

**HD** **Australia shares pare losses, Indonesia mineral export ban drives resources**

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**LP**

(Adds analysis, quotes, stocks on the move)

SYDNEY, Jan 13 (Reuters) - Australian shares slipped 0.2 percent on Monday morning, but the market pared early losses as resource stocks rose on firmer metals prices and on news that Indonesia has halted all mineral **ore** exports.

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On Sunday, Indonesia, among the world's biggest suppliers of natural resources, halted all mineral **ore** exports to try to promote domestic processing, threatening the country's nickel and bauxite industries worth more than \$2 **billion** in annual shipments.

Shares in nickel miners soared on the news on expectations global nickel prices will rise. **Alumina** Ltd jumped 4.2 percent to 10-month highs of A\$1.16, while Mincor Resources climbed 2.7 percent.

Western Areas Ltd soared 10.2 percent to a two-month high of A\$2.59.

The Indonesian news is driving the nickel miners and is also having a modest impact across the broader resources sector, said Chris Kimber, managing director at Kimber Capital.

"It was more that the resource stocks sold off on two or three sessions last week, after some slightly disappointing PMI numbers from **China**. I think it's a bounce back after last week on low volumes," he said.

An uptick in **gold** prices pushed **gold** producer Newcrest **Mining** Ltd up 5 percent while bluechip BHP Billiton Ltd rose 0.7 percent on the back of firmer **copper** prices.

The S&P/ASX 200 index fell 7.8 points to 5,304.6 by 0105 GMT, hovering 150-odd points below the 4-1/2 year high of 5,457.3 hit on Oct 28.

The 'Big Four' banks lost ground with the Commonwealth Bank of Australia off 0.3 percent while Westpac Banking Corp slipped 0.1 percent.

The benchmark eased 0.7 percent last week, snapping three weeks of consecutive gains and has fallen for six of the eight sessions traded in 2014 so far, as concerns over slowing growth in **China** hurt sentiment. **China** is Australia's largest export market.

In the defensive sector, consumer retail staple Wesfarmers Ltd lost 0.7 percent while blood products maker CSL Ltd fell 0.2 percent.

Elsewhere, Top communications provider Telstra Corporation Ltd slipped 0.1 percent after agreeing to sell 70 percent of its directories business Sensis to a U.S. private **equity firm** at a much lower price than what local media had expected.

Dart **Energy** Ltd soared 10.4 percent to a two-month high of A\$0.13 after the **company** entered into a farm-out agreement with Total E&P UK Ltd.

New Zealand's benchmark NZX 50 index rose 0.5 percent to 4,888.7.

(Reporting by Thuy Ong; Editing by Shri Navaratnam)

**RF** MARKETS-AUSTRALIA-STOCKS/ | ABN | M | RBN | ND | E | ABX | AUF | UKI

**CO** wearea : Western Areas Limited

**IN** i257 : Pharmaceuticals | imet : Mining/Quarrying | i951 : Health Care/Life Sciences | ibasicm : Basic Materials/Resources | i211 : Metal Ore Mining | i2114 : Copper Ore/Nickel Ore Mining

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