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"FINANCIAL TURMOIL OF 2007- 2008 VERSUS 2019- 2020"

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ABSTRACT

The aim of this report was to discuss the factors that will drive our financial market into crisis. This report highlights aspects such as the global market outlook for 2019-2020 and some recommendation that has been used by investors in the previous crisis. The purpose of this paper is to examine the recent impact of financial crisis on financial institutions in the countries. This study contributes to the knowledge of investors and market practitioners that they are aware of the risks attached to investments in developing countries. The global financial crisis exacerbated by the US debt crisis. This has undermined the financial markets of the developed world which is causing the collapse of the dominant names in the banking industry. The first cause of this problem could be that banks and other financial institutions in the United States of America have gone through a long period of bad credit. One possible cause of the crisis is that according to recent studies it is likely that the impact of the global financial crisis has been on the rise with global inflation and commodity prices exacerbating inflation. Developing countries are experiencing significant inflation.

The COVID-19 shocks are worse compared to the Great Depression of 2007-08. However, the impact of COVID - 19 on financial markets has not been investigated. The present study was conducted to examine the impact of COVID-19 on financial markets. The COVID-19 epidemic has caused confusion and financial market turmoil. There is going on Conversations and expectations for the future are very useless. In this study, we analyze the probability Poor position of the forex market compared to internal turmoil Global financial crisis from 2008 to 2009.. According to the results of the majority of methods, internal chaos Transaction markets were not bad during the global financial crisis. During COVID-19, the risk is greater than that the global financial crisis.

Keywords: depression, debt crisis, inflation

INTRODUCTION

The financial crisis is a process that involves identifying economic policies and building economic stability and financial viability in regional and global structures. From this, one would assume that each organization has its own changes in its environment, and because of this change, we have a problem with such a system. Even in the economic sphere, if we look more closely, we have such a problem, where development approaches in the human and technology sectors have created a huge gap between ancient and modern times, thus creating greater potential for greater efficiency. As we focus on the crisis and enter the financial world, we see that the so-called industrialized countries are at the forefront of growth, while the intermediate countries are sectors, and due to the high levels of corruption and unemployment, these indicators are clearly linked, thus damaging the financial system. Corruption is a factor that directly and indirectly affects the process of attracting foreign investment, contributes to the increase in unemployment, and exacerbates the financial crisis when money is already weak. In the following sections, we will find out about the financial crisis in the global environment, the impact of this crisis on economic growth and the role of currency exchange.

This study aims to examine the impact of the COVID-19 epidemic on the financial market fitness. The money market is one of the major health needs of the world economy, Financial planning and asset development. In this analysis, we use the timing of the global financial crisis as a measure of its ability to assess the current market situation.

The global financial crisis, which began in 2008, is the latest in a series of economic crises and a devastating impact on the world economy. Unlike some of the previous crises, the current crisis has not wreaked havoc on any country or market sector, nor has it additionally destroyed the powerful economy. While the world is slowing down the end of the crisis, it is widely acknowledged that in the midst of the financial crisis of the last century, the Great Depression of the 1930s had a strong and secure effect on the world economy. Compared to the current recession. The problems first seen in the US mortgage market quickly disappeared into the real estate and banking industry. From the financial sector, it continues to the real sector in the US market and later in other markets. The impact of the global crisis has shifted to the Indian economy through three distinct channels: financial industry, export and exchange rates. Financially, the Indian banking sector is not in serious financial trouble. Exports of both goods and services account for only 22% of India's GDP, but their exports to China are largely unimportant as exports to China are very high. Thus, the decline in exports will slow growth in GDP this year. The third-party supply channel is called the exchange rate and the Indian rupee is under pressure, making it very weak. The Indian economy looks to be free from the global financial crisis that began in August 2007 when the 'low income theft' crisis began to hit the US. In fact, the Reserve Bank raised interest rates until July 2008 with the aim of cooling the growth rate and keeping inflation pressures high. But as the lehman Brothers' global recession and downturn on September 23, 2008, led to inflation, the impact on the Indian economy was inevitable. The debt flow has dramatically dried up, and overnight, market interest rates have risen more than 20 percent, continuing to rise over the next month. Therefore, it is wise not to underestimate the difficulty of the current situation.

