

Local Economic Conditions and Outlook

March 3, 2023 – New Mexico State Senate Finance Committee

Nicholas Sly

Vice President, Economist and Denver Branch Executive

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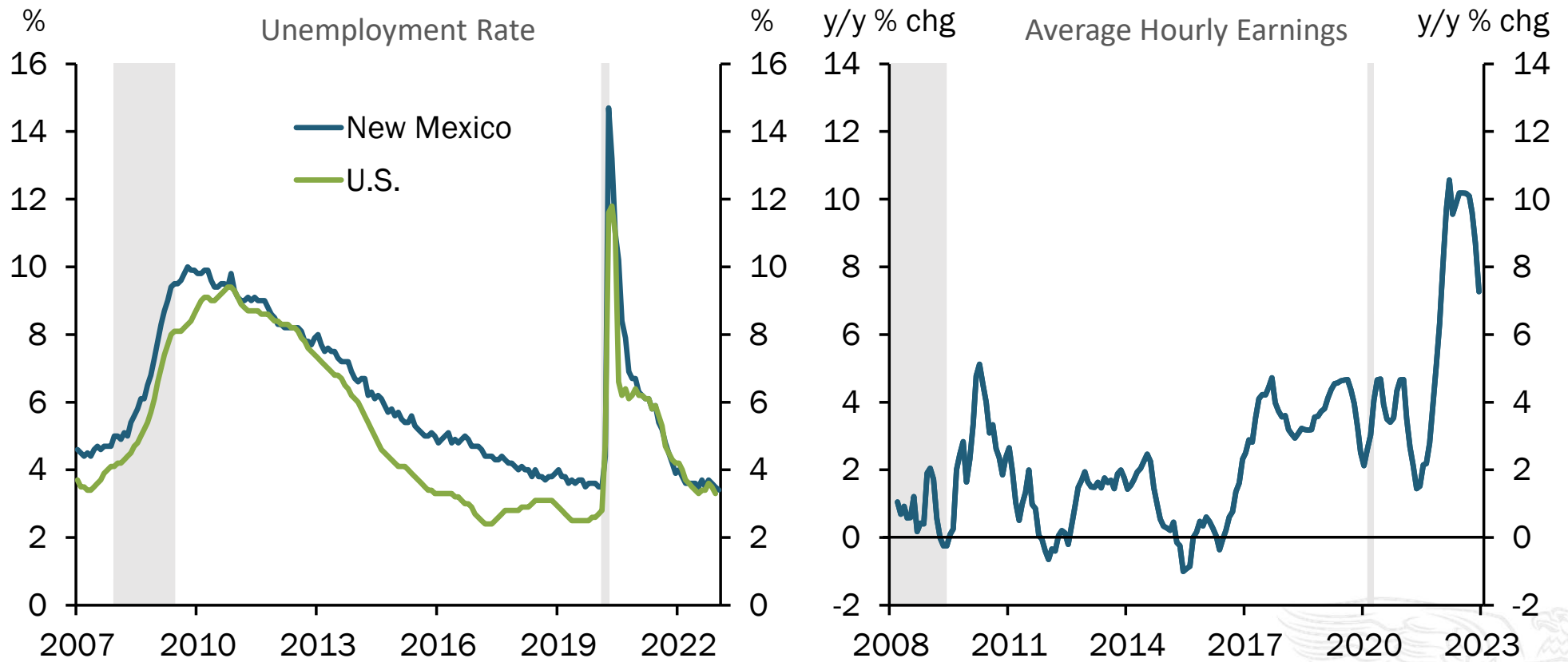


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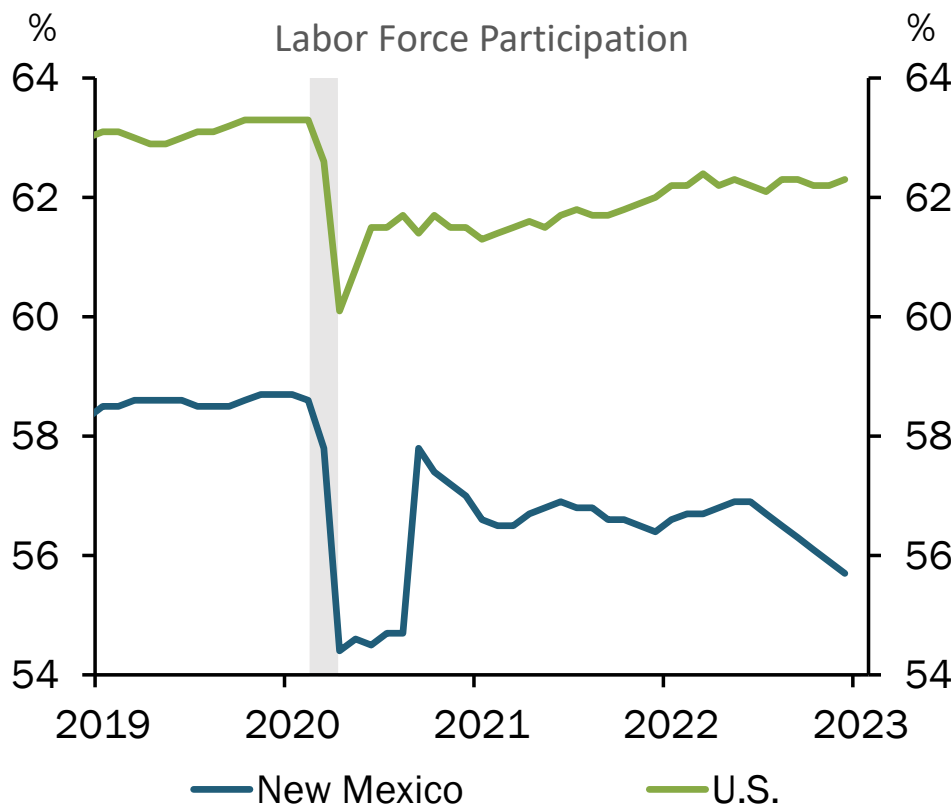
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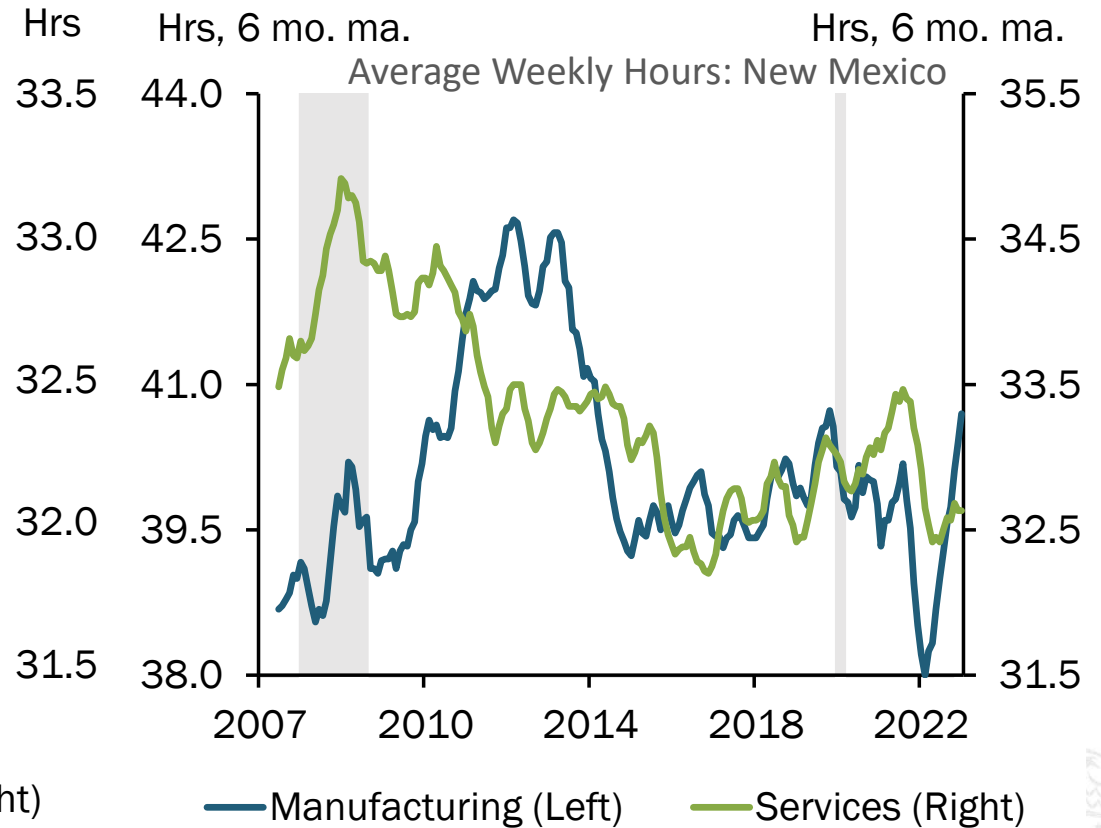
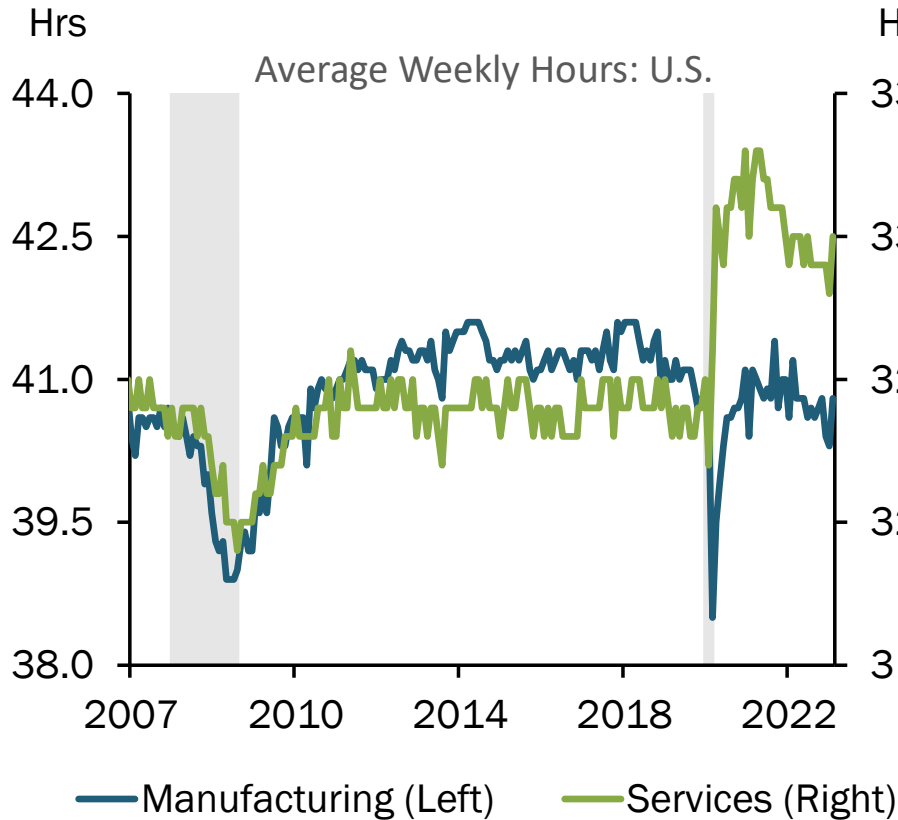
Low unemployment and robust wage growth reflect ongoing tightness in the labor market



Unrecovered labor force participation and elevated quits rates are sustaining upward pressure on wage growth

