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THE CURRENCY MARKET OF RUSSIA AND THE USA

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Abstract. Expanding international relations, increasing internationalization of the economic life of our country cause an objective necessity of the formation and development of a reliable, efficiently functioning foreign exchange market. The currency markets ensure the timely implementation of international payments, insurance against currency risks, diversification of foreign exchange reserves, foreign exchange intervention, and the receipt of profit by their participants in the form of different exchange rates. The absence of an alternative to the US dollar only aggravates the situation on the world financial and foreign exchange market.

Keywords: currency market; dollar; Central Bank; World market; currency intervention; dual currency basket.

Expanding international relations, increasing internationalization of the economic life of our country cause an objective necessity of the formation and development of a reliable, efficiently functioning foreign exchange market. It is impossible to establish a highly efficient economy of our country without a developed currency market.

At present, Russia has a floating exchange rate regime, which depends on demand and supply on the country's currency exchanges, primarily on the MICEX. The ruble exchange rate to convertible currencies ensures is the link between the Russian economy and the world market. In general, the exchange rate of a currency versus other

currencies is a reflection of the condition of that country's economy, compared to the other countries' economies [1, p. 14].

In the currency market of the Russian Federation there are various institutions, authorized banks of the Russian Federation, foreign banks and investment companies, exchanges, brokerage offices [5].

Currency intervention is carried out to regulate the exchange rate of foreign currencies in the interests of the state. Government intervention can have a powerful signaling effect on market participants who may prudently reduce their speculative buying should be in a contrary direction to

what the government is doing. Central banks also often coordinate intervention. This multiplies the effect of the intervention [2, p. 53].

Currency intervention is a significant one-off purposeful impact of the central bank of the country on the foreign exchange market and the exchange rate carried out by selling or buying large amounts of foreign currency by the bank. In Russia, the official exchange rate of the ruble is fixed by fixing. Fixing is the definition of the dollar exchange rate of foreign currencies to the ruble, carried out by the Central Bank of Russia on the Moscow Interbank Currency Exchange (MICEX).

As it was said before, now in Russia the floating exchange rate regime is established within a certain corridor. The Central Bank has been trying to escape from deterrence for many years, but it takes a lot of resources. But one should not allow too much currency fluctuations, because Russia is seriously dependent on imports, so the Central Bank gradually weakens the fixing of the exchange rate, and widens the currency fluctuation corridor (the value of the dual currency basket).

The dual currency basket is the operational benchmark of the exchange rate policy of the Central Bank of Russia, introduced on February 1, 2005, to determine the real exchange rate of the ruble against major currencies: the dollar and the euro. At the time of introduction, the bi-currency basket consisted of 0.1 euros and 0.9 US dollars [5].

The main objective of the benchmark for the basket of currencies is to use the average value of world curren-

cies in calculations, if possible, excluding the impact of fluctuations in the euro / dollar exchange rate on international markets. Since 2012, the bi-currency basket is used as an indicator on the basis of which a currency corridor is calculated. The currency corridor is the maximum deviation of the national currency.

The currency markets ensure the timely implementation of international payments, insurance against currency risks, diversification of foreign exchange reserves, foreign exchange intervention, and the receipt of profit by their participants in the form of different exchange rates.

Investigations of the Russian currency market make it possible to formulate recommendations on the development of effective measures to protect the national currency, to strengthen the economic system of the Russian Federation in times of crisis [4, p. 73].

The modern period was marked by sharp changes in the foreign exchange market, provoked by various situations occurring in world politics and the economy.

A sharp devaluation of the ruble, which took place in 2015, its dependence on the cost of oil on the world market, had an extremely negative impact on the Russian economy. The decrease in the price of petroleum was the main reason for the fall in the currency of the Russian Federation.

The Central Bank published a monetary policy for the next three years, in which several scenarios were proposed to stabilize the foreign exchange market, improve the banking sector and reduce inflation. In the basic script, it

was said that capital outflow would continue [4, p. 89].

It is an important task to solve the problem with currency market today. Conducting effective monetary and monetary policy will stabilize the exchange rate of the ruble and the stability of the national currency, which will enable our country to take a stable position in the world of foreign exchange market.

It's quite obvious that the American currency market has a number of distinctive features from the markets of the countries of the former USSR. The perfection of the exchange structures of the United States does not need proof.

Transactions with currency in the US currency market are made on currency exchanges that specialize in the urgent trading of currency and financial assets:

— Chicago Mercantile Exchange, CME;

— Chicago Board of Options Exchange, CBOE;

— New York Futures Exchange, NYFE;

— FINEX/FINEX Europe (secession NYCE).

New York is the second largest international financial center after London. Its formation is conditioned by the development of the national economy of the USA.

The average daily turnover of the currency market of New York reaches 200 billion dollars.

The foreign exchange market includes:

— Bank-client agreements;

— Bank-bank agreement;

— Agreements entered into by the parties directly or through brokers;

— Central bank operations with foreign currency.

Initially, the United States formed a competent attitude to the currency market at the government level. The activity of American brokers strictly regulates US legislation. All participants of the currency market in the US are protected by law [4, p. 32].

The share of the dollar in the total volume of world monetary transactions is more than 50 %. The US dollar and its value have long gone from the real value. The Fed (Federal Reserve System) is leading the world to new financial problems and the deterioration of the situation in the foreign exchange market, when it increases the emission of the dollar. The absence of an alternative to the US dollar only aggravates the situation on the world financial and foreign exchange market [3, p. 94].

The currency markets are one of the most important links in the world economy. They react to changes in the economy and politics. The internationalization of economic life contributes to the development of foreign exchange markets. The volume of transactions is trillions of dollars per day.

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