JOURNAL
OF EUROPEAN ECONOMY
Vol. 17. № 1 (64). January–March 2018
Publication of Ternopil National Economic University

Financial and Banking Services Market

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EXCHANGE INDICES AS ACTIVITY INDICATORS STEEL MARKET

Abstract

The stock indices are investigated as indicators of stock market activity. It is proved that the stock market is one of the most attractive instruments for investing. It is accepted that an open stock market in a country characterized by a stable, strong economy, encourages the attraction of foreign investors. It is noted that indicators of the Ukrainian stock market such as the capitalization and the PFTS stock index (First Stock Trading System), as a result of the inadequate exchange rate prices for the real state of the issuing companies and the economy of the state, can't be as representative, especially when compared with foreign markets. It has been outlined that the development of the domestic stock market is restrained by the imperfection of legislative and regulatory regulation of the market participants, the lack of optimality of the market infrastructure, the lack of a fully functioning, fully functioning national depository system. The introduction of a new stock index describing the state of business activity of a separate sector of the market is proposed, which will serve as a benchmark for the formation and optimization of investment strategy of investors, will promote transparency of the Ukrainian securities market.

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Key words:

Stock indices, stock market, securities, a trader.

JEL: G1.

Introduction

The cyclical development and constant volatility of the stock market necessitate a systematic study of its condition, which is impossible without the use of arrays of statistical information, which serves as the basis for calculating aggregate indicators. An important place among them is occupied by indicators of the business activity of the securities market – stock indexes. The globalization of the global economy defines stock market indices as key indicators of the financial market. Currently, stock indices are calculated by exchanges, information agencies, international investment banks and other infrastructural entities. Accordingly, in Ukraine stock indices are an important tool for domestic and foreign investors as part of the overall financial information for their investment decisions. Today, the stock exchange is an example of an efficient market where the interests of producers, consumers, financiers, speculators, banks, companies and organizations are met on a daily basis.

Problem setting

Intensive development of the stock market of Ukraine updated the issue of using stock indices as a tool for financial analysis of its situation in order to provide information to market participants to optimize investment priorities. But given the fact that the domestic stock market is under construction, existing stock indices do not adequately reflect the price trends of the national securities market, there is a need to clarify and justify new approaches to the formation and use of stock indices in the state that diversify the modern system indicators and will allow to replenish the information base of market participants, because the state has trading platforms, a huge number of securities every minute is generated in financial information for investment decisions. In this regard, realities point to the importance of stock indexes, as they will allow stock market participants to focus on actual and ignore inadequate information. Obviously, stock exchanges occupy a special place in financial infrastructure – concentrating significant capital flows, they have a significant impact on economic trends at the global level. That is why stock indices are used as an important indicator of economic processes, they are the most used instruments of financial analysis in world practice, and also reflect fluctuations in demand and supply of securities and are used by investors to form an effective investment strategy.

Analysis of recent research and publications

Theoretical and practical aspects of stock indexes, as well as problems of the formation, operation and development of the stock market have been studied by well-known domestic and foreign scholars such as K. Begun, T. Berdnikov, B. Bitiuk, R. Bobrovich, V. Balatan, E. Bradley, V. Gnilyak, A. Grishchenko, M. Dolinsky, V. Didenko, L. Zaporozhets, A. Zhilyakov, S. Ash, K. Kalinets, M. Kozoriz, A. Kremen, Y. Kravchenko, T. Pymonenko, A. Prustypko, O. Mozgovy, I. Pylypenko, V. Ratinsky, O. Savitska, O. Sokhnacka, S. Sukachev, N. Tkachenko, V. Sheludko and others. However, given the value of the works of scientists on stock indexes as indicators of the stock market, many questions remain controversial, which determines the relevance of the work and its choice.

The aim of the study is to study stock indexes – the main indicators of the stock market activity, to determine the possibility of the state's influence as a regulator of financial relations on the development of the stock market and outline the main directions of development of the system of domestic stock indices.

Presentation of the main research material

Recall that the stock market in the world has long been the center of a market economy. The accumulated experience of functioning of the exchanges, which have undergone historical development from trade in agricultural products to trade in futures and options for various types of goods and financial instruments. This, in turn, contributed to the transformation of exchanges from one of the main channels of wholesale goods to the pricing centers and risk insurance (Azarenkova, 2017). At the same time, in every country where stock exchanges have arisen, practices have brought new elements in the stock exchange operations, new rules.

