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INFLUENCE OF IPO ON MACROECONOMIC SECURITY OF COUNTRIES

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**Abstract.** In the scientific work the influence of the factor of primary public offer of securities on the macroeconomic security of the country is considered. A comparative description of the main financing attraction tools is presented. The advantages and disadvantages of using IPO in countries with developed stock market and developing countries are explored. The analysis of the development of European and Ukrainian markets of IPOs in terms of impact on general macroeconomic security has been carried out. The relationship between macroeconomic stability and economic development of the IPO is established.

**Key words:** IPO stock market; stock exchange; macroeconomic security; correlation-regression analysis; investment; state of the national economy

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## 1. Introduction

The pattern of the global economy development determines the need for companies to invest in the development and stabilization of economic security, shaping the demand for the international capital market. One of the modern methods of attracting external financing is the primary public offering or primary public offering (IPO). The total amount of funds attracted within the framework of IPO deals on the world market annually reaches hundreds of billions of US dollars and becomes comparable to the national GDP of many countries, shaping their macroeconomic security.

During the current stage of development of the global IPO market (1997-2017), more than 25 thousand companies succeeded in attracting money through IPO in the world. Under the influence of globalization, which leads to the simplification of the transboundary movement of capital, the global financial centers focus on IPO markets, which changes the supply-side balance on regional and national equity markets, especially in the equity markets of developing countries (Korauš, A.; Gombár, M.; Kelemen, P.; Backa, S., 2019; Karpenko, L.; Serbov, M.; Kwilinski, A.; Makedon, V. & Drobyazko, S., 2018; Mokhova, N.; Zinecker, M.; Meluzín, T. 2018; Masood, O.; Tvaronavičienė, M.; Javaria, K. 2019).

The intensity of IPO implementation, their efficiency (dynamics of securities quotations) and success (volume of attracted capital), as well as activity in the IPO markets are some of the parameters that allow to assess the state of the national macroeconomic security, as well as to determine the mood of investors and predict their behavior. IPO process participants should take into account the manifestation of global, regional and national patterns and trends in the market of primary public offerings. The global IPO market is influenced by various factors, including macroeconomic, political and geopolitical. One of the main objectives of the IPO is to maximize the capital attracted, while the high quality execution of technical preparation for an IPO does not guarantee a successful, efficient and profitable placement. Macroeconomic indicators, the state of the capital market, the current phase of the economic cycle, the choice of the site and the time for the placement, as well as internal indicators of the issuing company and many other factors can have a decisive influence both on the effectiveness of the IPO and on the level of macroeconomic security of the country.

Understanding the essence of the factors that influence the process of implementing an IPO both at the national and global markets will allow to increase the level of efficiency of placements and provide proper security (Drobyazko S., 2018a, b; Tvaronavičienė, M. 2018; Shuyan, L.; Fabuš, M., 2019).

The theoretical basis for research on the market for primary public placement was the work of leading scholars and economists, namely (Bruton et al. 2009; Elston, and Yang, 2010; Engelen and Essen 2010; Hoechle and Schmid 2007; Lin and Chuang, 2011; Johnston, and Madura, 2009). The fundamental basis of this study was also the work of studying the world and regional capital markets (Afza et al. 2013; Boulton et al. 2009; Makedon and Korneyev 2014; Mangena and Pike 2005; Welch and Ritter; 2002; Štiglic, D., 2017; Masood et al., 2017; Ashraf et al., 2019).

The basic work on the theme of foreign authors of interest to us, is devoted, mainly, to studying the issues of determining the IPO time and stock market analysis. The markets of the developing countries were less studied, and the IPO market in Ukraine was studied by single researchers. In modern scientific literature and scientific periodicals insufficient attention is paid to the influence of the quality of IPO on the macroeconomic security of the country, this aspect and determines the scientific expediency and relevance of this study.

