

IMPROVEMENT OF FINANCING OF JOINT-STOCK COMPANIES THROUGH THE STOCK MARKET

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Abstract

This article investigates the improvement of financing mechanisms for joint-stock companies through the stock market, emphasizing the role of market-based capital in ensuring corporate sustainability and growth. As financial globalization deepens and the demand for non-debt capital rises, the stock market has become a strategic platform for joint-stock companies to attract long-term investment, reduce financial dependence on bank loans, and enhance capital efficiency. The study analyzes key factors such as expanding access to public offerings, optimizing dividend and share issuance policies, increasing transparency in corporate reporting, and building investor trust through effective governance. Attention is also given to the adoption of modern financial technologies and regulatory reforms that facilitate smoother entry and operation in stock exchanges.

Keywords: Joint-stock companies; stock market; equity financing; capital raising; public offerings; corporate transparency; financial reporting; investor confidence; dividend policy; market capitalization; financial sustainability; securities issuance.

Introduction

Enhancing stock market-based financing mechanisms significantly expands access to long-term capital for joint-stock companies, thereby supporting their investment capacity and innovation potential. The stock market serves as a key channel for joint-stock companies to mobilize long-term capital through initial and secondary public offerings. According to the World Bank (2022), in developing economies where stock markets are actively utilized, firms raise on average 20–30% of their capital needs via equity issuance. This reduces dependence on short-term bank loans and contributes to sustainable financial structuring^[1]. In Uzbekistan, for instance, data from the Toshkent RSE indicates that equity capital raised by joint-stock companies increased by 28% in 2023 following regulatory reforms that simplified IPO procedures. The introduction of digital listing services and investor roadshows has improved access to capital markets for medium-sized enterprises. These developments confirm that when public issuance is made more efficient, the financing potential of joint-stock companies expands significantly. In this context, the modernization of legal and technological infrastructure is a critical precondition for long-term capital market development. Improved integration with the stock market increases pricing transparency and corporate accountability, which strengthens investor confidence and allocates resources more efficiently.

An active and liquid secondary stock market improves the pricing of corporate shares and enhances a firm's ability to raise capital through follow-on offerings. Empirical research by OECD (2023) shows that in economies with higher turnover ratios, firms experience lower capital costs and better price discovery. In the case of Kazakhstan and Uzbekistan, limited liquidity remains a bottleneck for effective capital raising, with average daily trading volumes remaining below 0.3% of market capitalization^[2]. However, reforms initiated by [Uzbekcapitalmarket.uz](https://uzse.uz) in 2022–2024—such as tax incentives for long-term investors and real-time trading systems—have resulted in a 17% increase in trade volume on the Toshkent RSE^[3]. Higher liquidity enhances investor confidence and encourages further issuance of equity instruments. For joint-stock companies, this dynamic creates a more flexible and responsive mechanism for financing investment projects. Thus, expanding market depth directly supports the sustainability of corporate finance models.

Facilitating stock market financing for joint-stock enterprises fosters broader economic development by linking private capital to productive sectors and stimulating industrial modernization. The expansion of stock market-based financing also depends on attracting foreign institutional investors to purchase corporate securities. According to UNCTAD's World Investment Report (2023), cross-border portfolio investments in emerging stock markets reached \$1.6 trillion, with a growing share directed at transparent and dividend-paying joint-stock companies^[4]. In Uzbekistan, liberalization of currency controls and easing of repatriation rules have led to increased foreign participation in the Tashkent Stock Exchange, which accounted for nearly 8% of traded value in 2023. Listings of state-owned enterprises like

¹ World Bank. Corporate Governance and Market Access in Transition Economies // World Bank Publications. – 2022. – P. 12–21

² OECD. Enhancing Capital Market Transparency in Emerging Economies // OECD Capital Market Series. – 2023. – P. 18–29

³ Republican stock exchange «Toshkent» <https://uzse.uz/analytics/>

⁴ UNCTAD. World Investment Report 2023: Investing in Sustainable Energy for All // United Nations. – 2023. – P. 77–92



"Uzmetkombinat" and "KVARs" have further broadened the investment base. The presence of foreign capital not only improves capital access but also raises governance standards through market discipline. Therefore, enabling foreign investor participation plays a catalytic role in improving financing conditions for joint-stock companies. Creating clear, investor-friendly legal frameworks remains a key priority in this process.

