

УДК: 339.7.34.01

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INTERNATIONAL FINANCIAL MARKET: PATTERNS AND DEVELOPMENT TRENDS

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МІЖНАРОДНИЙ ФІНАНСОВИЙ РИНОК: ЗАКОНОМІРНОСТІ ТА ТЕНДЕНЦІЇ РОЗВИТКУ

Abstract. *The purpose of the work is to reveal the theoretical foundations of the functioning of the international financial market, the analysis of current trends and prospects of its development. The economic situation in the world is constantly changing, which can lead to changes in trends in the development of the international financial market. Therefore, it is important to constantly explore these trends to be ready for change. Financial markets play an increasingly important role in the world economy. They provide redistribution of capital, resources and information that contributes to economic growth. Therefore, it is important to understand the trends in the development of financial markets to effectively use them for economic development. In this regard, the study of the current state and trends of development of the international financial market is an urgent and important task that should be solved to ensure the effective development of the country and the world. The essence, functions and structure of the international financial market are determined. Important trends in the development of participants in the international financial market are determined. Participants in the international financial market play an important role in the development of the world economy. They contribute to the redistribution of financial resources between countries and regions of the world, which contributes to economic growth and development. In addition, participants in the international financial market provide liquidity of financial markets, which contributes to the efficient functioning of the economy. Fiscal policy should be aimed at maintaining economic activity without harming pricing, which may include targeted support for households that have been most affected by prices, as well as measures to increase food and energy supply. Governments and international organizations should cooperate to remove trade restrictions and infrastructure investments, which will help increase food*

and energy supply, which will mitigate the effects of extreme weather conditions and war in Ukraine. Governments need to implement reforms that increase labor supply. This may include workforce training and facilitating access to jobs for women and the elderly. The implementation of these measures will help the world economy overcome current challenges and restore growth.

Key words: *international financial market, trends, financial resources, development, globalization.*

Анотація. *Мета роботи – розкрити теоретичні основи функціонування міжнародного фінансового ринку, проаналізувати тенденції та перспективи його розвитку. Економічна ситуація у світі постійно змінюється, що може призвести до змін у тенденціях розвитку міжнародного фінансового ринку. Тому важливо постійно досліджувати ці тенденції, щоб бути готовими до змін. Фінансові ринки відіграють все більш важливу роль у світовій економіці. Вони забезпечують перерозподіл капіталу, ресурсів та інформації, що сприяє економічному зростанню. Тому важливо зрозуміти тенденції розвитку фінансових ринків для ефективного використання їх для економічного розвитку. У зв'язку з цим вивчення тенденцій розвитку міжнародного фінансового ринку є нагальним і важливим завданням, яке варто вирішити для забезпечення ефективного розвитку країни та світу. Визначаються сутність, функції та структура міжнародного фінансового ринку. Учасники міжнародного фінансового ринку відіграють важливу роль у розвитку світової економіки. Вони сприяють перерозподілу фінансових ресурсів між країнами та регіонами світу, що сприяє економічному зростанню та розвитку. Крім того, учасники міжнародного фінансового ринку забезпечують ліквідність фінансових ринків, що сприяє ефективному функціонуванню економіки. Фіскальна політика повинна бути спрямована на підтримку економічної активності, не завдаючи шкоди цінам, що може включати цільову підтримку домогосподарств, які найбільше впливають на ціни, а також заходи щодо збільшення продуктів харчування та енергоносіїв. Уряди та міжнародні організації повинні співпрацювати для усунення торгових обмежень та інвестицій в інфраструктуру, що допоможе збільшити продукцію та енергопостачання, що пом'якшить наслідки війни в Україні. Уряди повинні впроваджувати реформи, що збільшують пропозицію робочої сили. Це може включати підготовку робочої сили та полегшення доступу до робочих місць для жінок та людей похилого віку. Реалізація цих заходів допоможе світовій економіці подолати сучасні виклики та відновити зростання.*

Ключові слова: *міжнародний фінансовий ринок, тенденції, фінансові ресурси, розвиток, глобалізація.*

Problem statement. The financial market is increasingly globalized, which is manifested in the increase in the volume of international financial transactions, the development of international financial institutions and the increase in interaction between financial markets of different countries. This process has a significant impact on the economies of all countries of the world, so studying it is relevant. The financial market offers a wide range of financial instruments that are used for different purposes. Diversification of

financial instruments allows market participants to earn more profit and reduce risk. This process is also important for the development of the economy, so its study is relevant. The development of technologies, in particular information technologies, has a significant impact on the development of the international financial market. Technologies are used to automate financial transactions, reduce costs and increase market efficiency. This process is also important for the development of the economy, so its study is relevant. Considering these factors, the study of the current state and trends of development of the international financial market is relevant in terms of understanding the impact of the financial market on the economy of the country and the world, as well as in terms of development of strategies for the development of the financial market. The economic situation in the world is constantly changing, which can lead to changes in trends in the development of the international financial market. Therefore, it is important to constantly explore these trends to be ready for change. Financial markets play an increasingly important role in the world economy. They provide redistribution of capital, resources and information that contributes to economic growth. Therefore, it is important to understand the trends in the development of financial markets to effectively use them for economic development. In this regard, the study of the current state and trends of development of the international financial market is an urgent and important task that should be solved to ensure the effective development of the country and the world.