## **2. The main tools for attracting funding**

Initial public offering of IPO shares is considered one of the most effective and fastest investment attraction tools, which is gaining popularity among Ukrainian companies as well. Participants of investment activity, in accordance with the current legislation of Ukraine, citizens and legal entities of Ukraine and other countries that can ensure the implementation of investments as executors of orders or on the basis of an investor's order may be citizens. Investment activity of companies is related to its need to finance its activities by using certain objects of ownership of a legal entity. For companies, a perspective way of attracting additional capital may be the placement of shares through the initial public offering of shares on the stock exchange (IPO). In this way, the company deducts a part of its ownership (or even its entirety) into open-label free-selling (Bochner et al. 2016; Masood, O.; Tvaronavičienė, M.; Javaria, K., 2019).

In Table 1 the comparative characteristics of the main instruments for attracting financing by companies in the international investment market are shown.

Comparing the above-mentioned ways of raising capital, it can be concluded that for companies it is easier and more affordable for companies to sell a stake in a company through participation in M & A transactions (mergers and acquisitions).

**Table 1.** Comparative characteristics of the main capital attraction tools

Tool for attracting capital	IPO	M&A (mergers and acquisitions)
Advantages	<ul style="list-style-type: none"> <li>– maintaining the control over the company;</li> <li>– obtaining a market valuation of the company;</li> <li>– improvement of financial reputation of the company, which enables cheaper debt capital attraction in the future;</li> <li>– enhancing the recognition and image of the company, which will contribute expanding sales markets and attracting the best human resources</li> </ul>	<ul style="list-style-type: none"> <li>–there are no restrictions on the organizational and legal form of companies;;</li> <li>–lack of requirements for further public disclosure;</li> <li>–the possibility of obtaining a price above market;</li> <li>–potential source of further funding;</li> <li>–there is no need to bring the company into compliance with the criteria of stock exchanges;</li> <li>–relatively low transaction costs</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>– restrictions on the legal form of companies;</li> <li>–the need to bring the company into compliance with certain criteria;</li> <li>–Permanent requirements for disclosure of information, interaction with investors;</li> <li>–the effect of the situation on the financial markets in the value of shares of the company;</li> <li>– relatively high costs</li> </ul>	<ul style="list-style-type: none"> <li>– restrictions on strategic decisions admissions;</li> <li>–absence of a market valuation of a company</li> </ul>

*Source:* Initial Public Offerings, Pricing Differences; Available on the Internet:

<https://www.sec.gov/fast-answers/answersipopricinghtm.html>; Investor Alert: Pre-IPO Investment Scams (Updated). Available on the Internet: <https://www.investor.gov/additional-resources/news-alerts/alerts-bulletins/investor-alert-pre-ipo-investment-scams-updated>; Ritter, 2011

In spite of this, public offering of shares provides many benefits, which may be of great significance for a company that is in the stage of its active development. Consequently, it can not be clearly stated that this or that capital attraction tool is the best. The right choice depends on the personal goals of the company's owners, the strategic goals of the company, the company's willingness to become public or to a certain investor, as well as the market environment. In addition, IPOs and M & As can be complementary tools that are appropriate at different stages of company development and towards achieving different strategic goals and achieving security of economic development. (Consulting firm (Poland).

The interest in conducting IPOs in recent times is due to the fact that this is the most effective way to simultaneously attract the necessary amount of additional financial resources, attract strategic investors and maintain state control over its strategic assets.

For countries with a developed stock market, an IPO is considered to be one of the most effective instruments for raising capital, due to the following benefits that the company gains due to its holding (Gajewski, and Grasse, 2006; Loughran, and Ritter, 2004):

- definition of market value of the company;
- ensuring the growth of the company's value;
- improvement of financial condition;
- increase in liquidity of shares;
- access to the stock market;
- formation of economic security;
- attracting and retaining key personnel;
- absence of debt obligations;
- attracting financial resources in the future on favorable terms;
- ensuring macroeconomic security.

The main disadvantages of the IPO can be (Poberezhets, et. al. 2018):

- changing the level of corporate rights and control;
- significant expenses;
- duration of implementation;

- publicity of the company (disclosure);
- irreversibility of the process.

### 3. Trends in the development of the European IPO market

The European IPO market remains one of the leading markets in the world and significantly increases the volume of placed shares. Despite the fact that the value of the European IPO in 2016 amounted to 27.9 billion euros, a decrease of 51% compared to 2015, in 2017 a stable economic and political situation in Europe contributed to the growth of the market (EY Global, 2017).