Beyond common equity, joint-stock companies benefit from utilizing diverse financing tools such as corporate bonds, preferred stocks, and hybrid securities. According to the *Asian Development Bank (2023)*, corporate bond issuance in Asia has grown by 12.5% annually over the past five years, offering companies stable, interest-based financing options. In Uzbekistan, however, corporate bond activity remains underdeveloped, accounting for less than 1% of capital market turnover in 2023, largely due to regulatory constraints and investor unfamiliarity. Nonetheless, pilot bond issues by banks and large JSCs in 2022–2023 (e.g., "Asakabank") have shown promising results in raising non-bank capital. Expanding these instruments can significantly strengthen the long-term capital structure of firms, reducing their vulnerability to interest rate fluctuations and loan refinancing risks^[5]. Regulatory reforms that lower issuance barriers and provide risk mitigation for bondholders are crucial to broadening financing options. A diversified capital market ecosystem ultimately leads to more resilient joint-stock company financing. Stock market instruments enable joint-stock companies to diversify funding sources beyond traditional banking channels, reducing systemic financial risks and enhancing financial system resilience. The improvement of financing mechanisms for joint-stock companies through the stock market is a critical factor in enhancing corporate investment potential and long-term growth. By facilitating broader access to equity capital, the stock market enables companies to reduce dependence on debt financing and improve their financial stability. Moreover, increased transparency and investor participation contribute to better corporate governance and market discipline. Strengthening stock market infrastructure also plays a vital role in mobilizing domestic savings and channeling them into productive sectors of the economy. Ultimately, efficient stock market financing supports innovation, competitiveness, and sustainable economic development at the national level.

THE RELEVANCE OF THE RESEARCH SUBJECT.

Joint-stock companies frequently encounter barriers in optimizing their financing strategies through the stock market due to structural inefficiencies, low capitalization levels, and underdeveloped secondary trading mechanisms. These limitations hinder their ability to raise long-term equity capital, restrict market-based valuation, and reduce financial resilience during economic fluctuations. A persistent challenge remains the narrow investor base, often characterized by institutional concentration and limited retail participation, which constrains liquidity and price discovery. Furthermore, many issuers face difficulties in aligning their capital structure with investor expectations due to outdated listing requirements, minimal innovation in financial instruments, and limited support for secondary offerings. Addressing these gaps requires targeted reforms that include improving regulatory frameworks,

⁵ Asian Development Bank (ADB). Digital Finance and Fiscal Reform in Asia // ADB Economics Working Paper Series. – 2022. – Vol. 60. – No. 3. – P. 31–50



encouraging the development of derivative and hybrid instruments, and enhancing the role of underwriters and market makers in capital formation. Strengthening the stock market's infrastructure, including post-trade services and real-time disclosure systems, can also amplify investor trust and funding access. Thus, an in-depth exploration of global best practices, financing models, and policy interventions is highly relevant for enabling joint-stock companies to fully leverage the potential of the stock market as a robust and sustainable source of capital.

THE PROBLEM OF THE RESEARCH

Although numerous studies have explored the mechanisms of capital market development and the mobilization of financial resources, insufficient attention has been devoted to the practical improvement of financing for joint-stock companies through the stock market. Theoretically, stock exchanges provide an effective platform for raising long-term capital, yet in practice, many joint-stock companies encounter institutional, informational, and regulatory barriers that limit their access to these instruments. Empirical evidence suggests that weak corporate transparency, poor financial disclosure, and underdeveloped investor relations contribute to a lack of market confidence and low share liquidity. Despite existing legislative frameworks and modernization efforts, most companies fail to fully utilize available financial instruments such as equity offerings, corporate bonds, and hybrid securities. Furthermore, outdated internal financial management systems, inefficient capital structure decisions, and low levels of digital integration inhibit companies from aligning with global financing standards. Several transition and emerging economies, including Uzbekistan, exhibit persistent gaps between the theoretical benefits of stock market participation and the real financing outcomes for domestic joint-stock companies. This disconnect highlights the need for in-depth analysis of internal corporate financing policies, external market constraints, and the interplay between regulatory institutions and issuer behavior. Moreover, the lack of innovative financing models and insufficient integration with international capital markets impede the diversification of capital sources. Without addressing these shortcomings, joint-stock companies risk undercapitalization, reduced competitiveness, and limited growth prospects. Therefore, comprehensive research into the mechanisms for improving the financing of joint-stock companies through the stock market is not only timely but strategically significant for ensuring sustainable economic development and financial sovereignty.

