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EXCHANGE ACTIVITY: CURRENT STATE AND TRENDS

Modern exchange activity remains a complex and dynamic industry that depends on many factors. Innovation, technological development, globalization and regulation determine the current state of exchange activity. Investors and companies should be aware of these factors and take them into account when making investment decisions and managing risks. In general, the current state of exchange activity is characterized by high complexity, technological development and globalization. It continues to change under the influence of innovation, regulatory policies and global events. Investors and traders must be well aware of these factors and be able to adapt to changes in order to achieve their financial goals. The purpose of the presented work is to determine the main vectors of the development of stock market activity and the features of its current state. The methods of current research are: analysis and synthesis to determine the main trends in the development of modern stock market activity, induction and deduction – to determine the main factors influencing stock market activity and to assess its current state. The following conclusions can be considered the main results of the work: high-frequency trading and automated trading algorithms have become an important part of stock exchange activity. These algorithms can lead to significant price fluctuations and affect market liquidity; The Internet and social networks have become a source of information and advice for investors. Consumers and traders use them to conduct research and discuss investment opportunities; the cryptocurrency market and blockchain technology are developing at a rapid pace and impacting stock market activity. Exchanges specialized in the trading of cryptocurrencies appeared, and this new activity became an important part of the financial markets; many countries promote regulatory harmonization and cooperation between regulators to ensure the stability and transparency of stock markets. This helps to avoid financial crises and scandals; investment banks play an important role in stock market activity, providing trading, analysis and financial advisory services to clients; investors use various investment strategies, including long-term investments, day trading, money management, and others. A modern investor can choose from a wide range of approaches; companies are increasingly taking environmental and social responsibility into account in their investment strategies, which can influence market trends.

Keywords: *stock exchange; financial risks; market; digital technologies; blockchain; financial instruments; financial regulation; financial architecture.*

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БІРЖОВА ДІЯЛЬНІСТЬ: СУЧАСНИЙ СТАН ТА ТЕНДЕНЦІЇ

Сучасна біржова діяльність залишається складною та динамічною галуззю, яка залежить від багатьох факторів. Інновації, технологічний розвиток, глобалізація та регуляція визначають сучасний стан біржової діяльності. Інвестори та компанії повинні бути свідомі цих факторів і враховувати їх при прийнятті інвестиційних рішень та управлінні ризиками. Загалом, сучасний стан біржової діяльності відзначається високою комплексністю, технологічним розвитком і глобалізацією. Він продовжує змінюватися під впливом інновацій, регуляторної політики та глобальних подій. Інвестори та трейдери повинні бути добре обізнані з цими факторами та вміти адаптуватися до змін, щоб досягти своїх фінансових цілей. Метою представленої роботи є визначення основних векторів розвитку біржової діяльності та особливостей сучасного його стану. Методами поточного дослідження є: аналіз та синтез для визначення основних тенденцій розвитку сучасної біржової діяльності, індукції та дедукції – для визначення основних факторів впливу на біржову діяльність та оцінка

сучасного її стану. Основними результатами роботи можливо вважати наступні висновки: високочастотна торгівля та автоматизовані торговельні алгоритми стали важливою частиною біржової діяльності. Ці алгоритми можуть призводити до значних коливань цін та впливати на ринкову ліквідність; Інтернет та соціальні мережі стали джерелом інформації та порад для інвесторів. Споживачі та трейдери використовують їх для здійснення досліджень та обговорення інвестиційних можливостей; ринок криптовалют і технологія блокчейну розвивається швидкими темпами і впливає на біржову діяльність. З'явилися біржі, спеціалізовані на торгівлі криптовалютами, і ця нова активність стала важливою частиною фінансових ринків; багато країн сприяють регуляторній гармонізації та співпраці між регуляторами для забезпечення стабільності та прозорості біржових ринків. Це допомагає уникнути фінансових криз та скандалів; інвестиційні банки грають важливу роль у біржовій діяльності, надаючи клієнтам послуги з торгівлі, аналізу та фінансового консультування; інвестори застосовують різні стратегії інвестування, включаючи довгострокові інвестиції, денне трейдинг, грошовий управління і інші. Сучасний інвестор може вибрати з широкого спектру підходів; компанії все частіше враховують питання екологічної та соціальної відповідальності в своїх інвестиційних стратегіях, що може впливати на ринкові тенденції.

Ключові слова: біржа; фінансові ризики; ринок; цифрові технології; блокчейн; фінансові інструменти; фінансова регуляція; фінансова архітектура.