The reasons for the reduction of the European IPO market in 2016 were, first of all, political uncertainty and slowdown of the growth rate of the economy. Political uncertainty, falling oil and commodity prices, as well as concerns over economic slowdown in China, prevented European markets from launching an IPO in 2016. In 2015, there were only five IPOs in the media sector (IPO, which increased more than 1 billion euros).

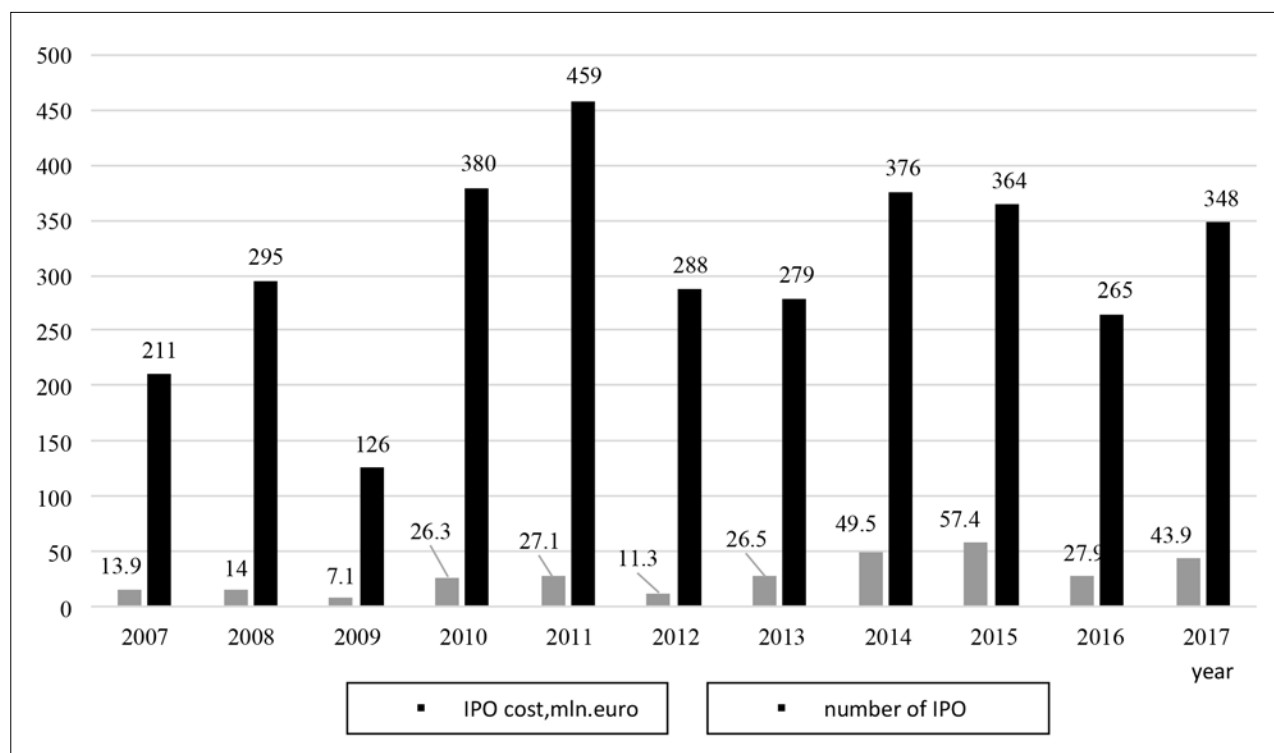
At the same time, on some stock exchanges there was an increase in the IPO. So 2016 will be remembered as a great year for Nasdaq Nordic, as revenues on this stock exchange have grown by 33%, which has led to growing trends in Europe. Nasdaq Nordic accounted for 28% of all European IPOs in 2016, compared with 10% in 2015, with the second and third largest IPO in Europe, Dong A / S and Nets. Conversely, the London Stock Exchange accounts for 24% of its IPO revenues in 2016 compared with 29% in 2015.