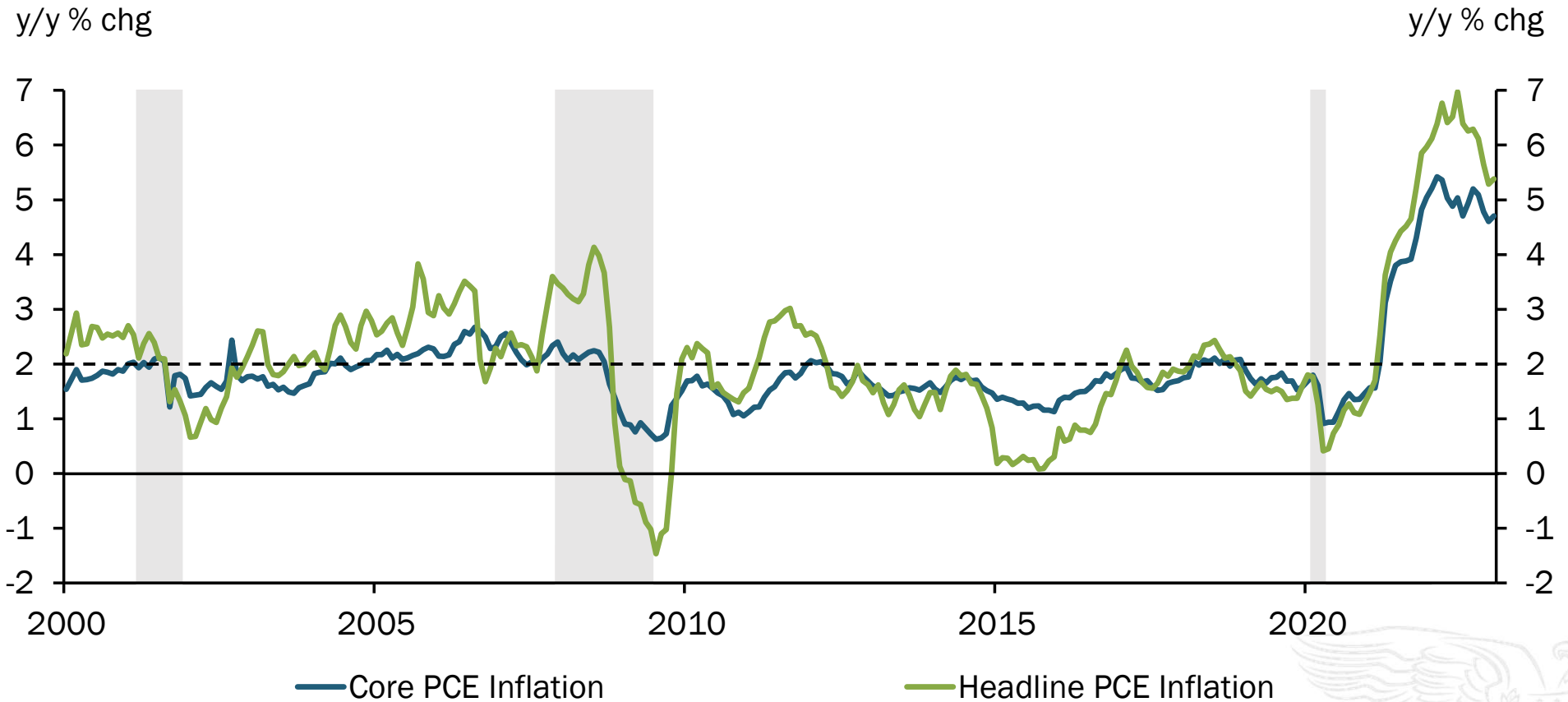


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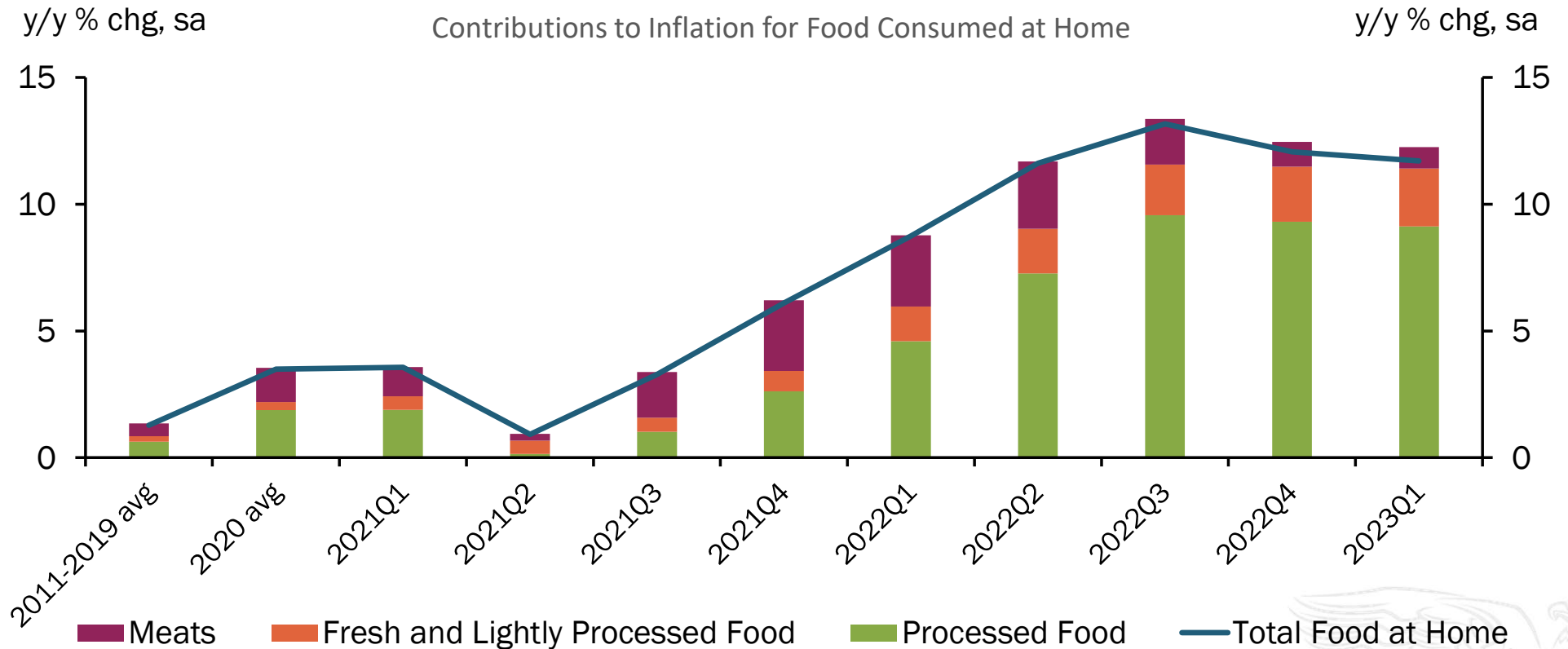