In economic terms, the stock exchange is a wholesale market organized on a regular basis in accordance with established rules, which deals with the sale and purchase of goods according to models and standards for their future delivery at prices officially established on the basis of demand and supply (Bezvukh, p. 625, 2016).

The history of the development of exchange activities shows that the first exchanges were purely commodity, and their significance consisted in the fact that they created the conditions for the transition from the market trade «from hand to hand» to the purchase of samples, descriptions, through order. However, the rapid growth of volumes of social production, the complication of the structure of commodity circulation and trade and economic relations led to diversification of stock activities and diversification of stock exchanges.

The stock exchange specializes in arranging purchase and sale of securities and derivatives issued by the government, local authorities, joint stock companies and private companies (Bezvukh, 2016, August).

The main objective of the operation and development of stock exchanges is the attraction of investment resources to direct them to recovery and to ensure the stable growth of social production. In order to quantitatively determine the state of the stock market of a single country, special indicators were introduced – stock indices. At each separate stock site, stock indices are used that characterize the stock market of their country.

Index – a single descriptive statistical indicator, generalizing the relative changes of one variable or a group of variables, weighted by market capitalization, the arithmetic mean of prices (Sweet, 2015, p. 132):

1) average weighted prices, since the prices of individual stocks are weighed to reflect their relative importance within the stock price group that makes up the index;

2) weighing is done for market capitalization. Accordingly, the relative importance of changing the price of each share in determining the value of the index is influenced by the relative size of each indexed company.

If the stable index of growth is maintained, then this means that the country's economy is on the rise and vice versa, which makes it easier for the investor to determine his policy in the long run. Indices show the average value of the exchange rate of shares of certain companies that accurately reflect the current market condition – a relative value, it is appropriate to consider it relative to the previous and future values, that is, to determine the dynamics. For each index on the date of the first publication, the base value is set from which to arrive at subsequent calculations. In the calculation of oriented indexes there is a problem: which companies to choose for the calculation of the index, which can characterize the market as a whole, as well as individual sectors of the economy. Stock indices are calculated on the most known, liquid and slow-growing stocks. There are a large number of indexes in the world.

Stock Exchange Index is an indicator that defines the consolidated course of a particular group of securities (usually shares) and is used to determine the current state and dynamics of the stock market (Bezvukh, 2016, August, p. 626).

The group of securities used to calculate the stock market index is called the «index basket» (Bezvukh, 2016). The stock index is not the only securities, so it is usually said about the «value» or «level» of the index, but not about its «price». The use of stock indexes is based on the reasonable assumption that fluctuations in stock prices of several dozen leading companies correspond to fluctuations in prices for all other stocks based on the general fluctuations and changes in demand and supply of securities in general on the stock market.

Absolute value of the stock market index at a particular moment of time does not in itself bear any essential information. Important is the set of stock indices, which allows you to detect changes in the index over time and determine the overall direction of market movement.

A stock index is also an indicator of revenue that can be obtained by the holder of a particular set of shares. Each index has the following characteristics:

- composition of the index (set of shares-representatives included in the «index basket»);
- the basic index value is the value at the beginning of the calculation of the index, that is, at the beginning of the reference period, which is taken as a starting point;
- statistical basis for calculating the index (data on the number of shares, indicators of financial statements of enterprises, issuers, etc.);

- types of weights to the exchange rates of shares included in the index. This is a type of weighing that can be carried out at market value of shares or by market capitalization of corporations included in the index base;
- the method of reduction to the average (averaging method) is a method of using the mean arithmetic and mean geometric selected values (Sweet, 2015, p. 83).

The value of stock indices is calculated on the basis of the value of the shares of companies (in a certain proportion), which are included in the calculated index base. Despite the fact that there is a variety of stock indices, it is decided to allocate on each trading floor the most important ones, which more closely reflect the state of the stock market and the economy of their country.

It should be noted that the first stock index was developed on July 3, 1884 by the Wall Street Journal, a well-known financier, founder of Dow Jones & Company Charles Dow. The Dow Jones Index is the oldest among the existing USA market indices. This index was created to track the development of the industrial component of USA stock markets. The Dow Jones Transportation Average index was calculated for 11 of the largest USA transport companies. Currently it includes 20 freight forwarding companies. However, the Dow Jones Industrial Average (DJIA), which is calculated by 30 largest industrial companies since 1928, gained the most popularity (Bezvukh, 2016, August, p. 628).