The cost of IPOs for companies amounted to EUR 43.9 billion in 2017, up 57% from EUR 27.9 billion compared with 2016. Overall, in 2017, there were 348 IPOs across Europe, compared with 268 IPOs in 2016. An average price of € 195 million in 2017 will increase by 6% to € 184 million in 2016.

The value of the European IPO in 2017 amounted to EUR 43.9 billion, an increase of 57% compared with 2016, when the volume of IPO increased by 30%. Improving the economic environment throughout the EU has provided an ideal environment for the prosperity of the IPO market, as a number of candidates who postponed their plans to hold an IPO in 2016, entered the list in 2017. Geopolitical uncertainty remains linked to Brexit's ongoing talks, however, markets confirm to be stable when volatility remains low and indicators reach record highs.

London returned to its first place both in value and volume, rising by 12.5 billion euros, an increase of 86% by 2016, mainly due to an increase in the number of investment instruments and an increase in cross-border IPO operations (IPO Watch Europe, 2017). The London and Irish stock exchanges also jointly organized the largest European IPO in 2017, Allied Irish Banks plc. Borsa Italiana is also part of the London Stock Exchange, which became the second most active exchange in terms of raising the value of € 5.2 billion after the Pirelli mega-IPO (IPO Watch Europe, 2018).

In Figure 1 the dynamics of the volume of the European IPO (IPO) market in 2007-2017 is shown. With regard to the European market for IPO, during the post-crisis period, the lowest stock exchanges in Europe were the volume of attracted capital in 2008, 2009, 2012: 14; 7.1 and 11.3 billion euro respectively (IPO Watch Europe, 2018).



**Figure 1.** Dynamics of the European IPO (IPO) market volume in 2007-2017

Source: Prepared by the authors from statistical processing results year

In Table 2 the dynamics of IPO production on European stock exchanges in 2015-2017 is shown.

**Table 2.** Dynamics of issuance of IPOs on European stock exchanges in 2015-2017

Indicator	Years			Absolute deviation, +/-		Rate of increase,%	
	2015	2016	2017	2016-2015	2017-2016	2016/2015	2017/2016
Exchange value of the offer, million euros	16370	8043	17634	-8327	9591	-50,87	119,25
London Group of Stock Exchanges	16370	8043	17634	-8327	9591	-50,87	119,25
London Stock Exchange	-	67	12472	67	12405	-	18514,93
Borsa Italiana	-	1343	5162	1343	3819	-	284,36
Nasdaq Nordic	5905	7861	3996	1956	-3865	33,12	-49,17
Nasdaq Stockholm	5216	2222	2326	-2994	104	-57,40	4,68
Nasdaq Helsinki	409	676	1475	267	799	65,28	118,20
Nasdaq Copenhagen	168	4891	185	4723	-4706	2811,31	-96,22
Nasdaq Tallinn	-	14	4	14	-10	-	-71,43
Nasdaq Riga	-	-	3	-	3	-	-
Nasdaq Iceland	112	58	-	-54	-	-48,21	-
Nasdaq Vilnius	-	-	3	-	-	-	-
Nasdaq Copenhagen	168	-	-	-168	0	-100,00	-
Six Swiss exchanges	2039	733	3853	-1306	3120	-64,05	425,65
Irish Stock Exchange	394	-	3756	-	-	-	-
BME (spanish stock exchange)	7794	1327	3696	-6467	2369	-82,97	178,52
Euronext	11228	3455	3258	-7773	-197	-69,23	-5,70
Euronext Paris	472	824	1976	352	1152	74,58	139,81
Euronext Amsterdam	6113	2608	678	-3505	-1930	-57,34	-74,00
Euronext Brussels	395	23	604	-372	581	-94,18	2526,09

Deutsche Börse stock Exchange	6795	5022	2525	-1773	-2497	-26,09	-49,72
Börse Italy	5265			-5265	0	-100,00	-
Warsaw	440	262	1811	-178	1549	-40,45	591,22
Wiener Börse stock Exchange		-	168	-	-	-	-
Oslo Börs & Oslo Axess Stock Exchange	1078	287	1099	-791	812	-73,38	282,93
Borsa Istanbul	42	103	278	61	175	145,24	169,90
Stock exchange Bucharest		51	256	51	205	-	401,96
Budapest		9	73	9	64	-	711,11
Prague stock Exchange	-	656	-	-	-	-	-
Luxembourg		48	-	48	-	-	-
Sofia	6	31	-	25	-	416,67	-
Zagreb	36			-36	0	-100,00	-
Total	57392	27888	43915	-29504	16027	-51,41	57,47

