

Annotation

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Development of financial market in Ukraine

Development and formation of the financial market in Ukraine actually began with a moment of gaining state independence. However, till now this sector is characterized by a relatively slow way of development and a significant number of negative factors affecting the even development and formation of all its components.

However, separate segments of the financial market are characterized by positive improvement despite rather contradictory conditions.

So far, there is no common view concerning interpretation of the essence of the financial market among scientists. We believe that, taking into account its relative division into money market and capital market, the essence of the financial market is that it is a system of economic relations connected with distribution and redistribution of the value of financial resources and capital in order to form prices for specific goods on the basis of supply and demand.

Money and credit markets have had 6 stages of development during the period of Ukraine's independence: formation (1991-1993), bank collapse and curbing inflation (1994-1995), development (1996-2001), improvement (2002 - first half-year of 2008), financial crisis (second half-year of 2008 - 2010), modernization (since 2011 to the present day). The situation is as follows (in absolute indices): if 133 banks were recorded in the NBU registry and 3 banks were liquidated at the end of 1992, in May 2016, 109 banks operate in the banking market and 42 banks of them are with foreign capital.

Also, data on insurance market of Ukraine are quite conspicuous: if the number of insurance companies was only 7 in 1992, there were 382 by the end of 2014.

Insurance market is defined by steadily increasing indices: volume of registered issues of securities was 1.58 trillion UAH in 2015 compared with 577.4 billion UAH in 2008.

Development of money market in Ukraine goes by quite unstable way. The national currency curb in 2010-2013 and its free floating in further periods provoked hryvnia devaluation which continues to the present date. This process can be stopped by the rational organization of gold and currency market. Just stabilization of gold-and-currency reserve of the country will promote strengthening of the national currency in the future.

In general, it is possible to stabilize and improve functioning efficiency of domestic financial market only by the development of implementing measures aimed at increasing the emissive activity of insurance market, stabilization of the hryvnia rate and renewal of gold-and-currency reserve.

Keywords: *financial market, insurance market, currency market, money market, national currency, gold market.*