In statistical practice, stock indices are used, which are used to characterize the situation on the securities market. When selling and buying stocks on stock exchanges, they are the main indicators that determine the activity of the stock market. Registration of securities rates and their publication in the course newsletter is one of the functions of the exchange. The publicity of the courses facilitates the issuers of securities to deal with the issues of the conditions and expediency of new issues, enabling the owners of securities to orient themselves more quickly in the context of the stock market. In addition to the publication of average rates for each type of securities traded on the exchange, the average rates of shares of certain groups of companies, as well as all companies registered on the exchange, are calculated and informed. Among these indicators, the most well-known are: New York Stock Exchange – Dow Jones Index, Tokyo – Nikkei Index, Frankfurt-am-Main – FAC Index, London – Financial Times and Reuters.

Most stock indices characterize the average price of a particular set of shares. When constructing the Dow Jones Index and a number of other stock indices, the principle of equilibrium of shares is applied regardless of their number and value. Such indexes are simple average arithmetic, that is, the fraction of the division of the sum of the prices of the shares of the companies being considered into their number.

Some indexes use the weighing of stock prices for different types of principles. To characterize the dynamics of stock prices, the difference between the indices for the two periods (current and baseline) in the points is used, as well as the growth rates of them – the ratio of the index of the current period to the index of the underlying Sweet, 2015, p.149).

Ukrainian stock indices began to spread in early 1997. In our time, any large company that manages has its own indicator, which determines the general state of the stock market or only those segments in which the portfolios have been formed. The most well-known of such indexes, developed by the organizers of trading or large stock companies, are used by analysts in the forecasts of the stock market as a whole. However, the results of this analyst do not always really reflect the overall dynamics of stock markets and bonds. Note that the index should accurately reflect the dynamics of the securities market or the segment that it considers. Ukrainian stock indices are divided into several groups:

- industry indices that distinguish shares or bonds of any one industry;
- segmental indices that characterize any type of securities (most of the indexes of the stock market of Ukraine are precisely such, there are indexes with small coverage; indexes of subgroups of securities are distributed mainly on the bond market, where corporate bonds are treated separately from municipal or government debt tools).

The indices that would cover the whole stock market in general, in Ukraine and in general in the world, are practically non-existent because bonds in terms of technical analysis are an instrument with a very specific dynamics. The dynamics of bonds, especially if the overall yield of a bond differs from stock dynamics, the result of creating such a general index would be doubtful. Also, the Ukrainian and stock indexes of foreign markets can be divided by the degree of coverage of the analyzed segments: these can be both indices of market leaders and indexes that consider the market as a whole. In our country, mainly, the indices of market leaders are common [8]. The methods of calculating the indices are very similar, the main differences lie in the sources of obtaining information on the market price of shares, caused by the lack of a single quotation center. In fact, Ukrainian stock indices are an indicator of the movement of funds of foreign investors in the domestic market. Foreign capital goes to Ukraine – and stock indices are beginning to grow. Obviously, stock indices were invented in order for investors to see the tendencies of stock market development, and on the basis of them experts predict the further behavior of the market. If the economy of a certain country shows good growth, investors around the world are trying to buy shares of its companies. This causes not only an increase in the prices of these shares, but also an increase in the rate of the national currency of the state.

The calculation of the index takes place on the basis of shares of leading companies, the number of which may, depending on the index, reach 100 or more units. As a rule, absolute values of indices are not important. Changes in the index over time are more important because they allow us to judge the general trend of the market movement, even in those cases where stock prices within the «index basket» vary in different directions. Depending on the sample of indicators, the stock index may reflect the behavior of a particular group of securities (or other assets) or the market (market sector) as a whole.

The ideal stock index should do the following:

- timely reflect all changes in the market;
- assist the trader with the help of technical analysis to make a forecast for the further direction of market movement;
- to help investors make a profit, to serve as the basis for creating the best portfolio in the categories of «profitability» and «reliability»;
- to be a convenient tool for option and futures contracts with the ability to hedge any risks;
- display the basic amount of revenue that a trader can receive;
- help assess the quality of companies in comparison with average values and the market as a whole (Azarenkova, 2017).

For a qualitative evaluation of the securities market and the quantification of its dynamics, it is convenient to use indices that are market indicators and reflect macroeconomic processes. Depending on the choice of securities, the information used to calculate the index, it can characterize the stock market as a whole, the market of groups of securities (government securities market, bond market, equity market, etc.), the market of securities industry (transport, telecommunications, oil and gas complex, etc.). Comparison of the dynamics of the behavior of these indices allows you to observe changes in the state of any industry in relation to the economy as a whole.

