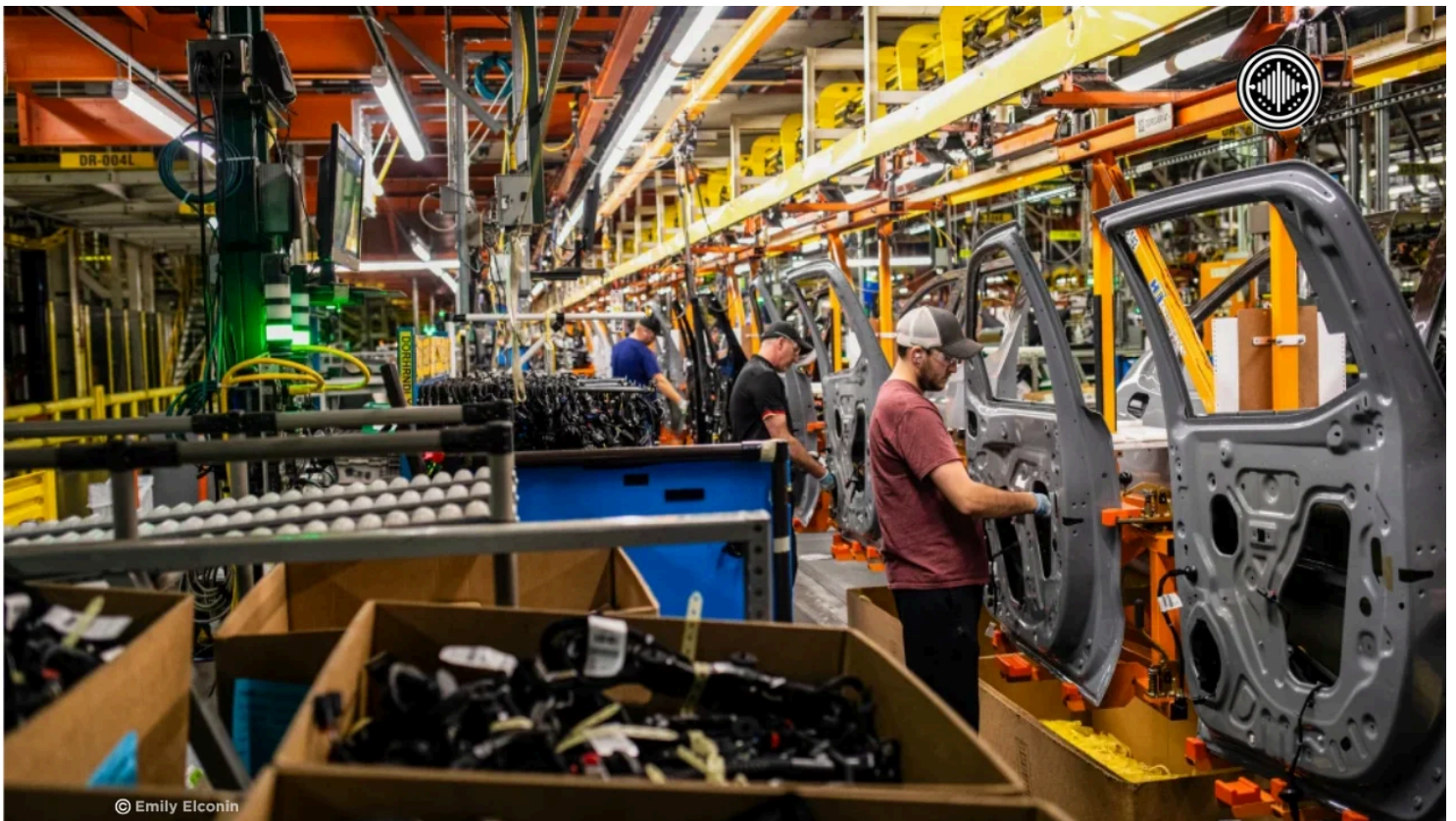


U.S. Economy Sees Strong Second-Quarter Growth, But Warning Signs Emerge

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The U.S. economy posted a notable recovery in the second quarter, with gross domestic product (GDP) growing at an annual rate of 3%, according to the Commerce Department. This marks a sharp turnaround from the previous quarter, which saw a contraction tied to trade disruptions. While the rebound signals resilience in the economy, some underlying issues continue to raise concerns.

From April through June, GDP growth surged after a sluggish start to the year. The first quarter had been negatively impacted by delayed business investments and international trade tensions, especially amid ongoing tariff disputes. The second-quarter growth figure exceeded economists' expectations and suggests that consumer spending and business activity regained momentum during the spring months.

The report credits part of the rebound to stronger household spending, which rose as Americans increased purchases of goods and services. Additionally, there was a modest uptick in business investment, offering a positive indicator for future productivity and job creation. However, the rebound may not be as durable as the headline figure suggests.

Despite the impressive quarterly numbers, analysts have flagged several risks that could threaten sustained growth. Uncertainty over trade policy remains a key concern, particularly as markets continue to respond to tariff announcements and global supply chain disruptions. Moreover, weak productivity gains and slowing corporate earnings could temper momentum in the months ahead.

Federal Reserve officials are expected to closely monitor the evolving data as they assess interest rate decisions. While the central bank held rates steady in its most recent meeting, the strong GDP figures may influence future monetary policy, though any decisions will likely also consider inflation trends and global economic conditions.

The report reflects the complexity of the current economic environment. While growth has returned following a challenging first quarter, it comes amid lingering questions about long-term stability. With trade tensions still unresolved and some sectors showing softness, policymakers and investors alike are proceeding cautiously.

Overall, the second-quarter data offers a positive snapshot of the economy's ability to rebound. Yet, the presence of structural headwinds serves as a reminder that continued growth is not guaranteed. The coming months will be critical in determining whether this recovery can be sustained amid broader economic uncertainties.