Analysis of recent research and publications. It should be noted that the issue of development of the current state and trends of development of the international financial market was investigated by a significant number of Ukrainian and foreign scientists, in particular: A. Bathorshina, R. Bacho, K. Brenzovich, A. Boldova, O. Voitenko, I. Doronin, S. Esh, T. Kaminskaya, K. Klimenko, N. Kryshtof, N. Kushnarenko, Z. Lutsshin, Y. Mach. Frolova, O. Shevchenko, Y. Yarmolenko and others. These scientists have made a significant contribution to the study of the current state and trends of development of the international financial market. They developed the theoretical foundations of the functioning of the financial market, analyzed the main trends of its development, and developed recommendations for its regulation and development.

Despite this, the issues of development of information technologies that have a significant impact on the development of the international financial market are not sufficiently investigated. Technologies are used to automate financial transactions, reduce costs and increase market efficiency.

The purpose of the work is to reveal the theoretical foundations of the functioning of the international financial market, the analysis of current trends and prospects of its development.

Results. The international financial market is an important part of the global economy. It helps to redistribute capital between different countries and regions, and contributes to the development of trade and investment. The degree of development of the financial market is characterized by the number of financial intermediaries and the diversity of the financial services they provide. The financial market is a complex and diverse system, and the international securities market is one of its most important parts [69, p. 288]. Shares are pledged without repayment and confirm the share in the authorized capital of a limited liability company, confirming membership in a limited liability company and the right to participate in its management. In addition, shareholders have the right to

earn dividends and the right to participate in the distribution of property after the liquidation of a joint-stock company. In particular, scientists O.M. Mozgovyi, T.V. Musiets and L.V. Rudenko-Sudareva noted that the international financial market:

from a functional point of view, it is a system of market relations where the object of operations is money capital, and which provides the accumulation and redistribution of world financial flows to ensure the continuity and profitability of production;

from an institutional point of view, it is a collection of banks, specialized financial and credit institutions, stock exchanges through which the movement of world financial flows is carried out, and which are intermediaries of redistribution of financial assets between creditors and borrowers, sellers and buyers of financial resources [4, p. 184].

From a functional point of view, the financial market is based on several key mechanisms, including:

- redistribution of financial resources: the international financial market allows countries and economic agents that have surplus financial resources, redistribute them in favor of those who need them;

- collection of financial resources: the international financial market contributes to the accumulation of financial resources that can be used by countries and economic agents for investment, trade financing and other purposes;

- financing of international trade: the international financial market provides financing of international trade, which contributes to the growth of international economic relations.

The international financial market allows countries and economic agents to make international investments, facilitating the overall development of the economy.

From the institutional point of view, the financial market is based on several key mechanisms, including:

- professional financial and credit institutions. These institutions include investment banks, insurance companies, pension funds, etc. contains. They manage operations such as investments, insurance and pension payments;

- stock market. The stock exchange is the securities trading center. They provide interaction of sellers and buyers of securities;

- banks. Banks are the main participants in the world financial markets. They perform transactions such as lending, deposit and foreign exchange transactions.

The optimal structure of the financial market in terms of proper development of appropriate types of financial intermediaries is a prerequisite for the successful development of a market economy and the effective interaction of its financial and real sectors. The objective basis for the formation of the international financial market was the development of international division of labor. Due to the development of the international division of labor, the country specializes in the production of certain goods and services, which requires the movement of financial resources between them. Internationalization of the public production means that enterprises of different countries are combined into single production structures. This requires the movement of financial resources between countries to finance joint projects [3, p. 57]. As the economy develops, the concentration and centralization of financial capital, which creates the preconditions for the creation of transnational financial institutions that carry out operations in the international financial market. The objective basis for the formation of the international financial market was:

- development of international division of labor;
- internationalization of social production;
- concentration and centralization of financial capital.

Internationalization of social production is the main prerequisite for internationalization of capital. The international financial market takes place in integration processes that contribute to the limitation of the circle that rotates and actually form a single interest rate system. This trend is constantly confirming in the transformation of leading national companies and banks into transnational [4, p. 184].

The formation of the international financial market at the present stage is influenced by the process of globalization of national financial markets. In particular, intensive implementation of electronic technologies, communication and informatization makes financial markets more efficient and accessible. Expanding the number and volume of securities offered increases the opportunities for investing and financing. The strengthening of the role of financial markets as the main mechanism of redistribution of financial resources on national and globally is associated with the development of the economy and increasing demand for financial resources. Privatization of state-owned enterprises increases the number of shares offered on the market. It is also worth noting that the world financial centers have developed infrastructure and high qualification of specialists. Institutionalization of financial markets means that the share of institutional investors, such as insurance companies, pension funds and investment banks, is growing in the markets. Liberalization of financial markets means that states facilitate the rules of access to financial markets for foreign participants. The international financial market performs the following important functions:

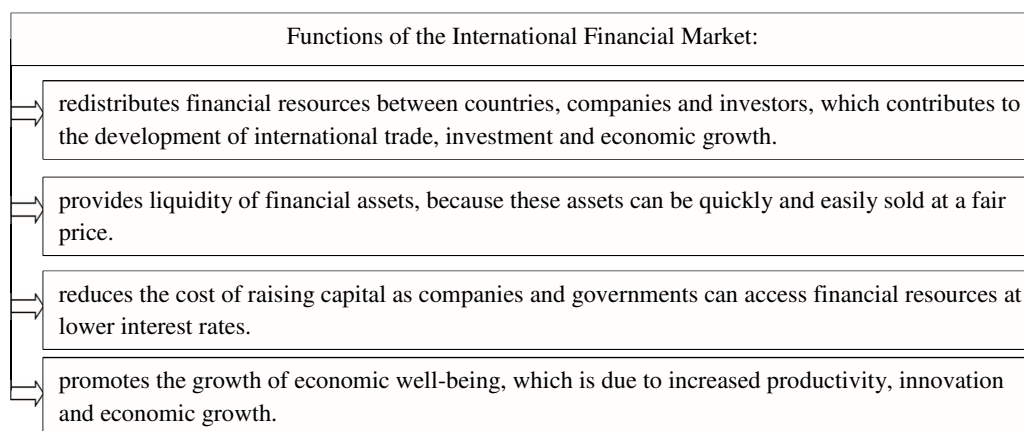


Fig. 1. Functions of the International Financial Market

It is also worth noting that the international financial market meets the needs of companies, states and investors. Companies use the international financial market to raise capital to finance their activities. The state uses the international financial market to finance its expenditures. Investors use the international financial market to invest their funds into different assets, such as securities, real estate and startups. In the international

financial market, the interaction of sellers and buyers of financial assets through exchanges, where sellers and buyers occur to trade securities and other financial assets [6, p. 38].

The structure of the international financial market (by tools) is shown in fig. 1.2

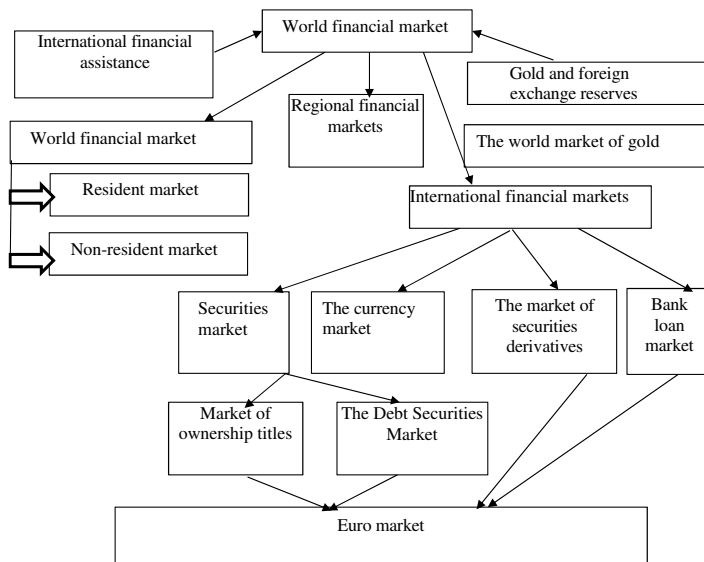


Fig. 2. The structure of the international financial market (by instruments)

* Source: made by the author according to the data [4, p. 189]

The most important segments of the international financial market are:

–the currency market. This is the market where currency is trading. The currency market is the most active segment of the international financial market.

–securities market. It is the market where securities are trading such as shares, bonds and others. The securities market is an important source of financing for businesses and governments.

–bank loan market. It is a market where banks provide loans to businesses and individuals. The bank loan market is an important source of funding for the economy.

The international financial market plays an important role in the development of the world economy. It promotes: redistribution of financial resources between countries and regions; reducing the risk to investors; development of international trade and investment. However, the international financial market can also be a source of risk to the economy. In particular, financial crises that arise in the international financial market can lead to economic upheavals in different countries of the world. Separately consider the international movement of gold and foreign exchange reserves consisting of official and private reserve financial assets.

Operations with gold are formed by the international gold market.

Therefore, we can distinguish such important trends in the development of participants in the international financial market as: an increase in the role of institutional investors; increasing participation of developing countries in world financial flows; development of offshore financial centers. Participants in the international financial market

play an important role in the development of the world economy. They contribute to the redistribution of financial resources between countries and regions of the world, which contributes to economic growth and development. In addition, participants in the international financial market provide liquidity of financial markets, which contributes to the efficient functioning of the economy.

The international financial market is a complex system that is constantly developing and adapting to new conditions. It is important to understand the basic trends of market development in order to function effectively in it. The international financial market is developing in a dynamic direction. It has become more globalized, diversified and technological. These trends have a significant impact on the economies of all countries of the world.

The authors O.M. Mozgovyi, T.V. Musiets and L.V. Rudenko-Sudareva note that the participation of national currency markets, markets of bank loans, stock markets in the operations of the international market is determined by certain factors [4, p. 185].

