

THE STOCK MARKET AND DEMAND FOR MONEY IN UZBEKISTAN

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Annotatsiya. Ushbu hisobotda O'zbekistondagi aksiyadorlar bozorining pulga bo'lgan talab bilan o'zaro ta'siri ko'rib chiqiladi. O'zbekiston moliyaviy islohotlar va liberallashtirish jarayonidagi rivojlanayotgan iqtisodiyot hisoblanadi. O'zbekiston rivojlangan va samarali bozorni barpo qilishga harakat qilayotgani sababli, iqtisodiy o'sish samaradorligini oshirish, pul siyosatini yanada samarali qilish va yaxshi investitsiya muhitini yaratish uchun monetar va aksiyadorlar bozoridagi faoliyat o'rtasidagi o'zaro ta'sirni o'rganish muhimdir. O'zbekistondagi aksiyadorlar bozori, rivojlangan iqtisodiyotlar bilan solishtirganda, rivojlanishi, tuzilishi, likvidligi, savdo hajmi va ro'yxatga olingan kompaniyalari soni jihatidan ancha yosh. Ayniqsa, hukumat tomonidan iqtisodiyotni liberallashtirish va xorijiy investitsiyalarni jalb etish bo'yicha so'nggi islohotlar bu ulushni asta-sekin oshirayotganiga qaramay, hali ham qiyinchiliklar mavjud.

Kalit so'zlar: Mercer, pul talab, moliyaviy issloxot, monetar siyosat, iqtisodiy o'tish, inflyasiya, valyuta barqarorligi, investitsiya iqlimi, likvidlik, foiz stavkalari, moliyaviy infratuzilma, iqtisodiy o'sish, kapital nazorati, bozorni liberallashtirish, moliyaviy bozorni rivojlantirish, moliyaviy asboblari, monetar barqarorlik, fond bozorini rivojlantirish.

Abstract. This report examines the interaction between the stock market and the demand for money in Uzbekistan. As a developing economy undergoing financial reforms and liberalization, Uzbekistan is striving to establish a developed and efficient market. In this context, studying the relationship between monetary policy and stock market activity is important for enhancing the effectiveness of economic growth, improving monetary policy, and creating a favorable investment climate. Compared to developed economies, Uzbekistan's stock market is still relatively young in terms of development, structure, liquidity, trading volume, and the number of listed companies. Although recent government reforms aimed at liberalizing the economy and attracting foreign investment have gradually increased market participation, significant challenges remain.

Key words: Stock Market, Money Demand, Financial Reform, Monetary Policy, Economic Transition, Inflation, Currency Stabilization, Investment Climate, Liquidity, Interest Rates, Financial Infrastructure, Economic Growth, Capital Controls, Market Liberalization, Financial Market Development, Inflation, Financial Instruments, Monetary Stability, Stock Market Development.

Абстракт. В этом отчете внимание будет уделено взаимодействию фондового рынка с денежным спросом в Узбекистане, который является развивающейся экономикой в процессе финансовых реформ и либерализации. Поскольку Узбекистан стремится установить развитый и эффективный рынок, важно изучить взаимодействие между денежной и фондовой рыночной активностью для повышения эффективности экономического роста, улучшения эффективности денежной политики и создания более благоприятного инвестиционного климата. Фондовый рынок Узбекистана значительно моложе, чем в развитых экономиках, по уровню своего развития, структуре,

ликвидности, объему торгов и количеству зарегистрированных компаний. Несмотря на эти трудности, недавние реформы правительства, направленные на либерализацию экономики и привлечение иностранных инвестиций, постепенно увеличивают долю.

Ключевые слова: Фондовый рынок, спрос на деньги, финансовая реформа, денежная политика, экономический переход, инфляция, стабилизация валюты, инвестиционный климат, ликвидность, процентные ставки, финансовая инфраструктура, экономический рост, контроль за капиталом, либерализация рынка, развитие финансового рынка, финансовые инструменты, денежная стабильность, развитие фондового рынка.

Research methodology. In Uzbekistan, the demand for money depends on several factors such as economic transition, inflation, and historical lack of trust in the formal banking system that fosters a predominant cash society. The Central Bank of Uzbekistan has actively worked towards currency stabilization and inflation containment which has affected the demand for money and other assets such as stocks. But many Uzbek investors are still cash and gold or real estate asset lovers due to low financial literacy and underdeveloped financial infrastructure.

The amount of money required in Uzbekistan also reacts to external demand for money through inflation and interest rate changes. High inflation rates in the economy decrease the value of cash which in turn causes people to need foreign currencies as a store of value or cash or assets with a higher return if the stock market is considered attractive. On the other hand, a low rate of inflation and interest rates can stimulate consumption and investment and reduce the demand for liquid money in favor of more active participation in stocks. But since the Uzbek stock market is poorly developed

and is still very thin, the switch from money holding to equity investment is however very small but has great growth prospects if market reforms articulate themselves with speed.

Analysis and results. Monetary policy in Uzbekistan, also affects the level of demand for money and the stock market performance of the country. The recent steps taken by the Central Bank towards a more flexible exchange rate policy, lower interest rates and inflation targeting are meant to stabilize the economy and enhance the environment of investment. The Central Bank, through lowering the key interest rate, wants to encourage borrowers and expansion of business that can spark off stock market activity. Of course, if the interest rate is considered too low, it would lessen the appeal of having cash facilities which may have the opposite effect of increasing investment. On the other hand, tightening of monetary policy in order to achieve a lower inflation rate or a lower rate of depreciation of the currency may cause an increase in demand for money or currencies especially foreign currencies as people are looking for stability.

With the development of economic relations among Uzbekistan and foreign investors, some may also grab interest in the emerging stock market. Furthermore, foreign entrance is limited by capital controls, regulatory difficulties, and geopolitical risks. More participation from foreign investors may increase liquidity on the market and enhance local tolerance toward the stock market as an alternative to cash.

In conclusion, therefore, the stock market and demand for money in Uzbekistan infusion a tangled relationship shaped by structural reforms, monetary policy, inflationary expectations, and the evolving financial

landscape. As the stock market of Uzbekistan remains at its nascent stage, its short-lived reforms and further stabilization would presumably provide increased confidence to spur the divestment from cash in favor of the ownership of financial instruments. Hence, an understanding of this relationship is very important for Uzbekistan's policymaking community seeking the unique balancing of these objectives-expanding monetary stabilization, growth objectives, and, additionally, creating an inclusive, resilient financial market contributing to broader economic goals.

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