RESEARCH OBJECTIVES

In the wake of the global economic crisis of 2008, this article highlights the effects of a traumatic event that has shaken the world not only with its potential, but also with a devastating impact. It shows that the financial crisis not only devastated the United States but also affected the soft world. Strong meetings were summoned to the White House to create a solution and communicate immediately. The report also mentions the extent and consequences of the India issue in countries other than the United States. How India was affected by the tragedy of the crisis and how much it contributed to the loss of the decade.

1. The present study was conducted to examine the impact of COVID-19 on financial markets in the world.
2. To find out the reactions of the countries.
3. To know up to what level stock fall down.
4. To understand that which crisis affected more to financial market.

LITERATURE REVIEW

Different currency international organizations and platforms have warned that the latest COVID - 19 will have serious consequences for the global economy, and that its effects will outstrip the 2007/2008 global economic crisis. World Economic Forum, (2020, p. 1),

Electronic Research Journal of Social Science and Humanities Volume 2: Issue II ISSN: 2706 - 8242 www.eresearchjournal.com April - June 2020 31 “Globally, the Corona Virus Shock Compared to the Great Financial Crisis of 2007-08 severe ". Literary evidence has revealed that COVID - 19 has had a significant impact on global financial markets. Indicators of the impact of COVID - 19's financial markets can be found in various financial markets around the world, notably the trends in the US-to-Dow and S&P trading rates that have declined significantly to respond to the US COVID-19 situation.

The world is big. The Economy (2020, p. 1), made it abundantly clear, “At the end of the day, Dow and S&P suffered the biggest one-day decline since 1987. Lawmakers in Washington continued to work on an economic recovery package. They are, of course, trying to respond to the impact of the corona virus infection ”. Economists predict that the impact of COVID - 19 will have a serious impact on the economy. COVID - 19 Economists analyzed the impact on the social welfare and the economy at large, particularly in terms of financial markets trading, imports and exports, general trade in terms of production and fuel prices. To support this point, Schaumbach (2020, p. 1) argued that "therefore, the important measures taken to control the spread of the epidemic will have a tremendous impact on the wider welfare and the economy." The latest COVID - 19 has impacted the global stock markets, especially as the stock price trend has slowed significantly and continuously. Financial markets that have experienced this situation include Dow and S&P from the United States. The Daily FT (2020, p. 1) supported the claim that "both Dow Jones and S&P share prices of various companies in the US have fallen by more than 20%." Another global source for the impact of global financial markets from the Nikkei, which is trading with the Tokyo Stock Exchange. Nikkei's market price trend, stock price volatility and COVID - 19 have largely suffered from the outbreak and have become an epidemic for the entire world. The Daily FT (2020, p. 1) elaborated, "Similarly, the Nikkei, taking into account the share prices of the Tokyo Stock Exchange, has fallen significantly in the past few days." The world is experiencing the closure of financial markets due to the epidemic COVID - 19. COVID - 19 financial markets move away from different trading directions, which will ultimately affect the global economy. In particular, the Colombo Stock Exchange can sometimes have a meaningful impact on the closing of trading and share prices. The Daily FT (2020, p. 1) stated, “The Colombo Stock Exchange, too, fell nearly 9% on its stock price index over the past week, and hasbeen forced to close trading three times this week.” With the view that the world is heading for a recession, the current COVID - 19 Different Literature Proponents have suggested that the global economy will be severely impacted: the global recession will fall with the impact of global manufacturing employment, meaning businesses will suffer production and decline, people will lose employment, while import and export activity will be severely affected by the global recession.

On 2008, the financial crisis that began in the United States is now a global phenomenon. Currently, not only in the United States but throughout Asia and Europe, stocks are disappearing; the combined loss of the London, Paris and Frankfurt markets alone is more than $

350 million. The Stock 100 index closed above 323 points down in January 2008 (Times online 2008). This crisis without affecting the capitalist economy has also compressed the Socialist and Russian economies; in May 2008 the Russian stock market fell 50 percent and the Russian central bank had to buy rubles in large quantities to prevent a strong fall against the US dollar and the Euro (Erkkilä, 2008).

