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THE PART OF UKRAINE IN PROCESS OF MIGRATION STOCK CAPITAL: EUROPEAN EXPERIENCE

Background. In the second half of the XX century, one of the most important trends in the global financial system has become a monetary and financial integration. With globalization and increased competition, no country is able to achieve economic and social growth of their own, while the economic isolation from the rest of the world. Integral feature of the last decades of XX and beginning of XXI century has seen the increasing role of financial markets in developed countries, and their appearance in transition economies. The most dynamic development became a segment of the world market like the stock market. For many of the leading Ukrainian companies today became urgent access to international capital markets, especially given the limited supply of investment resources in the domestic Ukrainian market. It is necessary to accelerate the integration of Ukraine's stock market in the structure of global capital markets.

The degree of scrutiny of research problems. This matter does not come off the pages of the press and scientific literature, she devoted special international conferences and play an increasingly important role in the statements of the leaders of many countries. Studies of globalization dedicated scientific work of leading domestic and foreign scientists: O. Belarus, K. Boulding, L. Brown, D. Gvishiani, B. Koyle, W. Leontief, D. Lukyanenko, Y. Makogon, D. Meadows, E. Medvedkin, O. Mozgovyi, B. Nowicki, T. Orekhova, A. Poruchnik, Y. Saveliev, K. Nordstrom, A. Nekless, E. Pastel, A. Pochchay and other.

Purpose of research consists of a theoretical and methodological studies of the financial component of national economies and the development of scientific and practical recommendations on how to further the participation of Ukraine in international migration processes of capital stock.

The main part. Modern corporations entering the market of securities of several reasons. The main purpose of issuing shares is to finance the merger or acquisition. The latter occurs due to replacement of the shares of companies that are absorbed, shares of companies that absorb and then actively go on the primary market, making the issue of securities. The second reason for the issue may be the need to reduce the share of borrowed capital in total capital corporations. They regulate their capital structure through the issue by replacing the new shares on its debt obligations. The third goal of shares - a finance investments in productive activities. This need is caused by the advent of high-tech industries of many new companies using venture capital [2, p. 174-179]. This is especially true of technologies to protect the environment. According to the company Ernst & Young Venture Insights, the level of venture capital investment in clean technology in the world is growing rapidly. In 2003 it amounted to 1.6 % of all global investment, and in 2011 - already 11%. By the middle of 2012 worldwide there were 749 private companies that used in the venture capital industry, with an aggregate capitalization of \$ 8.9 billion. [4] However, it should be noted that the source of venture capital is usually the funds of institutional investors who have large assets and may risk their part. For most small firms in traditional sectors of real opportunities

to reach such proportions that would make it possible emissions, almost none. Thus, the issue of new shares in modern securities markets are small and not always aimed at mobilizing financial resources available to finance the economy, as it did in the early stages of the global securities market. Within the latter reduced the scale of the primary market, which is gradually losing its role as regulator of investments and the economy as a whole.

Feature of stock markets in developed countries is the placement of securities through intermediaries, which act as investment banks. With the issuing company they determine the conditions of issue, including the amount of equity, terms and conditions, and carry out direct placement.

Depending on the nature of banking and non-banking financial intermediaries are three models of the stock market. Non-bank model is the most characteristic of the United States. According to this model are the intermediaries nonbank companies working with securities. In Germany, the prevailing model of banking where banks play an intermediary role. The third model-mixed. It is most characteristic of Japan. Intermediaries are acting as banks and non-banks [3, p. 113-120].

Major trends in the global currency market is monetary and financial integration of financial systems. Especially the trend is in the European Union, where the introduction of a common currency - the euro - has given rise to the rapid convergence of economies, and thus gradually merging in European countries. Thus in each country, the stock market has its own unique features and characteristics of development.

In **Germany**, the organization of trade in the stock market has traditionally been involved in exchanges. German exchange deals in the stock market for nearly 400 years. Today it is an international provider and provides investors and companies are fast and comfortable access to global capital markets. The range of stock products and services it offers, ranging from trading in securities and derivatives transactions to electronic trading systems, payments and provide market information. Stock exchanges are in Frankfurt, Hanover, Bremen, Stuttgart, Dusseldorf, Hamburg and Berlin. Made through electronic trading system *Xetra*, first introduced in November 1997, therefore, the German exchange *Deutsche Börse AG* opened a new stage in the history of stock exchanges.

Today, market participants in more than 20 countries in Europe operate with system *Xetra*. With its use is bought and sold 90% equity companies included in the index DAX (Deutsche Aktien Index). All indices are based on the German *Xetra* prices. Shares 10,266 German and foreign companies are listed in the Frankfurt Stock Exchange [5] (Fig. 1).

Highly efficient exchange must have available and highly efficient payment system. This January 1, 2000 of *Deutsch Börse Clearing* and *Luxemburgs Cedel* formed *Clearstream International* - the largest clearing organization in Europe, which holds shares of more than 10.3 trillion euro and the number of transactions at the beginning of 2012 was 2.64 million per month [6].

