

FINANCIAL AUTHORITIES HOLD MEETING TO RESPOND TO BOND AND MONEY MARKET SITUATION

FSC Chairman Kim Joo-hyun presided over a meeting of senior FSC officials on October 23 right after the government-wide emergency meeting on macroeconomic and financial stability took place. At this meeting, Chairman Kim ordered authorities to promptly take follow-up actions to implement the support measures announced at the earlier emergency meeting.

After the senior official meeting, FSC Standing Commissioner Kwon Dae-young held another meeting with the Financial Supervisory Service (FSS), financial industry groups, policy financial institutions and commercial financial institutions to check the recent situation of bond and money market and related risk factors in financial institutions.

At the meeting, financial authorities explained that they will immediately activate the KRW50 trillion-plus liquidity of supportive measures announced at the government-wide emergency meeting. Authorities emphasized that the government, aiming to ensure market stability, will provide ample support by all means necessary.

In addition, as restoration of market mechanisms is the key to overcome the current problematic situation, authorities said, market participants such as financial institutions and institutional investors also should step up their own efforts to facilitate recovery of the role of financial markets as intermediaries and accordingly to ensure a virtuous cycle. Moreover, authorities underscored the need for concerted efforts of both the government and the private sector. Application of all available means at their disposal and close communication between them should be in harmony to ensure market stability as the government alone has limited financial resources.

Financial industry groups, in response to authorities' request, also showed their commitment to strengthen efforts to stabilize financial markets and actively cooperate with the government's measures.

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