Regarding the cause of the current problems Bartlett (2008) said that the problem was caused by the deterioration of the US mortgage market, the severity of this decline being significant; "The gross loss of the market on home equity securities, consolidated debt bonds and related assets in March 2008 would be $ 945 billion." He also pointed out that it was "the biggest financial loss in history", compared to the Japanese banking crisis in 1990 at about $ 780 billion, a loss from the Asian crisis of 1997-98 amounting to $ 420 billion and US $ 380 billion and the American loan crisis. original 1986-95. Yılmaz (2008) cited the U.S. underwriting industry as a major cause of the current financial crisis, and pointed out that the total lost initially initially reaches $ 300 to $ 600 billion now considered to be approximately $ 1 trillion. While pointing out the reasons why the crisis in the US financial crisis is turning to the global banking crisis,

RESEARCH METHODOLOGY

Research methodology is the technique for collecting all sorts of information & data pertaining to the subject in question. The objective is to examine all the issues involved & conduct situational analysis. The methodology includes the overall research design, sampling procedure & fieldwork done & finally the analysis process. The methodology used in this study is simple retrospective model to investigate the impact of COVID-19 & Global financial crisis on Financial Markets. Data has been collected by exploring the secondary sources as

- Internet
- Magazines
- Data from various sites,
- News -CNBC, FINANCIAL TIMES, BBC etc
- You tube
- Newspapers
- Articles
- Books

After collecting the data or the information it was further studied and analyzed.
I collect information regarding 2009 global economic crisis from various movies. There are many movies which is made on story of 2008s crisis (Lehman brothers)

- Too Big to Fail. Warren Buffett with actor Ed Asner at HBO's “Too Big to Fail” premiere, 2011.
- Inside Job.
- Capitalism: A Love Story
- Wall Street: Money Never Sleeps
- Margin Call.
- The Queen of Versailles
- The Money Machine
- Margin call

OBJECTIVE OF THE STUDY

From this review existing literature will generate new information on the impact of COVID-19 on the financial market in whole. Most importantly, the objective of this study is

- To analyze the circumstances that led to the crisis
- To analyze the impact of such crisis on the economy

SCOPE OF THE STUDY

This study relies on data collected from secondary sources. This study relies on the accuracy of data collected from secondary sources, and this study provides investors with a detailed analysis of the market condition during two different critical circumstances.

FINANCIAL MARKET TURMOIL

Since the widespread recognition of COVID-19 shocks in early March, global financial markets have seen the highest losses and biggest losses not seen since the start of the 2008 financial crisis. Financial markets in Asia, Europe and the US collapsed, and Dow Jones recorded his second big dream on March 16, valuations entering every asset class, reflecting the increasing spread of debt (eg, interest rate lenders paying more for the system and the business of government Such as American treasures). For example, according to one estimate, the highly performing stock market is currently spreading about 11 percent of its expected average price. Three related factors may help explain inflation:

(i) The high risk of global economic downturn and its impact on business profits.
(ii) Fair market issues such as forced sales due to liquidation.
(iii) Fear and uncertainty and panic sales. It is very difficult to see how much a sale is due to these various factors.

However, the slowdown is a response to the real economic impact of the disease, which is evidence of a sharp fall in prices for airlines, energy companies, financial institutions and manufacturing companies. However, there are some indications that markets are likely to dominate due to fears and uncertainties and systemic market problems. For example, current ratios of future dividends are ten years from the company's profit per share to reach the beginning of 2020. This is a long time compared to previous economic and financial crises. Income returned to previous levels within four years.

High levels of vulnerability and weakness in the world economy before the crisis have had an impact on the supply chain. Risk to Non-Banking Financial Institutions (ie Fully Non- Banking License or Regulatory Institution Companies not supervised by the bank). The FSDR notes that the share of high-risk countries in non-bank financial institutions rose by nearly 20 percent in the second half of 2019, the same level as before the 2008 crisis. In particular, "debt" (loans for high-risk lenders, most of which are included in "consolidated bonds") has increased by more than doubled since the crisis of 2008 to $ 1,2 trillion in 2019. Potential recovery for the economy, increased credit spread and lower COVID-19 inflation rates have led fund managers to increase asset sales and reduce debt repayment, increasing market pressure. Depreciation of credit rating agencies can continue to worsen, as many investors' orders prevent them from holding bonds at low interest rates. This means higher financial costs for companies, which increases the likelihood of bankruptcy and resilience, and may reduce future investment, contributing to future GDP growth.

