

FSC HOLDS MEETING TO REVIEW FINANCIAL RISKS IN DOMESTIC AND OVERSEAS MARKETS

The FSC held a meeting with the relevant institutions to review financial market risks on January 27 chaired by Secretary General Lee Se-Hoon.

At the meeting, Secretary General Lee stated that even though the Fed's recent announcement was largely in line with market expectations, U.S. stocks fell and the stock market volatility is continuing in domestic markets as the Fed Chairman's press announcement was taken to be hawkish. Secretary General Lee said that financial market volatility appears to be unavoidable for some time due to a number of different factors—such as the accelerated pace of tightening in the U.S., spread of the omicron variant, slowdown in China's economic growth and the Russia-Ukraine conflict—and that it is necessary to closely monitor markets to prevent market anxiety from spreading excessively when exports and growth indicators are standing strong.

The meeting also discussed potential impact of market volatilities on the household and corporate debt situations as well as on financial companies and looked into measures to minimize negative effects.

Amid recent volatility in equity markets, the FSC has raised the market monitoring level to "caution" on January 25. The authorities will continue to closely monitor financial market conditions at home and abroad to check potential risk factors.

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