

Study of Using Applications of Artificial Intelligence in Performance of Financial Markets

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ABSTRACT

In an attempt to revive the stock market in Egypt and revitalize it to fulfill its developmental role, the Egyptian government has pursued a program of economic and financial reform aimed at improving the regulatory environment for the work of that market and removing all restrictions on foreign exchange transactions for foreign investors on the Egyptian Stock Exchange, so this program allowed free movement of entry and exit of the heads money without any restrictions despite differing opinions about the freedom of movement of capital.

KEYWORDS

Artificial Intelligence, Egyptian Government, Financial Markets

INTRODUCTION

The stock market is one of the most important sub-markets of the money market and is characterized by being a long-term investment when compared to the money market and its main function is to collect community savings and direct them to buy securities. In this market, savings are converted into capital and loans to institutions that carry out various activities in society, which increases real investment and hence increases employment and growth rates in the national economy.

In an attempt to revive the stock market in Egypt and revitalize it to fulfill its developmental role, the Egyptian government has pursued a program of economic and financial reform aimed at improving the regulatory environment for the work of that market and removing all restrictions on foreign exchange transactions for foreign investors on the Egyptian Stock Exchange, so this program allowed free movement of entry and exit of the heads Money without any restrictions. Despite differing opinions about the freedom of movement of capital, however, with the increase in the process of globalization of financial markets in the past two decades, the phenomenon of financial liberalization accelerated and the role of foreign capital transfers increased during the nineties of the last century and the beginning of the current century, where the value of capital financial transactions constituted about five times the rates of trade And with regard to developing countries, the movement of financial flows to these countries has accelerated in various forms, including investments and others in the portfolio..

THE IMPORTANCE OF THE STUDY

As a result of the shortage of domestic funding sources in developing countries to support their development projects, I began to search for alternative external sources to advance development levels

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represented in several forms, including foreign loans and foreign investment. Due to the seriousness of relying on these loans to finance their economic development operations, attention has turned to the use of foreign investment, both direct and indirect, as an engine of economic growth that contributes to increasing the productive capacities of the local economy. In view of the wide scope of the study of foreign investment, and based on the importance it plays in the receiving developing economies, it is important to know the role of foreign investment in emerging stock markets in general, and the Egyptian Stock Exchange in particular

THE PROBLEM OF STUDY

Although many developing countries pursue economic and legal policies that increase the flows of indirect foreign investment to developing countries, there are still risks and obstacles that indirect foreign investment is exposed to, thus limiting the amount of foreign capital that these countries benefit from. Therefore, the study addresses the role of indirect foreign investment in revitalizing the Egyptian Stock Exchange as a model for the study.

The aim of the study

The study aims to answer what are the advantages of indirect foreign investment in the countries you are looking for. And the extent of foreign investment in direct participation in the growth and revitalization of the stock market in Egypt.

Hypothesis of Study

The study is based on the hypothesis that indirect foreign investments play a big role in stimulating the movement of financial markets, including the stock market in Egypt, during the study period, which confirms the importance of economic and financial reforms to improve the regulatory environment for the work of that market and remove restrictions on foreign exchange transactions for foreign investors.

The Study Plan

The study was divided into three sections:

1. The concept of the stock market and its components, and the advantages of investing in the stock exchange.
2. To review the indirect foreign investment in the stock market and address its forms and limitations in emerging countries and the risks associated with these investments in the portfolio.
3. To study the effect of indirect foreign investment on activating the Egyptian stock market by analyzing the net movement of foreign investors' transactions on the Egyptian Stock Exchange during the period 2010-2020 and the repercussions of the global financial crisis on the Egyptian Stock Exchange. Finally, review the results, recommendations and tables

THE CONCEPT OF THE STOCK MARKET AND ITS COMPONENTS

The decrease in the capital needed to finance and implement investment programs is one of the most important obstacles to economic development in developing countries, and the stock market is one of the most important mechanisms for providing these funds, as it represents the link between the surplus and deficit sectors which lack the liquidity to finance the investment.

Although the stock market is recent in relation to other markets, it has recently evolved considerably, both in terms of regulation or the capabilities and facilities available to its employees, to the point that it has received great attention in developed and developing countries alike, due to the large investments your financial position. The stock market is one of the elements of the financial market in any country and the backbone of the capital market. (The Soldier, 2016, 52)

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