on one.

Analyzing the practice of foreign exchange markets, the exchange rate can manifest as an operational variable, an intermediate variable, or both at the same time. In Denmark, for example, the central bank uses interest rates as an operationalist variable to keep a fixed rate relative to the euro. In Singapore, the exchange rate is used as an operational variable that affects inflation rates. Finally, in Ukraine it is both an operationalist and an intermediate variable. This practice can also be used in foreign exchange market practice in achieving the macroeconomic goals of Uzbekistan.

Today, in our country, banks, insurance, securities, including government bonds, the foreign exchange market and the money market are regulated by the Central bank, the Ministry of Finance and agencies. In turn, there are not enough efforts in solidarity to develop this market, to reform. To do this, it is to create a single financial regulator (collegiate body). It is this body that determines the policy of development and regulation of the financial market and the money market as a holistic and complementary system. For example the single financial regulator operates in Poland, Switzerland, Germany, South Korea, Singapore, Japan and many other countries.

In the monetary markets of developed countries, not only the Central bank, State and commercial banks can conduct their activities as participants, but also non-bank financial intermediaries, dealers and brokers, non-financial organizations, individuals, asset management companies, controlling bodies, industrial associations and infrastructure operators.

To do this, it is necessary to first of all in the country to further improve the practice of institutional and professional investors, namely, insurance companies, pension funds, direct and collective investments, the development of funds, the Prevention of depreciation of the national currency, the development of instruments for the hedge of currency risks. These, in turn, indicate the need to form a strong internal financial system. For example, the volume of assets under the management of pension funds of the world's leading countries has grown above 25 percent in recent years and is expected to be about US \$ 57 trillion by 2025. In the United Kingdom alone, insurance companies, pension funds and Collective Investment Funds Control assets worth £ 4 trillion. In our country, it will be advisable to ensure that insurance companies and pension funds freely participate in the money market.

It is important to develop the market by expanding the participation of the state in the money market. That is, it would be advisable to set the annual average interest rates (rate of Return) of government securities above the inflation rate.(E.g.: in the Russian Federation, the average annual inflation rate in 2018 is 4.27% and the profitability of government securities is 6.92-7.28% per annum, in 2019 respectively, the inflation rate is 3.05% on average and the profitability of state securities is 6.55-8.82% per annum, In 2020, inflation averaged 4.91 percent and securities-6.6-6.7 percent per annum, and as a result, Russian banks have shown great interest in state securities. For example, in the share of purchased securities of Sberbank, the share of state securities is 72.8 percent.) As a result, the balance of government securities, like Russian banks, increases in the securities portfolio of our banks. We believe that this can attract banks in the future with the fact

that the income from these securities is defaulted and risk-free, and have a huge impact on the development of our national money market as well.

Conclusions and suggestions

During the meeting, the parties discussed issues related to the economy, finance, capital market and economic development. First, the country continues to strive for prosperity as uning law is the foundation of development and sinalgan. Bundan Tashkent, a development economist, also considers it important to participate in the competition. In this article, we will tell you how to do it.

The National Bank and the dealership bank, the state and the dealership bank but the bank has financial capabilities the institutional, dealer and brokerage center, financial institutions, individuals, activist banks, government supervision, the Birlalari industry and the infratusillator provide the necessary participation.

The country needs institutions and professional investors, insurance companies, pensions, direct and collective investments.

The bank, insurance, insurance, gambling, jumladan, government bond, currency market and money markets should be organized as the sole financial regulator.

According to the press service of the President of the Republic of Tajikistan, President of the Republic of Tajikistan Emomali Rahmon took part in a meeting of the Council of Ministers of Foreign Affairs of the Republic of Tajikistan.

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During the meeting, the parties expressed satisfaction with the development of cooperation between Tajikistan and China and Tajikistan. Money markets developed to restore a thriving economy and produced a large number of unsecured people who played an important role.

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