Among the factors of influence are the existence of an appropriate place of the country in the world system of economy and its currency and economic situation. Countries with a developed economy and a stable foreign exchange market have more opportunities to participate in the international financial market. Also, the functioning of the international financial market is influenced by the process of existence of a developed credit system and accordingly an organized stock exchange, which creates preconditions for the development of domestic financial markets, which are the basis for participation in the operations of the international market. High taxes on financial transactions and unstable political situation can repel investors. Instead, currency legislation benefits that allow foreign borrowers to access the national market and foreign papers - to exchange quotes, create conditions for attracting foreign investment. The country's geographical location can contribute to the development of its financial market, for example, if the country is at the intersection of important trade routes.

The international financial market is a complex system that brings together different markets that trade different financial assets. The structure of the international financial market, depending on certain features, can be given as follows:

1. According to the term of circulation of financial assets: the money market-short-term (from one day to one year) deposit and borrowing operations are carried out; capital market-assets purchase and sale operations for more than one year; the money market-short-term (from one day to one year) deposit and borrowing operations are carried out; capital market-assets purchase and sale operations for more than one year.

2. Under the conditions of transfer of financial resources: the borrowing capital market; the equity market.

3. Depending on whether new financial assets are offered for sale, or have been issued earlier:

- primary - new financial assets are offered for the sale on the market and primary investments in the economy are made;

- secondary - the market where assets that have been released earlier and which do not increase the total number of financial assets and value investments;

- tertiary is the market where the trading of derivative financial instruments occurs. This market has emerged due to the emergence of new financial instruments.

4. Depending on the place where financial assets trade occurs:

–stock exchange (centralized, organized) - a market that operates according to certain rules established by exchanges and banks;

–OTC (decentralized, unorganized, interbank) - a market on which agreements are concluded, the terms of which are established by the subjects of the Agreement, and trade is fully decentralized and carried out mainly through dealing \ systems, international telecommunications systems, telephone.

1. Depending on the period of end of operations, divide into:

–the market of cash (current, «spot») operations - provides for the trade asset, the payments for which are made not later than the second working day after the conclusion of the agreement;

–the market agreement - the calculation is made later than on the second working day after the date of conclusion of the agreement.

2. On the basis of control of national systems of monetary regulation:

–national markets are markets of countries in which both residents and non-resident assets are rotated;

–regional markets are markets where financial assets of several countries or within a certain integration association are rotated;

–international markets are markets where financial instruments are circulated outside their countries of origin.

National, regional and international markets differ in the conditions of issue and mechanism of circulation of financial assets. International and regional markets are decisive in the further development of the international financial market.

3. Depending on the rotating instruments, distinguish the following international financial markets:

–international (sometimes called international, because transactions on it take place daily) the foreign exchange market, where transactions occur exclusively with currency;

–the international bank loan market is the market where the process of lending of working capital, i.e. working capital (work capital) takes place;

–the international market of financial instruments (derivatives);

–the international securities market (stock market) is a market where a regular purchase and sale of unit (ordinary and privileged shares, depository receipts) and debt securities (state and corporate) for the purpose of implementation, which is divided into such segments as: the international market of securities; international property titles (stock market and depository receipts); euro market [4, p. 187-188].

Geopolitical and economic conditions have an important impact on the development of the international financial market. Increasing international trade and investment, political stability and economic development contribute to the intensification of international financial transactions. On the contrary, factors such as political instability, economic crises and trade wars can lead to a decrease in the volume of international financial operations [2, p. 38].

Technological development is also an important factor in influencing the development of the international financial market. The development of financial technologies, such as blockchain and artificial intelligence, changes the nature of financial transactions, increases their efficiency and accessibility. For example, blockchain can be used to create

new financial instruments such as smart contracts and artificial intelligence can be used to automate financial transactions.

The regulatory environment also affects the development of the international financial market. Regulation of financial markets can help or restrict the development of financial transactions. For example, rigid regulation can lead to an increase in the cost of financial transactions, which can adversely affect their liquidity [5, p. 132].

Therefore, the international financial market is a complex system that is constantly developing and adapting to new conditions. The main factors of influence on the development of the international financial market include: globalization (growth of international trade and investment, international integration of financial markets); technological progress (introduction of new technologies in financial services (fintech), development of electronic financial platforms); macroeconomic factors (changes in inflation and interest rates, economic growth or recession in global economies); regulation and regulations (changes in the legislation and regulations of the financial sector, international standards of financial reporting); geopolitical events (conflicts and political instability, changes in international relations and sanctions); demographic changes (changes in population placement and market needs); financial innovations (development of new financial products and services, emergence of new financial instruments); crisis situations (financial crises and their impact on market trust, changes in risk management approaches); social and environmental aspects (increasing attention to socially responsible investments, the impact of environmental and sustainable investments on the market); ethnic and cultural influences (diversity of cultural approaches to finances in different regions of the world, the impact of cultural features on financial practices and customs). The development of the international financial market is due to the influence of various factors that can be classified by various aspects.