Introduction. The formation of stock market activity is a long and evolutionary process that reflects changes in the economy, technology and regulation. Modern exchange activity is characterized by high technological complexity, globalization and a variety of financial instruments, and it continues to develop and change in accordance with the needs of market participants and changes in the economic environment.

Exchange activity is the process of buying and selling financial instruments, such as shares, bonds, commodity futures, options and other assets, on specialized trading platforms, which are called exchanges [1, 10, 11]. This activity takes place according to certain rules and regulations, and it plays an important role in the global financial system.

The main aspects of exchange activity include:

- trading platform. A stock exchange is a specialized trading platform where financial instruments are bought and sold. The most famous exchanges include the New York Stock Exchange (NYSE), NASDAQ, the London Stock Exchange (LSE), and many others;

- financial instruments. Various types of financial instruments are traded on the exchange, including company shares, bonds, commodity futures, options, currency pairs and other assets. These instruments may represent ownership, debt or rights to certain assets;

- brokers and traders. Investors and companies wishing to trade on the stock market usually do so through financial intermediaries called brokers. Brokers execute investors' orders and provide access to the market. Traders are individuals or companies that actively buy and sell financial instruments in an effort to make a profit;

- prices and market dynamics. Prices for financial instruments on the stock exchange are determined in accordance with the laws of supply and demand. Market dynamics include price changes, trade volumes and other factors affecting the market;

Regulation system. Exchange activity is strictly regulated by financial regulators and supervisory bodies. The purpose of regulation is to ensure the integrity and stability of the market, as well as to protect investors.

- liquidity and volatility. The level of liquidity indicates how easily an asset can be bought or sold in the market. Volatility describes the degree of change in prices. Markets can be liquid and low-volatility or, on the contrary, low-liquidity and high volatility;

- trading sessions. Exchanges usually operate on a specific schedule that includes trading sessions and business hours. Different exchanges may have their own working hours.

Stock market activity is an important component of the financial system, where companies can raise capital, investors can place their savings, and market dynamics can reflect the state of the investment climate. It can also be a complex and risky activity that requires knowledge and caution from the participants.

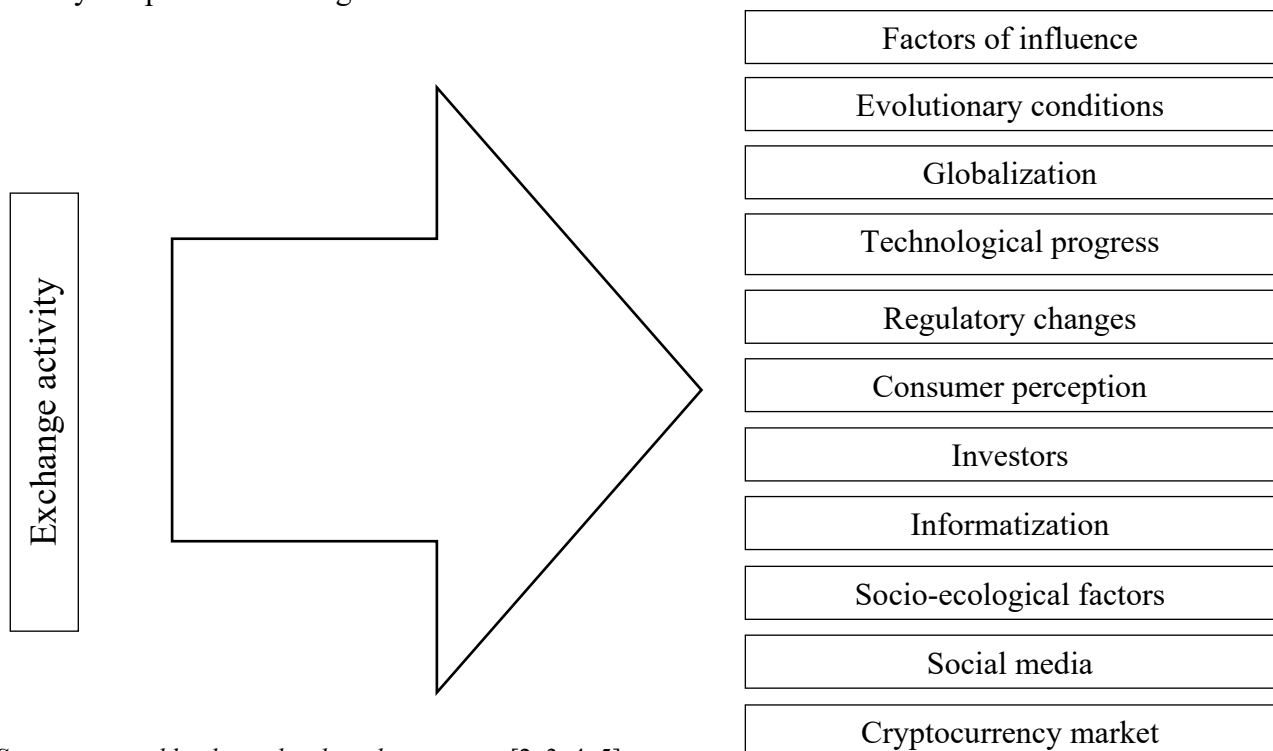
Thus, for many years, the question of the development of stock market activity has been relevant and timely. Consideration of the specifics of stock exchange activity in modern conditions of globalization, integration and innovative changes is a relevant topic for current research and outlines its subject area.