Indices are designed for various financial instruments such as stocks, debt securities, foreign currency, etc., but stock indices (stock market indices) are the most well-known. Stock market indices are average or weighted average rates of securities, (usually stocks), which give an idea of the state and dynamics of the stock market.

Stock indices are indicators (numbers) that characterize the level or dynamics of prices for assets that are the objects of stock trading at a certain point in time. Indices can be used in any market: commodity, currency, stock. But it should be noted that for the first time they arose in the stock market (securities market) and in the same market received the most practical application.

Exchange Stock Index – an indicator that defines the consolidated course of a group of listed securities listed on the stock market (Bezvukh, 2016, August).

Most of the stock indexes belong to one of two groups: capitalized and price indices.

Capitalized indices are the type of indexes that measure the overall capitalization of companies whose securities are used to calculate an index for a particular date. (Capitalization is a product of the market value of securities and their number in circulation). The capitalized indexes include the «Standart and Poors indexes», the index of the New York Stock Exchange, the indexes of the «Moskow News», and so on.

Price indices are calculated as the average arithmetic value of the shares of the company that are included in the base index list. Price indexes include the Dow-Jones Index (Dow-Jones), the Tokyo Stock Exchange Index (Japanese Index Nikkey-225), the American Stock Exchange – AMEX, and others (RBC-Ukraine; electronic resource).

Stock indices are digital statistical indicators that express (in percents) the consistent changes in certain phenomena and have been used for more than one hundred years for an integrated assessment of the financial market. Investors are interested not only in the dynamics of prices for shares of a certain company, but also the general tendency of the entire market. It is for this that practically all exchanges have their own aggregate index systems, which reflect the level and dynamics of prices for a certain shareholding. Typically, this package consists of stocks of companies belonging to various industries and finance. In this case, the shares should be included in the listing of the stock exchange, that is listed on the stock exchange.

The practice of stock exchanges suggests that fluctuations in stock prices of the most well-known companies reflect fluctuations in prices for shares of all other companies, fluctuations and changes in demand and supply of securities in the stock market in general. In the period of economic growth and recovery, the stock exchange is increasing, and in the period of depression and crisis – falls. Therefore, due to the change in the general rate of shares, you can judge the economic situation in the country. In this case, the stock exchange has the ability to predict trends in changes in the state of the economy. The stock exchange starts to fall, the stock market is panicking. All these processes on the stock exchange make it a barometer that records the changes in the business activity of the country's economic life. This ability of the exchange allows the state to take measures that somewhat mitigate the effects of cyclical production. Registration of securities rates and their publication in the course bulletin is one of the functions of the exchange (Sweet, 2015, p. 213).

The indicator is used to estimate and forecast fluctuations in prices on stock and currency exchanges. Indicators are the key to successful trading. One of the largest global financial exchanges is the Forex market. It is an international currency market, where money is freely sold and bought. In its present form, it was formed in the 1970's, when free exchange rates were introduced, while the price of one currency relative to the other is determined only by the market participants themselves, based on demand and supply (National rating agency «Rurik»; electronic resource).

When applying knowledge and experience in the Forex market, a professional trader is required to develop his own specific behavior strategy based on market indicators and many other factors. Thanks to the analysis of the main indicators, the trader makes a strategic decision – to open and close a certain position or enter / exit the market.

Market indicators are tools that allow based on mathematical calculations, calculate forecasts of possible changes in quotations and formulate the correct strategy of behaviour in the market. Based on this, there are major stock indices that form the basis of these indicators.

The most widely used in the world were the indexes developed in the United States. This is due to the fact that the daily turnover of the New York Stock Exchange only accounts for half of the world's turnover of securities.

World stock indices as of February 14, 2018 are presented in Table 1.