The international capital market is increasingly global, which is manifested in the growth of international financial transactions, the development of international financial markets and financial institutions. The development of new financial technologies, such as blockchain and artificial intelligence, contributes to the further globalization of financial markets, improving the efficiency and availability of financial services. The economic consequences of the openness of capital markets are mainly investigated at two levels: macroeconomic and microeconomic. At the macroeconomic level, the influence of liberalization of capital markets on macroeconomics is not unambiguous, there are two opposite points of view. At the microeconomic level, researchers discussed various aspects of openness of capital markets for corporate governance, investment efficiency, disclosure and volatility of shares [8].

International investors carefully investigate the international stock market. According to the S&P agency, the rating of Ukraine is reduced to the level of SD (selective default), and Eurobonds - to level D. Now the international stock market is on the lift, its capitalization is \$ 94 trillion, which exceeds international GDP in 2020 by \$ 5,25 trillion. The largest players in the international stock market are the United States, the United Kingdom, Canada, European countries, China, India and Japan [9, p. 63].

The US is the leader of the international stock market. The New York Stock Exchange and NASDAQ together form almost a third of the international stock market.

NYSE was founded in 1792 and is the oldest and largest stock exchange in the world. It sends securities more than 2.4 thousand companies from all over the world, and its total capitalization is \$ 28.8 trillion.

The key index of NYSE is NYSE composite, which reflects the change in the value of more than 2 thousand largest companies whose securities are traded on this exchange [9, p. 62]. Canada has a developed stock market, which is represented by the Toronto Stock Exchange (TSE). TSE was founded in 1852 and is the second largest stock exchange in North America. It sends securities over 1.6 thousand companies, and its total capitalization is \$ 2.4 trillion. The average daily trading on TSX is \$ 8.5 billion. The TSE key index is S&P/TSE, which reflects the change in the value of more than 280 largest companies whose securities are trading on this exchange [9, p. 63].

The European Stock Market is represented by the European European Exchange, which unites the exchanges of Belgium, France, Ireland, the Netherlands, Norway and Portugal. Euronext was founded in 2000 and is the second largest stock exchange in Europe. It sends securities more than 1.5 thousand companies, and its total capitalization is \$ 4.4 trillion. The average daily bidding on Euronext is \$ 9.7 billion. The Euronext is the key index of Euronext 100, which reflects the change in the value of more than 100 largest companies whose securities are trading on this exchange [9, p. 63].

The London Stock Exchange (LSE) is the oldest stock exchange in the world founded in the late 18th century. Currently, its main list contains more than 1.1 thousand companies, and total capitalization is about \$ 3.8 trillion. As a result of September 2020, the average daily auction amounted to \$ 5.3 billion. One of the most important indices of the London Exchange is FTSE 100, which includes shares of 101 largest company trading on this site.

SHKSCP is a mechanism for interaction for trade trade between Shanghai Stock Exchange and the Hong Kong Stock Exchange that allows investors to buy and sell shares that are bought on a different exchange within a certain range of prices through local securities.

The China Government has repeatedly stated that it would focus on promoting a new round of high-level openness, an important part of which is the expansion of the sphere services, including the openness of capital markets [8]. The Government also points out that it intends to actively strive to set the requirements for the creation of a mechanism for trading on Shanghai and Hong Kong Stock Exchanges to further stimulate the bilateral openness of the capital of mainland China and Hong Kong, as well as their healthy development. At the same time, more deep integration with the world market will constantly increase the level of openness. From the point of view of disclosure, the openness of capital markets can attract many foreign investors. Due to the differences in geographical culture and the political system, foreign investors are in an informative situation and prefer to invest in companies with good disclosure [8].

The Chinese Stock Market is represented by the three largest exchanges - Shenzhen, Shanghai and Hong Kong. The SZSE SHENCHENCE SOURCE (SZSE) is the second largest stock exchange in China. It sends securities more than 2.3 thousand companies, and the total capitalization is \$ 4.6 trillion. The average daily bidding in September 2020 is \$ 96.2 billion. The main SZSE - SZSE component index index monitors the shares dynamics of 50 most liquid and large companies on the site [8].

The Shanghai Stock Exchange (SSE) is the largest stock exchange in China. It sends securities more than 2.5 thousand companies, and total capitalization is \$ 6.2 trillion. The

average daytime trading at the main site was \$ 383 billion. The key index SSE - SSE composite index includes all listing securities and is calculated by their overall capitalization. The Shanghai Stock Exchange (SSE) plays a key role in China's financial system, reflecting the considerable volume of trading and the general capitalization of the country.

The HKcon Stock Exchange (HKEX) is the fourth largest stock exchange in the world. It sends securities more than 2.6 thousand companies, and total capitalization is \$ 5.8 trillion. The average daily trading in September 2020 - \$ 11.4 billion. The HKEX key index is Hang Seng Index, which is the average weighted value of the stock of 50 companies whose securities are traded on the exchange and account for more than half of the HKEX capitalization [8].

In 2023, the stock markets continued to be in an atmosphere of instability, and companies that came to the public market were faced with problems. Over the last two years, there has been a slowdown in capital markets, reflecting the wider economic uncertainty, market instability and geopolitical instability [1].