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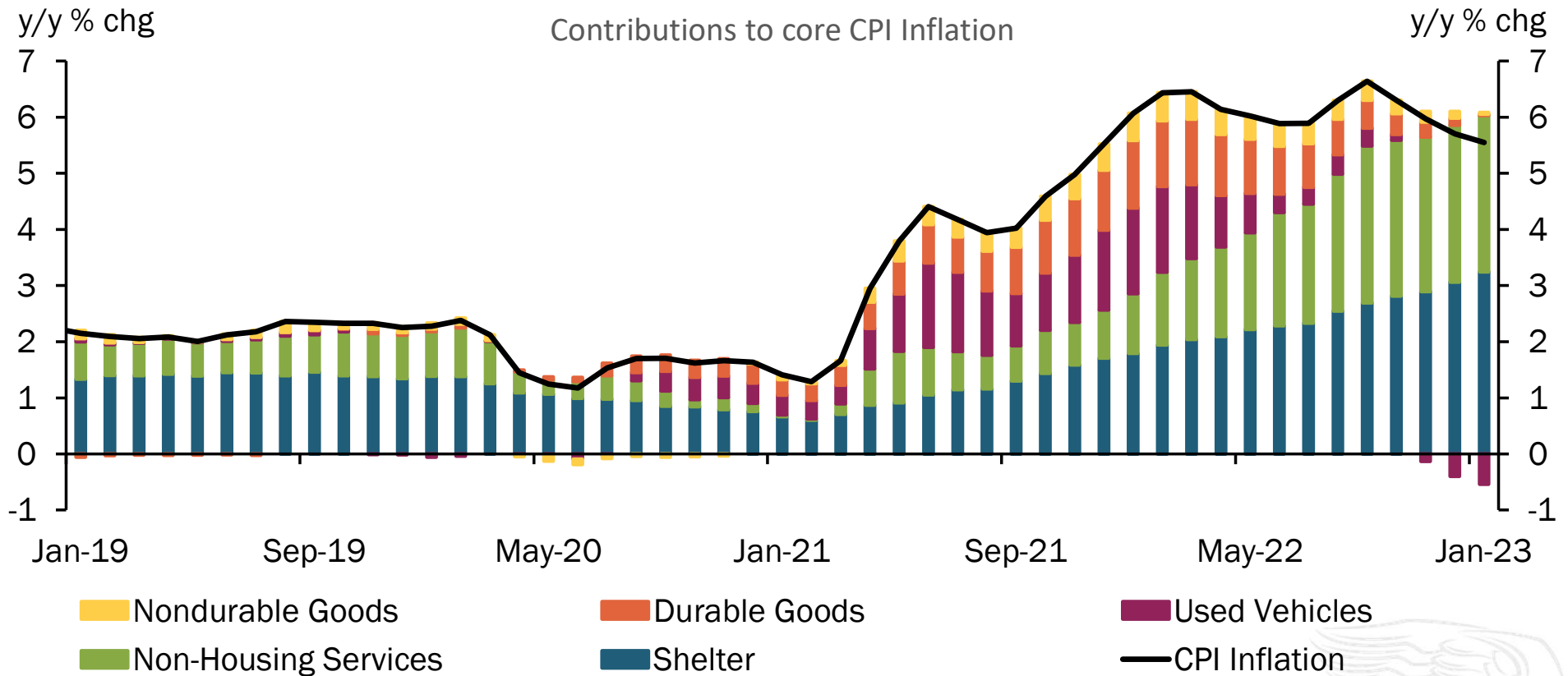
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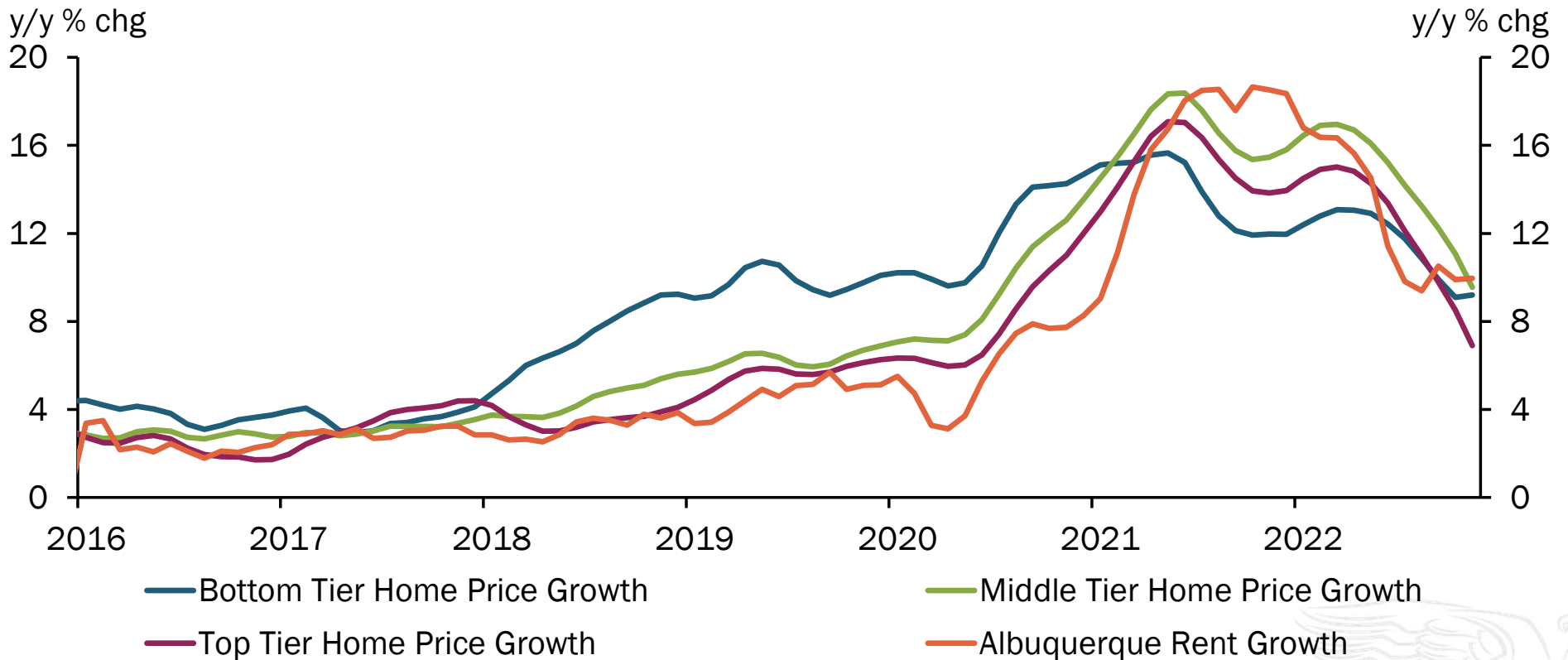
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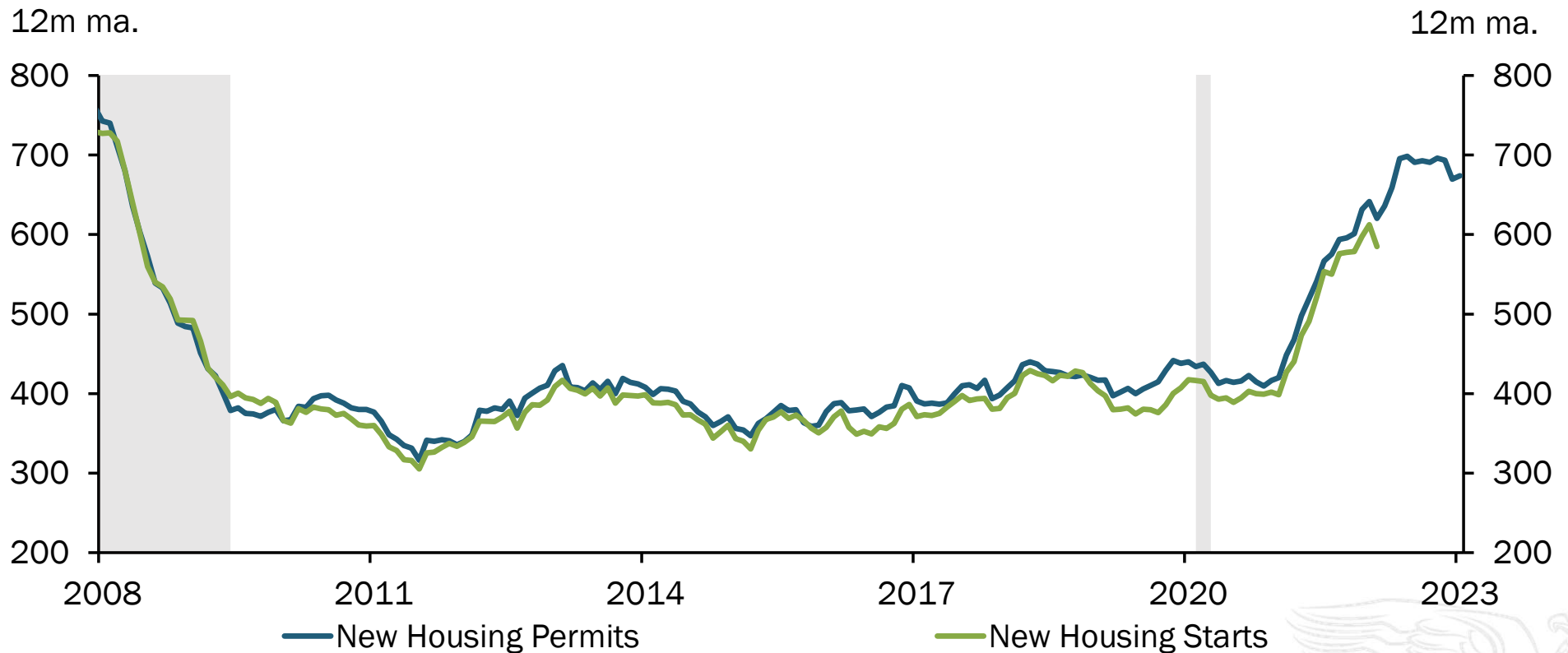
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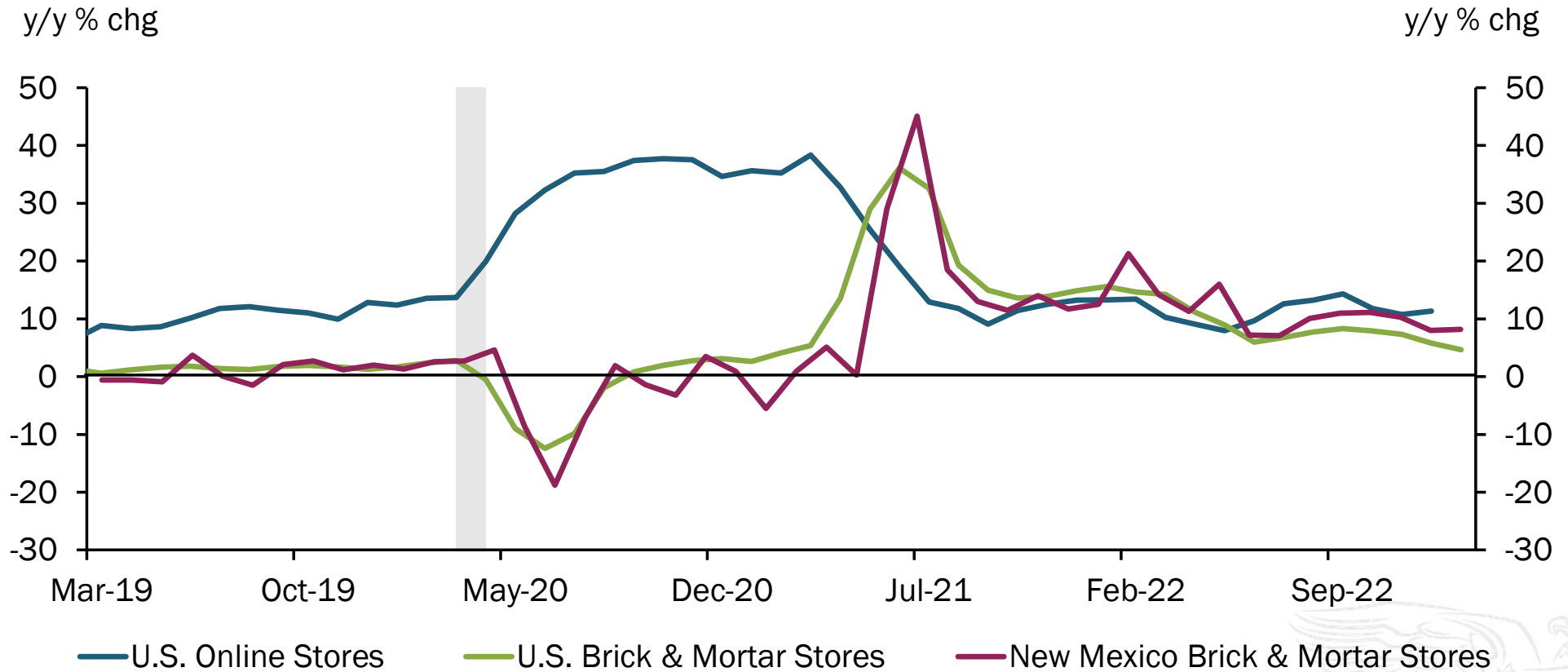
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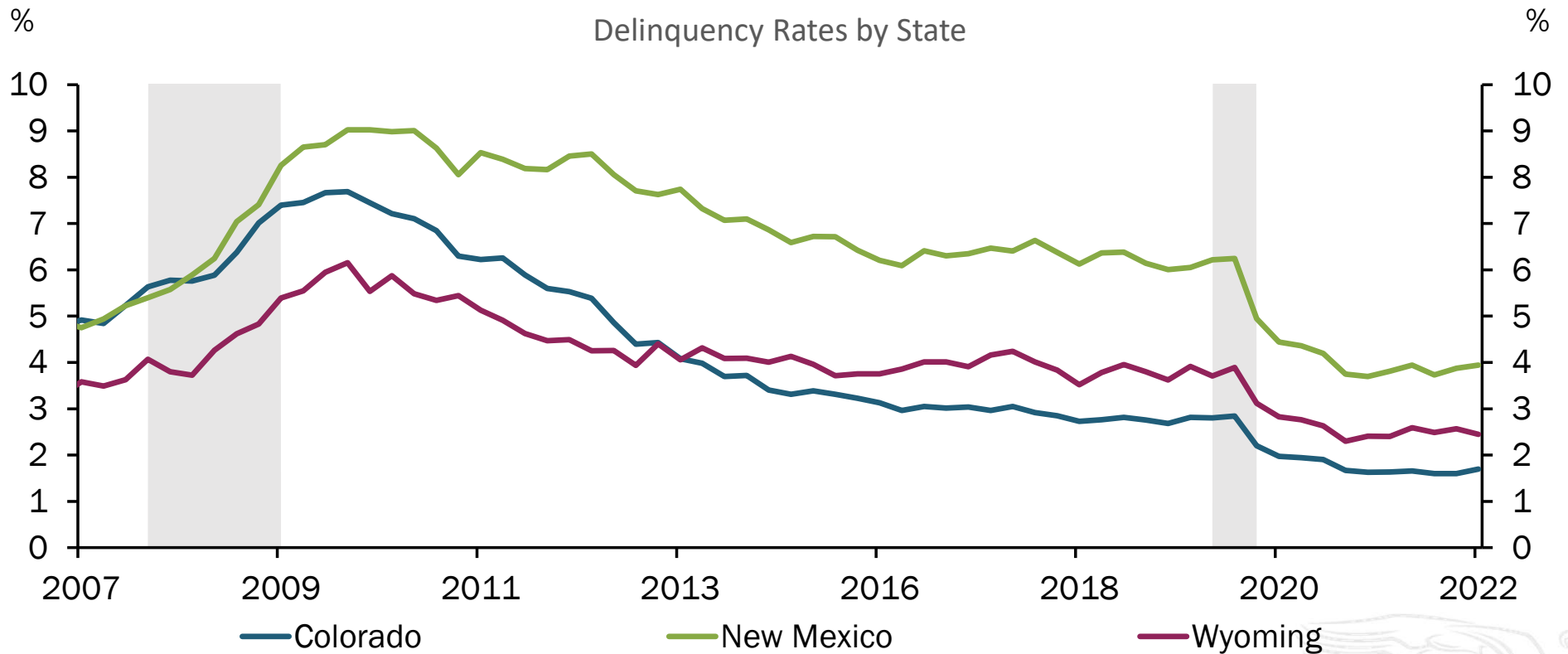
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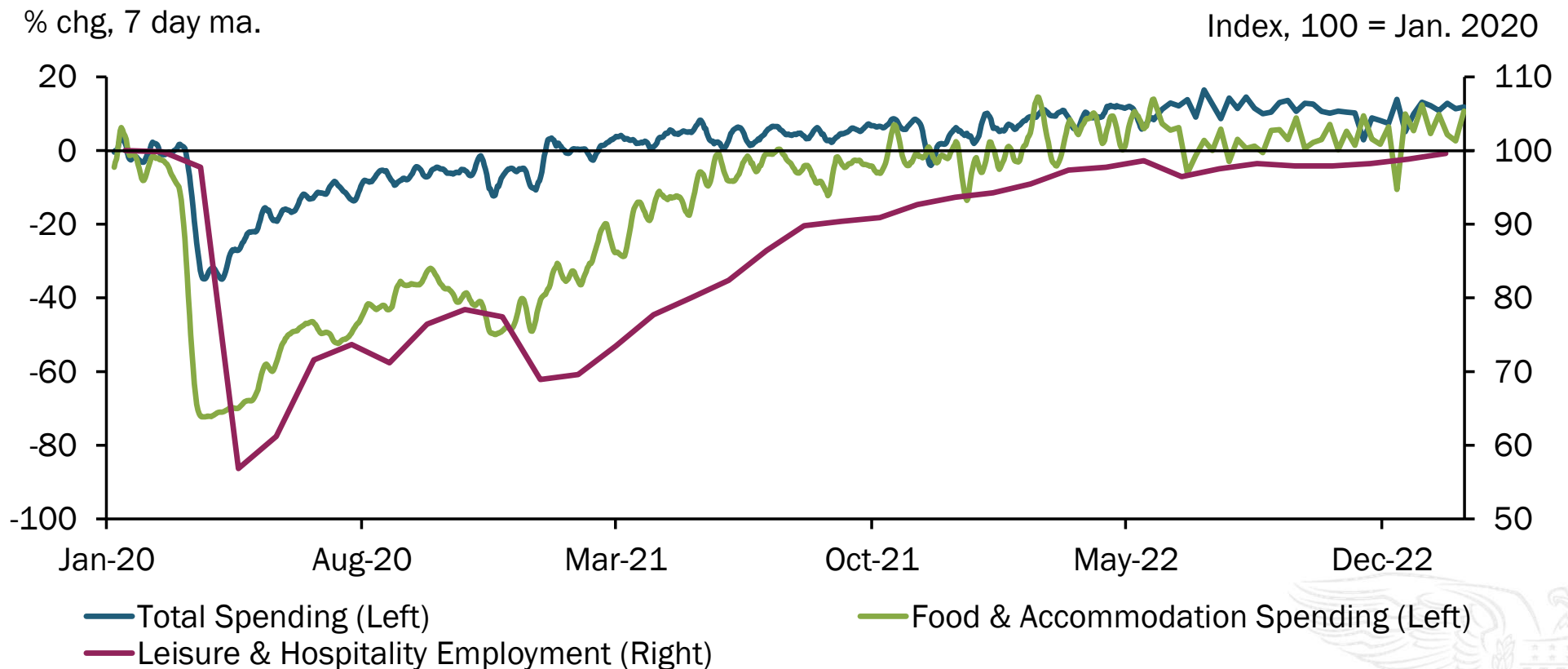


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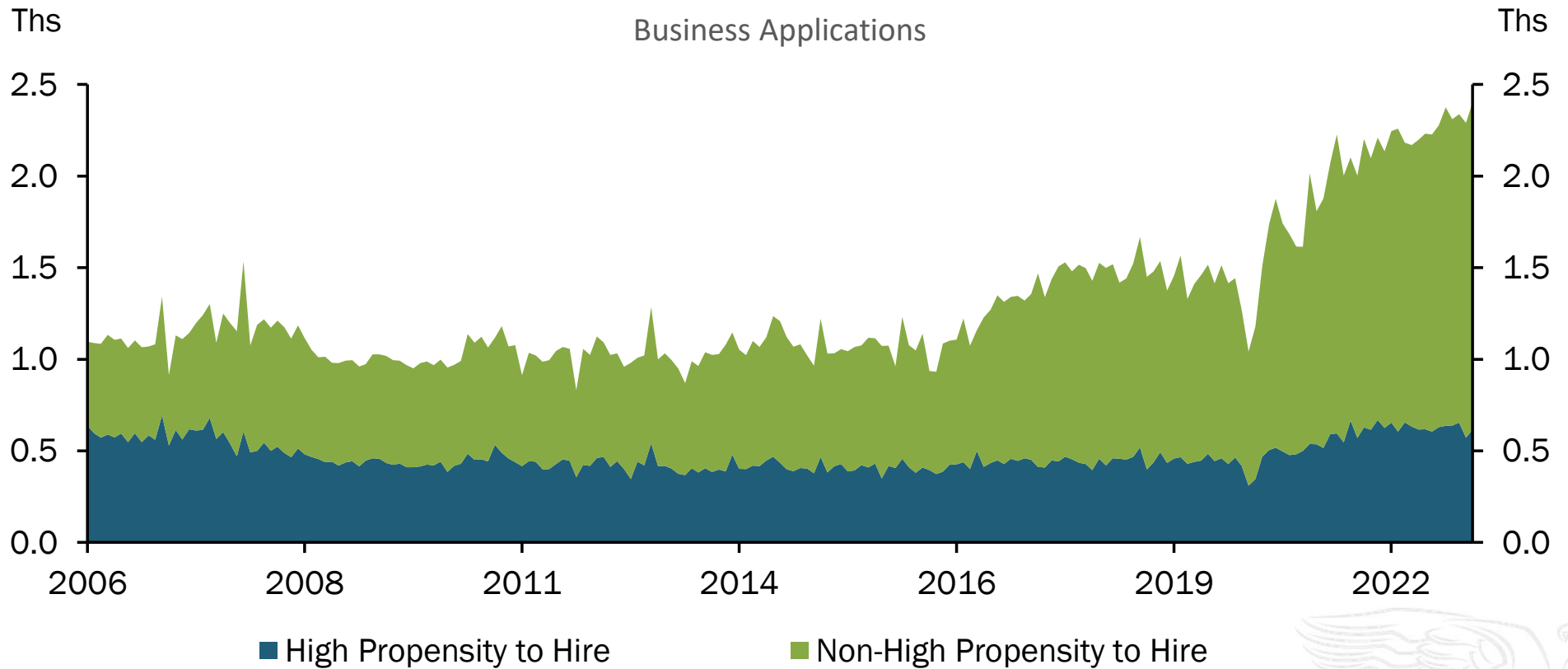