Source: NASDAQ, IPO Watch Europe, 2017; IPO Watch Europe, 2018

Most European exchanges recorded a decline in 2015, however, the stock exchange Nasdaq Nordic became an exception, as the shares of companies listed on this exchange increased by 33% (NASDAQ).

In Table 3 the leading European companies in 2017 on the release of the initial placement of shares are shown.

**Table 3.** Leading European companies in 2017 on the issue of initial placement of shares

Company	millions euros	Industry	Stock exchange	Country
Allied Irish Banks plc	2,986	Finances	Irish stock exchange; London stock exchan	Ireland
Pirelli & C SpA	2,275	Consumer goods	Borsa Italian	Italy
Landis & Gyr Holding AG	2,08	Industrial companies	Six swiss exchanges	Switzerland
BAWAG Group AG	1,68	Finances	Wiener Börse	Australia
Galenica Sante AG	1,544	Consumer services	Six swiss exchanges	Switzerland
EN+ Group plc	1,287	Basic materials	London stock exchange	Russian federation
ALD SA	1,156	Industrial companies	Euronext	France
Play Communications SA	1,041	Telecommunications	Warsaw stock exchange	Poland
J2 Acquisition Ltd	1,029	Finances	London stock exchange	United Kingdom
Gestamp Automocion SA	870	Consumer goods	BME	Spain
Total	15,948			

Source: EY Global, 2017

Investment companies, including SPACs and Real Estate Investments (REITs), accounted for 25% of the UK's volumes and values in the IPO market. The annual profit from IPO is about 40 billion, and volumes grew by about 13%, according to a recent analysis by PwC. The levels of foreclosed and delayed IPO (IPO) dropped almost twofold in 2017. The London Stock Exchange has become the most active market in Europe in 2017, with nearly 30% of revenue generated from European IPOs created in London.

In Table 4 the dynamics of the European market for IRO by sectors in 2015-2017 is shown.

**Table 4.** Dynamics of the European market of IRO by sectors in 2015-2017

Volume, million euros	Years			Absolute deviation, +/-		Rate of increase, %	
	2015	2016	2017	2016-2015	2017-2016	2016/2015	2017/2016
Finances	20500	7962	16719	-12538	8757	-61,16%	109,98%
Industrial companies	13162	4121	7887	-9041	3766	-68,69%	91,39%
Consumer goods	4017	1827	6428	-2190	4601	-54,52%	251,83%
Consumer services	6298	3517	4716	-2781	1199	-44,16%	34,09%
Healthcare	2971	2351	2115	-620	-236	-20,87%	-10,04%
Technology	2969	309	2053	-2660	1744	-89,59%	564,40%
Basic materials	1546	33	1933	-1513	1900	-97,87%	5757,58%
Telecommunications	5441	438	1248	-5003	810	-91,95%	184,93%
Utilities sector	444	716	501	272	-215	61,26%	-30,03%
Oil and gas	44	170	315	126	145	286,36%	85,29%
Total	57392	27888	43915	-29504	16027	-51,41%	57,47%

Source: IPO Watch Europe, 2017; IPO Watch Europe, 2018

Therefore, it may be noted that the Irish company placed the largest share in the European IPO market in 2017. Exit companies to the European IPO market increased by 50% in 2017 compared to 2016. The London Stock Exchange has become the most active market in Europe, where revenues from IPO increased by about 75% higher than in 2016.

The financial sector remains the largest IPO sector, despite a significant decline in 2015, due to the elimination of shares by Nets and ASR Nederland. The utilities sector recovered after 2015, after the mega IPO of NGO and Dong Energy (EY Global, 2017).