This is one reason why central banks continue to supply electricity to the market. Banks and other financial institutions will see their income decline as a result of the epidemic, as interest rates on loans rise and policy prices fall. This is reflected in the estimates of the financial sector, which has fallen nearly 39 percent, far above the typical US market. However, banks with stronger balance sheets than they had before the 2008 disaster reflected a tightregulation
- which should give them the ability to withstand some growth in non-performing loans. In fact, banks already play an important role in reducing the impact of COVID-19 on the real economy. They can repay debts and provide loan tolerance where necessary, such as SME loans and mortgage payments to mortgage lenders.

FINANCIAL CRISIS OF 2008

The term financial crisis is a term used to describe the widespread circumstances in which many financial institutions or instruments lose a large part of their value. Many economists have raised their opinions on how the financial crisis originates and develops, what are its causes and consequences, and ways to prevent it. Still, academics have yet to reach a consensus on the issue, while the financial crisis is usually in the global economy.

1. Crisis of 2008

It takes special research to determine the details of the recent US economic crisis. However, the downside (construction, real estate exchange) recorded at the start of the business venture stems from the financial system and the US economic support system. The US is the only economy that uses stock markets as the primary source. As unbalanced, stock market financing has its drawbacks. The most recent crisis is being used as an excuse to launch a global campaign against free market economics and free agency, and as a catalyst for a major government intervention in the economy. The free market is now considered a major cause of the crisis and, in fact, the main cause is state intervention. Government intervention in the United States is carried out in two forms. First Form used the Federal Reserve, which reduced interest rates in January 2001 from 6.5% to 1%. It held the ratio until June 2004, thus triggering large borrowing 11.The second form is a two-state process. To provide home mortgage insurance, the sponsoring companies are Fannie Mae and FreddieMac.

2. The reasons behind thecrisis

The financial crisis of 2007/2008 is considered the biggest and hardest financial event since the Great Depression; Sparked the world of finance and investment banking. The results are still felt today. To better understand what caused this problem, we need to look back at the 80s.

In the 1980s, brokers and financial institutions issued a statement that debt was an unused asset in the United States. The Salomon

Brothers and Drexel Burnham Lambert traders watched the bond market increase, finding that bonds could repurchase returns from US bonds and then sell them to investors. Prior to this, investors had not yet reached the American housing market without investing in real estate or construction companies, which was not the best solution and did not provide a proper view of home prices. In the late 1990s and early 2000s, there was an incentive to issue bonds with the support of lenders, known as bond bonds. Security is the sharing of debt and the disposal of assets based on that debt. Investment banks have taken loans from real estate brokers that repay and repay some loan financing to investors. Over time, only a few key mines in security had to be made, so organized banking groups began to replicate the MBS system known as Collateral debt obligations or CDOs.

Placing different bonds reduced the risk, so these assets are much safer, but the reality is that most secured loans are not working properly. Rating agencies rated MBSs and CDOs have the benefit of diversification in the home market. International banks continue to have a large liquidity position, borrowing large volumes at low interest rates in the short term and financing their investments. Investment banks had at least 30 times higher interest rates. Some of the best investment banks, such as Morgan Stanley, Lehman Brothers, Pierre Stearns or Merrill Lynch, have a high percentage of short-term debt.

During 2004-2007, hundreds of millions of US dollars were paid at a fixed rate for people with bad credit ratings. For example, this loan consolidation requires lower interest payments for the first two years (includes 8%), and then increases to 15% annually the following year.

Obviously, there is no way for sub-lenders to make repayment rates. Investors held a large number of assets in AAA securities and banks or were involved in this type of asset.