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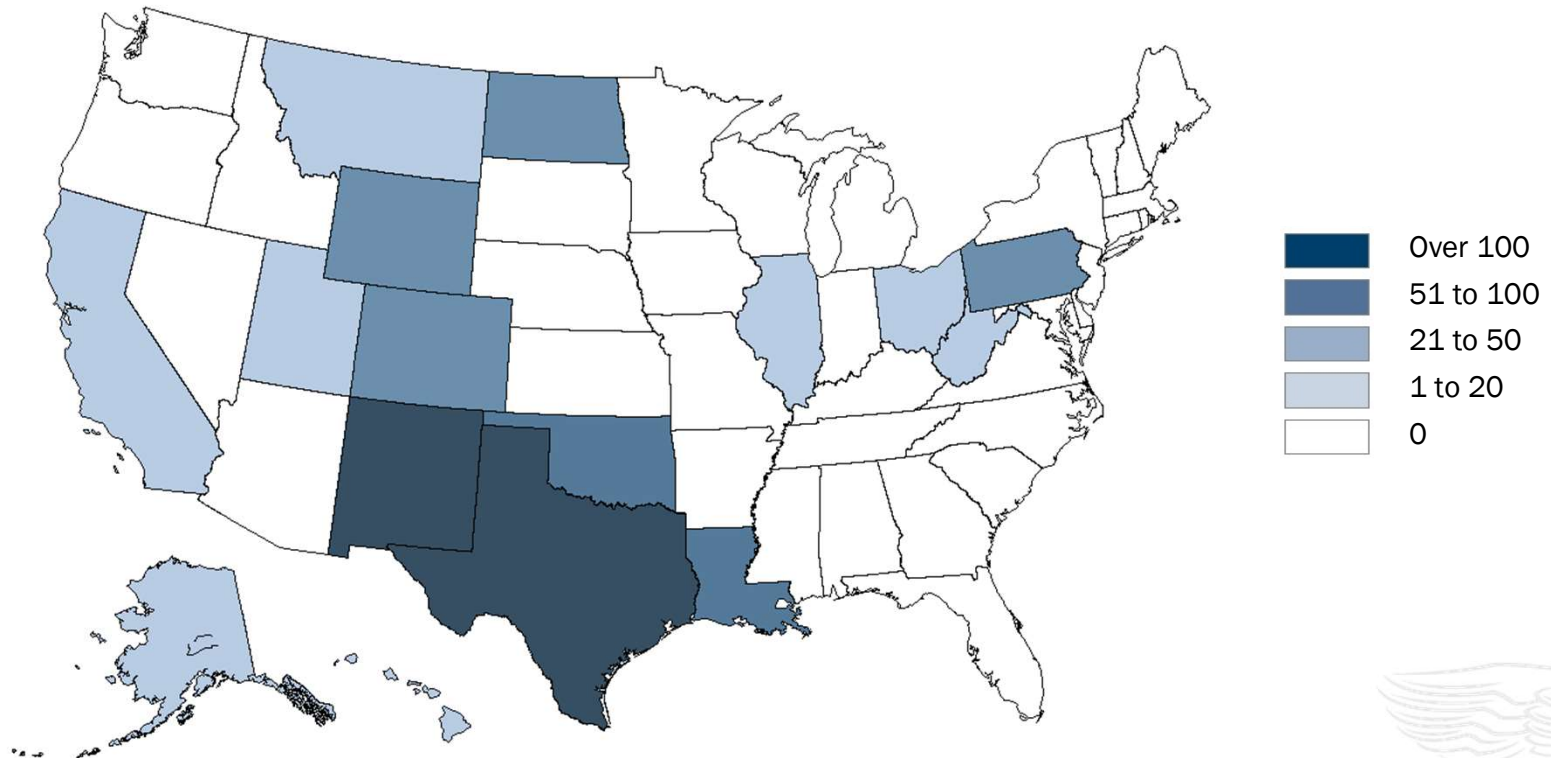


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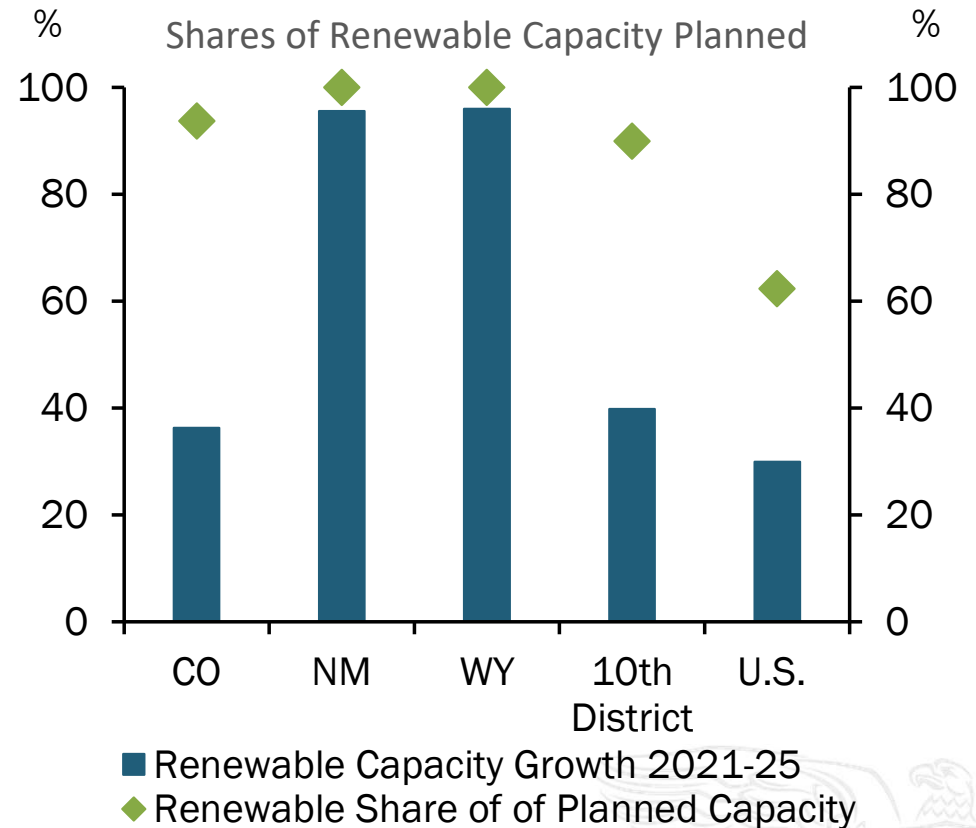
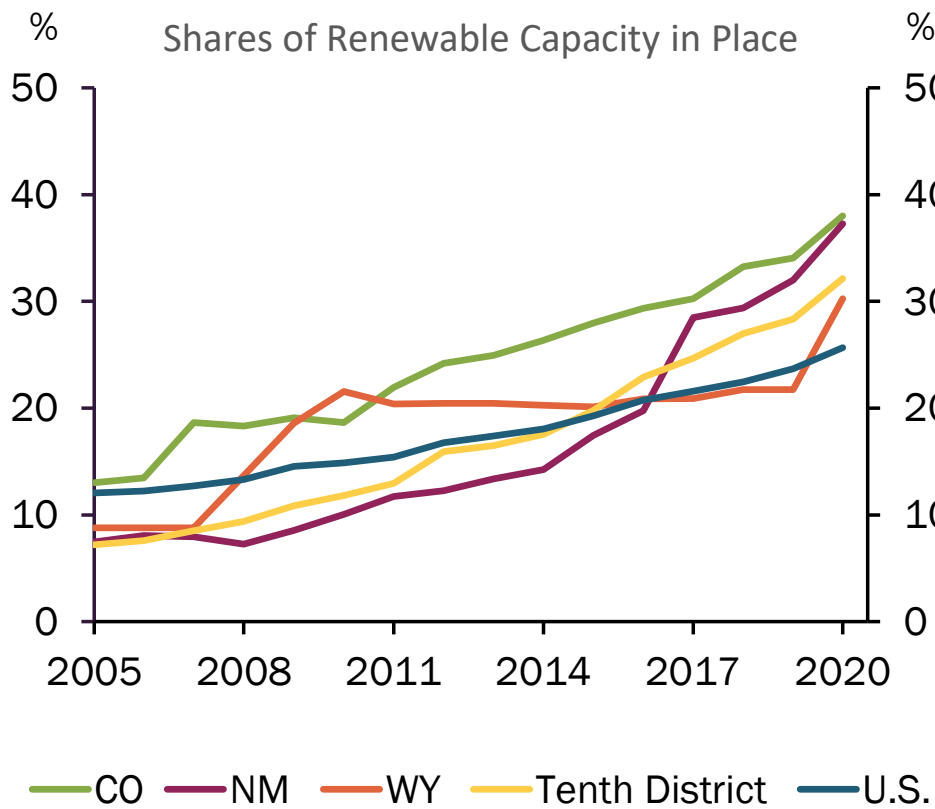


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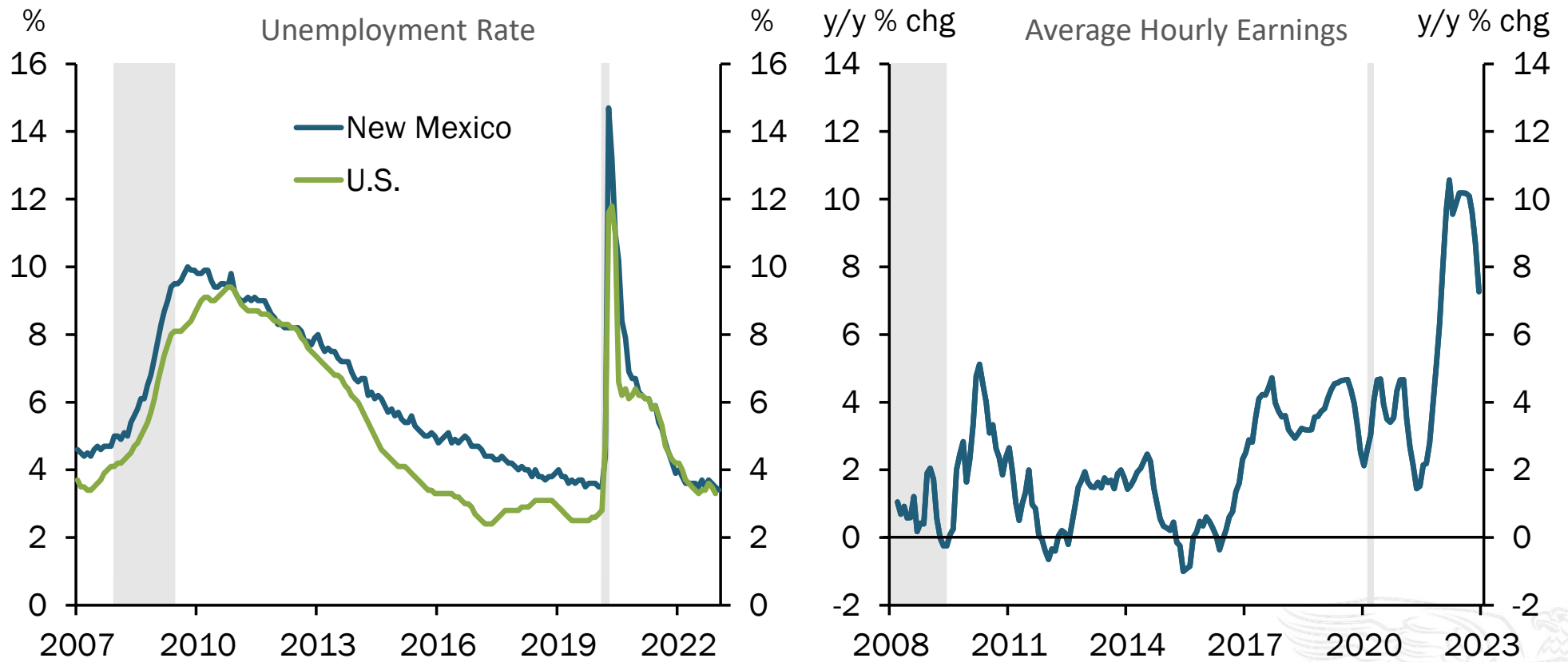


