

HD **CORRECTED-Australia shares rebound on resources sector as iron ore posts modest rise**

WC 649 words

PD 14 October 2014

ET 12:48

SN Reuters News

SC LBA

LA English

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LP

(Corrects iron ore price rise, adds dropped word in 12th graf)

* ASX 200 claws 0.7 percent higher on miners

TD

* 125 shares higher, 62 shares lower, 11 shares unchanged

* Business confidence, conditions survey dips for September

By Thuy Ong and Naomi Tajitsu

SYDNEY/WELLINGTON, Oct 14 (Reuters) - Australian shares recovered 0.7 percent on Tuesday, underpinned by a recovery in the resources sector as iron ore, copper and other base metals clawed higher, though a dip in a business survey kept some investors wary.

The resource sector rallied 2.2 percent as it posted a recovery after being routed since early September by a slump in iron ore prices.

iron ore for immediate delivery to China <.IO62-CNI=SI> rose 4 percent to \$83.10 a tonne.

BHP Billiton Ltd climbed 2.4 percent, Rio Tinto Ltd jumped 3.1 percent, while OZ Minerals Ltd soared 8.5 percent after saying production from its major Prominent Hill mine was strong and on track to meet full-year guidance.

"It's a bit of short-covering and it's buying from very low levels," said Peter Esho, a managing partner at 100 Doors, a wealth management firm in Sydney.

"I don't think commodities have completely turned, I think it's the iron ore stocks coming off from ridiculously low levels."

The S&P/ASX 200 index gained 35.9 points to 5,191.4 by 0110 GMT. The benchmark has been on a downward trajectory since September, as a rout in iron ore prices, a rise in bond yields and concerns over slowing growth in China, Australia's largest export market, has kept investors away from local equities.

Top 20 stocks on the ASX 200 also rose, with defensives Wesfarmers Ltd and Cochlear Ltd adding 1.9 percent and 0.3 percent each. Among financials, Westpac Banking Corp rose 0.7 percent, while National Australia Bank edged 0.6 percent higher

Elsewhere, a measure of Australian business conditions eased in September to its lowest in four months.

"Growth concerns continue to rattle global investors," said Michael McCarthy, chief market strategist at CMC Markets in a note.

U.S. stocks dropped more than 1 percent overnight, with the S&P 500 closing below a key technical support level, as declines in energy and airline shares led a late-day selloff.

Mount Gibson **Iron** Ltd soared 9.6 percent after its September quarter **iron ore** sales revenue came in at A\$117 **million**.

Caltex Australia Ltd added 1.1 percent after announcing its Kurnell Terminal in Sydney has started operation.

Shares in Australian online travel **firm** Wotif.com Holdings Ltd fell more than 7 percent to three-week lows of A\$3.05 after the New Zealand Commerce Commission said it has briefly delayed its regulatory ruling on Expedia Inc's **acquisition** of the **company**.

New Zealand's benchmark NZX50 index slipped 45.24 points or 0.8 percent to hit an eight-week low around 5,124.81, taking losses into a third session on the back of an ongoing sell-off in Xero.

The accounting software developer slumped 3 percent to a 13-month low of NZ\$16.75 (\$13.17) as investors become more concerned about its global expansion plans as competition heats up in overseas markets including the United States.

Refining New Zealand fell 2.7 percent to NZ\$1.67 as profit-taking knocked the country's only **oil** refiner from a three-month high of NZ\$1.73 hit on Monday.

Building materials manufacturer Fletcher Building slipped 1.9 percent to NZ\$8.48, its lowest since the start of the year on worries that its overseas sales could be hit by ongoing concerns about the global growth outlook. (Editing by Eric Meijer)

RF Released: 2014-10-14T02:48:58.000Z

CO bkhlp : BHP Billiton Ltd | craaus : Rio Tinto Ltd | golpla : OZ Minerals Limited | bltplc : BHP Billiton PLC | rtz : Rio Tinto PLC

IN i211 : Metal Ore Mining | i22 : Primary Metals | i221 : Iron/Steel/Ferroalloys | ibasicm : Basic Materials/Resources | imet : Mining/Quarrying

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