The first signs of the crisis were identified in June 2007, when Pierre Stearns, one of the largest U.S. investment banks, announced a major loss in its hedge funds, exposed to short- term assets. Blocking withdrawals from customers leads to bankruptcy, resulting in a loss of $ 3 billion. Problems with short-term debt and securities are not unique to the United States. In September 2007, Bank of England North Rock sank and was eventually purchased by the UK government

When Pierre Stearns ran away in March 2008, things started to go wrong following the loss of money it had. JPMorgan bought Pier Stearns, and the US government confirmed it would reach Pier Stearns's $ 30 billion toxins. The Lehman Brothers were the fourth largest bank in the United States, came under heavy pressure. In the summer of 2008, Lehman's stock price rose continuously, often gaining or losing about 40% in one trading day. All the while, Lehman was losing money and had to be notified. The Lehman Brothers approached a variety of solutions: a $ 4 billion capital increase, a deal with Morgan Stanley, another deal with the Bank of America to merge with Bank, but unfortunately none of it worked. It all ended in September 2008.

In September 2008, the US Treasury Federal Reserve convened meetings between all the heads of the US central banks, focusing on the survival of the Lehman brothers. At the time, two banks were interested in Lehman: Bank of America and Barclays, Bank of America First Option. For a variety of reasons, none of these banks were interested in government funding without Lehman. The US government refused to grant Lehman bail or administer any contract money. On Monday, September 15, the lehman Brothers declared a bankruptcy.

The collapse of the Lehman Brothers nearly toppled the global financial system. It took a huge bail to get rid of taxpayer money. It was very clear that the next lender had reversed its worst decline in the last eight years. Massive financial stimulus and money recovery prevented the collapse, but the recovery was weak compared to the post war recovery. In September 2008, the US government also sought solutions to stabilize the Federal Reserve's financial markets and save other banks from collapse. In order to reduce market uncertainty, they undermined a scheme that included the acquisition of complex assets from banks. The project was titled Complex Asset Relief Program (TARP). On October 3, 2008, Congress signed into law a $ 700 billion budget. Most of the TARP-funded companies paid off and the financial markets tightened and grew until summer 2011

3. Dimensions of the financial crisis

Basic Financial Tool, Developed by the Financial Market Unrestricted and Active Is an important part of growth. According to statistics, the number of contracts allowed in the sector by the end of 2007 reached $ 600 trillion, 11 times the value of land production. 10 years ago, the value of this financial sector was only $ 75 trillion.

4. The management of the crisis

Instead of accepting responsibility and then returning to the market, the United States and other countries did the opposite, relying on the market economy, which passed hundreds of millions of taxpayers. As part of the banking sector dealing with mortgage lending, governments must allow the market to do its job by redistributing resources from low- productive or low-performing sectors. Therefore, the market should have the flexibility to change the relationship between storage, borrowing and production. Instead of allowing the market's healthy support in rotten economic branches, governments are extending (not extending) the life of rotten branches. Since the onset of the financial crisis, large banks have created a large number of joint ventures with billions of dollars, Euros, pounds and yen in the global financial system. In the last week of September 2008, $ 250 billion went into the banking system. Regulators in the financial markets, the SEC in the US and the FSA in Great Britain have blocked the short sale of hundreds of companies, particularly banks and financial institutions, in hopes of lowering share prices. Short selling is the selling of shares of a company by lending to banks to hold this partnership rather than shares. When the share price goes down, those who engage in short sales get profits. However, the most dramatic intervention took place in the last week of September 2008, when the administration of former President George W. Bush authorized the Treasury to purchase $ 700 million worth of assets and securities held by banks. The government has issued a guarantee that Wall Street will raise the national debt ceiling for the United States to $ 11.3 trillion, thereby reducing the state's economic potential. The government deficit for 2009 is projected to reach $ 500 billion, but with this plan, that number could exceed $ 1 trillion. This massive cost of $ 700 billion, simply described, is the cost of living in Iraq since the beginning of the war, and costs about $ 2000 per American.

5. Effects

More than six years after the financial and economic crisis, the country's economy is still weak, and many important regions continue to thrive before their growth. The path to recovery is closed with mixed barriers and is subject to great challenges due to difficulties. As a result of the consolidation rate of the global financial system, the financial crisis accelerated rapidly in other countries. In addition, the central bank has not stopped deposits in the long term. As a result, a large number of banks are caught up in the financial crisis, thereby reducing the general confidence in the markets. In the short term, problems in the financial sector began to emerge in the real economy. This is often due to rising demand for business and home loans, causing economic activity and creating uncertainty in capital markets. The US economic boom brought low import prices from developing countries, which had a negative impact on their economy. Again, this is astonishing and has affected unemployment, low sales and purchase prices, weak consumer confidence, which has ultimately led to lower market utilization rates and greater direct pressure on the value of goods sold.