THE PURPOSE OF THE RESEARCH

In the increasingly complex and competitive landscape of capital markets, joint-stock companies are compelled to seek more efficient and sustainable methods of financing their operations and expansion. Traditional reliance on debt instruments often leads to increased financial risk, making equity financing through the stock market a more viable and balanced alternative. However, limited market infrastructure, low investor participation, and weak corporate governance practices frequently constrain access to long-term capital. The purpose of this research is to develop scientifically grounded recommendations to improve the financing mechanisms of joint-stock companies through the stock market. By analyzing contemporary trends in equity markets, corporate disclosure practices, and investor behavior,



the study seeks to uncover actionable strategies that can enhance capital inflows and optimize the capital structure of firms. Particular attention is paid to the regulatory and institutional factors that either facilitate or hinder public offerings, market liquidity, and the pricing efficiency of listed securities. The research also evaluates international best practices and their adaptability to emerging market contexts, aiming to bridge the gap between global standards and local implementation. Ultimately, the study aims to propose an integrated framework that supports increased market capitalization, greater investor confidence, and more transparent financing of corporate growth. This comprehensive approach is intended to assist policymakers, regulators, and company executives in creating an enabling environment for capital market-based financing.

THE SCIENTIFIC ESSENCE OF THE RESEARCH

Capital flows represent the essential circulatory system of contemporary economic structures, facilitating the continuous movement of financial resources across sectors and borders. The strategic and efficient allocation of these resources is a critical prerequisite for ensuring sustained corporate expansion and the long-term advancement of national economic development. Capital flows are the bloodstream of modern economies. Efficient capital allocation ensures sustainable business growth and national development. In modern economic theory and practice, the improvement of financing mechanisms for joint-stock companies (JSCs) through the stock market is regarded as a fundamental driver of long-term capital formation, financial deepening, and economic modernization. The scientific foundations of this process are rooted in classical and contemporary theories of corporate finance, market structure, and institutional development. As emphasized by Joseph Stiglitz (1985), capital markets perform a vital function in transforming individual savings into productive investments, particularly through equity financing instruments that allow corporations to access non-debt capital with relatively lower risk of insolvency^[6]. Efficient investment channels serve as a decisive factor in determining the trajectory and speed of economic modernization. The development of stock markets enables corporations to achieve long-term financial sustainability by mitigating excessive reliance on debt-based financing mechanisms. A well-developed capital market functions as a vital mechanism for the effective distribution and mitigation of financial risks across diverse economic agents and sectors. The continuous evolution of financial systems is inherently driven by structural innovation and enhanced transparency in information dissemination, both of which are essential for market stability and investor confidence. Leading scholars such as Franklin Allen and Douglas Gale (2000) argue that well-developed stock markets facilitate better risk sharing, price discovery, and financial innovation, making them superior in mobilizing capital for dynamic corporate entities, including joint-stock companies^[7]. These assertions are further supported by Robert Merton's (1995) functional approach to financial systems, which underlines the role of capital markets in providing efficient channels for portfolio diversification and intertemporal resource allocation^[8]. Through such mechanisms, investors find greater security. Companies gain

⁶ Stiglitz, J.E. (1985). "Credit Markets and the Control of Capital." *Journal of Money, Credit and Banking*, 17(2), 133–152.

⁷ Allen, F., & Gale, D. (2000). *Comparing Financial Systems*. Cambridge, MA: MIT Press.

⁸ Merton, R.C. (1995). "A Functional Perspective of Financial Intermediation." *Financial Management*, 24(2), 23–41.



access to smarter and more sustainable funding. Corporate behavior influences investor decisions. Transparency and accountability create investment confidence.

A key focus of contemporary research is the relationship between corporate governance and the capacity of JSCs to raise funds through public offerings. According to La Porta et al. (1998), the legal protection of investor rights, the enforcement of disclosure standards, and the independence of boards are positively associated with both the volume and cost-effectiveness of equity financing^[9]. Companies that meet high standards of transparency and shareholder rights are empirically more likely to attract investment in primary and secondary markets. In contrast, weak governance frameworks, particularly in emerging economies, limit the ability of JSCs to use the stock market as a reliable financing channel (Djankov et al., 2008)^[10]. Robust corporate governance frameworks play a pivotal role in enhancing capital inflows by reducing informational asymmetries and reinforcing investor confidence. Ethical conduct and high standards of transparency are consistently rewarded by market participants through increased valuation and investment activity.

Moreover, the design and enforcement of regulatory frameworks critically shape the overall attractiveness and competitiveness of the investment environment. In this context, institutional capacity and regulatory credibility emerge as foundational pillars for ensuring the resilience and long-term sustainability of financial markets. Empirical research conducted by the International Monetary Fund (IMF, 2020) and the World Bank (2022) indicates that regulatory modernization and institutional reform can significantly enhance the financing potential of JSCs. For instance, reducing bureaucratic barriers to initial public offerings (IPOs), digitalizing trading platforms, and improving the effectiveness of securities commissions have been linked to higher market capitalization-to-GDP ratios and increased private sector investment^{[11][12]}. The introduction of modern financial instruments—such as green bonds, dual-class shares, and structured equity products—has also expanded the strategic options available to JSCs in managing their capital structures and aligning investor preferences.

