

THE TOOLS OF A STOCK MARKET: CONCEPTION AND CLASSIFICATION

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This article is devoted to different types of financial tools used in a stock market of Russia. Also in this article there is a description of a new financial tool such as structured products. Special attention is paid to classification of structured products.

A quickly developing stock exchange has an urgent and important role in the modern stage of economies development. This market is more fragile and dynamic economic sector responding to changes in political, social and economic life of the country. Investments allow saving and even multiplying accumulation of individuals and companies. The functioning of the stock exchange is directly connected with development of the financial system both of Russia and the world, especially in terms of the world economic crisis that once again confirms urgency of research of a tool set on this market.

This set represents a wide diversity of financial tools. Therefore the research purpose is studying of already existing stock exchange tools along with modern ones and their specific classification. For achievement of this purpose it is necessary, first, to consider the essence of the notion "stock market tool".

The tool can be identified as any element which directly allows achieving the definite objectives and promotes functioning of the relevant system. The stock market is an independent sector of the financial market where the financial instruments having the financial value (securities) are purchased. Professors of the Russian economic university V.A. Galanov and A.I. Basov claim that concepts "stock market" and "securities market" are identical in the Russian business practice and there is no distinction between them. [1] But in the world practice these concepts are not used as synonyms. But in further consideration of this subject these concepts will be considered as identical because we will consider the Russian market.

Having compared concepts of stock market and securities market on the basis of the economic essence of tools given above, there is an opportunity to reflect the content of the concept "**tool of stock market**" as the specific goods, a type of the securities, being traded on the stock market which corresponds to the purpose of securities market functioning.

It is known that transactions can be carried out by means of various tools, according to the desire and preferences of investors. The most widespread, traditional securities market tools are:

Share gives the right to the owner of a security to receive a share of the company profit and the right of participation in vote on the main questions at general shareholder meeting. In other words, acquiring a share, the investor acquires part of the company and all rights connected with it.

Bonds is an obligation of the company (or the states – if it is a question of the state bonds – GKO-OFZ) to pay to the owner of the bond the fixed sum of money at the time set in advance.

Futures and options are derivative financial instruments which have are based on a share, a bond or other types of a basic asset used for high-risky speculative operations, and also for the purpose of hedging (risk management).

Having analyzed the above definitions it is possible to separate all the instruments of the stock market into two groups: basic tools which are a basis for derivative tools, and derivatives which are obligations according to which it is necessary to provide the basic assets which are the base of these derivatives by certain time. Also the cost of the derivative depends on the cost of the basic tool therefore derivative tools are still called papers of the second level. [2]

For more evident representation and understanding, all of these tools are presented in the table 1.

Table 1 - The classification of stock market tools

Basic tools (basis for derivative tools)	Derivative tools (derivatives)
Shares	Futures
Bonds	Forward
	Options
	Swap

Further there is an opportunity to consider mentioned above derivatives.

Futures. The essence of this derivative is trading (trade) by future deliveries of goods at future prices which will be established by then in the future market. In others words it is the contract on purchase something (for example, shares) in the future at the prices established today.

The term “**forward**” has also English origin. Futures and forwards differ in the point that that the former are traded on the exchanges and the latter on the interbank market. The difference is that contract at the exchanges are standardized as for conditions and terms of deliveries whereas in the interbank market these parameters can vary. [3]

The option is a contract on purchase or sale of a basic asset during a certain term or for the set date at the price determined now but there is a condition. The condition consists in the following: buying the contract you purchase the right but not a duty to buy or sell “a basic asset” at agreed price in advance. So if the purchase or sale is not profitable, you cannot make it. [4]

The swap is a derivative financial instrument, the agreement allowing temporarily exchanging one asset or obligations into other assets or obligations. It is used to improve the structure of assets and obligations, risk reduction and gain profit. [5]

The financial instruments given above exist throughout several centuries. Recently in stock market there have been new tools such as the structured product which is the tool designer consisting of two components: protective and aggressive. The aggressive investment tools are attached to “a basic asset” and provide the investor with the higher income. Currencies, shares of the Russian and foreign issuers, gold, etc. can be basic assets. And the protective part of a structured product (which provides safety of the capital and the minimum guaranteed profitability) is put in deposits, bills, bonds that is tools which often do not depend on situation change in the market. Thanks to these two components structured products allow the investor to earn often much more in comparison with a bank deposit and thus guarantee full or partial protection of the capital. [6]

As a result of this research definition of concept of stock market tools and their classification have been offered as well as new types of the tools functioning within this market have been considered. It is possible to add that traders are given the opportunity to choose a financial instrument when investing their capital.

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ИНВЕСТИЦИИ В ЭКОНОМИКЕ СИНГАПУРА

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INVESTMENTS IN ECONOMY OF SINGAPORE

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This article is about investments in economy of Singapore, including the sphere of information technologies. It emphasizes on such important aspects of this issue as the reasons of Singapore economic success, the state of investment climate inside the country, the main features of investments in information technologies of Singapore and possible prospects of investing to economy of this highly developed country. Besides, there is some statistic information about the positions of Singapore in top rankings.

В настоящее время Сингапур является одним из лучших примеров экономического успеха; за 40 лет этот город-государство в Юго-Восточной Азии совершил невероятный рывок в экономике, превратившись из маленькой деревни в одну из высокоразвитых стран в мире, которая на сегодняшний день занимает первые места во многих рейтингах: первое место в мире по легкости ведения бизнеса, первое место по конкурентоспособности экономики, первое место по эффективности и гибкости рынка труда. Сингапур является третьей в мире страной с самым низким уровнем налогообложения и с самым низким уровнем коррупции, нередко Сингапур называют «экономическим чудом» или «Азиатской Швейцарией». Именно поэтому феномен Сингапура привлекает внимание огромного числа исследователей, аналитиков, бизнесменов, инвесторов и финансистов со всего мира.

Итак, Сингапур – это страна, импортирующая абсолютно все, страна, которая имеет население в пять миллионов человек и которая располагается на территории чуть большее 700 кв. километров, страна, которая меньше Москвы в три раза и при этом страна, которая является третьим финансовым центром мира, уступая только Нью-Йорку и Лондону. В чем же секрет успеха Сингапура? Выделяются несколько важнейших составляющих сингапурской формулы успеха.

Во-первых, это стабильность экономики. Сингапур является страной с динамично развивающейся экономикой. В отличие от стран Европы, где темпы экономического развития редко превышают 2-3%, здесь только за счет роста цен можно получать гораздо