

BANGKOK (Net) — Shares were mostly higher in Asia on Wednesday as investors awaited the outcome of a Federal Reserve meeting.

The advance followed a sell-off that brought a weeklong rally on Wall Street to an abrupt halt. Markets rose in Tokyo, Hong Kong and Sydney but fell in Shanghai. U.S. futures were higher. Overnight, the S&P 500 fell 0.8%, its largest loss in almost three weeks. A day earlier, it had turned positive for the year for the first time since February.

Skeptics have been saying for weeks that the rally may have been overdone given uncertainties over how strong and sustainable economic recoveries may be when infections and fatalities are still rising in many countries.

"Supported by U.S. index futures, Asia appears to have moved into wait-and-see mode today, although one feels that it would not take much to spark a temporary rush for the exit door from the fast-money mob," said Jeffrey Halley of Oanda.

Japan's Nikkei 225 index edged 0.2% higher to 23,124.95 after the government reported a sharp drop in machinery orders in April. South Korea's Kospi rose 0.4% to 2,196.67, while the Hang Seng in Hong Kong inched 0.1% higher, to 25,073.00.

Sydney's S&P/ASX 200 added 0.4% to 6,166.90.

The Shanghai Composite index dropped 0.5% to 2,942.16 after data showed a drop in producer prices and lower than expected inflation in April.

"The weakness in price pressures should ease in the coming months, as the ongoing ramp-up in policy stimulus drives a further recovery in activity," Julian Evans-Pritchard and Martin Rasmussen of Capital Economics said in a research note.

The Federal Reserve's promise of immense, unprecedented amounts of aid helped launch the recent rally, and investors want to see the central bank's reaction to a recent upturn in U.S. jobs numbers.

The future contracts for the S&P 500 and Dow industrials were up 0.5% by mid-afternoon in Asia.

With the trajectory of infections still uncertain, "the primary question remains, has the market's recovery bought the Fed some time not to use all its bullets, or will they keep the pedal to the metal?" Stephen Innes of AxiCorp said in a commentary.

Apart from unabated numbers of infections in some U.S. states, experts worry surging numbers of coronavirus cases in developing regions with shaky health systems could undermine efforts to halt the pandemic.

India, Pakistan, Brazil, Mexico and South Africa are among the countries easing lockdown restrictions before their outbreaks have peaked and without detailed surveillance and testing systems in place.

More than 7.2 million people have been confirmed infected with the coronavirus, nearly 2 million of them in the United States. More than 410,000 have died worldwide, according to data from Johns Hopkins University that is believed to understate the actual extent of the pandemic.

Overnight, the S&P 500 lost 25.21 points to 3,207.18. It's back in the red for the year and remains 5.3% below an all-time high set in February.

The Dow Jones Industrial Average dropped 1.1% to 27,272.30. The Russell 2000 index of small-cap stocks fell 1.9%, to 1,507.05.

Leading the broad sell-off were companies that got a big boost on Friday after the government said employers added jobs to their payrolls in May, instead of slashing millions.

But the Nasdaq composite rose 0.3%, to 9,953.75 as technology and communications services stocks advanced.

Chipmaker Advanced Micro Devices climbed 6.5% and Netflix, a big winner during the coronavirus lockdown, gained 3.5%.

In another sign of increased caution, the yield on the 10-year Treasury yield fell to 0.82% from 0.83% late Tuesday. It tends to move with investors' expectations of the economy and inflation, though it's still well above the 0.64% level where it started last week.

Oil prices fell back on Wednesday, with benchmark U.S. crude oil for July delivery down 70 cents at \$38.24 per barrel in electronic trading on the New York Mercantile Exchange. It gained 75 cents to \$38.94 a barrel on Tuesday. Brent crude oil for August delivery gave up 56 cents to \$40.62 a barrel.

In currency dealings, the U.S. dollar slipped to 107.44 Japanese yen from 107.74 yen on Tuesday. The euro rose to \$1.1359 from \$1.1338.