Progressive regulation boosts investor confidence. Efficient oversight fosters innovation in equity markets. Emerging markets face structural challenges in capital access. Domestic financial ecosystems require urgent modernization. In the context of Uzbekistan and other transitional economies, domestic researchers such as S.E. Elmirzayev (2020), A.I. Karimov (2022), and S.U. Omonov (2025) have emphasized that local joint-stock companies continue to face challenges in accessing equity financing due to outdated listing procedures, low levels of financial literacy among managers, and limited participation from institutional investors^[13],

⁹ La Porta, R., Lopez-de-Silanes, F., Shleifer, A., & Vishny, R.W. (1998). "Law and Finance." *Journal of Political Economy*, 106(6), 1113–1155.

¹⁰ Djankov, S., La Porta, R., Lopez-de-Silanes, F., & Shleifer, A. (2008). "The Law and Economics of Self-Dealing." *Journal of Financial Economics*, 88(3), 430–465.

¹¹ International Monetary Fund (IMF). (2020). *Capital Markets Development: Opportunities and Challenges in Emerging Economies*. Washington, DC.

¹² World Bank. (2022). *Corporate Governance and Market Access in Transition Economies*. Washington, DC.

¹³ Elmirzayev S. Dividend Policy Analysis and Dividend Aristocrats in Developed Countries //Scientific-electronic journal "International Finance and Accounting. – 2020. – T. 2.



¹⁴, ¹⁵]. Their studies recommend the development of secondary markets, alignment with International Financial Reporting Standards (IFRS), and incentivization of long-term investment by pension funds and insurance companies.

Bridging these gaps will enhance capital absorption. Domestic investors must be empowered through education and policy reform. Legal certainty enhances investor protection. Weak enforcement can paralyze equity development. Furthermore, Andrei Shleifer and Daniel Wolfenzon (2002) demonstrate that without adequate investor protection and enforcement mechanisms, equity markets fail to serve as a viable alternative to traditional bank financing^[16]. Their research suggests that strengthening market infrastructure—such as independent regulatory bodies, judicial efficiency, and shareholder dispute resolution—directly correlates with increased issuance of corporate equity.

Institutional integrity is the backbone of capital markets. Rule of law encourages wider investor participation. A robust financial market supports corporate evolution. Long-term capital access depends on holistic reforms. In conclusion, the scientific literature confirms that the improvement of joint-stock company financing through the stock market is not merely a matter of capital access, but rather the outcome of systemic reforms in governance, regulation, market infrastructure, and financial innovation. A multi-dimensional strategy rooted in global best practices, yet adapted to national realities, is necessary to enhance the role of the stock market as a key pillar in corporate finance. Strategic alignment enables sustainable financing. The capital market remains a vital engine of economic transformation.

RESEARCH METHODS

From a scientific standpoint, the study employs a comprehensive set of research methods to analyze the mechanisms for enhancing the performance of joint-stock companies in capital markets. The inductive method is used to derive general principles and strategic approaches from empirical observations of joint-stock companies functioning across diverse capital market environments. In parallel, the deductive method serves to verify the applicability and effectiveness of theoretical frameworks regarding investor relations, corporate governance, and capital mobilization. A comparative analysis approach is employed to critically examine disparities in efficiency, transparency, and regulatory compliance between domestic joint-stock companies and those in developed market economies. Furthermore, trend analysis is applied to trace the dynamics of stock market participation, fluctuations in trading volumes, and changes in share price movements over longitudinal periods. Abstract modeling techniques are utilized to understand the systemic interactions among institutional actors and structural determinants that influence market behavior and investment decisions. These methods, in aggregate, form a rigorous scientific foundation for developing actionable policy proposals and corporate strategies — such as the improvement of financing of joint-stock companies through the stock market — which are vital for strengthening financial sustainability and investor appeal.

¹⁴ Karimov P. D. A. Improving Mechanisms Of Attracting Free Money Of The Population In The Securities Market Development //International Finance and Accounting. – 2022. – T. 2022. – №. 1. – C. 16.

¹⁵ Omonov S. Kapital bozorida emitentlarning investitsion jozibadorligini oshirishda dividend siyosati //YASHIL IQTISODIYOT VA TARAQQIYOT. – 2025. – T. 3. – №. 2.

