

## ANALYSIS OF THE SECURITIES MARKET OF THE REPUBLIC OF BELARUS

*E. ZAIKOVICH, I. STROGANOVA*  
Polotsk State University, Belarus

*The stock market plays an important role in the development of the national economy of the country, in the system of redistribution of financial resources of the state. An active stock market is essential for the normal functioning of a market economy. The attractiveness of the investment climate of the state depends on the state of development of the stock market. Now the further development of the stock market of the Republic of Belarus is one of the priority tasks the government facing.*

**Methods of research:** Methods of system approach, deduction, analysis and synthesis, general scientific research methods, as well as methods of functional analysis.

**Introduction.** The relevance of the problems presented for the review of the article is beyond doubt, since the stock market plays an important role in the development of the national economy of the country, in the system of redistribution of financial resources of the state. An active stock market is necessary for the normal functioning of the market economy, since the attractiveness of the investment climate of the state depends on the state of development of the stock market. At the present stage, the further development of the stock market of the Republic of Belarus is one of the priority tasks facing the government.

**The main part.** The securities market is a system of relations between legal entities and (or) individuals, as well as other subjects of civil law in the course of the issue (issue), circulation and redemption of securities, the implementation of professional and exchange activities on securities [1].

The securities market is an integral part of the stock market - the market of financial instruments [2]. To date, the most common objects of investment on the stock exchange market of the Republic of Belarus are stocks and bonds.

The share is issued by the joint-stock company at its establishment and is a certificate of making a certain share in the authorized capital of the company. A bond is a debt obligation under which the issuer must return the specified amount of the bond to its holder within the agreed period.

The first difference is that the holder of a share is a co-owner of a joint-stock company, while the holder of a bond is a creditor.

The second difference: the share is a perpetual security, it exists as long as the joint-stock company operates. The bond is a term security and is issued for a strictly fixed period.

The third difference is that the income on shares is not fixed and depends on the profit of the joint-stock company.

The fourth difference: interest on shares is paid after interest on bonds is paid.

The fifth difference: the owner of the share has the right to vote at the general meeting of shareholders, while the owner of the bond does not have this right.

Thus, stocks are one of the most risky and profitable investment products. Their acquisition does not guarantee a stable income. At the same time, investments in bonds are the most reliable investment in the securities market. These securities give the holder one right: the right to receive the nominal value of the bond within the prescribed period and, in some cases, additional income.

A bond is called a debt paper because for the issuer it is a borrowing instrument, a kind of alternative to a bank loan. By placing bonds, the issuer actually borrows money from investors.

Unlike stocks, the risks on bonds are much lower. The amount of income, as a rule, is known in advance, and you can lose the invested money only if the issuer of the paper goes bankrupt. Therefore, you need to choose a reliable issuer. Bond issuers are numerous business entities, banks, and government agencies.

General characteristics of the securities market as of 01.01.2020.

Bonds [3]:

\* 255 bond issuers (22 banks, 181 enterprises, 50 bonds of local executive and administrative bodies (hereinafter-OMZ);

• 988 issues (153 banks, 594 enterprises, 146 OMZ);

• RUB 30.1 billion – the total volume of all types of bonds issued at par value;

\* RUB 20.2 billion volume of bonds issued by banks, enterprises, and local loans;

• RUB 29.0 billion – total volume of operations with bonds in all market segments;

• RUB 10.6 billion - volume of operations with bonds in the organized market;

Shares [3]:

\* 4258 issuers of shares - (2289-JSC, 1969 – CJSC);

• 4327 issues(2324-JSC, 2003-CJSC);

• 33.6 billion rubles-the total volume of shares issued at par value;

\* RUB 766.6 million – total volume of transactions with shares in all market segments, including shares of CJSC;

\* 179.7 million rubles– the volume of transactions for the purchase and sale of shares of the Company (of which 34.5 million rubles-on the stock exchange).

The OTC market is becoming more popular every year. For example, in 2018, the volume of transactions with securities on the OTC market was 16.9 billion rubles, on the exchange market-13.0 billion rubles, but in 2019, the volume of transactions on the OTC market increased to 19.1 billion rubles, and on the exchange market, the volume decreased to 10.6 billion rubles.