Table 1

World stock indices of 02/14/2018
(National rating agency «Rurik»; electronic resource)

Name	Last	%Ch	High	Low	Region	Country	Market type
Dow Jones Industrial Average	24893.49	1.03%	24925.95	24490.36	NAm	USA	Developed
Nihon Keizai Shimbun	21464.98	1.47%	21578.99	21308.92	Asia	Japan	Developed
NASDAQ 100 Index	6675.032	1.85%	6684.146	6520.385	NAm	USA	Developed
Nasdaq Composite	7143.615	1.86%	7152.048	6977.072	NAm	USA	Developed
China Shanghai Composite	3199.1589	0.45%	3203.4967	3171.3836	Asia	China	Emerging
United Kingdom FTSE 100	7213.97	0.64%	7243.15	7145.73	W_Europe	United Kingdom	Developed
Cocked stock index MMVB	2257.95	0.33%	2259.06	2232.96	E_Europe	Russia	Emerging
Index PTC	1244.85	1.46%	1244.85	1218.3	E_Europe	Russia	Emerging

As we notice from tabl. 1 in the USA, the Dow Jones Industrial Average, NASDAQ 100 Index, Nasdaq Composite, in Japan – the Nihon Keizai Shimbun index is significant, China – China Shanghai Composite, and others. Stock indices are given by region, the type of market is determined, the percentages of their growth or decrease are specified. The most famous stock index, as we mentioned, is the Dow Jones Index. Its competitor is the S&P 500 Index as an indicator of the broad market. This index is calculated on the basis of the capitalization of the 500 largest US companies, and their list is compiled by the rating agency Standard&Poor's. The third known index characterizing the New World stock market – Nasdaq Composite. This indicator consists of ordinary shares and similar financial instruments of all companies traded on the NASDAQ exchange. The calculated base of the index are quotes from more than 3,000 American and not USA corporations traded on the stock exchange.

Stock indices have double significance in the stock market:

- firstly, they act as an information indicator;
- secondly, they serve as the basis for financial instruments (futures and options contracts).

Each index has the following characteristics: index list (set of shares – representatives); averaging method; types of weights to the exchange rates of shares included in the index list; basic index value; the statistical base on the basis of which the calculation of the indicator is carried out.

The indexes have some limitations (Bezvukh, 2016, August).

1. Indices show only quantitative changes, that is, estimate the total cost of the components of their parts. However, they do not reflect qualitative aspects, that is, they do not show the reasons behind price changes. For example, the index shows that prices have generally fallen, but does not explain why this happened.

2. Indices do not reveal the depth of the trends that occur in changing the price of goods.

3. Indices require periodic adjustments to the components.

4. The indexes can be manipulated. Hence, you need to be constantly on the go, so as not to get on the stock market manipulation with the indices.

Trends in changes in stock indexes are characterized by the influence of factors, namely:

- economic and political stability;
- inflation processes;
- the amount of loan interest;

- the amount of interest paid on deposits and dividends on shares;
- degree of investment risk;
- development of the network of financial and credit institutions, their reliability;
- investment opportunities, etc.

All listed indices are used in marketing research, in the analysis of the development of stock trading, assessment of the state and prospects of industry development, etc. But for the organization of stock trading it is necessary to calculate the cash rate of shares (current rate), on the basis of which there is trade.

Now, more than 200 stock exchanges operate in market economies. Virtually each of them has its own system of stock indexes, which is associated with the peculiarities of bidding (National Rating Agency «Rurik»; RBC –Ukraine, electronic resource). Information on stock exchanges of a large number of exchanges is regularly published in the media, which generates a significant portion of their revenues.

Each stock exchange uses its own methods of calculating indices. In the global system of business, there are two main ways to determine the index:

- by means of arithmetic mean time and weighted;
- by means of average geometric idle and weighted.

Arithmetic and geometric indices for the same stocks having the same initial value, when moving stock prices behave differently. The geometric index grows more slowly, and falls faster than the arithmetic, which is due to the method of its calculation. Arithmetic indices better reflect the increase or decrease in the value of shares.

Ukraine stock indexes are regulated by the National Securities and Stock Market Commission (NCSSM). The NCSSM, in accordance with the Law of Ukraine «On State Regulation of the Securities Market in Ukraine» and its tasks, regulates the activities of authorized rating agencies, in particular:

- issues to the authorized rating agencies a certificate of inclusion in the State Register of Authorized Rating Agencies;
- establishes the procedure for conducting and maintains the State Register of Authorized Rating Agencies;
- determines the list of international rating agencies that have the right to determine legally required rating ratings of issuers and securities;
- defines the rules for determining by the authorized rating agency a rating on the national scale;

- establishes the procedure for the submission of information by the Rating Agency to the NCSSM and the conformity of the rating ratings levels on the scale of the international rating agencies to the levels on the national scale;
- generalizes the experience and practice of rating agencies and ensures the publicity of certain rating assessments (National Rating Agency «Rurik»; RBC-Ukraine, electronic resource).

