

IMPROVEMENT OF INVESTMENT ACTIVITIES OF COMMERCIAL BANKS IN THE SECURITIES MARKET

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Introduction. Commercial banks are an important component of the financial system and carry out their investment activities through the stock market. As a market participant, they invest in securities in order to attract investment resources, deploy capital, manage liquidity and reduce risks. This process is important not only for strengthening the financial stability of banks, but also for stimulating economic growth in general. The stock market creates for commercial banks not only an opportunity to diversify funds, but also an opportunity to earn additional income through the circulation of capital and transactions with financial instruments. Banks usually build their investment portfolio by investing in instruments such as government securities, corporate bonds, and stocks.

Factors affecting the investment activity of the stock market and commercial banks in Uzbekistan.

The development of the stock market in Uzbekistan has accelerated in recent years. The government's reforms aimed at developing the financial market serve to expand the activity in the securities market. Nevertheless, there are a number of factors affecting the investment activity of commercial banks. These include lack of liquidity in the stock market, low investor activity, complex regulatory frameworks, and insufficient financial literacy. Therefore, in order to improve their investment activities, commercial banks need to adapt to changing market conditions, develop innovative investment strategies and adopt new types of securities. This has a positive effect on ensuring the financial stability of banks and the general development of the securities market.

We can analyze the following in the investment strategies of commercial banks related to securities in Uzbekistan. In Uzbekistan, commercial banks mainly invest in government securities. Government bonds, corporate bonds guaranteed by the state, and government securities occupy the main place in the investment portfolio of banks. These instruments are a safe investment for banks because they are backed by a government guarantee and are considered low-risk. Investing in other securities such as corporate bonds and stocks is relatively rare because these instruments are associated with higher risk and liquidity problems. Stock trading in the stock market of Uzbekistan is not sufficiently developed, which limits diversification opportunities for commercial

banks.

If we look at the activity of banks according to the main investment directions and types of securities. The activity of commercial banks in the stock market is carried out in three main directions:

Government bonds are seen as a safe investment and are often used to manage liquidity. Corporate bonds are investments in bonds issued by corporations, mainly for the purpose of long-term income. If we look at shares, it is rarely used, but some banks try to diversify risks by investing in corporate shares.

Investment portfolio of commercial banks and its composition

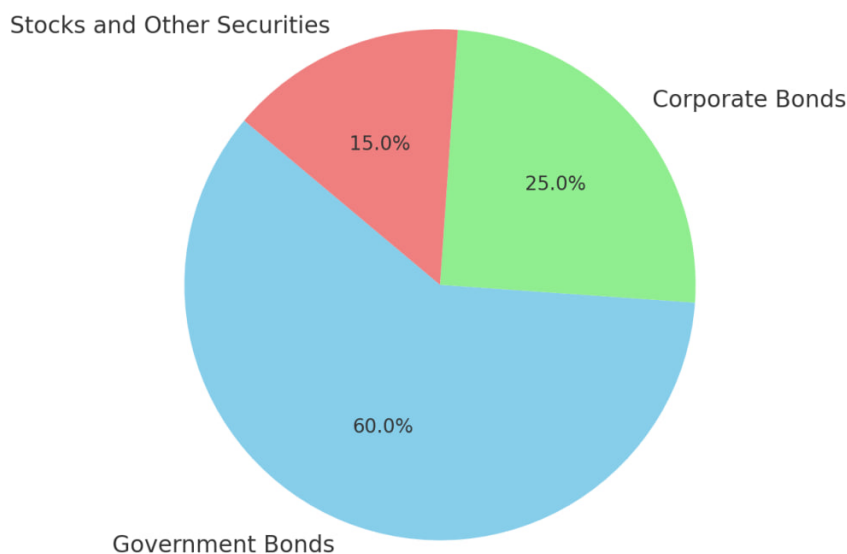
The diagram below shows the composition of the investment portfolio of commercial banks in Uzbekistan in the stock market (expressed in percentages):

Government bonds: 60%

Corporate bonds: 25%

Shares and other securities: 15%

Investment Portfolio Composition of Commercial Banks in Uzbekistan



The diagram shows the composition of the investment portfolio of commercial banks in the stock market in percentages. Government bonds have the largest share (60%), as they are low-risk and high-liquidity investments. Corporate bonds come in second with a 25% share, while stocks and other securities make up 15% of the portfolio. This content shows that banks' investment activities are focused on safe and stable investments. At the same time, it is necessary to increase diversification by expanding investment opportunities in corporate bonds and stocks.

If we look at the directions of improvement of the investment activities of commercial banks in the stock market, these are important directions such as expansion of diversification, strategies for increasing liquidity, application of innovative technologies to increase competitiveness, study and application of international

practices. In particular, when expanding diversification, commercial banks will have the opportunity to reduce risks by diversifying their investment portfolios. It is possible to increase profitability and ensure the security of the portfolio by attracting various investment vehicles such as stocks, corporate bonds, and international securities. Liquidity management is one of the main factors of success in the stock market. Banks can maintain liquidity position by buying or selling government bonds, corporate bonds. It is also recommended to invest in short-term securities to increase liquidity. The use of innovative technologies to increase competitiveness is a requirement of the current era, so banks can automate investment activities and increase competitiveness by using fintech technologies and algorithmic trading methods. Through innovative platforms, the opportunity to offer securities trading and investment services for clients will expand. It is possible to improve the investment activities of banks in the securities market by studying and adapting international experiences in the study and application of international practices. By complying with international financial standards and regulations, it is possible to attract foreign investors and expand the opportunities to operate in international markets.

These areas of improvement are implemented in order to increase the efficiency of banks' investment strategies, manage risks and expand the possibilities of adapting to market conditions.

Conclusion. Investment activity of commercial banks in the securities market plays an important role in the economic development of Uzbekistan. Currently, banks are trying to reduce risks by diversifying their investment portfolios. By investing in a variety of securities such as government bonds, corporate bonds, and stocks, banks aim to increase liquidity and ensure financial stability. By applying innovative technologies and studying international practices, banks can improve their investment strategies more effectively. It is also necessary to create opportunities to provide high-quality services to clients by improving the skills of bank employees and strengthening financial literacy. In order to improve the investment activity of commercial banks of Uzbekistan in the securities market, it is possible to support economic growth, increase the efficiency of investments and ensure financial stability through the recommended directions.

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