We summarize the data on the securities market in the context of professional participants in the market 2014-2020 in Table 1.

Table 1. – Number of professional participants in the market 2014-2020

Indicators	2014	2015	2016	2017	2018	2019	2020
Number of professional participants, including:	76	62	65	60	62	61	59
banks and NCFO	30	29	27	26	26	25	25
non-bank organizations	46	43	38	34	36	36	34

For a more visual representation of the dynamics of the debt market capacity, we present the data in Figure 1.

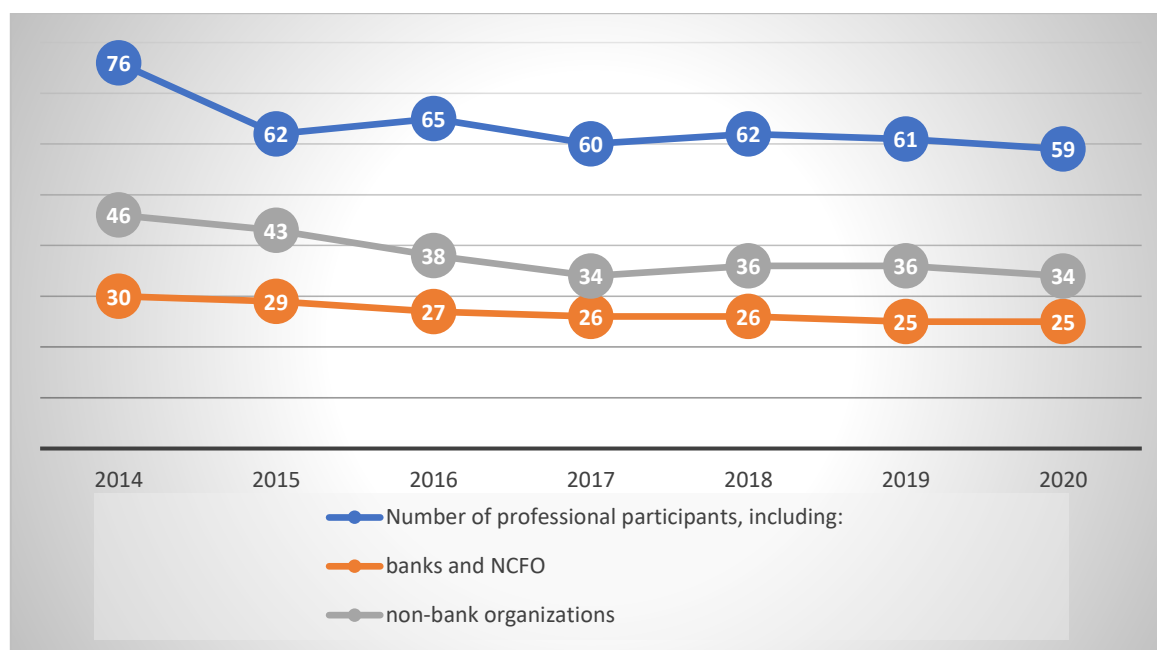


Fig. 1. – Number of professional participants in the market 2014-2020

As you can see in Figure 1, as of 01.01.2020, the number of professional participants in the securities market was 59, including 25 banks and NCFO (as of 01.01.2019, the number of professional participants was 61, including 25 banks and NCFO). As of 01.01.2020, the number of professional participants engaged in brokerage activities was 56, dealer activities-56, depository activities-30, securities trust management activities-22, securities trading activities-1, clearing activities-1.

Also note that from 01.01.2014 to 01.01.2020, the "number of professional participants" decreased by 17 pieces, including "banks and NFO" by 5 pieces, and "non-bank organizations" by 12 pieces.

The complex issue structure of the securities market is shown in Figure 2.