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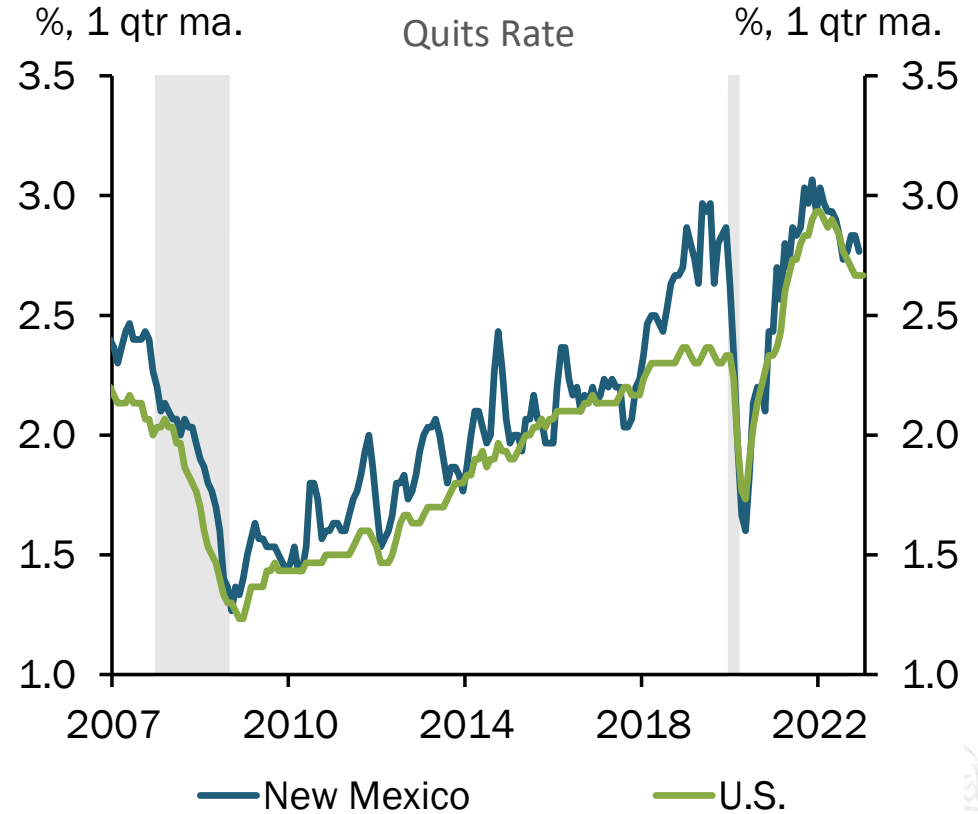
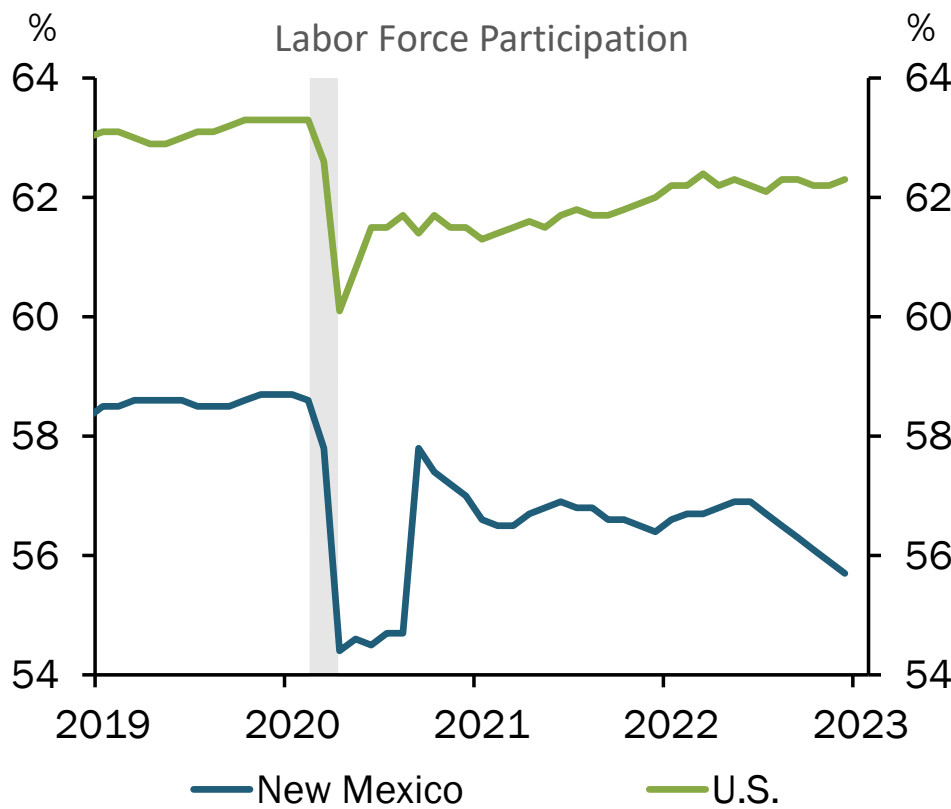
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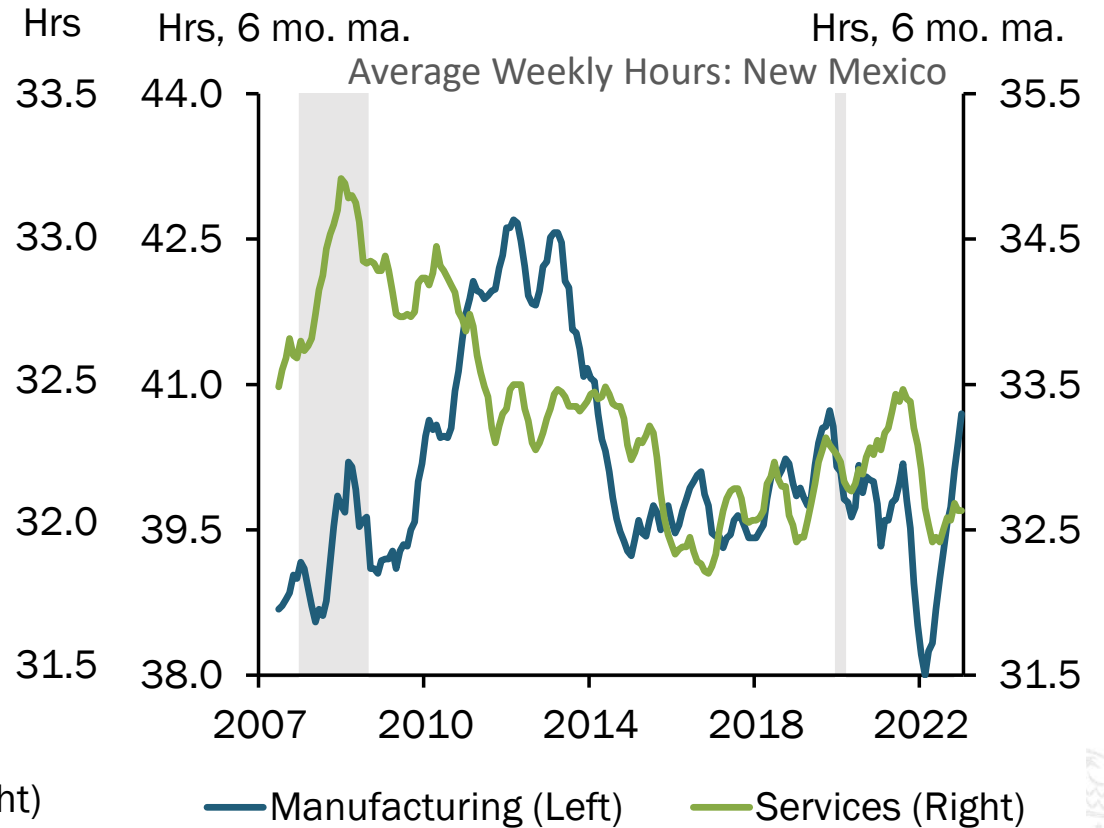
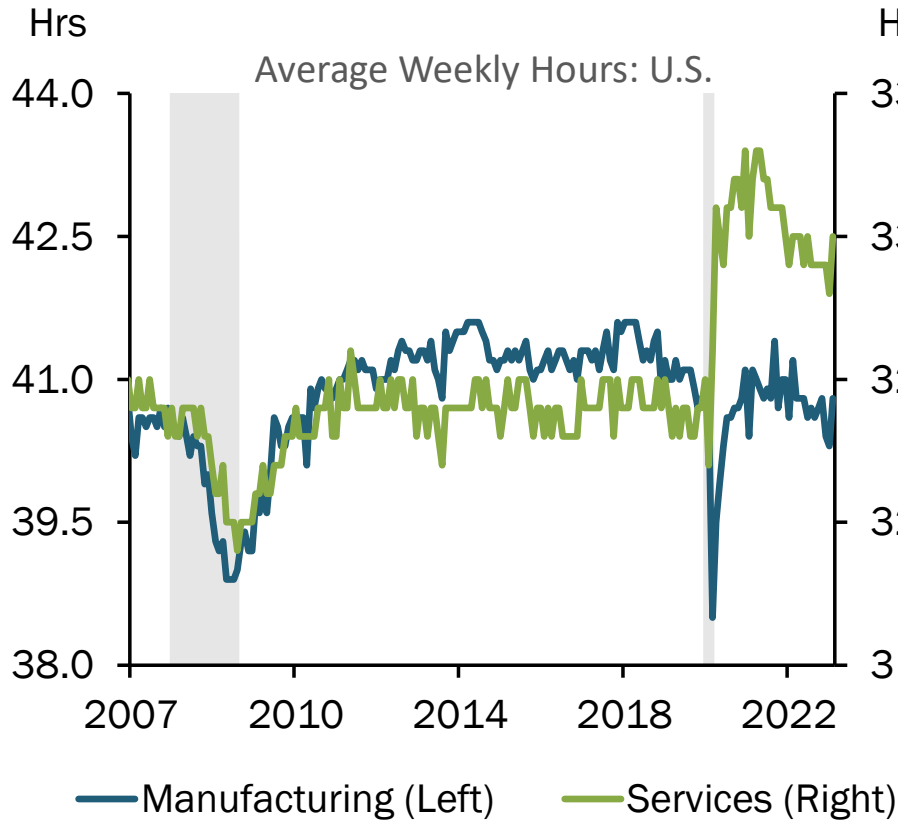
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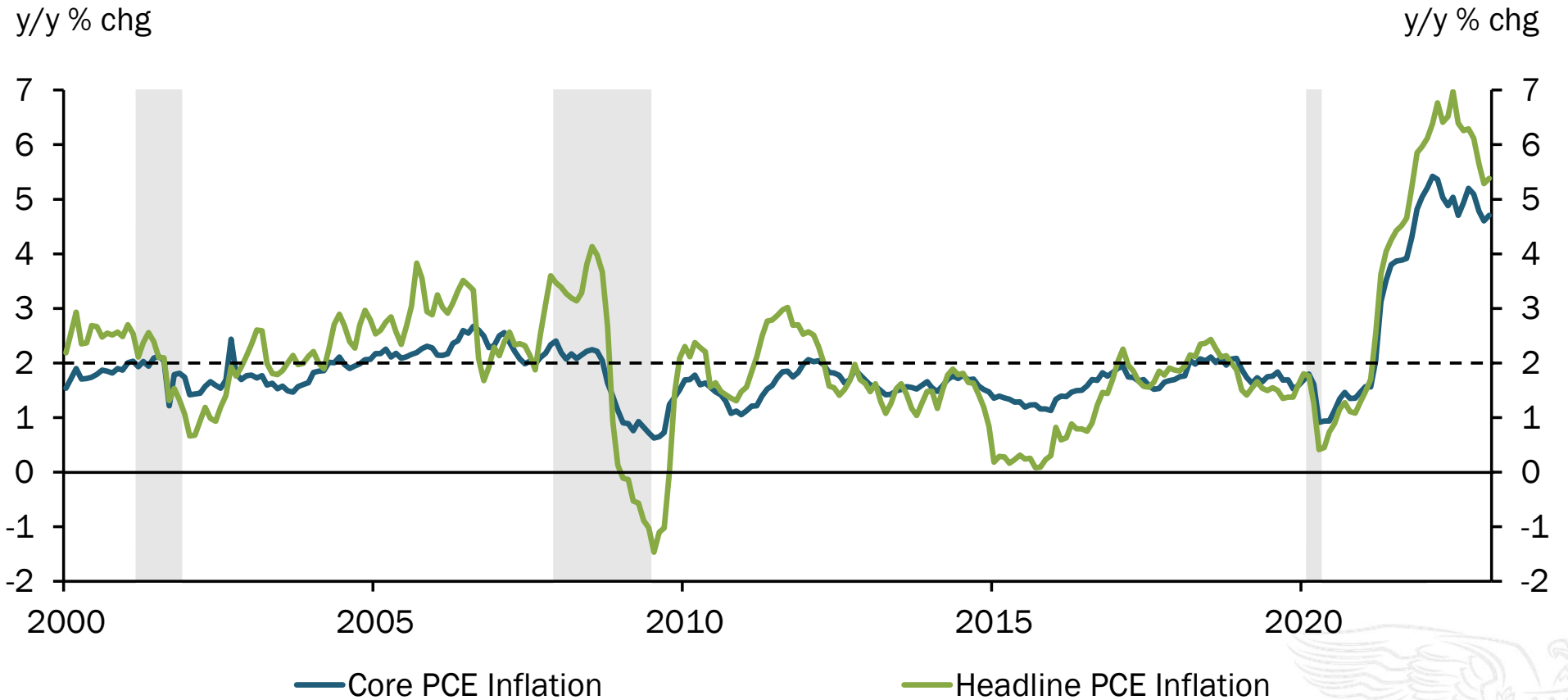


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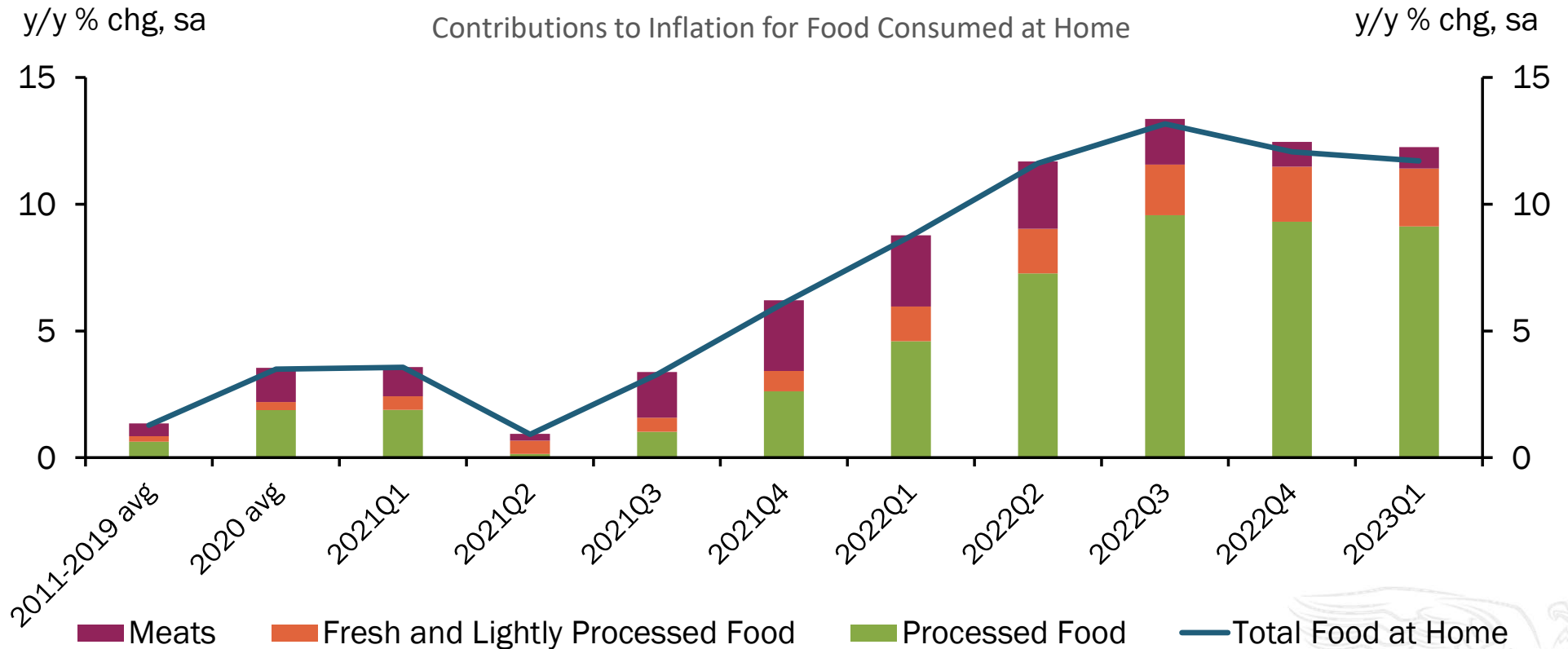