Studies have shown that the global market of IRO, the emergence of which dates from the beginning of the seventeenth century, has repeatedly changed the vector of its development due to certain historical events. However, its most significant achievements occurred only at the present stage of development of the world economy as a result of the expansion of integration and globalization processes, which had a significant impact on the functioning of international capital markets. The possibility of IPO operations in the world market is conditioned by: a) the internationalization of national markets and the formation of the world capital market; b) its steady growth irrespective of the dynamics of the development of the world economy; c) the increase of financial challenges caused by the high degree of uncertainty of the development of national markets, which increases the probability of a negative impact of one economy on another (Oyegoke, 2012). The analysis of the current state and trends of the world market of IPO has allowed to distinguish such key trends of its development:

- there is a slight increase in the number and volume of IPOs, with the exception of the temporary fall of markets due to global crises;
- impact on the activity of the market of IPO on the growth (fall) of the economy due to global economic crises;
- Another variability of leadership positions in the markets of IPOs of the leading countries of the world. The main role in this process is played by the Chinese issuers who are undergoing the process of privatization, and the American financial corporations that are trying to solve their problems through the attraction of capital in the open market.

In the context of globalization, important factors in the development of companies in different countries of the world are also foreign investments that are rotated in the international capital market, and in particular in the public offering market (IPO). Despite the current investment situation, the overall dynamics of the IPO market is growing, attracting funds through the IRO is increasingly becoming a source of financing for the development of companies. Therefore, the study of this means of attracting foreign investment is of interest to many companies that plan to improve their investment attractiveness.

#### 4. Ukrainian IPO market

The IPO market has started its fully functioning in Ukraine since 2005. The history of the IPO in Ukraine counts over 13 years since the first Ukrainian placement held on February 11, 2005 at the Alternative Stock Exchange of the London Stock Exchange (AIM LSE; Information Agency UNIAN).

In its development, the IPO market, like any other financial market, is exposed to world market conditions (IPO / SPO v Ukraine). Over the past 15 years, with the world's largest market IPO was achieved in 2007, when, according to the audit company EY, the amount of attracted capital companies around the world amounted to \$ 338 billion. In the same year, a record number of placements - almost 2 thousand ( State Statistics Service of Ukraine, 2018). It is during the phase of world market growth in 2005-2007 (National Securities and Stock Market Commission, 2018). The IPO was held by Ukrainian agroholdings Ukrproduct, Astarta, Landkom and Kernel. The fall of the IPO market led to the fact that in 2008 only one Ukrainian agro company - MHP conducted an IPO. In 2009, there were no placement of securities of agricultural corporations from Ukraine (Resolution of the Board of the National Bank of Ukraine, 2015, State Statistics Service of Ukraine, 2018).

In Table 5 the IPO volume of Ukrainian companies in 2007-2017 is shown.

**Table 5.** Volumes of major IPO of Ukrainian companies in 2007-2017

The name of the company that made the IPO / SPO	Industry	Stock exchange	Amount of attracted funds, million USD	End/placement date
Ferrexpo	Metallurgy and Mining	L	449	20.06.2007
Nostra Terra	Oil and gas	LSE's AIM	72	20.07.2007
Landkom	Agriculture and agroindustrial complex	LSE's AIM	110	22.11.2007
Kernel Holding	Food, Agriculture and agroindustrial complex	Warsaw	220	23.11.2007
Kernel Holding / SPO-1	Food, Agriculture and agroindustrial complex	Warsaw	84	12.03.2008
Cadogan Petroleum	Oil and gas	L	302	23.06.2008
Kernel Holding / SPO-2	Food, Agriculture and agroindustrial complex	Warsaw	81	05.05.2010
AVANGUARD AGROHOLDING	Agriculture and agroindustrial complex	L	188	06.05.2010
Russian navigational technologies	Technologies, telecommunications and media	MMBB	10	07.07.2010
Agroliga	Agriculture and agroindustrial complex	Warsaw	1	30.09.2010
Agroton	Agriculture and agroindustrial complex	Warsaw	54	29.10.2010
Milkiland	Food industry	Warsaw	79	26.11.2010
Geo-Alliance	Oil and gas	Warsaw	255	08.12.2010
Sadovaya Group	coal	Warsaw	31	21.12.2010
Black Iron	Metallurgy and Mining	Toronto	36	29.03.2011
Kernel Holding	Agriculture and agroindustrial complex	Warsaw	140	01.04.2011
KSG Agro	Agriculture and agroindustrial complex	Warsaw	44	15.04.2011
Industrial dairy company	Agriculture and agroindustrial complex	Warsaw	30	21.04.2011
Yandex	Technologies, telecommunications and media	NASDAQ	1 435	23.05.2011
Westa ISIC S.A.	other industries	Warsaw	48	06.06.2011
Ovostar Union N.V.	Agriculture and agroindustrial complex	Warsaw	33	20.06.2011
Continental Farmers Group	Agriculture and agroindustrial complex	London	24	28.06.2011
ViOil Holding S.A.	Agriculture and agroindustrial complex	Warsaw	150	06.07.2011
Coal Energy	coal	Warsaw	80	15.07.2011
AgroGeneration (SPO)	Agriculture and agroindustrial complex	NYSE	16	21.07.2011



