

Australia's Banking Shares Rise, Led by Westpac; Miners Fall

By Emma O'Brien

Nov. 13 (Bloomberg) -- Australian banking stocks rose, led by Westpac Banking Corp. and National Australia Bank Ltd. on speculation they have fallen too far too fast.

Newcrest Mining Ltd. and Zinifex Ltd. led mining shares lower after prices for metals such as zinc and gold dropped.

"The banks are presenting pretty good value as they've been left behind in the last little while by the resources," said Atul Lele, who helps manage the equivalent of \$500 million at White Funds Management in Sydney. "The resources are down on metals prices which are off on concerns about economic growth in the U.S."

Macquarie Group Ltd. also fell after it said declining equity markets may have an impact on full-year profit.

The S&P/ASX 200 Index rose 59.90, or 0.9 percent, to 6,515.20 at the close in Sydney. About two stocks rose for each that fell.

Westpac, Australia's fourth-largest bank, added 35 cents, or 1.3 percent, to A\$28.35. National Australia, the country's biggest, gained 66 cents, or 1.6 percent, to A\$43.88. Australia and New Zealand Banking Group Ltd., the No. 3 lender, rose 98 cents, or 3.6 percent, to A\$28.38.

A measure of financial shares traded on the Australian exchange has dropped 4.3 percent in the past month as rising defaults in U.S. subprime mortgages reduced the amount of credit available worldwide and spurred losses at U.S. banks and securities firms.

Miners Slip

The measure's relative strength index, based on its 14-day moving average, fell to 37.79 yesterday. A level close to 30 indicates to some analysts the stocks are poised to gain.

U.S. banking and brokerage shares also gained yesterday, with the S&P Diversified Financials Index rising as much as 3.2 percent.

A measure of six metals traded on the London Metal Exchange, including copper and nickel, declined 1.4 percent. Copper dropped 1.1 percent, nickel fell 0.4 percent, and zinc slid 3.5 percent.

The declining price of zinc coupled with a stronger Australian dollar will cut revenue this year, Zinifex Ltd. said today. The local currency has gained 12 percent in 2007.

Zinifex, the nation's third-largest zinc miner, lost 42 cents, or 2.8 percent, to A\$14.30. Newcrest, Australia's largest gold miner, slid A\$1.37, or 4 percent, to A\$32.81. Lihir Gold Ltd., which mines the precious metal in Papua New Guinea, dropped 6 cents, or 1.5 percent, to A\$3.96.

Gold Drops

Gold tumbled the most in 13 months in New York after the yen strengthened against major currencies, slowing the pace of investment in the precious metal and other commodities.

Macquarie Group Ltd., Australia's largest securities firm, lost A\$3.01, or 3.7 percent, to A\$79.00.

Profit in the second half will be in line with the A\$733 million reported a year ago and equities may not "continue to be favorable," Chief Executive Officer Allan Moss said today. The investment bank reported a 45 percent jump in first-half earnings on increased fees from mergers and acquisitions.

The S&P/ASX 200's futures contract for December added 0.6 percent to 6,521. The broader All Ordinaries Index rose 0.7 percent to 6,570.90.

The following shares also gained or declined. Stock symbols are in parentheses.

Monto Minerals Ltd. (MOO AU), a mine evaluator, added 3.5 cents, or 16 percent, to 25 cents. Monto opened its new industrial minerals project in central Queensland state, yesterday. Ilmenite, glass feldspar, ground feldspar, apatite and titanomagnetite will be produced, the company said in a statement to the exchange.

Publishing and Broadcasting Ltd. (PBL AU), Australia's largest casino owner, gained 47 cents, or 2.5 percent, to A\$19.64. The company's bid with New World Gaming Partners Ltd. for Gateway Casinos Income Fund received approval from regulators in Canada's British Columbia and Alberta provinces. The bid is now expected to be completed around Nov. 14, PBL said in a statement to the exchange.

WorleyParsons Ltd. (WOR AU), an Australian engineering and construction company, rose 16 cents, or 0.3 percent, to A\$47.56. WorleyParsons will work with U.S. engineering company KBR Inc. to design a development for processing gas from the Woodside Petroleum Ltd.-led Browse field in the Burrup Peninsula in Western Australia.

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