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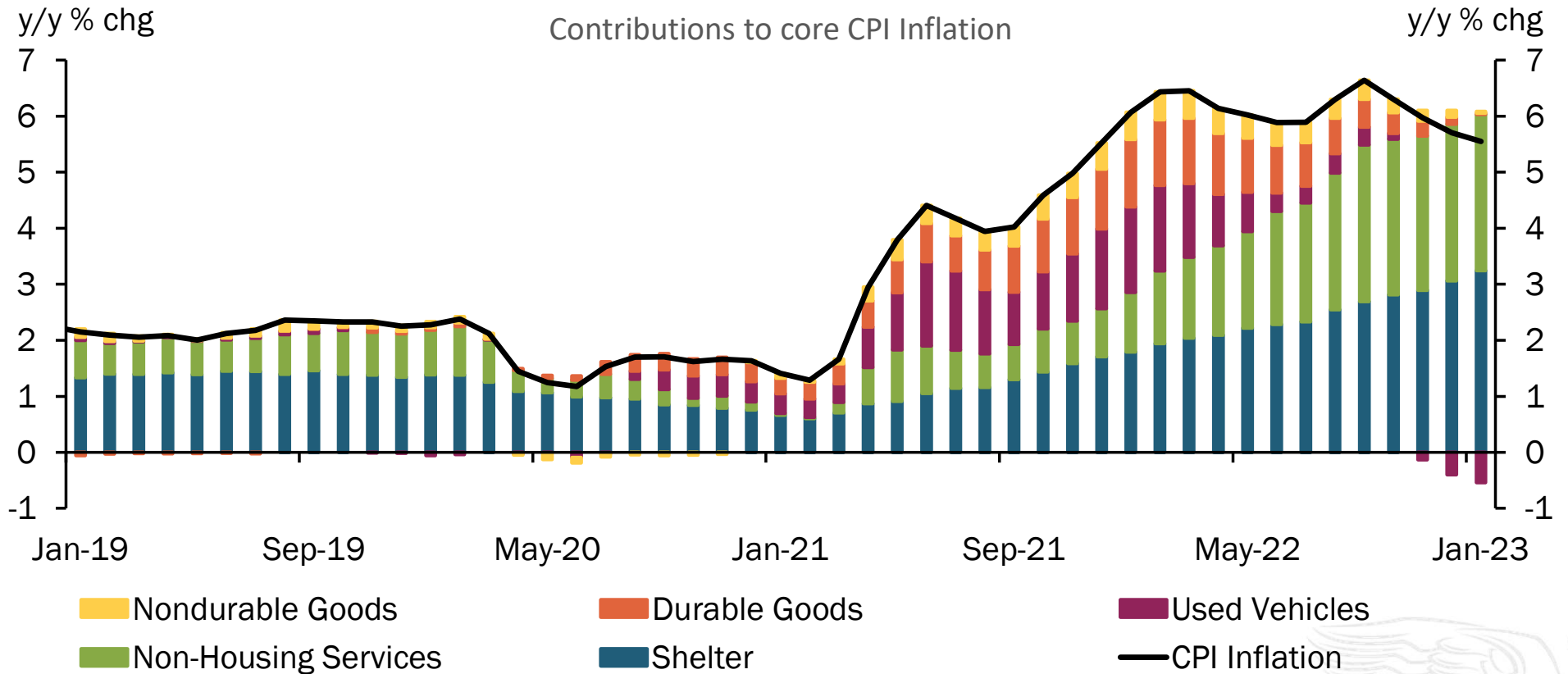
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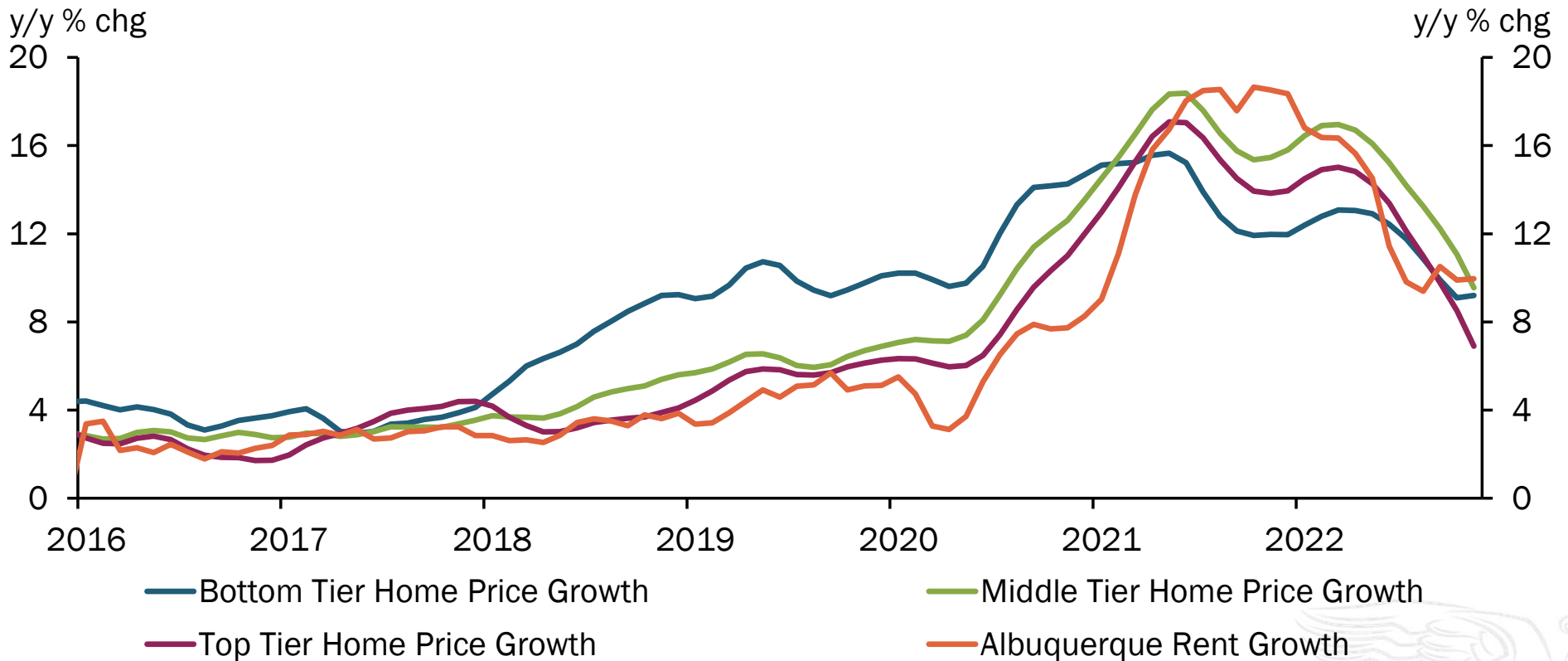
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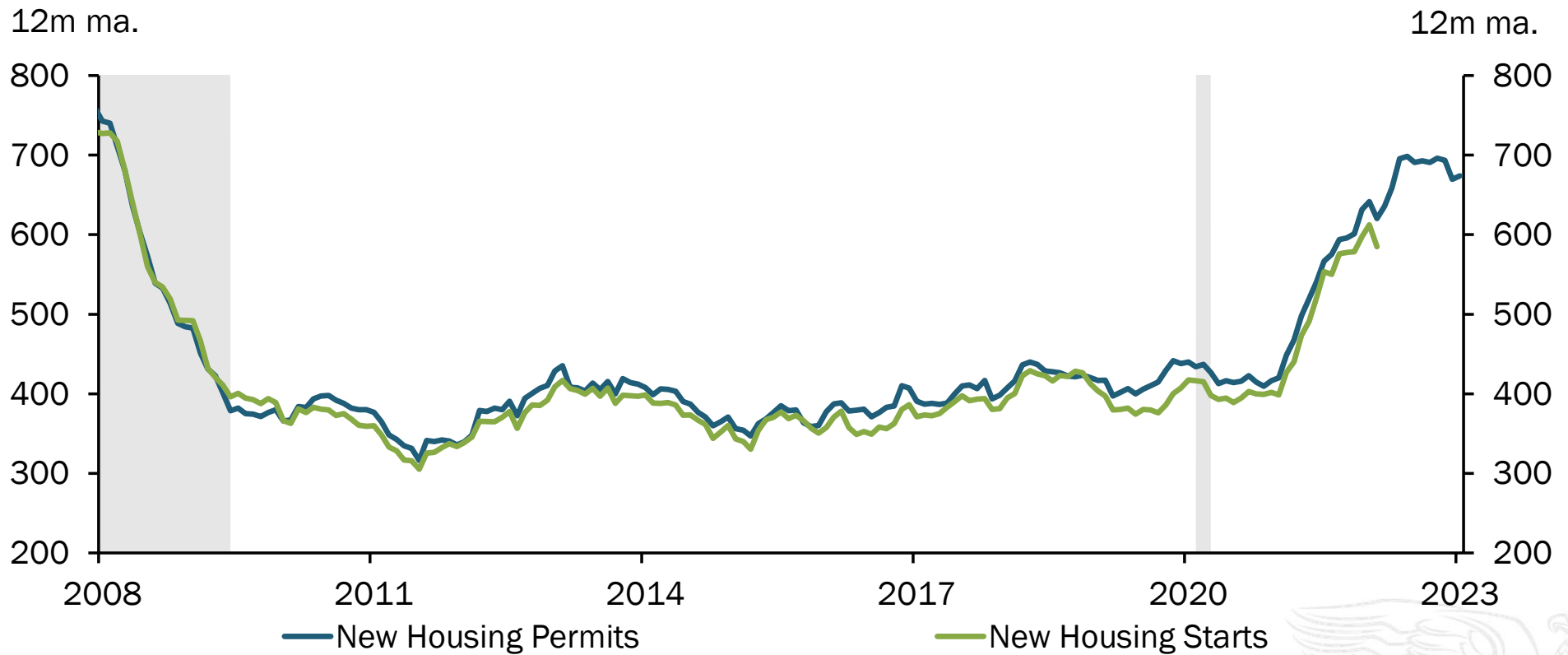
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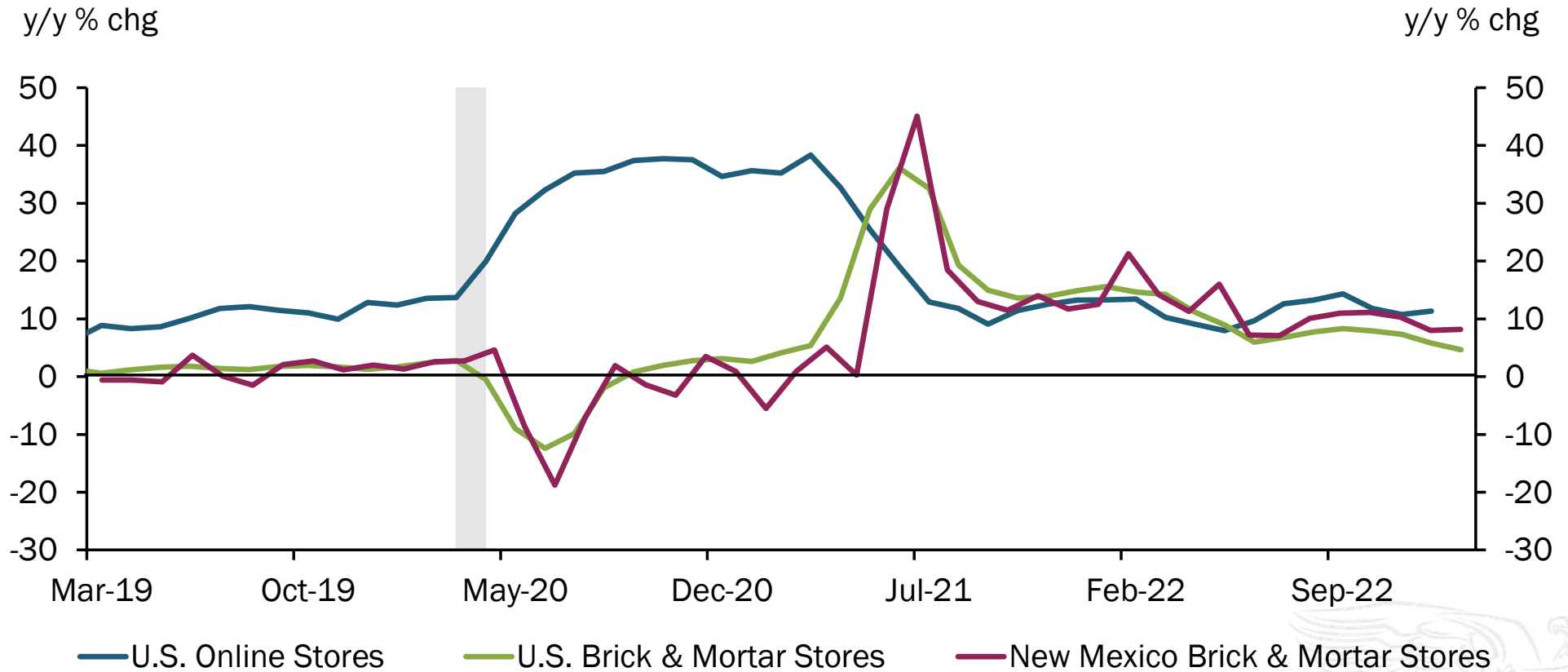
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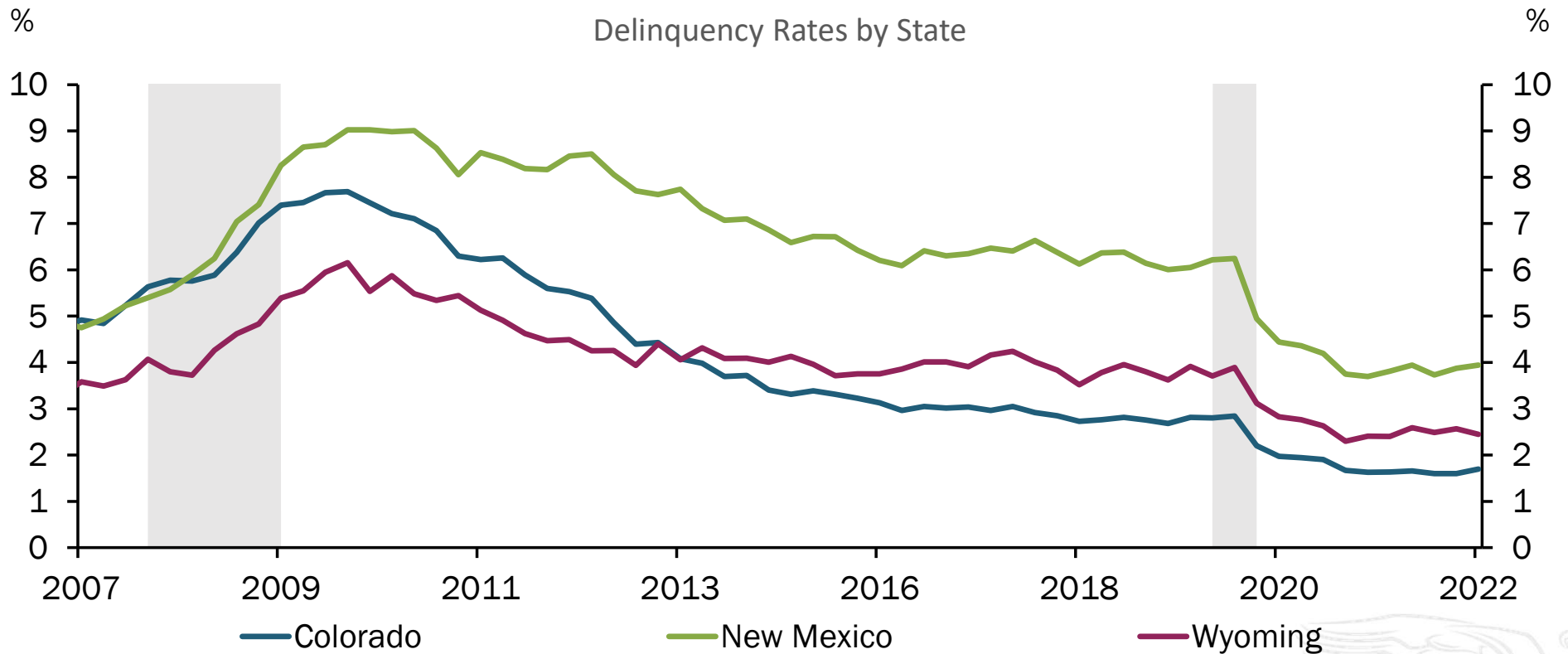
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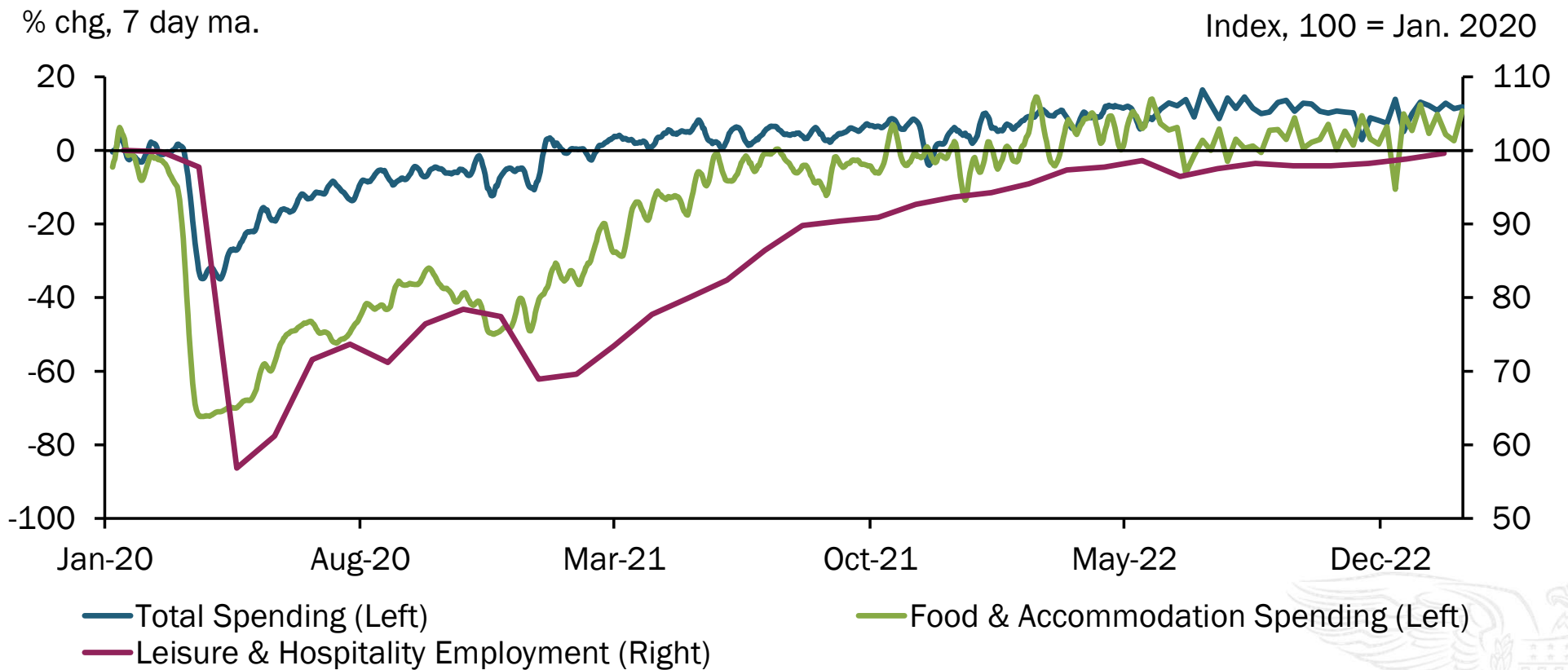