Analysis of literary sources. The issue of the development of stock market activity was reflected in the works of such scientists and economists as: F. Allen, V. Berg, E. Brady, S. Vaine, J. Willey, J. Dolan, J. M. Keynes, J. Lerner, E. . Lefebvre, A. Marshall, D. Montano, E. Neyman, P. Tufano, K. Forbes, J. K. Hull, J. Hicks, U. Sharp, O. Shtyllykh, V. Hnylyak, O. Maslaka, A. Maslo, Yu. Rubana, O. Sokhatska and others.

The variability of the process of carrying out exchange activities and global digitalization provide an opportunity to update the issues for consideration in the presented subject area and to identify new vectors for research.

Aims. The purpose of the presented work is to determine the peculiarities of the activity of stock exchange institutions in modern conditions of globalization and innovative changes, as well as to determine the vector of further development of stock exchange activity.

Research results. The development of exchange activity is determined by numerous factors that affect its nature and volumes. The main factors influencing the development of stock market activity are presented in Fig. 1.



Source: created by the author based on sources [2, 3, 4, 5]

Fig. 1. The main factors influencing stock market activity

Based on Fig. 1, we will present a detailed description of the specified influencing factors:

- the state of the country's or region's economy has a huge impact on stock market activity. A growing economy can support demand for stocks and other financial instruments, while a recession can cause a market downturn;

- growing globalization contributes to the increase in the volume and diversity of stock market activity. Investors can trade assets on exchanges in different countries and regions, which expands their opportunities;

- the development of technologies, including electronic trading platform, high-frequency trading and blockchain technology, is changing the way of trading and making it faster and more accessible;

- regulatory changes and regulations affecting the financial industry and exchange activities can have a significant impact on the market. Regulators establish rules and standards governing the behavior of market participants;

- psychological factors, such as investors' mood, fears and expectations, can affect price dynamics and market volatility;

- the activities of institutional investors, such as mutual funds and pension funds, have a huge impact on the market. They carry out significant volumes of trade and can influence asset prices [12];

- global events such as political changes, geopolitical conflicts, natural disasters and other news can significantly affect stock market activity and asset prices;

- growing attention to environmental and social issues may influence investment decisions and consumer demand for shares of companies that adhere to sustainable development standards;

- the Internet and social media provide investors with access to exchange information, as well as publish analytical reviews and investment advice;

- the cryptocurrency market, such as Bitcoin and Ethereum, has opened up new opportunities for investors and changed the landscape of financial markets.

These factors interact with each other, determining the development of stock market activity and creating conditions for various investment strategies and market opportunities. Investors, traders and financial professionals should consider these factors when making investment and portfolio management decisions. Changes in any of these factors can have a significant impact on market dynamics and investor benefits.

As of 2021–2022, it is possible to note the following features of the current state of exchange activity in the world. Thus, the state of exchange activity may change depending on market conditions and economic events. So, a general overview of the current state of exchange activity is reduced to the following:

- growth of markets. Various stock indices such as the S&P 500 in the United States, the FTSE 100 in the United Kingdom and the Nikkei 225 in Japan have been observed to rise over the years to 2021. This indicated a positive market atmosphere;

- increasing the role of the latest technologies. Technological innovations such as artificial intelligence, blockchain and high speed trading have become key factors in exchange activity. High-frequency algorithmic trading has become increasingly common;

- speculative booms and busts. Equity markets are periodically subject to speculative booms, as well as corrections or collapses;

- electronic commerce. The development of e-commerce and online trading contributes to the growing interest in exchanges and stocks in an online format. Many investors now have access to exchanges through online brokerage platforms;

- regulatory policy. Regulators have a significant impact on the functioning of stock exchanges and trading platforms. Changes in rules and regulations can affect the stability of markets;

