



Financial Services Commission
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Press Release

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FSC EMERGENCY MEETING AFTER THE ADOPTION OF U.N. SECURITY RESOLUTION AGAINST NORTH KOREA

As the U.N. Security Council unanimously adopted new sanctions against North Korea's nuclear test on February 12, the FSC Vice Chairman Choo Kyung-ho convened an emergency meeting this morning to discuss possible impact that the adoption of U.N. resolution would bring to financial markets.

As of now, global financial markets seem to be little affected by the adoption of the U.N. resolution. The U.S. Dow Jones Industrial Average index hit a record-high for three consecutive days. The KRW/USD NDF rate slightly fell from yesterday, and Korea's credit default swap (CDS) spread rose 1basis point from yesterday to 64basis point.

Given that the North Korea-related risks in previous cases had temporary and limited impact on domestic and overseas financial markets, market experts forecast that the possible impact of U.N. sanctions against North Korea would be short-lived.

However, the Korean government stays alert to a possibility of North Korea's further provocation as the resolution imposes tougher sanctions against Pyongyang that previous resolutions. If North Korea took further provocative actions, Korea's geopolitical risks and market volatility would be heightened.

The FSC will closely work with the Ministry of Strategy and Finance (MOSF), the Bank of Korea (BOK), and the Financial Supervisory Service (FSS) to monitor financial market conditions and take market-stabilizing actions in a timely manner if needed.

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For any inquiry, please contact Foreign Press & Relations Team at aykim@korea.kr