6. Effects and Aftermath of the Crisis

A 2012 study by St. Bank of San Diego, the Federal Reserve Bank of San Francisco, found that 10 years after the onset of the financial crisis, GDP fell short of 7 percent. The loss of $ 70,000 in lifetime income lost nearly 7.5 million jobs between 2007 and 2009 in the US, reflecting more than double the unemployment rate, which was nearly 10 percent in 2010. Although the economy has been slowly raising jobs since the start of recovery in 2009, the unemployment rate for 2018 is 3.9 percent, with many additional jobs lower wages and less secure than lost.For many Americans, recovering from the financial crisis and the Great Depression was slow. The most affected - millions of families who lost their home, business or money; Millions of workers who lost their jobs and experienced long-term unemployment; Millions of people live in poverty - continue to fight for years even after unrest develops. Their situation is very different from the bankers who helped create the problem. Some of those managers lose their jobs when the level of misconduct becomes apparent to shareholders and the public, but those who resign often tend to make big bonuses In addition, no US chief executive or other senior official has gone to jail or been prosecuted for criminal cases - in stark contrast to previous financial crises, such as the 1980s savings and debt crisis and Enron's 2001 collapse. In general, the leading leaders of financial institutions and some wealthy Americans did not lose successively as members of the lower and middle class, and by 2010 they suffered losses which is normal for most Americans. The natural variation triggered a massive popular outrage, which began in 2011 with the Occupy Wall Street movement. The seizure of economic goals and political and economic programs for the wealthy - “1 percent,” not “99 percent” - raised awareness of economic inequality in the United States. , A powerful issue that will become the focal point of democratic politics at the federal and state levels. However, the lack of leadership or firm objectives in the organization does not lead to any specific change, much less the total change of the ‘project’ that some of its members believed.

In the coming years, the balance of the world economy will continue to evolve in emerging economies, particularly the Asian economy. GDP growth is expected to average 3.6% per annum due to weakening of reserves, a sharp increase in human capital and a reduction in labor force. High risk in the future is viewed as uncertainty about product development.

CRISIS OF 2020(COVID-19)

The COVID-19 virus is a new virus linked to the same family of viruses as Severe Acute Respiratory Syndrome (SARS) and some types of common cold. Corona virus (COVID-19) is an infectious disease caused by the newly discovered corona virus. Most people infected with the COVID-19 virus will experience mild and moderate respiratory illness and will recover without the need for special treatment. The elderly, and those with basic medical problems such as heart disease, diabetes, chronic respiratory disease and cancer, are more likely to develop severe disease.

It was first identified in December 2019 in wuhan, china, and has resulted in an ongoing pandemic.[The first case may be traced back to 17 November 2019. As of 5 June 2020, more than 6.63 million cases have been reported across 188 countries and territories, resulting in more than 391,000 deaths. More than 2.86 million people have recovered
The COVID-19 epidemic is a major human problem for the first time. It has a very direct impact on human health and well-being. Medical emergencies and the general reaction to it most notably travel restrictions - have had a major impact on economic activity, resulting in significant job losses. Following a ten-year growth of 2.3% in 2019, the global economy is expected to enter recession by 2020. Despite the focus so far on the countries most affected by the epidemic, poverty has been redistributed worldwide, expanding to financial markets.

If COVID-19 affected half of the world's population at 1 percent mortality, the total attendance would be 35 million. By comparison, the Spanish flu spread to 500 million people and killed 50 million worldwide in the period 1918-19.Health systems in developing countries have limited response capabilities. Although the corona virus leaves a dead mass behind its height, it will not be apparent until the vaccine is discovered and widely distributed. To avoid reunification, countries must keep their own isolation systems, and local closures apply when hot spots occur. As for the type that is still in progress, it is important not to recover quickly.

The test should continue to determine who can be the carrier, even if no symptoms are shown. According to a survey of the small town of Vò Euganeo, a small town in Veneto, Italy, 3,000 citizens were screened twice - 50 percent of those infected with respiratory viruses, more than we can see in confirmed cases. The virus can be completely overcome only when the public is vaccinated properly.

