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MAJOR PARTICIPANTS IN THE GLOBAL FINANCIAL MARKET

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Abstract
The global financial market plays an important role in the global economy, providing capital for companies, governments and individuals. It is a complex network of financial institutions, companies and investors that engage in the exchange of financial assets, securities and currencies. In this article we will consider the main participants in the global financial market.

Keywords: banks, financial institutions, corporations, investors, central banks, states, retail investors.

INTRODUCTION

The market is a kind of platform where sellers and buyers interact. In the financial market, economic relations between sellers and buyers of monetary resources and investment instruments (values) are manifested. The global financial market consists of several: the foreign exchange market, the securities market, and the investment market. The task of each of them is the effective accumulation and redistribution of resources.

The main agents of the global financial market are transnational banks (TNBs), transnational corporations (TNCs) and so-called institutional investors. But a significant role is played by government agencies and international financial institutions that place or provide their loans abroad. Individuals also operate in the global capital markets, but mostly indirectly, mainly through institutional investors.

1. Banks and Financial Institutions: Banks play a key role in the global financial market by providing loans, managing deposits, and providing other financial services. In addition, financial institutions such as investment banks, insurance companies, and pension funds are also actively involved in various aspects of the market. It is worth noting that commercial banks not only facilitate trading in the global financial market for their clients, but also participate in trading as speculators. Since the 2008 financial crisis, they have become much more cautious in their trades, less risk-averse, and the number of hedging (supporting) trades on their part has decreased.

2. Corporations: Large and international companies actively participate in the global financial market through the issuance of bonds, stocks, and other securities to raise capital. They also use derivatives and other financial instruments to manage risk and ensure financial sustainability.

3. Investors: Investors, including individuals, institutional investors (e.g., pension funds and hedge funds), and sovereign wealth funds, play an important role in the global financial

market. They invest in a variety of assets, such as stocks, bonds, real estate, and commodities, with the goal of generating profits and diversifying their portfolio.

4. Central Banks: Central banks have significant influence over the global financial market through monetary policy, regulation of the banking system, and participation in international currency exchange. They also play a role in maintaining financial stability and managing foreign exchange reserves. Central banks are also active in the international financial market when they have to manage their foreign exchange reserves. For example, if the HKMA bought US dollars in order to weaken the Hong Kong dollar, it may also wish to exchange those dollars for another currency, such as the euro or the Australian dollar. Asian central banks often do this, because they have to intervene in the global market to a much greater extent than the central banks of, say, European countries, where most currencies float.

5. States: Governments of various countries actively participate in the global financial market through the issuance of government bonds, participation in international credit programs, and participation in international trade. An example of direct crediting of international relations by the State is the provision of subsidies and economic assistance, which is carried out on a bilateral and multilateral basis. No less important is the role of the state in insuring export credits and direct investments. Its essence lies in the fact that the guarantor state assumes, for a special fee, the risk of non-payment by the foreign buyer of all or most of the cost of the goods put up by the local exporter on the terms of deferred or installment payment, as well as the risks of investors associated with the inability to fully or partially return the funds placed abroad in the form of direct investments.

6. Retail Investors: These are individuals who invest their savings in a variety of financial instruments such as stocks, bonds, deposits, and investment funds. It is difficult to estimate the volume of global retail trade, however, according to a study conducted by the Bank for International Settlements, retail traders make transactions worth about $201 million annually.

In general, the main participants in the global financial market create a complex network of relationships, ensuring access to capital, risk management, liquidity, and the efficient functioning of the global economy. Together, they form a dynamic and competitive global financial market, which is of great importance for the development of the modern economy.

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