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## **ESTIMATION OF INVESTMENT APPEAL OF DEBT SECURITIES**

Debt financial tools (these are securities which loans testify to relations and provide the obligation of the emitter to pay in certain term of means according to the obligation. Debt securities concern: bonds of the enterprises; the state bonds of Ukraine; bonds of local loans; exchequer obligations of Ukraine; savings (depository) certificates; bills.

Debt securities, unlike share, characterize relations loans, instead of properties, between them the buyer and the seller, oblige the debtor (emitter) to extinguish their nominal cost in the provided terms and to pay an extra fee in the form of percent, the coupon income or discount to the buyer (investor).

From the financial point of view release of bonds for the enterprises is cheaper operation, than increase in the authorized capital and are connected with it additional issue of actions and expansion of a circle of shareholders. The capital mobilized than the account of release of corporate bonds, the share capital does not become. Bonds are issued for the purpose of attraction of means for the decision of current and perspective problems of the enterprises. The owner of bonds has no vote, does not take part in meeting of shareholders, in management of a society.

Issue of debt securities takes the important place in financial activity of the state, providing a timely covering of a budgeted deficit and high-grade performance of main objectives and problems of the state social and economic policy. As practically each state periodically tests deficiency of budgetary funds, the state debt securities at the present stage of development of market relations turn to one of the basic tools not only the state credit, and the financial market of the country as a whole.

Important there is a role of the state bonds in financing of budgetary deficiency. Attraction of extra means gives the chance to spend in due time social payments, to finance the state projects. In the majority of banks, financial institutions always there are temporarily available assets which they are ready to enclose in the state bonds, doing a payment in securities market development.

The estimation of investment appeal of debt financial tools is carried out on the basis of comparison of volume of investment expenses for them acquisition, on the one hand, and the sums of returning of a pure monetary stream in the form of the coupon income, from another.

In the course of formation of a portfolio of financial investments it is necessary for investor to analyse a parity of such basic characteristics, as profitableness and a risk level of securities to a portfolio. Profitableness of securities depends on two factors: expected norm of profitableness; norms and rules of the taxation of incomes of operations with securities.

In debt securities not homogeneous for the sense, therefore it is necessary to define risk of capital investments as set of the basic risks which the investor in the course of acquisition and storage of securities will come across, namely: risk of liquidity of securities; risk of their preschedule response; inflationary risk; percentage, credit and business risk; the risk connected with duration of a cycle time of a valuable paper. Thus, the investment decision concerning purchase or sale of debt financial tools is necessary for accepting after the careful analysis and calculation as level of their profitableness, and level of riskiness for the investor.

The market price is a price of security which is made in the share market. The price of a valuable paper is displayed in corresponding exchange quotations and is called as the course price. In the course of the analysis of a parity of a market price and internal cost of bonds the expediency of administrative decisions concerning a concrete debt valuable paper is defined.

The regular risk of debt securities is and a part of their general risk which is connected with changes of the general economic and political climate in the country which influences all kinds of securities. The Nesistematchesky risk is a part of the general risk which is caused by factors which are connected with incorrect decisions of a management of the concrete company.

In the course of acceptance of administrative decisions concerning financial investments into debt securities the indicator which characterizes the period of a recoupment of the separate valuable paper, known as the duration analysis is used. The comparative analysis of a duration of several debt securities and the period of a recoupment of capital investments gives the chance to carry out a choice of the most comprehensible variant of investment of means. The average term of repayment is a measure of the resulted cost of a separate debt valuable paper or a portfolio of securities with which help average duration of the period during which all streams of the incomes generated by a valuable paper, arrive in the investor is measured.

### **References:**

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2. The law of Ukraine «About state regulation of the markets of the capital and the organised commodity markets», 30.10.1996, № 448/96-ВР available at: <https://zakon.rada.gov.ua/laws/show/448/96-ВР#Text>