

Economics: Seoul market collapses as lemmings and threats take control

The Seoul stock market has fallen more than 7% in morning trading following down other Asia Pac Markets. But threats from North Korea aren't helping.

Here's an interesting theory: let's assume that North Korea knew the US stock market figures last night. And they assumed that Asia Pac markets would be spooked this morning - although not by how much.

Now let's assume that North Korea wants to destabilise the South, for whatever reason. But it definitely does not want to go hot and hostile and risk the US taking responsive or pre-emptive military action.

So the NoKos do two things:

1) tell the world it's fed up with being badly treated over its nukes programme and it's going to fire up its reactors (or at least start work on them again).

2) tell the South that it's been encroaching into the disputed "no man's water" at the border and that if it does it again, the North will invade the South and start a proper war.

How likely is the first? Probably not much.

How likely is the second? Close to zero.

But it's enough to make the south nervous, and that means more stock market carnage.