The impact of COVID-19 on the financial sector and makes policy recommendations, focusing on how the international community can support poorer countries, in four areas:

i) Launching a massive, integrated advocacy package that includes a significantincrease in quality financing.

ii) Strengthening the global financial securitynet.

iii) Establishment of credit for debt closure.

iv) At the centre, creating a sustainable future. These measures must balance other national and international measures to address the health, social and economic impact of the crisis.

The corona virus shock, in fact, is outside the global financial system. The question is whether the financial system caters to these shocks, as is often the case with external shocks, or whether the shocks are inextricably linked to recent financial system reactions and exposes the potential risk that results in a systematic financial crisis. Although it is not possible in the real of possibility. The fact that the corona virus shocks were external and not the result of systemic weaknesses is encouraging as it requires the presence of some risk factor in the supply chain. The situation is now better than it was in 2008. Monitoring is higher and controllers are more powerful and better informed. More risky loans are now being made by non-banking institutions, hedge funds, hedge funds, bond markets and the like. Although unfortunately for these investors, the large losses caused by COVID due to the final investors will not result in the same bankruptcy loss because most are spending too low. it can hold the default and give the authorities more room to use to tolerate the widespread organizational proliferation.

RESULTS

This study is a descriptive study aimed at explaining the impact of global poverty and its potential impact on financial institutions of developing countries. For this purpose content analysis was used in the process and evaluated many papers and articles related to the economics of growth. As a conceptual analysis, the concept of experimentation is preferred, whereas analysis involves measuring and combining their existence, also known as thematic analysis. Value and set of ideas The effects of the "Global Financial Crisis" and its impact on "developing countries" and "financial institutions" are analyzed in this content analysis.
Incorrect data was also determined, as suggested by 1990. By using the above content analysis process, the researcher can formulate ideas and produce research results

Data from various sources have been thoroughly examined and provided clear evidence that the recent global crisis is having a major impact on developing countries' financial institutions. The current financial crisis affects developing countries in many ways:

First, emerging markets may have financial conflicts and stock market growth. The Russian stock market had to stop trading twice; The stock market in the US and Brazil fell 8% on the same day. Global stock markets - all developed and emerging - have declined significantly since May 2008. In the US, UK and Japan, it has seen interest rates fall from 12 to 19% in one week.

The global financial crisis of 2008 was triggered by the placing of a low-value land theft market in the United States, which later affected the global banking system and led to a global economic downturn. Today, financial markets are experiencing shocks in the system due to the real epidemic that isCOVID-19

The comparison between the corona virus epidemic and the 2008 global economic crisis is inevitable, but it is seen through the lens of foreign native and endogenous ancestral differences.2008 An organized global economic crisis created by the positive interactions of market participants. The strength of the challenge lies in the deep weakness of the financial system it has built. The question is whether the COVID-19 economy is stunningly foreign, and inadequate. I think this is impossible. Instead, the problem lies outside the financial sector, in the real economy where shops, services and businesses are being shut down by money launderers and the incomes of affected employees areshrinking.

The correct policy response should not be limited to lowering interest rates or buying corporate or private securities in the open market, but should include tolerance and enabled assistance and similar policies. Banks are now a much more vulnerable part of the financial system than they were in 2008 - we realize that this is not a real problem and that any solution that focuses on the financial system will fail.
The shock of the world economy by 2020 is very different, because closing borders has affected everything from production to services. In 2007-09, the crisis was a banking crisis due to bad debt, and there was no similar problem in what economists call the corporations. However, the COVID-19 epidemic has side effects showing some similarities with the previous problem. Credit markets have exploded and the company's bonds have plummeted: the gap or the gap between the consolidated business dealings and those set for the US government's 10-year bond has now rise higher than during 2007-09.With worldwide markets being sold, CNBC-TV18 is trying to analyze the market situation by 2020 because of the corona virus crisis and the 2008 economic crisis.