The IPO market remained relatively inactive in 2023, which made the last two years one of the lowest years in the United States. A few loud IPOs were brought to the market in the last half of the year, but despite the successful pricing, most were later traded at listing. This caused a wave of caution among other potential candidates for IPO, who considered the entry into the market [1].

Since the beginning of the year, only 34 traditional IPOs have been held, with the leading sectors - pharmaceuticals and biology, consumer markets and technologies. The number of IPOs and the mergers of SPAC continues to decline to dopandemia level. Financing both public and private investors has decreased significantly compared to the peak in 2021, while the level of redemption among existing investors increased sharply. Since the beginning of the year, 28 IPO SPACs and 79 mergers have taken place [61]. The S&P 500 index has increased by 19% since the beginning of the year, while the traditional IPOs, which have made its debut this year, fell by an average of 5%. Positive profit in the wider stock market is mainly due to a small subset of shares of technological companies, which is mainly explained by the achievements in the field of artificial intelligence [1].

Financial technological companies (Fintech Company) and other non-bank financial institutions play an increasingly important role in the international financial sector. Globalization of financial markets increases the risks associated with financial transactions. These risks can lead to financial crises that have a negative impact on the world economy. Increasing international trade and investment, international integration of financial markets contribute to the development of international financial transactions.

Thus, stock markets are the largest segment of the international capital market, and their further development is likely. This is due to factors such as the growth of the global economy, the increase in demand for innovation, the development of artificial intelligence and machine learning. Development of digital financial services. Digital technologies, such as blockchain and artificial intelligence, contribute to the development of digital financial services. This is due to factors such as increasing the popularity of online trade and electronic payments, increasing the popularity of mobile devices. Increasing the role of non -bank financial institutions. Non-bank financial institutions, such as insurance companies, pension funds and investment companies, play an increas-

ingly important role in the international financial sector. This is due to factors such as: increasing financial transactions, development of new financial products and services. These trends are positive for the development of the international capital market. They help to increase the efficiency and availability of financial services, as well as stimulate economic development.

The world economy continues to slowly recover from the consequences of the pandemic, the invasion of Russia into Ukraine and the crisis of life value. Looking back, we can say that the economy has demonstrated a great resistance. Despite violations in the energy markets and food caused by war and unprecedented intensification of global monetary policy to combat inflation, which has reached the highest level in recent decades, the global economy has slowed but has not stopped. However, growth remains slow and uneven, and differences between the countries of the world are increasing.

Global economic activity reached the bottom at the end of 2022, while inflation - both general and basic - is gradually taken control. But the complete recovery to the tendencies that preceded the pandemic seems less achievable,

Especially in developing countries and developing countries. According to the latest World Economic Outlook (WEO) forecasts, global growth will slow down from 3.5 percent in 2022 to 3 percent of this year and 2.9 percent next year, which is 0.1 percent below our 2024 forecasts in July. This remains much lower than the historical average [7].

Total inflation continues to decline: from 9.2 percent in 2022 in the annual calculation up to 5.9 percent of this year and 4.8 percent in 2024. Basic inflation, which does not take into account food and energy prices, is also expected to decrease, although more gradually than total inflation, up to 4.5 percent in 2024. As a result, the forecasts are increasingly in favor of the «soft landing» scenario, which involves reducing inflation without a significant decline in economic activity, especially in the United States, where the projected rise in unemployment is very modest: from 3.6 to 3.9 percent by 2025. But there are important differences. Development is more pronounced in developed economies than in developing countries and developing countries. Among the developed economies, the United States was pleasantly surprised by persistent consumption and investment, while the activity in the euro area was revised. Many developing countries have proved to be quite stable and were also surprised, except for China, which faced the increased negative impact through the crisis in the real estate market and reduced confidence [7].

There are three global forces. First, the restoration of the service sector is almost completed. Last year, intense demand for services supported services, including such important tourist areas as France and Spain, compared to such production facilities as China and Germany. The high demand for labor – intensive services has also led to more intense labor markets and higher and stable inflation in the service sector. But services in the field of services are now weakened with a steady slowdown in production, which suggests that inflation in the service sector will decrease in 2024, and labor markets and activity will weaken.

Secondly, part of the slowdown is the result of a stringent monetary policy required to reduce inflation. This policy begins to produce results, but its transfer is uneven between the countries. In developed economies, such as the US and the European Union, central banks increase interest rates to reduce demand and thus reduce inflation.

This has a negative impact on consumption, investment and economic growth. In developing countries and developing countries, monetary policy is also more rigid, but to a lesser extent. This is due to the fact that these countries have a lower inflation than developed economies, and they are more sensitive to increasing interest rates [7]. The impact of rigid monetary policy on economic growth is manifested in the following areas:

1. Consumption: Increasing interest rates increases the cost of loans for households and businesses, which can lead to a decrease in consumption.
2. Investments: Increasing interest rates also increases the cost of capital, which can lead to a decrease in investments.
3. Exports: Increase rates can lead to currency devaluation, which can make exports more expensive and reduce demand for it.

