

CONCLUSIONS TO CHAPTER 2

It has been determined that in case of favorable and stable macroeconomic conditions, a moderate liberalization of financial markets and return to an inflation targeting regime and a floating exchange rate are important. The necessity of continuing technological development of financial services as a prerequisite for further expansion of financial inclusion and ensuring cybersecurity is also substantiated. Important measures also include the restoration of financial infrastructure in de-occupied territories, ensuring accessibility and inclusiveness of the financial sector. Additionally, for Ukraine, the development of financial markets is a crucial task, as they play a significant role in determining the level of interest rates and credit conditions, which affects the size of investments, expenditures of enterprises and citizens, and overall economic development of the country. The development of financial markets entails creating effective financial instruments, such as stocks, bonds, derivatives, and others, allowing for the attraction of more capital and creating favorable conditions for doing business in Ukraine. Furthermore, the creation of financial instruments will help reduce risk for investors and enable the attraction of funds for long-term investments in Ukraine. Directions for the development of financial markets include the advancement of the banking system, securities market, stock market, insurance market, pension market, and derivatives market. Successful development of financial markets in Ukraine can enhance the effectiveness of monetary policy and positively impact the development of the real sector of the economy.

Modeling has demonstrated that under classic inflation targeting (without a fixed exchange rate), inflation and inflationary expectations decrease most rapidly. Accordingly, as the functioning of the economy normalizes and the financial system of Ukraine stabilizes, a return to inflation targeting with a managed floating exchange rate should occur in the sphere of monetary regulation. Furthermore, the analysis of the impact of inflationary expectations underscores the importance of the National Bank of Ukraine's communication with economic entities at various levels. The regulator must pay significant attention to communication, as it is through effective

communication with various target audiences, including the public, consumers of financial services, the academic community, subjects of state policy (media, economic and financial organizations, and experts, both domestic and international), and international organizations and other external partners, that the NBU can achieve success. The importance of not only ensuring price stability during periods of macroeconomic destabilization but also supporting the uninterrupted functioning of the financial system and the economy as a whole is substantiated. We also want to mention that there is necessity to return to the inflation targeting system, which showed good results before war, as well as maintaining the floating exchange rate.

Monetary and fiscal policy are important instruments of state regulation of socio-economic processes. In conditions of macroeconomic instability, the issue of coordination and consistency of these financial policy directions acquires particular significance. Monetary policy, focused on the control of the money supply and interest rates, and fiscal policy, which affects government spending and tax rates, must interact to ensure stable economic growth. The harmonization of these policies helps to avoid economic imbalances, reduces inflation and unemployment, and promotes efficient resource utilization. Such a coordinated approach aids in achieving common goals and stimulates economic recovery and development.

It has been determined that trust and dialogue with the regulator play a significant role in shaping inflationary expectations. Accordingly, for the stabilization of these processes, communication from the National Bank of Ukraine with various target audiences is important. Thus, the NBU's communication policy is a fundamental element of macroeconomic management and stability, contributing to ensuring transparency, predictability, and effectiveness of monetary policy.