

KRX market capitalization is \$1,228 trillion, where \$1,249 trillion belongs to KOSPI, \$206 trillion to KOSDAQ and \$5 trillion to KONEX. The dynamic of market capitalization value shows the growth for the past 6 years.

According to the World Bank data, market capitalization of listed domestic companies in 2014 was 86% of GDP. This value has declined in comparison to the previous year on 8.6%. In Japan this index equals to 95.1%, in the USA – 151.2%, Germany – 44.9%, China excluding Hong Kong - 58%.

The main index of the Korean stock market, KOSPI (Korea Composite Stock Price Index) reflects the state of the shares of all companies listed on the stock exchange, and is analogous to American Dow Jones index. KOSPI Dynamics was the best among 15 largest stock markets in the world. This index calculation is based on price of all publicly traded common shares weighted by capitalization. Index calculation is carried out on the basis of 100 points. The maximum of 2197.82 points was reached in April, 2011. On March 14, 2016 KOSPI index was equal to 1972.27. In February, 2016 KOSPI, as well as all the other Asian exchanges indexes, began to rise following the increase of metal prices. KOSPI stock market maintains high positions, as more and more foreign investors come into the South Korean market on the background of national economic recovery and supposition that this trend will continue for a long time.

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THE HAWALA SYSTEM. FLYING MONEY

The new, so-called non-traditional threats to global security such as international terrorism, drug trafficking and arms trafficking require development of fundamentally new approaches to their solution. In recent times, the fight against the sources of such threats is impossible without an effective control over illegal activities in the financial sphere. Obviously, regulation of official financial institutions is provided in major countries, while activities of illegal systems of payment are beyond the vision of governmental bodies and security services.

One of the main features of international settlement systems, which serve terrorist networks, is the fact that they are largely isolated from the global banking. In the modern world the basis of illegal international exchange is a system known in the Arab world as Hawala and in China as Flying money. Such name is used because Hawala works by transferring money without actually moving it.

Hawala is an alternative or parallel remittance system. It exists and operates outside of, or parallel to traditional banking or financial channels. It was developed in India, before the introduction of Western banking practices, and is currently a major remittance system used around the world.

The components of hawala that distinguish it from other remittance systems are trust and the extensive use of connections such as family relationships or regional affiliations. Unlike traditional banking, hawala makes minimal use of any sort of negotiable instruments. Transfers of money are based on communications among the members of a network of hawaladars, or hawala dealers, who are illegal brokers having, as a rule, official cover in the form of jewelry shops, street vendors of flowers, vegetables, fruits, etc., although there are brokers that do not have any official cover for their activities.

When compared to a traditional means of remitting money, such as obtaining a check or ordering a wire transfer, hawala seems cumbersome and risky. But there are also strong motivations for using the hawala system that are as follows: cost effectiveness, efficiency, reliability, tax evasion and the lack of a paper trail.

Hawala is not a single system, but a network of individual cells, united on a national basis. In most cases hawaladar acts alone, rather than as a part of a large organization. About 5000 hawala brokers' points are supposedly spread all over the world.

Hawala system closely works with Islamic banks all around the world. Only in the US, there are more than 200 of these banks and in the world- several thousands. According to various sources, only official transactions, which are just a small part of them, are estimated from 150 to 250 billion dollars annually.

The main reason for this system being stable is the low level of banking institutions and governmental bodies controlling the financial sector in developing countries. All attempts to bring hawala to the surface face the resistance of locals, due to traditions and commercial benefit. For a large part of the population of poor countries remittances from relatives working in the wealthy West are the only source of income. What concerns legalization of hawala it will make this system more expensive, and as a result it will have a negative impact on the standard of living of the poorest people.

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NEURAL NETWORKS IN BUSINESS

Artificial neural networks (ANN) are parallel information processing systems consisting of a number of simple neurons, organized in layers and connected by links.

For a serious, thinking trader, neural networks are a next-generation tool with great potential, most suitable for solving problems that are complex, ill-defined, highly nonlinear, of many and different variables that other methods of technical analysis are unable to uncover.

Neural networks take a different approach to problem solving than that of conventional computers. Conventional computers follow a set of instructions in order to solve a problem. But computers would be so much more useful if they could do things that we don't exactly know how to do.

Unlike conventional computers, ANNs have the following advantages:

- 1) can learn things and make decisions in a humanlike way;
- 2) advanced enough to detect any complex relationships between inputs and outputs and the regularity of situation development is unknown;
- 3) treat super complicated problems, in which there are too many variables, using even incomplete and internally inconsistent input information.
- 4) the internal parallelism allows virtually limitless increase of the network's capacity