Despite these constant difficulties, several factors that hindered global growth at the beginning of 2023. The World Health Organization has announced in May that it no longer considers Covid-19 a global emergency in the field of health care, and the number of infections and hospitalizations still remains relatively limited, despite recent growth in some regions. The supply chains that have broken the pandemic were largely normalized, and the cost of delivery and delivery time of suppliers returned to the dopandemic level. And global financial conditions weakened after Swiss and American authorities took decisive measures in March to contain turbulence in their banking sectors. Under these conditions, international GDP increased by 3.4 percent in the second quarter of 2023 compared to the previous year - exceeding forecasts, including forecasts with World Economic Outlook (WEO) for April 2023.

This sustainability reflected high consumption against a hard labor market in the United States and active activity in economies with a large sector of travel and tourism, such as Italy, Mexico and Spain. These factors compensated for the decline in more sensitive rates of production sectors [7].

The amount of savings accumulated during the pandemic, which still supported consumers, is declining in developed economies, especially in the United States. This means fewer resources that can be calculated by households because they are still in high cost of life and more limited availability of credit in the conditions of monetary intensification aimed at reducing inflation.

International tourism is approaching the dopandemic level in most regions. The restoration of travel in 2021–2023 was accompanied by particularly strong economic growth in economies, where the share of tourist activity in GDP is great. These economies have been particularly sharp in GDP at the beginning of the pandemic. But since tourism recovery is gaining momentum, the stimulus for growth is weakened. The advanced indicators for services now indicate a weaker growth or decrease in production in economies that have previously experienced a strong recovery [7].

The latest data indicate a large -scale slowdown or recession in the production sector, accompanied by an appropriate decrease in industrial production, investment and international trade in goods. This weakness is a consequence of the combination of the consequences of the postpandemic transition of consumption back to the service sector, the weaker demand due to the higher cost of living, the abandonment of crisis support policy, stringent lending conditions and general uncertainty in the conditions of increased

geo-economic fragmentation. Global inflation decreased more than twice, from the peak of 11.6% in the second quarter of 2022 (in the annual figure) up to 5.3% in the second quarter of 2023. Approximately four-fifth gaps between the peak 2022 and the average level over the dopandemic period (2017-2019) was closed 3.5%. Among the main economies, the basic inflation in the second quarter of 2023 was from -0.1% in China (annual) to 2.8% in the euro area and 2.7% in the United States. The decrease in inflation was accompanied by a narrowing of the difference in inflation between countries [7].

The main causes of inflation reduced were the fall in energy prices and, to a lesser extent, food. According to a special section about goods in this chapter, despite the recovery in July, oil prices decreased during 2023 and are much lower than their peak in June 2022, due to a decrease in global demand, partly due to rigid global monetary policy. Restrictions on OPEC+ supply (organization of oil exporting countries plus selected non-OPEC countries) were partially offset by the strong growth of oil production in non-OPEC countries, most noticeably in the United States. Natural gas prices are also much lower than the 2022 peak, which reflects large reserves and supplies from Norway and North Africa. Food prices decreased slightly in 2023, the decrease in demand was compensated by the reduction of supply, in particular, those that arose from the exit of Russia from the Black Sea Grain Initiative in July, which reduced the supply of wheat to the international market. Normalization of supply chains also helped to reduce inflation in most countries [7].

Basic inflation has also decreased but slower. Global inflation without taking into account food and energy prices decreased from a peak in 8.5% in the first quarter of 2022 (in annual) to 4.9% in the second quarter of 2023, which was almost two-thirds of the way back to the dopandemic (2017-2019). Among the main economies in the second quarter of 2023, it ranged from 0.3% in China (annual) to 4.6% in the Eurozone and 4.7% in the United States. Data for July indicate an increase in inflation without taking into account food and energy prices in most developed economies. More data requires more data to evaluate progress in reducing base inflation.

Demand pressure occurs when demand for goods and services exceeds their supply. This can lead to a rise in prices as sellers can increase prices to meet demand.

In the US, for example, the labor market remains tough, especially in services related to services such as health and tourism. This led to a wage increase, which in turn contributed to the rise in prices for goods and services.

Transfer effects occur when rising prices for one product or service leads to an increase in prices for other goods or services. This can happen, for example, if manufacturers raise prices for their products to compensate for the increase in energy costs or raw materials. In 2022, energy and food prices increased, which led to rising prices for other goods and services. For example, the increase in oil prices has led to rising fuel prices and transport services [7].

In some countries, such as the United States and Eurozone, demand pressure plays a greater role in increasing basic inflation. In these countries, the labor market remains demanding, and wages are increasing faster than the cost of energy and food. In other countries, such as China, translation effects play a greater role in increasing basic inflation. In these countries, employment is less competitive, and wages are increasing more slowly than energy and food prices.