¹⁶ Shleifer, A., & Wolfenzon, D. (2002). "Investor Protection and Equity Markets." *Journal of Financial Economics*, 66(1), 3–27.



ANALYSIS AND RESULTS

Joint-stock companies primarily depend on equity issuance through stock markets to raise long-term capital without increasing their debt burden, thereby maintaining financial stability. Through mechanisms such as Initial Public Offerings (IPOs) and Secondary Equity Offerings (SEOs), firms can attract capital from both domestic and international investors, which enhances their financial flexibility. Additionally, hybrid instruments like convertible bonds provide a cost-effective financing option—typically offering interest rates up to 4% lower than traditional debt—while allowing investors the opportunity to convert debt into equity. These instruments mitigate the risk of overleveraging, especially in volatile market conditions. Recent studies indicate that firms accessing equity markets report higher asset growth and profitability compared to firms relying solely on debt. Consequently, efficient use of stock market instruments is critical for sustainable corporate finance.

Sound corporate governance—featuring independent board members, transparent disclosures, and consistent dividend policies—plays a vital role in improving a company's stock market performance. Empirical evidence from emerging economies, including Uzbekistan, demonstrates a strong correlation between governance quality and market capitalization. Moreover, Environmental, Social, and Governance (ESG) compliance has become an essential criterion for institutional investors, influencing capital flows toward responsible and transparent businesses. Government initiatives to improve governance practices have resulted in greater investor confidence and reduced capital costs. In addition, aligning with ESG standards has led firms to access green financing and sustainable bonds, further diversifying their funding base. As such, a governance-driven financing model significantly enhances a company's financial resilience and public perception.

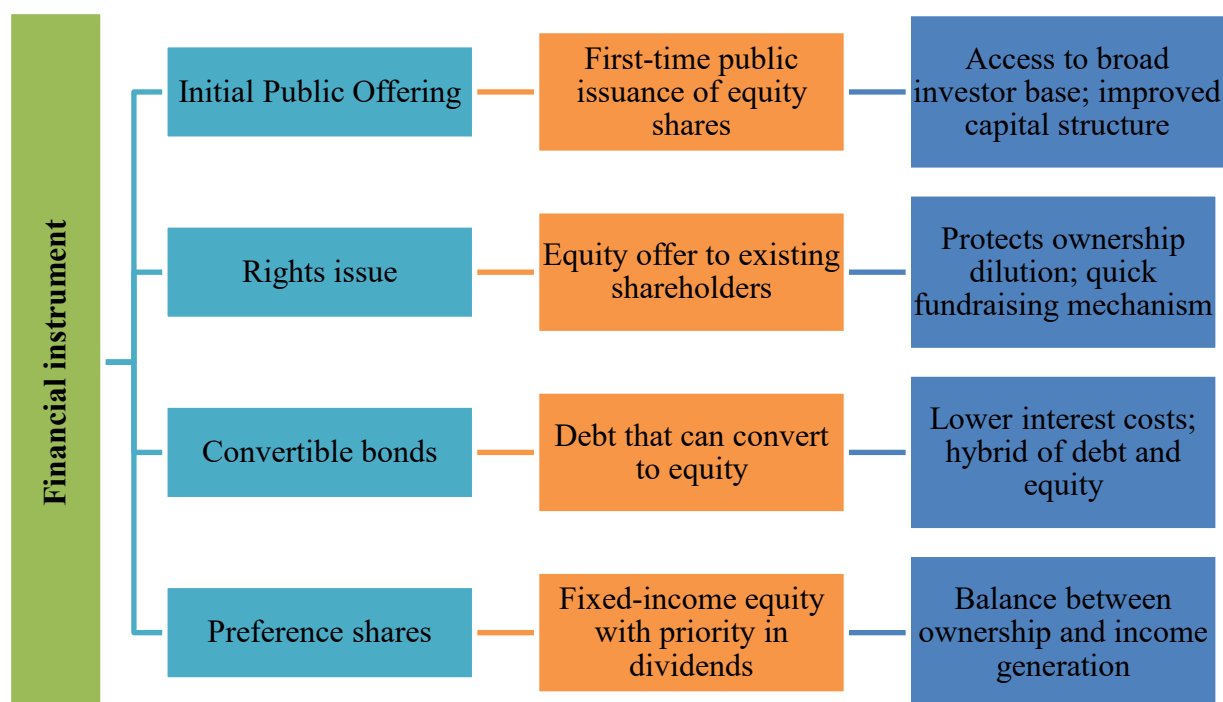
Table 1 IPO Trends and Market Capitalization Comparison^[17]

