Negative Q2 GDP Signals Technical Recession

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The U.S. economy unexpectedly contracted for the second straight quarter. Although this doesn't necessarily mean the country is in recession, two consecutive quarters of negative growth is the textbook definition. Ultimately, the National Bureau of Economic Research (NBER) will make the official call months from now based on a number of variables.

GDP fell -0.9% in the second quarter, significantly weaker than the +0.4% median forecast, following a -1.6% decline in the first quarter of the year. The worst performing sector was private investment, which was responsible for carving 2.7 percentage points from the headline number. Within that number, residential investment (housing) subtracted 0.7.

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