TMM Real Estate Development (SPO)	Real estate and development	London, Warsaw	100	13.01.2012
EPAM SYSTEMS	Technologies, telecommunications and media	NYSE	72	08.02.2012
Arricano Real Estate PLC	Real estate and development	LSE's AIM	24	12.09.2015
Interfom	Chemical industry	Warsaw	26	2016
Ukrgezvydobuvannya	Oil and gas	Warsaw	1200	2016
MCB Agricole	Agriculture	Warsaw	25	2017
Ukrzernoprom	Oil and gas	Warsaw	33	2017

Source: The First Stock Trading System, 2017; National Securities and stock market commission, 2018; The Ukrainian representative WSE; The Warsaw Stock Exchange

In Figure 2 reflects the dynamics of the IPO market in Ukraine in 2007-2017.

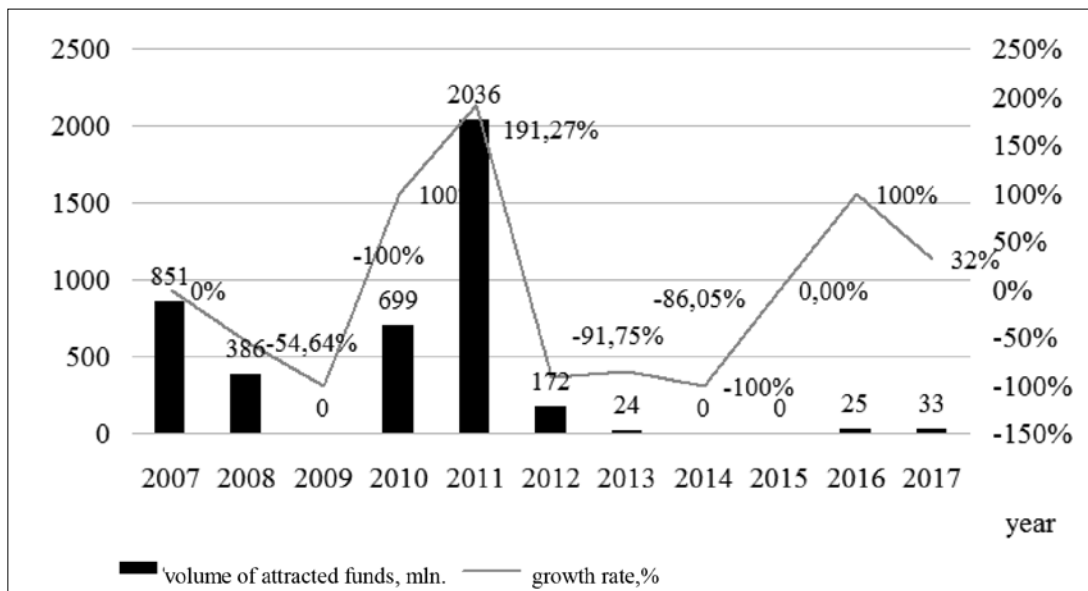


Figure 2. Dynamics of the IPO market in Ukraine in 2007-2017

Source: Prepared by the authors from statistical processing results

In order to study the influence of indicators of IRO on the parameters of macroeconomic security, we used a correlation-regression analysis to determine the pair effect (Figure 3).

