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South Korea’s Kospi index jumps nearly 18% on a surge in chipmaking stocks

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BANGKOK (AP) — South Korea's Kospi index jumped nearly 18% on Friday, tracking gains on Wall Street as artificial intelligence-related stocks bounced back after losses earlier this week.

U.S. futures edged higher and oil prices slipped.

The Kospi surged at the open and then wavered, eventually gaining 17.9% to 6,695.45, its largest single day gain ever. Shares of South Korean technology giant Samsung Electronics surged 28%, while memory chipmaker SK Hynix soared 30%.

The Kospi index had sunk more than 17% in the previous three days as investors dumped technology stocks in part over worries about an AI bubble and rising competition from chipmaking and AI rivals in China. The benchmark's previous largest single day gain, of nearly 12%, was in October 2008 during the global financial crisis.

The rebound followed Microsoft's report Thursday of stronger than expected profits for the last quarter. Microsoft's shares soared 15.5% for its best day in nearly 18 years. The strong earnings were taken as a signal that big spending on AI is translating into profits.

Traders flooded back into the market to snap up shares in tech companies that had recently swooned over doubts that the huge investments will yield adequate returns.

Despite the big jump Friday, the Kospi remains well below the peak of over 9,000 that it hit in June.

Tokyo's Nikkei 225 climbed 4% to 64,362.02. Multinational investment holding company and OpenAI-investor SoftBank Group jumped 14.2%, while chip equipment maker Tokyo Electron rose 6.3%.

"The market went from throwing AI stocks overboard to fighting for the remaining seats before most traders had finished writing the obituary," Stephen Innes of SPI Asset Management said in a commentary.

The dollar fell sharply against the Japanese yen overnight. Regulators in Japan and the U.S. were suspected of intervening in the market after weeks of the dollar trading above 160 yen, near 40-year highs.

Japan's Nikkei financial newspaper said the intervention was coordinated, with the Federal Reserve Bank of New York conducting what is known as a "rate check" in which it asks various banks to provide exchange-rate quotes for currency trades.

Officials from both sides refrained from comment on the matter.

After dropping more than 2.4%, the dollar bounced back early Friday, gaining 0.6% to 160.53 yen.

As expected, the Bank of Japan opted to keep interest rates unchanged Friday as it wrapped up a policymaking meeting. Analysts said officials may have stepped into the markets to limit speculative

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