The domestic stock market is only being formed. The base for calculating the main stock indexes in Ukraine was 1997, at that time they began to calculate the KAS-20 and its two modifications – KAS-20 (S) simple and KAS-20 (W) weighted, SB50Ukraine, KR-Dragon, Wood-15, Business Partners INDEX-SGU, ProU-50 and current FSTS Index (First Stock Trading System). All these indices did't have a single approach and calculation methodology, were indicators of various branches of the economy, had the same periodicity of calculation, differed in «index baskets». However, in 2007 the list was supplemented by the Ukrainian UTX trade index, and in 2009 it was the Ukrainian Stock Exchange Index, in 2010, the Ukrainian weighted index of the broad market UAI-50. In 2011, the main indicators of the market were the indices of domestic stock trading platforms-leaders – FSTS and UB. The «index basket» includes the most liquid shares of 20 domestic emitters, which include the largest number of transactions, their list is reviewed monthly as in world stock indexes. The calculation is carried out daily, it is based on the weighted average price on the stock exchanges.

Today, the FSTS index is the only one among Ukrainians to be included in the list of the world's major stock indexes. The International Financial Corporation recognized the FSTS index as the only indicator of the internal state of the Ukrainian financial market. Since April 1998 the FSTS stock exchange has included the IFC index system to the IFC Frontier index. Undoubtedly, indicators reflect the lagging pace of Ukraine's development compared to developed countries. Negative factors in the world economic space have a significant impact on the domestic unstable economy. Note that the integration of Ukraine's stock market into world economic processes is in an intensive development phase, and the link between Ukrainian and world indices is not marked by high density, although there is a tendency to increase.

Taking into account foreign experience, the ideal stock index should correspond to the main goals, to justify the expectations of its users:

- to accurately reflect the situation on the market in a timely manner;
- to act as a tool for forecasting the direction of the market movement, that is to predict the situation using the tools of technical analysis;

- allow investors who make significant strategic investments in different markets on which of them to bid;
- show the basic minimum amount of income that should get a trader working in the market, etc.

Conclusions

So, summing up, one can state that stock indices are average or weighted average rates of securities, usually shares, which give the most compact picture of the state and dynamics of the stock market. Exactly, stock market indices have been used for more than a hundred years for an integrated assessment of the financial market. Investors are interested not only in the dynamics of prices for the shares of a certain company, but also the general tendency of the market as a whole, therefore, for this almost all exchanges have their own aggregate index systems that reflect the level and dynamics of prices for a certain shareholding. Typically, such a package consists of stocks of companies belonging to various sectors of the economy and finance.

Stock indices are digital statistical indicators, expressing (in percents) successive changes in certain phenomena. The index is the ratio of the comparable value to a certain value taken for the base, each index has the following characteristics:

- index list (set of shares-representatives);
- method of reduction to average;
- types of weights to the exchange rates of shares;
- the basic index value;
- statistical base.

Exchange indices are sometimes calculated as a weighted average, which is determined not only by relative changes but also by the absolute price of the shares of the companies that create the index basket. In the world practice, four main methodological methods are used to construct indirect indexes of stock price changes based on calculations for the relevant period:

1) the rate of change in the average arithmetic value of the stock price of a certain number of selected corporations (Dow Jones Index);

2) the rate of growth (decrease) in the average weighted (by the number of shares in circulation) prices of the vast majority of shares of corporations;

3) the average arithmetic mean of the rate of growth (decrease) in stock prices;

4) average geometric value of the rates of change in stock prices.

The change in the values of indices is usually regarded as an indicator of market demand. The growth or fall of the index value in one market often affects the state of demand on the other.

So, stock indices are an integral structural element of the world financial system. Strengthening the role of stock indexes in the information flows of the domestic stock market is possible in the context of increasing the share of the organized segment in trading securities and consolidating them in a single stock market system of the Ukrainian market. However, the country is experiencing a dynamic resonance in the deployment of crisis phenomena that cause high inflation, national currency devaluation, dependence on external financing, and a number of other related factors that increase the level of financial risks that are an obstacle to the qualitative formation of the stock market, which is significantly affects the financial stability of the state. At the same time, the formation of effective mechanisms for the incorporation of regulatory bodies into the system of exchange links is crucial for the successful resolution of the tasks facing the Ukrainian society, since the positive functioning of the exchange services market is one of the main factors of the development of the domestic economy.

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The article was received on January 29, 2018.