Basic inflation is expected to continue to decline in the coming months. This is due to the fact that demand pressure is weakened as central banks around the world increase interest rates to restrain inflation. In addition, energy prices and food are likely to remain relatively low. The March panic of 2023 remained localized and limited to problematic regional banks in the United States and Credit Suisse - a Swiss globally systematically important bank - due to the rapid reaction of the authorities of both countries. However, rapid rates in major developed economies over

For the last 18 months, the reaction to the rapid increase in inflation pressure has led to a rigid monetary policy - real rates above neutral rates - which is expected to last until 2025.

And there are clear signs that stricter lending conditions are increasingly affecting real activity. In developed economies, the demand for loans and investments has decreased in the first half of the year, which reflects both the limitation of supply and a decrease in demand for loans, as many enterprises began to reduce leverage in response to interest rates and excessive production capacity [7].

Increasing interest rates are likely to exert more pressure on banks in major economies, both directly (due to the increase in the cost of financing) and indirectly (due to the deterioration of the quality of loans). The real estate market has already reacted, and housing prices have slowed or decreased since the start of the cycle of intensification in several countries, and the bankruptcy rate has increased in some economies (increasing by 20 percent in the US during the last year), as Forbearance measures were gradually canceled. Bankruptcy in most countries remains lower than the pandemic but grow rapidly [7].

The debt market began to reflect a tougher monetary policy, while spreads to the state debt without risk remained more or less permanent. This indicates that although lending conditions have increased significantly, there are no signs of direct credit collapse. Credit surveys in the US and Europe show that banks have limited access to credit in the last year, and it is expected that this trend will continue in the coming months. Although the immediate consequences for the banking system can be noticeable, especially for banks with lower capitalization, risks to financial stability are considered limited. However, you should carefully monitor the situation, since a longer period of rigid monetary policy can lead to a significant deterioration in the quality of loans and increasing the emergence (NPL). This may cause the need to intervene financial regulation to maintain financial stability.

The latest forecasts confirm that the global economy is slowing down as inflation decreases from the long-standing maximum last year.

It is important to note that the impact of increasing real interest rates on the economy will depend on many factors, including inflation, the state of the economy and the behavior of consumers and enterprises.

Thus, the global economy continues to recover after the Covid-19 pandemic, but growth slows through increasing inflation, rigid monetary policy and geopolitical upheavals. In particular, the war in Ukraine and geopolitical tensions in other places may increase, which will lead to disruptions in the supply chains and restoration of fluctuations in food prices, fuel, fertilizers and other raw materials.

Conclusions. The essence, functions and structure of the international financial market are determined. Important trends in the development of participants in the interna-

tional financial market as: an increase in the role of institutional investors; increasing participation of developing countries in world financial flows; development of offshore financial centers are determined. Participants in the international financial market play an important role in the development of the world economy. They contribute to the redistribution of financial resources between countries and regions of the world, which contributes to economic growth and development. In addition, participants in the international financial market provide liquidity of financial markets, which contributes to the efficient functioning of the economy.

Current trends in the development of the international capital market have been identified. The stock markets are the largest segment of the international capital market, and their further development is likely. This is due to factors such as the growth of the global economy, the increase in demand for innovation, the development of artificial intelligence and machine learning, development of digital financial services. Digital technologies, such as blockchain and artificial intelligence, contribute to the development of digital financial services. This is due to factors such as increasing the popularity of online trade and electronic payments, increasing the popularity of mobile devices. Increasing the role of non-bank financial institutions.

Non-bank financial institutions, such as insurance companies, pension funds and investment companies, play an increasingly important role in the international financial sector. This is due to factors such as: increasing financial transactions, development of new financial products and services. These trends are positive for the development of the international capital market. They help to increase the efficiency and availability of financial services, as well as stimulate economic development.

The analysis of the features of the development of the modern international money market. Total inflation continues to decline: from 9.2 percent in 2022 in the annual calculation up to 5.9 percent of this year and 4.8 percent in 2024.

Basic inflation, which does not take into account food and energy prices, is also expected to decrease, although more gradually than total inflation, up to 4.5 percent in 2024. As a result, the forecasts are increasingly in favor of the «soft landing» scenario, which involves reducing inflation without a significant decline in economic activity, especially in the United States, where the projected rise in unemployment is very modest: from 3.6 to 3.9 percent by 2025. But there are important differences. Development is more pronounced in developed economies than in developing countries and developing countries. Among the developed economies, the United States was pleasantly surprised by persistent consumption and investment, while the activity in the euro area was revised. Many developing countries have been quite stable and were also surprised, except for China, which faced the increased negative impact through the real estate crisis and reduced confidence.

The key trends in the development of the modern international financial market are analyzed. Central banks should continue to increase interest rates until inflation returns to the target level, which can lead to some slowdown in economic growth, but this is necessary to prevent more serious problems in the future. Fiscal policy should be aimed at maintaining economic activity without harming pricing, which may include targeted support for households that have been most affected by prices, as well as measures to

increase food and energy supply. Governments and international organizations should cooperate to remove trade restrictions and infrastructure investments, which will help increase food and energy supply, which will mitigate the effects of extreme weather conditions and war in Ukraine. Governments need to implement reforms that increase labor supply. This may include workforce training and facilitating access to jobs for women and the elderly. The implementation of these measures will help the world economy overcome current challenges and restore growth.

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