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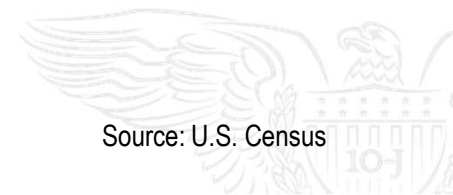
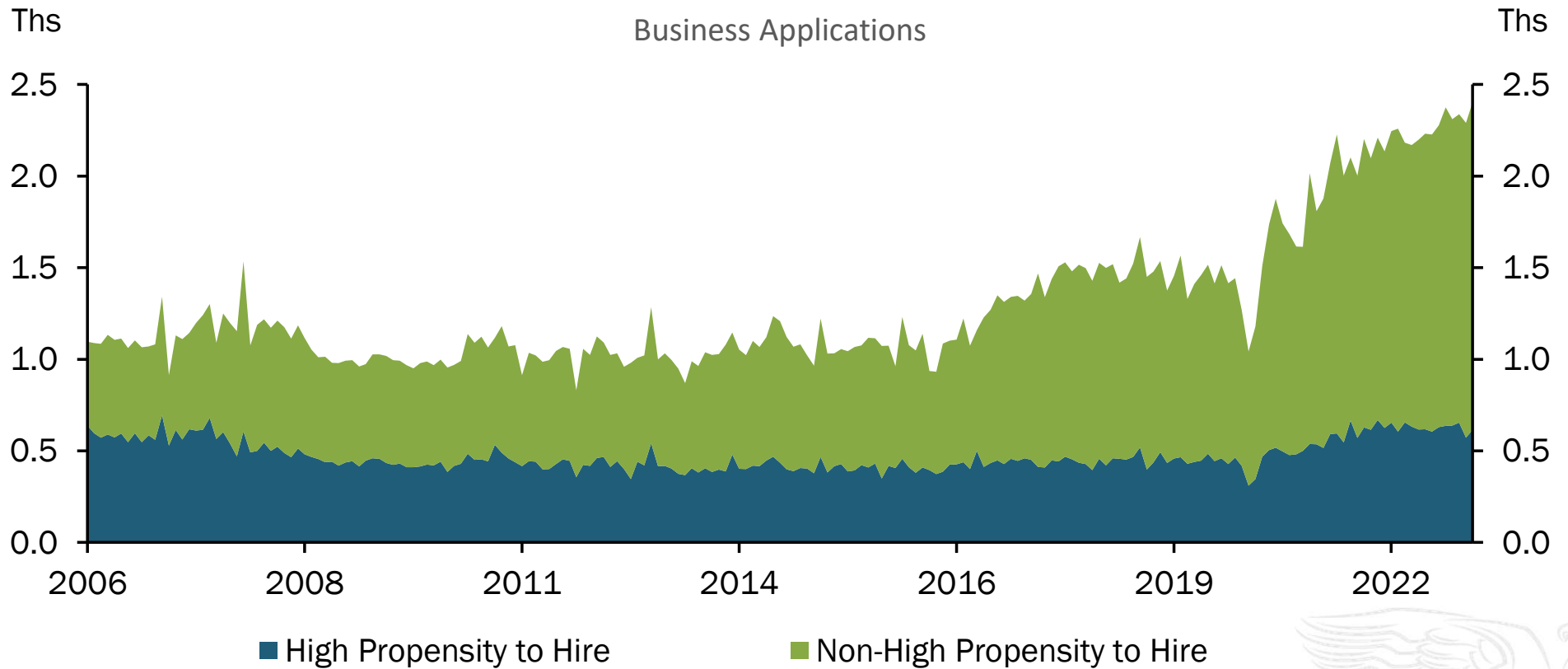


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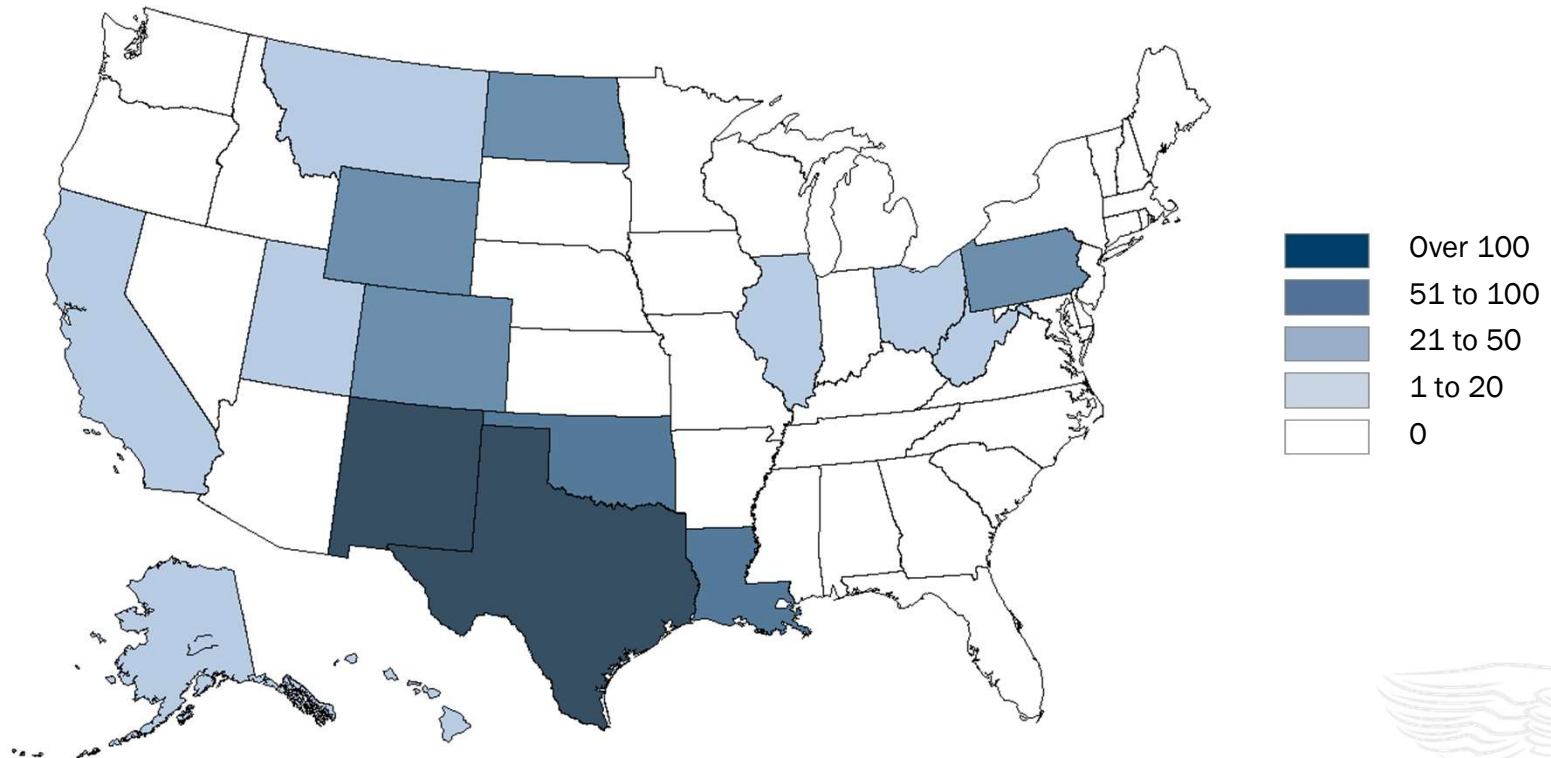


