

HD **Australia & NZ shares slip as commodity prices fall, **China** data awaited**

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LP

* Australia share index down 0.5 pct, NZ stocks off 0.1 pct

* CBA reports Q1 cash profit up 10 pct

TD

* In Australia: 46 shares down, 132 shares up, 21 shares unchanged (Adds analysis, quotes, stocks on the move)

By Cecile Lefort and Naomi Tajitsu

SYDNEY/WELLINGTON, Nov 5 (Reuters) - Australian and New Zealand shares slipped on Wednesday with weaker **iron ore**, **copper** and **oil** prices dragging down Australia's heavyweight resources sector amid concerns about global demand.

The S&P/ASX 200 index fell 29.9 points to 5,490 by 01:20 GMT, pulling away from a two-month peak set on Monday.

Energy and basic materials suffered the most with 1 percent losses, while miners added to the pain. Spot **iron ore** prices dropped to their weakest level since 2009 on Tuesday as a supply glut keeps pressure on the commodity, which has fallen 42 percent this year. Bluechips BHP Billiton Ltd and Rio Tinto gave up around 1 percent, while BC **iron** tumbled nearly 7 percent to hit five-year lows at \$0.900.

Financial sector stocks also weighed, even though Commonwealth Bank of Australia (CBA) posted a near 10 percent rise in first-quarter cash profits.

Three of Australia's major four banks, including CBA, have posted record profits in the recently-ended financial year although their results highlight future challenges in maintaining earnings momentum.

"Even CBA's strong result where we saw a 14 percent jump in first quarter earnings to A\$2.3 **billion** did little to influence the downtrend," said Tristan K'Neil, head of trading at Quay Equities, seeing falling crude **oil** and **iron ore** as a major reason for the decline.

CBA shares shed 0.2 percent to \$80.62, having touched a two-month peak of \$81.10 Tuesday. National Australia Bank dropped nearly 1 percent.

Transfield Services Ltd, which runs the Australia's offshore refugee detention centres, had better luck after it upgraded earnings forecasts. It rose 1.8 percent after it said it may still reach a buyout agreement with Spain's Ferrovial SA .

Shares of building materials maker CSR Ltd rose 1.4 percent, helped by the **company** reporting a 15 percent rise in its half-year revenues.

Next flash point is HSBC **China** Services PMI data due out later in the session. Australia is sensitive to news out of **China**, the nation's top export market.

New Zealand's benchmark NZX50 index slipped 6.7 points or 0.1 percent to 5,416.51, hovering just below a lifetime closing high of 5,423.26 hit on Tuesday.

Outdoor clothing manufacturer Kathmandu was the biggest decliner in early trade, falling 1.87 percent to NZ\$3.15, while materials maker Fletcher Building fell 1.2 percent to NZ48.54

Nuplex slipped 0.64 percent to a two-week low of NZ\$3.11 after the resins and coatings manufacturer on Wednesday forecast 2015 earnings between NZ\$115 million and NZ\$125 million following the sale of some of its businesses, lower than NZ\$125.7 million in the year just ended.

NZ Oil and Gas jumped 2.63 percent to a three-month high of \$NZ0.78, extending gains as investors continued to buy up the oil and gas explorer and producer a day after it signalled plans to return capital to shareholders. (Editing by Eric Meijer)

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