- specifics of exchanges in each country. Exchange activity has its own characteristics in different countries. For example, exchanges in developed countries may be more liquid and stable compared to exchanges in emerging markets;
- economic events and geopolitics. World events, such as economic crises, geopolitical conflicts and global crises, can strongly affect stock market activity and market stability;
- variety of financial instruments. Stock markets offer a variety of financial instruments, including stocks, bonds, commodity futures, options, and others. This allows investors to diversify their capital;
- growing interest in sustainable investing. Sustainable investing (ESG - Environmental, Social, and Governance) is gaining popularity among investors, and many companies are emphasizing the environmental and social aspects of their operations to meet these goals. This may influence consumers and investors who prefer companies with higher standards of social responsibility;
- impact of the COVID-19 pandemic. The COVID-19 pandemic caused significant changes in financial markets in 2020. Many companies were forced to adapt their activities to new conditions, and this was also reflected in stock indices and shares [8, 11];
- cryptocurrencies and blockchain. Cryptocurrencies and blockchain technology have gained significant influence on financial markets. Exchanges specialized in cryptocurrency trading appeared, and this new activity became an important part of exchange activity;
- growing role of robots and artificial intelligence. The automation of trading and the use of artificial intelligence for decision making are becoming more and more common. Algorithms can perform trading operations at high speeds, which can affect market liquidity;
- changes in reporting and information disclosure. Regulators are imposing more reporting and disclosure requirements on publicly traded companies. This contributes to greater transparency and openness;
- international cooperation and globalization. Financial markets are becoming increasingly global, and international cooperation between regulators and exchanges is increasingly important to ensure stability;
- change in consumer behavior and the influence of social networks. Social networks and media have become important sources of information for investors and traders. Changes in consumer behavior can affect market dynamics.

That is why we note that stock market activity remains a complex and dynamic industry that depends on many factors. Innovation, technological development and globalization play an important role in shaping the current state of exchange activity, and regulators establish roles in ensuring the stability and transparency of markets. Investors and companies should carefully study information and monitor market events to make informed investment and financial management decisions.

The current state of stock exchange activity emphasizes the need for constant adaptation to changes and readiness for risks associated with investing in financial markets. Understanding the key factors and trends affecting stock markets helps investors and financial professionals make informed decisions and achieve their financial goals.

In the modern market, there are numerous trends that affect the development of stock exchange activity. Some of them include:

- digital transformation. Exchange activity is becoming increasingly digital, with the use of electronic trading platforms and blockchain technologies. This contributes to increasing the speed of trade and reducing costs [7];
- high frequency trading. The development of high-frequency trading allows you to trade in milliseconds and use complex algorithms to make decisions;

- expansion of the range of financial instruments. New financial instruments, such as ETFs (exchange-traded funds), cryptocurrency futures, index options, etc., are constantly appearing on the stock exchanges [9];
- social trade. Social trading is growing in popularity, where investors can share tips and strategies on co-investment platforms;
- regulatory changes. Regulators around the world are changing regulations and rules to ensure greater transparency and stability of markets;
- growing attention to sustainable development. Investors are increasingly paying attention to issues of sustainable development and choosing investment strategies that take into account social and environmental responsibility;
- development of the crypto currency market. The cryptocurrency market is growing rapidly, and trading these digital assets is becoming increasingly popular among investors and traders⁴
- regional and geopolitical influences. Geopolitical conflicts and regional factors can affect stock market activity and asset prices in certain regions of the world [6];
- influence of institutional investors. Institutional investors, such as pension funds and investment funds, play an increasingly important role in stock exchanges and can influence market dynamics;
- development of robotic and algorithmic strategies. The use of robots and algorithmic strategies in trading is increasing, which can cause market volatility.

These trends affect the way exchanges operate and the decisions of investors and traders. To be successful in the stock market, it is important to follow these trends, adapt to them and take them into account when making financial decisions.

In general, stock exchange activity remains a complex and dynamic industry that develops in accordance with modern technological and social trends. Investors and traders must be ready to adapt to these changes and take them into account when forming their strategies and making financial decisions. It is also important to be aware of risks and be able to manage them, especially in conditions of increasing market volatility.

The main features of modern exchange activity are:

- given the digital nature of stock trading, cyber security becomes extremely important. Exchanges and companies that provide services for exchange participants are actively working on protection against cyber threats and cyber attacks;
- investors are increasingly using analytical tools and market research to make informed investment decisions;
- companies and investors actively pay attention to issues of environmental and social responsibility, which is reflected in the choice of assets for investment;
- the growing complexity of the market requires investors and traders to have up-to-date knowledge and skills. Education and training become essential for success.

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