



## **THE THEORY OF RATIONAL EXPECTATIONS: FINANCIAL JARGON IN CAPITAL MARKETS.**

MK-524 Group. **Umurzoqov Otabek Hasan o'g'li**

First year student of Samarqand institute of Economics and Service

Banking and finance faculty

Email: **umurzoqovo140@gmail.com**

Scientific supervisor: **Urozoza Nigora Toshmurodovna**

SamIES assistant teacher

Email: **nigoraorozova73@gmail.com**

**Annotation:** Financial jargon in the capital markets refers to the specialized vocabulary used by professionals (such as investors, traders, analysts, and financial managers) in the buying, selling, and trading of securities. The capital markets, consisting of both equity markets (stock markets) and debt markets (bond markets), involve complex transactions and instruments that require precise terminology for effective communication. Understanding this jargon is essential for anyone working in or studying capital markets, as it helps in analyzing market conditions, making informed investment decisions, and managing risks. Key concepts include **equity**, representing ownership in companies through stocks, and **bonds**, which are debt instruments used by issuers to raise capital. **Securities** are the broad category of tradable financial assets that encompass both stocks and bonds, along with derivatives such as options and futures. **Yield** represents the return on investment, often in the form of interest from bonds or dividends from stocks. Terms like **liquidity** and describe the ease of trading assets and the price fluctuations, respectively, and **bear markets** define market conditions characterized by rising or falling prices, influenced by investor sentiment and economic factors. Additionally, concepts such as **market capitalization** (the value of a company's outstanding shares) and (Initial Public Offering) refer to company valuation and public listing processes. In capital markets, **risk management** is vital for mitigating financial risks, while **arbitrage** exploits price discrepancies across markets for profit. Lastly, **diversification** is a strategy to reduce risk by spreading investments across different assets. Mastery of these terms allows market





participants to engage in the capital markets with clarity, ensuring proper decision-making and efficient communication in complex financial environments.

**Key words:** Capital Markets Equity, Bonds, Securities, Yield, Liquidity, Volatility, Bull Market, Bear Market, Derivatives, Risk Management, Arbitrage, Diversification, Stocks, Debt Instruments, Asset Classes, Portfolio, Trading, Hedging, Capital Appreciation, Market Trends, Interest Rates, Credit Rating, Private Equity.

Annotatsiya: Kapital bozorlardagi moliyaviy terminologiya, mutaxassislar (sarmoyadorlar, savdogarlar, tahlilchilar va moliyaviy menejerlar kabi) tomonidan qimmatli qog'ozlar sotib olish, sotish va savdosi bilan bog'liq jarayonlarda ishlatiladigan maxsus so'zlar to'plamidir. Kapital bozorlarida, aksiyalar bozorlarini (kapital bozorlarini) va obligatsiyalar bozorlarini (qarz bozorlarini) o'z ichiga olgan murakkab tranzaksiyalar va vositalar mavjud bo'lib, samarali muloqot uchun aniq terminologiyani talab qiladi. Ushbu terminologiyani tushunish, kapital bozorlarida ishlaydigan yoki o'qiyotgan har qanday kishi uchun zarurdir, chunki bu bozordagi sharoitlarni tahlil qilish, ma'lumotga asoslangan sarmoya qarorlarini qabul qilish va risklarni boshqarishda yordam beradi. Asosiy tushunchalar **aksiyalar** bo'lib, ular kompaniyaga egalik qilishni anglatadi, va **obligatsiyalar** esa qarz mablag'larini yig'ish uchun chiqarilgan moliyaviy vositalardir. **Qimmatli qog'ozlar** - bu savdoga chiqariladigan moliyaviy aktivlarning keng turlarini o'z ichiga oladi, jumladan aksiyalar, obligatsiyalar va derivativlar (masalan, opsiyonlar va futures). **Kengayish** esa investitsiya daromadlarini anglatadi, bu ko'pincha obligatsiyalardan olingan foizlar yoki aksiyalardan olingan dividendlar shaklida bo'ladi. **Likvidlik** va **volatillik** kabi atamalar aktivlarni savdoga chiqarishning osonligi va narxlarning o'zgaruvchanligini ifodalaydi. **Bo'ldi bozor** va **bears bozor** atamalari bozor sharoitlarini tasvirlaydi, ular narxlarning o'sishi yoki pasayishi bilan bog'liq bo'lib, investorlardagi kayfiyat va iqtisodiy omillar tomonidan ta'sirlanadi. Shuningdek, **bozor kapitalizatsiyasi** (kompaniyaning aylanma aksiyalarining qiymati) va (Dastlabki Jamoat Taklifi) kompaniyaning bahosi va jamoatga chiqarish jarayonlarini anglatadi. Kapital bozorlarida **risklarni boshqarish** moliyaviy xavflarni kamaytirish uchun juda muhimdir, esa turli bozorlar o'rtasidagi narx farqlaridan foydalangan holda daromad olishni anglatadi. Nihoyat, **diversifikatsiya** strategiyasi, riskni kamaytirish uchun investitsiyalarni turli aktivlarga tarqatishni anglatadi. Ushbu atamalarni bilish, bozor ishtirokchilariga aniq qarorlar qabul qilish va murakkab moliyaviy muhitda samarali muloqot qilish imkonini beradi.