Indicator	Uzbekistan (2022–2025)	China (2024 Est.)	Global Average (1990–2016)
Annual Number of IPOs	Increased from 0 to 3	Over 100 per year	Varies by country size
Average Convertible Bond Volume	N/A	\$18.8 billion	~\$30 billion/year
Market Capitalization to GDP Ratio	Approx. 21% (2023)	~90%	60–100% (developed markets)
Growth Rate in Listed Firms	Accelerating post-2022 reforms	Rapid with government backing	Depends on market depth and liquidity

The dynamics of IPO activity and market capitalization highlight significant disparities between Uzbekistan, China, and global benchmarks. While Uzbekistan has shown progress, increasing IPOs from 0 to 3 between 2022 and 2025, it remains far behind China, which hosts over 100 IPOs annually. The absence of a convertible bond market and a relatively low market capitalization-to-GDP ratio of approximately 21% in Uzbekistan contrast sharply with China's 90% and the 60–100% range typical of developed markets. However, recent post-2022 reforms in Uzbekistan have accelerated the growth rate of listed firms, indicating potential for deeper

¹⁷ *Financial Times, ScienceDirect, Asian Development Bank Reports, Green-Eco.uz*

capital market development. Continued structural improvements are essential to align with global standards and enhance the role of the stock market in corporate financing.



Figur 1. Capital Market instruments and their advantages

Access to capital markets substantially accelerates the expansion capabilities of joint-stock companies, especially those facing traditional financing constraints. A global study covering data from 1990 to 2016 reveals that firms utilizing equity and bond markets tend to achieve faster asset growth, increased employment, and broader geographic expansion. These effects are most prominent in countries with well-regulated and liquid stock exchanges. Stock market financing also facilitates R&D investments, allowing innovative companies to maintain competitive advantages. In contrast, overdependence on bank credit can restrict long-term investment decisions due to rigid repayment schedules and interest burdens. Therefore, fostering an enabling stock market environment is essential for inclusive and sustained corporate growth.

To enhance the financing structure of joint-stock companies through the stock market, it is necessary to adopt multi-dimensional strategies that include regulatory reforms, market incentives, and investor education. For instance, simplifying IPO registration procedures and introducing tax incentives for long-term investors would encourage more listings on local exchanges. Furthermore, the development of financial instruments such as convertible bonds, preference shares, and ESG-compliant securities could attract a wider pool of institutional and retail investors. International experiences, such as China's Beijing Stock Exchange, demonstrate how government-led initiatives can successfully channel capital to SMEs through structured capital markets. Hence, Uzbekistan must adopt a strategic blend of legal, institutional, and market reforms to deepen stock market participation and support corporate growth.

Table 2 Global equity issuance by region, \$B (2009–2023)[¹⁸]

Year	Australia	Canada	China	EU	HK	Japan	Singapore	UK	US	DM	EM	Total
2009	22.3	32.0	30.2	34.0	50.4	58.7	4.2	28.8	257.9	16.2	56.8	591.5
2010	20.3	38.7	73.1	50.9	78.3	56.0	8.2	26.5	213.0	8.2	108.1	681.3
2011	10.9	26.8	42.1	50.7	101.2	17.9	10.2	26.0	179.4	4.6	59.2	479.7
2012	10.5	29.0	40.2	47.1	51.1	22.4	6.1	19.9	230.0	7.5	70.6	534.3
2013	29.7	25.1	63.7	95.2	61.8	29.2	9.2	41.8	254.8	15.7	74.9	652.4
2014	27.5	33.2	66.1	114.6	56.8	31.0	4.5	56.2	265.4	10.3	68.7	734.5
2015	20.2	27.6	91.1	81.7	36.5	27.2	1.3	55.0	216.7	9.7	51.8	720.7
2016	14.1	23.7	159.0	60.2	20.9	2.6	2.6	28.7	178.1	7.4	45.8	588.4
2017	13.7	31.0	143.4	91.6	37.4	4.4	3.8	38.1	194.0	16.5	93.9	673.4
2018	17.9	16.2	49.7	59.7	57.0	46.7	3.7	32.1	204.5	10.1	55.9	546.3
2019	10.8	25.6	69.0	62.5	53.2	33.2	5.3	32.3	194.1	12.0	99.3	543.5
2020	17.0	15.5	107.5	81.9	60.8	37.7	3.8	45.0	343.7	20.0	85.5	836.6
2021	27.9	20.4	172.2	114.2	83.9	51.6	3.9	51.6	376.4	20.1	131.1	1,051.2
2022	10.0	10.4	132.2	32.8	57.9	12.9	1.7	12.9	87.1	9.9	84.2	408.6
2023	10.8	9.6	93.1	43.5	30.1	15.4	1.5	18.6	127.3	9.1	68.4	422.2
Average	17.7	24.0	91.4	68.9	51.7	34.0	4.6	32.4	221.5	11.8	76.9	631.0
Y/Y %	7.5%	-7.6%	-	32.7%	-7.0%	221.2%	117.3%	44.0%	46.2%	-	-	3.3%
			29.6%							7.8%	18.8%	
5Y CAGR	-6.0%	-9.9%	13.4%	-6.1%	-	-8.4%	-17.1%	-	-9.0%	-	4.1%	-4.1%
					13.4%			10.3%		2.0%		
10Y CAGR	-6.6%	-9.2%	12.1%	-6.1%	-	-9.6%	-16.7%	-7.8%	-7.6%	-	0.6%	-4.3%
					13.4%					5.3%		

