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## Transformation of the capital market stability model under the influence of the financial globalization

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### Abstract

© 2014, World Scientific and Engineering Academy and Society. All rights reserved. In the course of economic globalization a process of formation of the united financial market has evolved. The united market means a gradual merge of financial risks and increase of volumes and unpredictability of aggregate risk in the result of synergetic effect contained in the nature of financial market as of a nonlinear dynamical system. The article examines the factors of financial globalization that have had the author's opinion the greatest influence on the stability of financial markets in recent decades. On the basis of this analysis, we made an effort to set the parameters of the model the stability of the financial market in the form of a nonlinear stochastic differential equation. Basing on non-stability of a global financial market and under influence of globalization factors it was concluded that it is necessary to check the hypotheses on formation of a financial cycle apart from general business cycle.

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### Keywords

Derivatives, Financial globalization, Market stability, Nonlinear dynamical systems, Securitization