Taking the 2008 financial crisis as a template, the market response is the same. In 2008, we had unlimited levels of intervention by central banks, governments, etc. Similarly, now we have that but we double the size and a half of the time. In August 2008, the S&P 500 was 1,313 and fell 36 percent and fell. In October, there were 838. From there, he saw 3 rational fractions - between October 10 and October 14, the S&P 500 went from 839 to 1,044, a shock of 24.5 percent. On October 28 to November 4, the index dropped approximately 27.5 percent from 845 to 1,007. From November 21 to January 6, 2009, the S&P 500 charged 27.2 percent from 741 to 943.By 2020, the S&P 500 had made a high of 3,393 in February. From there, it dropped from 35 percent to 2,191 on March 23, 2020. However, from March 23 to March 26 there was a backlash from 2,191 to 2,737 an aberration of 20 percent, almost the same and the fall and rise we saw in 2008.However, in the 2008 crisis, the lowest in the S&P 500 was another 29% drop in 666 on March 6, 2009 which was lower. So, if we compare 2020 with the 2008 crisis, then the fluctuations seen last week are just a mess and we have begun the slow, long and painful process of trying to find a place with lots of spice and sell.

CONCLUSION

This study confirms that the global financial crisis has a material impact on the financial institutions of developing countries. Global financial markets are interconnected, and the impact of the global financial crisis on emerging economies is testament to this. Inflation should be done under the control of the monetary policy authorities of the government.

Answers to global problems must be professional, engaging, decisive and systematic. Because global problems may require global solutions. If the crisis persists long enough,local and state governments may begin to crawl as they try to support new arrangements for their capital. The results of the study revealed that there is a positive relationship between COVID - 19 confirmed cases with the entire financial market. That means that COVID - 19 has had a significant impact on financial markets.This crisis is no doubt the biggest failure of one of the world's most reliable markets, modern finance. One of the main functions of financial markets is risk sharing. They have failed miserably. The risk is underestimated and many mediators have taken it seriously. However, the reasons for these failures and the consequences of economic policy are unclear

During the current crisis, the banking system may be an important vehicle for providing government assistance to the sectors most affected by the epidemic (if the government does not switch to direct demand). However, banks ability to provide financing may be limited if the creditworthiness of the sector is too low at the beginning of the crisis (because in difficult circumstances it is very difficult for a new lender to make a decision). In addition to the banking system, additional market insurance should help non-financial institutions to overcome cash flow problems and continue to operate without interruption. The so-called insurance (relying on companies and the public to compensate for losses or costs) is unbearable and the most common indemnity (legal or illegal) in Russia is government guaranteed, which is less effective insurancepolicies.

The recession is the result of these two factors, with the aforementioned evidence that the financial crisis announces a negative economic crisis, coupled with unemployment and inflation. Any tendency for change strategy lies in the creation of new problems and their approaches to management based on the energy of the country. Since industrialized countries have strong financial and technological resources, there are some advantages for industrialized countries to overcome this problem. The United States is the leader of global processes, including the creation of an order based on the spirit of capitalism or a free market economy that guides the processes of economic growth. In this context, most of the work is played by human workers who use the technology you have. Another asset of the global financial crisis is the migration from Asian countries to Western countries, highlighting the role of Indians and their role in the development of information technology. In addition, due to the large number of cheap labor in these countries, the investment of multinationals in countries such as China and India, all of these factors have a positive impact on countries such as China and India, resulting in reduced unemployment. When one stops and analyzes the crisis in a changing world, the problem comes to another sector and, as a result, a multi-sector approach is needed to address the social, economic, technical and political factors. System. Corruption matters should be small compared to what the countries face. As a result of these negative factors, rising unemployment rates indicate a deepening of the financial crisis in these. By the end of 2019, the country was experiencing the worst of history. The epidemic not only affected public health, but also the economy and especially the service field. With lower expectations, financial markets are also negatively impacted. This study examines forex markets and their response to the epidemic. The immediate emergence of the COVID-19 problem presents a number of problems that make it difficult to estimate the total cost of global economic activity. These problems include, but are not limited to:

- How long does grieflast?
- How many employees will be affected temporarily and permanently?
- How many countries will be affected and how many economic activities will be curtailed?
- When do economic effectsimprove?
- How many economic activities will be lost as a result of the virus outbreak?
- What are the most effective monetary and fiscal policies at the national and international level to solve thiscrisis?
- What issues will this short-term and long-term impact on how businesses organize their operational forces?
- How does the trade-off between public health and the economic impact of policies affect the spread of thevirus?

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