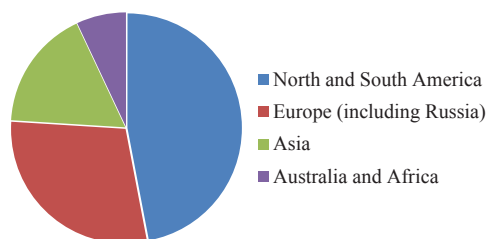


Figure 1. Structure of listing on the Frankfurt Stock Exchange beginning in 2012 [5]

Important information about the operation and status of various segments of the German stock exchange indexes contain. Trading on the German market are illustrated by a family of indices: *DAX (MDAX, HDAX, CDAX, VDAX, SDAX), SMAX, NEMAX 50, STOXX and others*.

To the main DAX 30 index consists of 30 German companies with the largest market capitalization, operating in basic industries. These are such companies as *BMW, Deutsche Bank, Deutsche Börse, Deutsche Lufthansa, Deutsche Post, Deutsche Telekom, Henkel, Siemens, ThyssenKrupp, Volkswagen Group* and others.

For the Swiss economy stock market is a source of financing for playing the national capital and an important component of the financial and credit system. However, the main role of the securities market in Switzerland is in international features. More than half of stocks and bonds to almost a third of it is foreign. The stock market of the country subject to monopoly banks acting as intermediaries between borrowers and foreign lenders. All transactions are conducted through representatives of these banks. Last regulate parameters such as, for example, the order of emission. However, state regulation of the almost non-existent. In the OTC market operates around 120 brokerage firms, but it should be noted that the share of OTC transactions in the structure of trade is relatively small. There is both the cash market and the market term operations.

The main Swiss stock index - *SMI (Swiss Market Index)* - displays stock quotes, top 20 companies accounting for 85% of total market capitalization. Index SMI drive companies like *Logitech, Nestle, Credit Suisse, Swatch group, Siemens, Hoffman - La Roche et al.*

History of the Stock Market of *Ukraine* as an independent state began when the country started the process of privatization. In the course of mass privatization has formed the widest strata of shareholders, and companies that were owned by the State, should use available financial resources of the stock market, removing the burden from the state financial support [1, p. 21-24].

Today, *Ukraine's* stock market traded shares, government and municipal bonds home loan, external loan bonds, corporate bonds, investment and savings certificates, state and compensation certificates, treasury bills, housing checks.

According to *Ukrainian* legislation, market participants are individual investors and investment, issuers and professional participants of the market. The latter can be divided into commercial banks and non-banks. Commercial banks have the right to operate in the stock market, there are about 150 non-banks - about 550. The latter include financial intermediaries, dealers in securities, asset management companies, stock exchanges, as well as structures that provide payments and ownership records. Today in *Ukraine* there are such exchanges: PFTS Stock Exchange, OJSC "Ukrainian Exchange" CJSC "Ukrainian Stock Exchange" CJSC "Stock Exchange" Inneks", CJSC "Ukrainian Interna-

tional Stock Exchange" (UISE), CJSC "Ukrainian Inter-bank Currency Exchange" (Interbank), JSC "Transnistrian stock Exchange" stock Exchange "Perspective", Lugansk stock Exchange.

The development of the stock market reflects the contradiction *Ukraine* transition associated with radical reform of economic and social development. Despite the fact that over the last decade of XX century, managed to create a workable and well-developed infrastructure and mechanisms of regulation of the stock market, he in general and its organized segment, represented by stock exchanges, are experiencing serious difficulties associated with the specifics of the current phase of economic reforms *Ukraine* [1, p. 173-175].

In the stable functioning market economy regulates the stock market investment processes, setting in motion the huge flows of investment capital, facilitating their redistribution in favour of the more attractive sectors for investors, thus ensuring the country's economy as a whole.

According to the prevailing practice in the world, the focal point of the stock market is a stock exchange. Indicators of trade, in particular, the dynamics of the securities are reliable benchmark for investors. Stock markets in developed countries are focusing a significant part of the very high liquid securities market. In most countries of their permanent address determines the existence of stable secondary market, which is an essential and characteristic feature of active stock exchange.

Unfortunately, these essential qualities *Ukrainian* stock exchanges have not yet possess. Many permanent crisis in the economy, privatization certificate is extremely low income majority of the population did not contribute to either create vibrant (in the conventional sense of the world) the stock market in general, or of securities exchange and most stock exchanges in particular. Although exchanges are actively involved in the process of monetary privatization stage, they failed to host a little digit, liquid and stable secondary market for corporate securities.

Low income *Ukraine* stock exchanges that result from small amounts of exchange securities turnover is a serious obstacle to their technical re-equipment that would meet modern international standards. On the other hand, the very low liquidity of the stock market is doing economically inefficient high cost of establishment and operation of appropriate technical systems. Far from optimal and the same infrastructure organized securities market. Because of these and other reasons, exchanges are threatened by total loss of their positions in the stock market of *Ukraine* [9].

Conclusions. *Ukrainian* stock market has the necessary preconditions for integration into global capital markets. *Ukraine* has a powerful enterprise issuers with market capitalization increasing rapidly, developing of e-commerce. In the stock market of *Ukraine* has all infrastructure elements inherent in stock markets of developed countries. The geopolitical and geo-economic position is essential for effective cooperation with Russia, Baltic and Black Sea regions, as well as Central Asia. Factor cooperation is a key, because today the main feature of the capital market is its internationalization. In particular, the stock market assumes the character of global resource capital, accompanied by harmonizing national laws of the world, bringing them to a uniform international standards, standardization of market operators and financial instruments. *Ukraine* has to adapt to the new international standards, challenges and trends in this area. This should also be directed to the domestic legislative policy.

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