The data on global equity issuance from 2009 to 2023 reveals significant regional disparities and shifting trends in capital markets. The United States consistently leads with an average annual issuance of \$221.5 billion, although its 10-year CAGR shows a modest decline of – 7.6%, reflecting maturing capital markets and cyclical volatility. China, by contrast, demonstrates remarkable growth with a 10-year CAGR of 12.1% and average annual issuance of \$91.4 billion, positioning itself as a dynamic driver in global equity flows. Developed markets (DM) as a group experienced stagnation, with only marginal average issuance growth (–5.3% CAGR), while emerging markets (EM) maintained a slight positive trajectory (+0.6% CAGR), indicating increasing capital formation capacity. Despite global economic headwinds, the overall equity issuance market has remained resilient, with total average issuance over the period at \$631 billion annually, underscoring the enduring role of equity markets in global financing structures.

Table 3 US Capital Market Issuance: Bonds, Equity & IPOs (2014–2023)[¹⁹]

Year	Corporate Bonds (\$T)	Equity Issuance (\$T)	Total Issuance (\$T)	IPO Volume (\$B)
2014	1.6	0.2	1.8	93.5
2015	1.6	0.2	1.8	32.2
2016	1.6	0.2	1.8	20.7
2017	1.7	0.2	1.9	39.2
2018	1.5	0.1	1.6	49.9
2019	1.5	0.1	1.6	48.8
2020	2.4	0.3	2.7	85.4
2021	2.1	0.3	2.4	153.6
2022	1.4	0.1	1.5	8.5
2023	1.5	0.1	1.6	20.2

¹⁸ <https://www.sifma.org/wp-content/uploads/2023/07/2024-SIFMA-Capital-Markets-Factbook.pdf>

¹⁹ <https://www.sifma.org/resources/research/statistics/fact-book/>

The U.S. capital market maintained a strong issuance base between 2014 and 2023, with corporate bonds consistently dominating total capital raised. Corporate bond issuance averaged approximately \$1.7 trillion annually, peaking at \$2.4 trillion in 2020 amid pandemic-driven liquidity needs. Equity issuance remained modest in comparison, fluctuating around \$0.1–\$0.3 trillion per year. IPO volume, though volatile, saw a significant spike in 2021 at \$153.6 billion—more than triple the average of the previous years—before plummeting to just \$8.5 billion in 2022, reflecting tightening monetary policy and investor risk aversion. Overall, while debt markets remain the primary financing channel for U.S. corporations, equity markets, particularly IPOs, exhibit procyclical behavior tied closely to broader macro-financial conditions.

Table 4 Key Indicators of the Stock Market in JSC RSE "Toshkent" [20]

		2020	2021	2022	2023	2024
Trading volume	UZS million	510 800	1 147 110	4 705 790	2 620 570	19 182 120
Average daily trading volume	UZS million	2 003	4 588	19 052	10 567	77 347
Average volume per trade	UZS million	14,2	16,1	58,4	6,4	43,2
Quantity of trades	units	35 983	71 187	80 652	411 393	443 849
Average daily number of trades	units	141	285	327	1 659	1 790

From 2020 to 2024, Uzbekistan's stock exchange experienced a dramatic surge in trading activity, reflecting growing market participation and deepening financial market reforms. Equity trading volume rose sharply from UZS 510.8 billion in 2020 to UZS 19.18 trillion in 2024, a nearly 38-fold increase. This expansion was accompanied by significant growth in the average daily trading volume, reaching UZS 77.3 billion in 2024, up from just UZS 2 billion in 2020. The quantity of trades also increased more than twelvefold, from 35,983 trades in 2020 to 443,849 in 2024, indicating higher market activity and investor engagement.