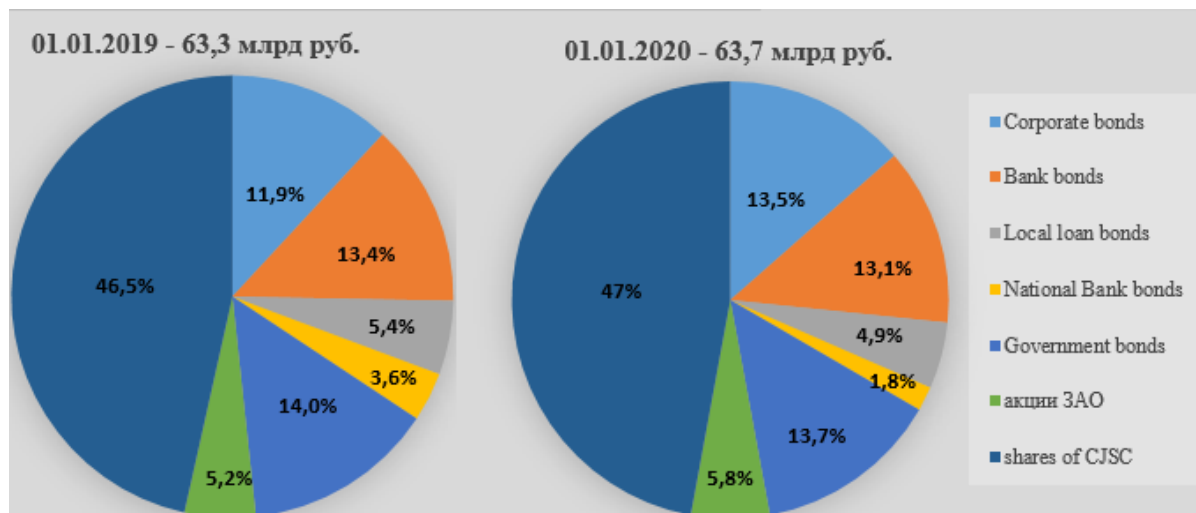


Fig. 2. – Complex issue structure of the securities market for 01.01.2019-01.01.2020

In Figure 2, it is noticeable that the largest share in the complex structure of the securities market in both 2019 and 2020 is occupied by "shares of JSC" (47% in the reporting period, 46.5% in the base period). The lowest share is occupied by "bonds of the National Bank" (in 2020 -1.8%, in 2019-3.6%). From 01.01.2019 to 01.01.2020, there was an increase in such indicators as "shares of JSC" by 0.5 p. p., "shares of CJSC" by 0.4 p. p., and "bonds of enterprises" by 1.6 p. p. It should also be noted that there was a decrease in such indicators as "government bonds" by 0.3 p. p., "National Bank bonds" by 1.8 p. p., "local loan bonds" by 0.5 p. p., and "bank bonds" by 0.3 p. p.

The analysis of the state of the securities market of the Republic of Belarus for the period 2018-2019 showed that the stock market continues to prevail over the bond market. As a result of the study, the author identified a number of problems with the stock market: the actual absence of a secondary stock market, the lack of foreign investment.

#### REFERENCES

1. Закон Республики Беларусь от 05.01.2015 №231-З «О рынке ценных бумаг» [Электронный ресурс] – Режим доступа : <http://www.pravo.by/document/?guid=3871&p0=N11500231> - Дата доступа: 29.03.2021.
2. Кравцова, Г. И. Фондовый рынок/ Г. И. Кравцова [и др.] ; под общ ред. проф. Г. И. Кравцовой. — Минск : БГЭУ, 2016. — 494 с.
3. Отчет о работе Департамента по ценным бумагам Министерства финансов Республики Беларусь [Электронный ресурс]. – Режим доступа: [http://minfin.gov.by/special/securities\\_department/reports/doc/2f232de1d1834076.html](http://minfin.gov.by/special/securities_department/reports/doc/2f232de1d1834076.html). – Дата доступа: 29.03.2021.
4. Алексеев, М.Ю. Рынок ценных бумаг / М.Ю. Алексеев – М.: Финансы и статистика, 2017. – 255 с.
5. Чижик, В. П. Рынок ценных бумаг : учебное пособие / В.П. Чижик. ФОРУМ: ИНФРА-М, 2018. - 448 с.
6. Фельдман, А. Б. Производные финансовые и товарные инструменты : учебник / А. Б. Фельдман. – М. : Экономика, 2012. – 479 с.
7. Галанов, В. А. Рынок ценных бумаг: учебник/ В.А. Галанов. - 2-е изд., перераб. и доп. - м.: ИНФРА-М, 2017. - 414 с.