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Seoul readies □ 10T rescue fund, its first market backstop since 2008

Emergency package adds looser buybacks, a short-selling crackdown and margin-call watch after a five-month Kospi slide

By **Manasee Kurlekar** | November 23, 2026



Seoul is getting out the emergency kit. On Sunday, the country's top economic officials agreed to ready a stock stabilisation fund backed by ₩10.76 trillion in commitments, the first real deployment since 2008. They also eased buyback limits and launched a three-month crackdown on illegal short selling.

Key details: Finance Minister Lee Hyoung-il chaired the meeting with the central bank governor and the heads of the FSC and FSS. The fund draws on ₩10.76T of commitments from financial firms and the Korea Exchange.

The fund was first set up in 2020 and never used.

It would buy index products such as the Kospi 200, with capital called only as needed. The last actual deployment was ₩515B in 2008–09. The daily cap on share buybacks is eased for three months from 24 Nov. The FSS and KRX begin a three-month watch on illegal short selling, and authorities will track margin loans and forced liquidations. The Kospi closed Friday at 4,869.96, down 5.2%, a 10-month low.

The slide behind it has been relentless. The Kospi topped 9,000 in June and has since lost more than 40%. Every bounce along the way has given way to new lows: below 5,000 on 17 November, despite an earlier support package, then down 5.2% on Friday. Monday's 2.8% drop at the open shows the trend hasn't broken yet.

Seoul has set no index target. It says *it wants to guard against* "*excessive anxiety or panic selling,*" *and calls fundamentals* "*solid.*"

Read online: https://worldbusinesswatch.com/news/17/461/seoul-readies-10t-rescue-fund-its-first-market-backstop-since-2008.html

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