Table 5 Key Indicators of the bond in JSC RSE "Toshkent" [21]

		2020	2021	2022	2023	2024
Trading volume	UZS million	67 340	113 400	110 420	92 180	380 960
Average daily trading volume	UZS million	264	454	447	372	1 536
Average volume per trade	UZS million	852,4	375,5	1 555,2	193,2	122,2
Quantity of trades	units	79	302	71	477	3 118
Average daily number of trades	units	1	1	1	2	13

In contrast, the second table likely reflects bond trading or block transactions, where the trading volume grew more modestly from UZS 67.3 billion in 2020 to UZS 381 billion in 2024. While the average volume per trade declined over the years (from UZS 852.4 million in 2020 to UZS 122.2 million in 2024), the quantity of trades rose significantly in 2024 to 3,118, up from just

²⁰ <https://www.uzse.uz/analytics?page=2>

²¹ <https://www.uzse.uz/analytics?page=2>



79 in 2020. This suggests a shift from a few large institutional transactions toward more frequent, possibly retail-oriented trades. Overall, the data reflect a rapidly evolving and increasingly active capital market in Uzbekistan, particularly in the equities segment. The substantial increase in both volume and frequency of trades signals growing investor confidence, deeper market liquidity, and the positive impact of post-2022 financial reforms.

Debt financing remains attractive due to interest tax shields and non-dilution of ownership; however, excessive reliance on it increases bankruptcy risks during economic downturns. On the other hand, equity financing eliminates fixed repayment obligations but may result in loss of control and higher required returns from shareholders. Therefore, joint-stock companies must employ a balanced financing strategy based on pecking order logic—first using internal resources, then debt, and finally equity as a last resort. This approach reduces the impact of information asymmetry and helps optimize the firm's weighted average cost of capital. In conclusion, combining different financial instruments with sound corporate governance and market transparency ensures sustainable access to capital markets.

CONCLUSIONS AND SUGGESTIONS

Joint-stock companies can greatly benefit from diversified financing mechanisms, especially when utilizing capital markets through IPOs, convertible bonds, and rights issues. Well-developed capital markets enable companies to reduce dependency on bank loans while improving liquidity and investment capacity. Institutional investors are increasingly guided by governance and ESG metrics, reinforcing the importance of transparency and regulatory alignment. Governments must therefore implement policies that improve listing environments and protect investor interests. With these strategies, firms can enhance their value and long-term competitiveness in the global economy.

A balanced financing model that combines equity, debt, and hybrid instruments is essential for sustainable corporate development. By applying financial theories such as the pecking order and optimal capital structure models, companies can minimize risk while maximizing growth. Policymakers must ensure that capital markets remain liquid, transparent, and accessible to firms of all sizes. The integration of ESG and digital platforms into stock exchanges will further attract diversified investments. Ultimately, strong governance, regulatory reforms, and financial innovation are the key drivers in improving financing through stock markets.

From 2014 to 2023, the US corporate bond market showed relative stability, with a noticeable spike during the pandemic years of 2020–2021 due to low interest rates and liquidity needs. Equity issuance remained modest in comparison but also rose during periods of financial uncertainty. The IPO market experienced a dramatic surge in 2021, reaching \$153.6 billion, followed by a steep decline in 2022–2023. This trend indicates the sensitivity of equity markets to macroeconomic shocks and investor sentiment. To build resilience, corporations should balance debt and equity financing strategies depending on market conditions. Regulatory reforms that simplify public listings and promote long-term investing could revitalize the IPO market. Encouraging innovation in financial instruments—such as green bonds and impact offerings—would help attract a broader investor base. Finally, monetary policy shifts should be closely monitored to avoid refinancing risks in the bond market.



Uzbekistan's equity market has demonstrated remarkable growth between 2020 and 2024, driven by structural reforms and increased investor participation. Trading volume surged from UZS 510.8 billion to UZS 19.2 trillion, accompanied by a significant rise in daily trades and market liquidity. The number of transactions expanded more than twelvefold, reflecting improved accessibility and confidence. This growth highlights the maturing of Uzbekistan's capital markets and their potential to support corporate financing through public equity. While growth in large-scale bond trades was more moderate, notable progress occurred in 2024 with increased trade frequency and broader market engagement. The decline in average volume per trade, alongside rising transaction counts, suggests diversification in investor profiles and trade sizes. Total trading volume rose nearly sixfold from 2020 to 2024, indicating gradual development in the debt or institutional segment. These trends reflect a shift toward a more dynamic and inclusive financial market infrastructure in Uzbekistan.

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