**Kalit so'zlar:** apital Bozorlar, Aksiyalar, Obligatsiyalar, Qimmatli Qog'ozlar, Kengayish, Bo'ldi Bozor, Bozor Kapitalizatsiyasi, Dastlabki Jamoat Taklifi, Derivativlar, Risklarni Boshqarish, Arbitraj, Diversifikatsiya, Savdo, Aktiv Taqsimoti, Kredit Reytingi, Obligatsiya Kengayishi, Maxfiy Kapital, Investitsiya

Bonds are debt instruments issued by corporations or governments to raise funds. Investors who purchase bonds are essentially lending money to the issuer in exchange for periodic interest payments and the return of the principal at maturity. Bonds are vital in the fixed-income segment of the market. Derivatives are financial contracts whose value is derived from an underlying asset, such as a stock, bond, or commodity. Common types of derivatives include futures, options, and swaps. Market capitalization is the total value of a company's outstanding shares of stock, calculated by multiplying the stock price by the number of shares. It is a key indicator of a company's size and overall financial health. Every investment in capital markets carries a certain level of risk, which is the potential for losing money.[3;81]

The return refers to the gains or income generated from an investment. Generally, the higher the risk, the higher the potential return (and vice versa). Interest rates are the cost of borrowing money, often expressed as a percentage. They are a crucial tool for monetary policy and can have a profound impact on investment decisions. A securities exchange is a marketplace where buyers and sellers trade financial instruments like stocks, bonds, and derivatives. Examples include the New York Stock Exchange (NYSE) and the London Stock Exchange (LSE). A credit rating is an assessment of the creditworthiness of a borrower, such as a corporation or government. It reflects the likelihood of defaulting on debt obligations and helps investors make informed decisions.[449;470]. Capital markets are financial markets where long-term debt and equity securities are bought and sold. They provide a platform for businesses, governments, and other entities to raise funds, while offering investors the opportunity to buy and sell securities. The two main components of capital markets are Capital markets play a crucial role in economic development by enabling businesses to access the capital they need to expand, innovate, and create jobs. Companies can raise funds to invest in new projects, technologies, and infrastructure, which drives economic growth and productivity. Capital markets offer a wide array of investment opportunities for individuals, institutional investors, and governments. Through equity (stocks) and debt (bonds) markets, investors can diversify their portfolios, manage risk, and seek





returns. This flow of investment into various sectors helps allocate capital. Capital markets provide liquidity, allowing investors to easily buy and sell securities. The ease of trading helps ensure that assets are priced accurately based on supply and demand. This price discovery process enables businesses to raise capital at competitive rates. Capital markets offer various tools for hedging and managing financial risks. Derivatives, such as options and futures, allow businesses and investors to protect themselves against market fluctuations, including currency, interest rate, and commodity price changes. Capital markets are interconnected globally, facilitating the flow of capital across borders. Investors can access markets in different countries, while companies can tap into international pools of capital. This fosters international trade, investments, and economic integration, contributing to global economic growth.[637;654]

Governments also use capital markets to raise funds through the issuance of bonds. These funds can be used for public projects, infrastructure, and other essential services, allowing governments to manage fiscal policy and promote social and economic development. Effective communication in capital markets is crucial for ensuring the smooth functioning of financial systems, supporting investment decisions, and maintaining market integrity. Investors, analysts, and regulators all rely on clear, accurate, and timely information to make informed decisions and safeguard the stability of markets. Here's why effective communication is important for each of these groups: Regular and straightforward communication from companies and market participants helps build investor confidence. When companies disclose financial results, updates on management, or any potential risks, investors are more likely to trust the markets, which can lead to increased investment and greater liquidity. Capital markets can be volatile, and lack of communication can increase uncertainty.[5;56].

By ensuring clear channels of communication—through earnings reports, investor calls, and regulatory filings—investors can better navigate market Analysts need access to transparent and standardized financial statements and disclosures to conduct proper due diligence. If communication from companies is unclear or misleading, analysts may be unable to provide accurate assessments, leading to misguided investment strategies or poor market. BlackRock (United States): As the world's largest asset management firm, BlackRock uses English for all its global operations, including investor communications, financial analysis, and reports. Vanguard, a major investment management company, operates in English,





particularly for its investment research, fund management, and communications with investors worldwide. Investments (United States): Fidelity, another key player in global asset management, uses English as the primary language for global communication, customer service, and digital platforms. Headquartered in the U.S., AIG operates globally and uses English for all its communications, client services, and insurance products. Bloomberg: A global financial news and data provider, Bloomberg operates entirely in English for its market data, news services, and financial analysis tools used by clients worldwide. Reuters: Reuters is a leading news agency that focuses on global financial news, and it produces all content in English for its international audience of investors and financial professionals. [2;29]

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