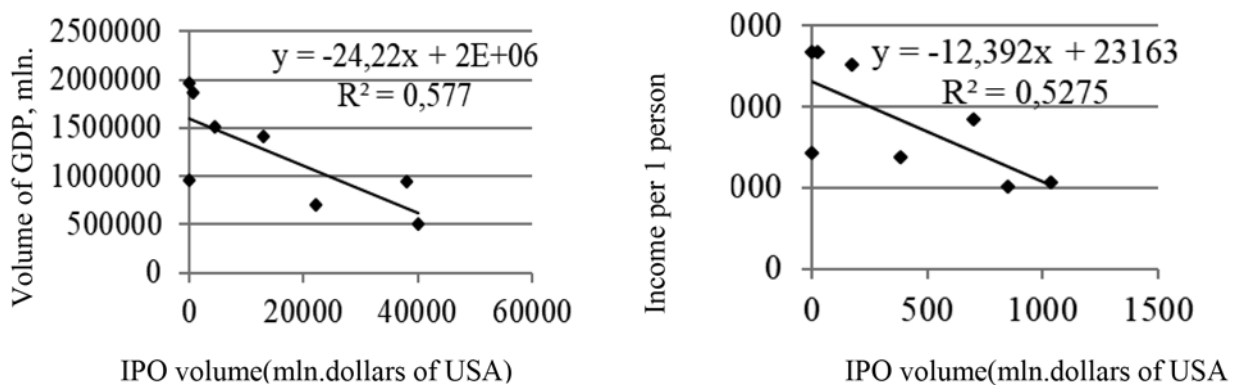


Figure 3. Dependence of macroeconomic security parameters on volumes of IRO

Source: Prepared by the authors from the statistical processing results

According to the calculations we can conclude that the determination coefficient  $R^2 = 0,58$  means that 58% of the variation in the volume of IPO (Y) is due to the variation of factor X - the volume of GDP, and 42% - by influence of other factors not included in the model. The determination coefficient  $R^2 = 0.53$  means that 53% of the variation in the volume of the IPO (Y) is due to the variation of factor X - the disposable income per capita and 47% the effects of other factors not included in the model. The determination coefficient  $R^2 = 0.51$  means that 51% of the variation in the volume of the IPO (Y) is due to the variation of the factor X - the unemployment rate, and 49% - by the actions of other factors not included in the model. The determination coefficient  $R^2 = 0.51$  means that 51% variation in the volume of IPO (Y) is due to the variation of factor X - trade balance, and 49% due to other factors not included in the model (National Rating Agency "Rurik", 2018). The closest connection and the greatest impact on the volume of IRO is the volume of GDP.

## Conclusions

One of the major problems is the dependence of the IPO market on the growth rate of the economy, as during the financial crises the production of IPO is significantly reduced. The main content of economic growth is to increase the country's economic potential and its macroeconomic security, the capacity of its economy, that is, to increase its real GDP. In addition, the level of economic security of the country is measured by the level of unemployment, disposable income per capita, trade balance and other indicators.

There is an increase of IPO at the European IPO market at the period of 2016-2017. In 2017, the number of companies in the European market increased by 50%, compared with 2016. The London Stock Exchange has become the most active market in Europe, where IPO revenues have increased by about 75% higher than in 2016. The largest share in the IPO market is in the financial sector by IPO. While the world IPO (IPO) market is gradually recovering and shows growth trends, the Ukrainian IPO market is characterized by low awareness of companies and their ability to place shares in order to attract investment resources. During the period of 2008-2014 Ukrainian companies implemented 59 IPO (IPO) placements, attracted \$ 6.2 billion, representing 0.9% of global volumes by number of placements and 0.6% of funds raised, but the average the size of transactions is 105 billion dollars. USA.

According to the results of the correlation-regression analysis, it was established that the decline of the IRO was influenced by the economic downturn in Ukraine, reflected in the growth of unemployment, the reduction of GDP, the negative trade balance, the reduction of disposable income per capita, etc., which indicates a direct dependence between volumes of IRO on the parameters of macroeconomic safety.

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