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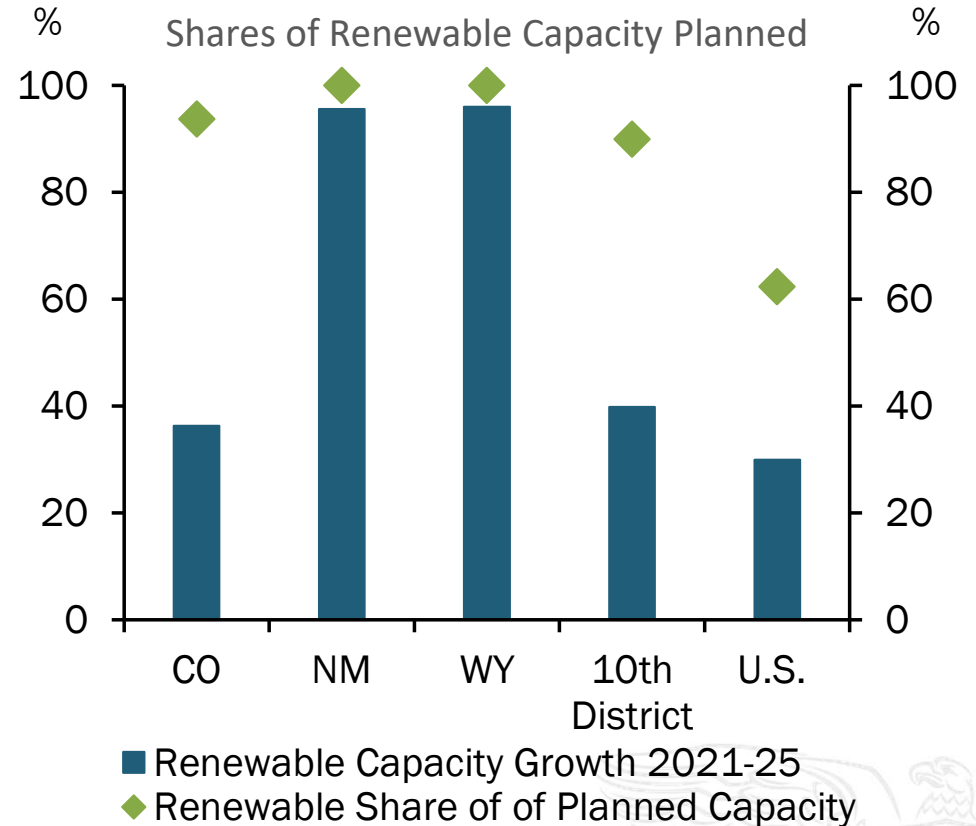
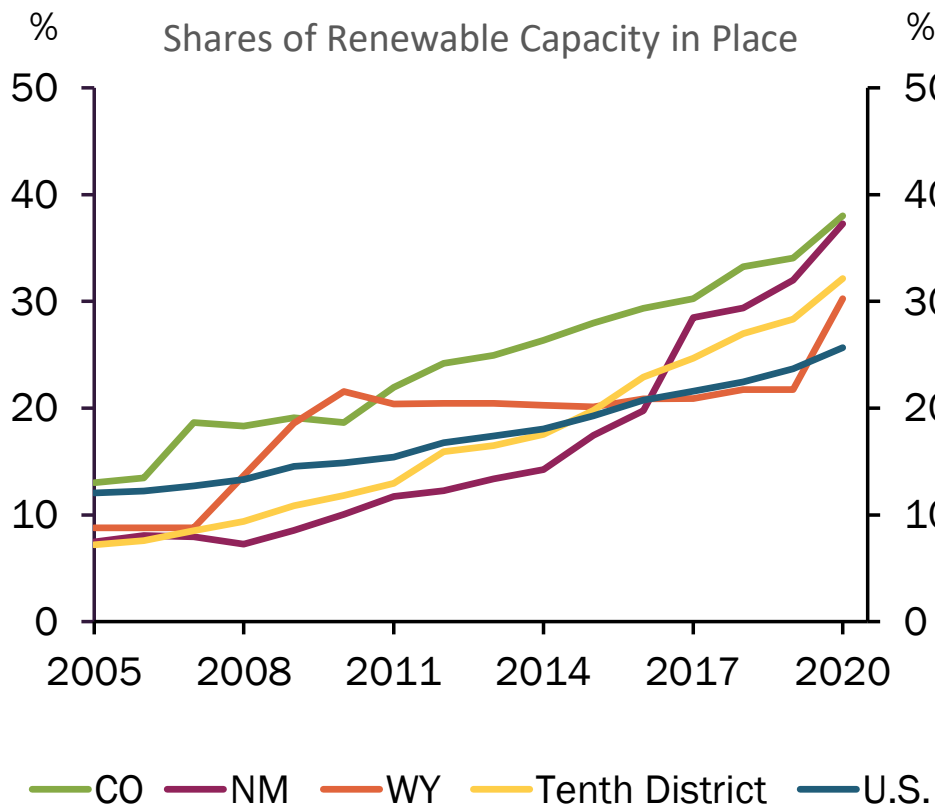


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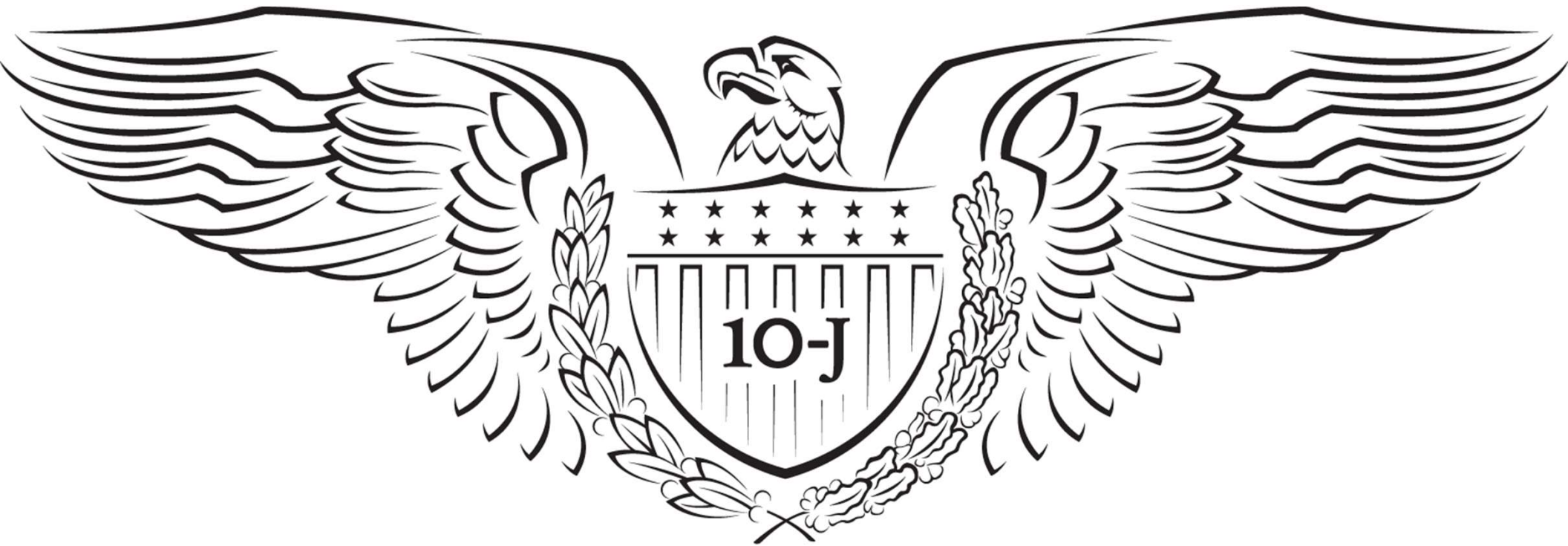


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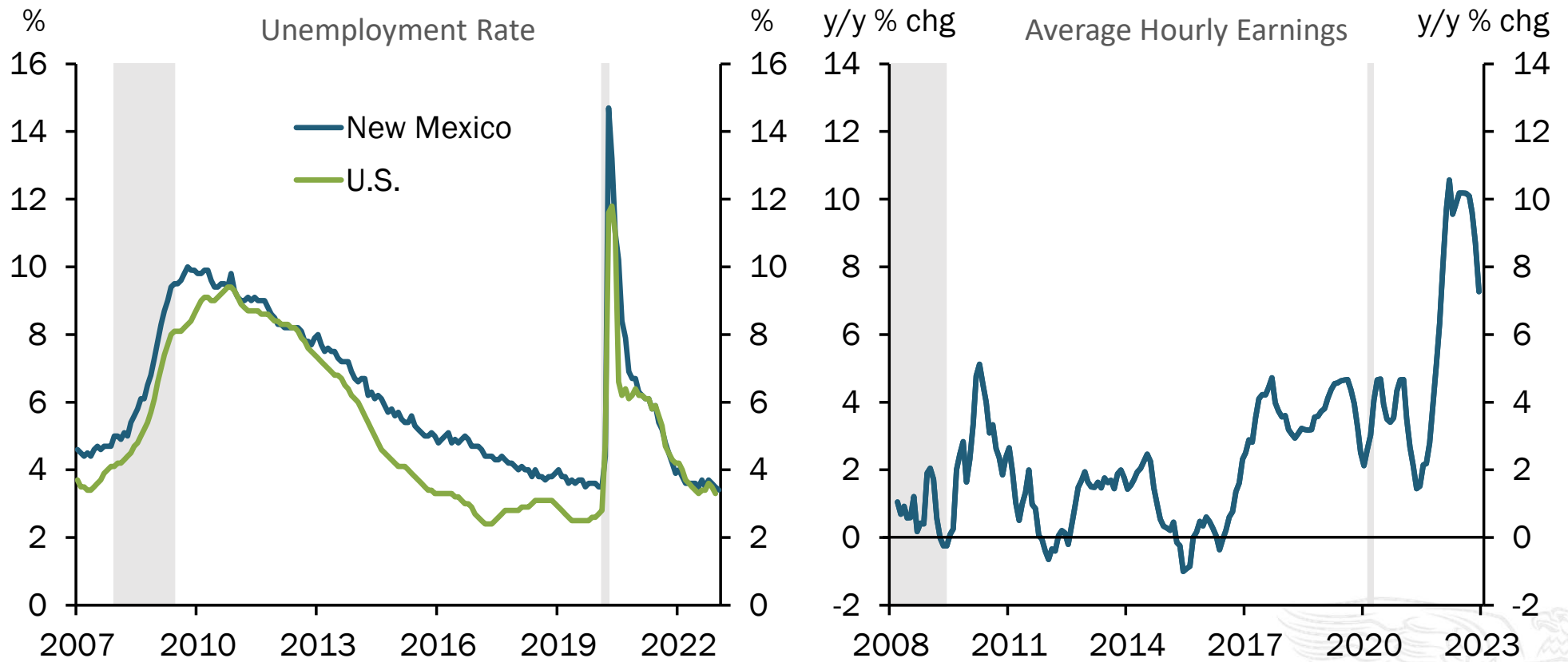


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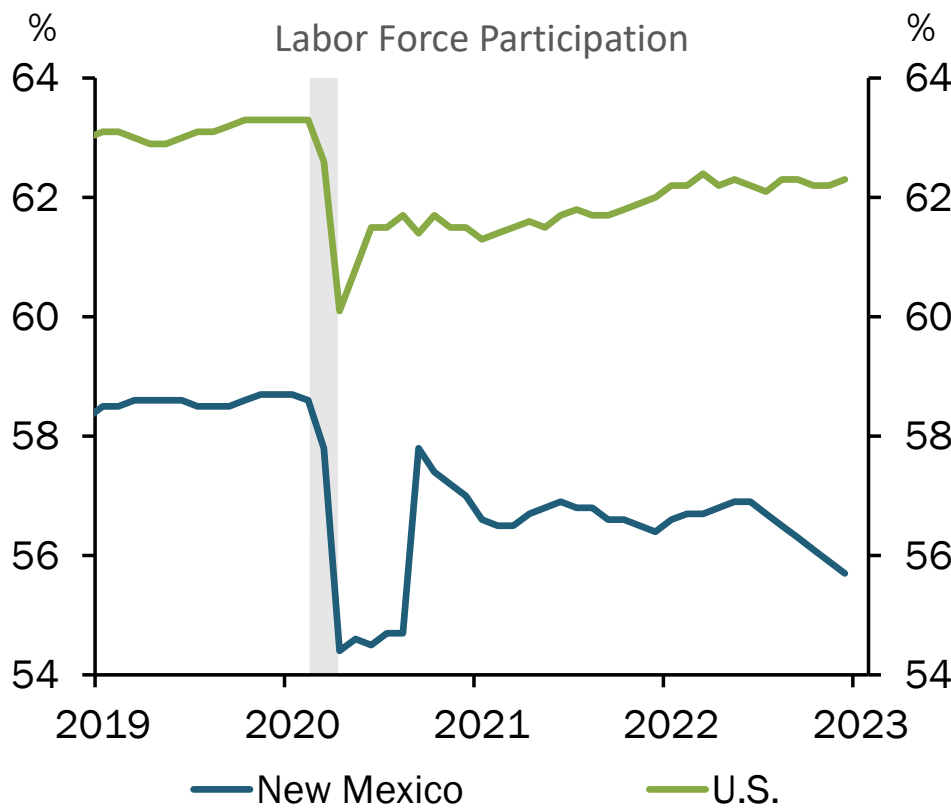
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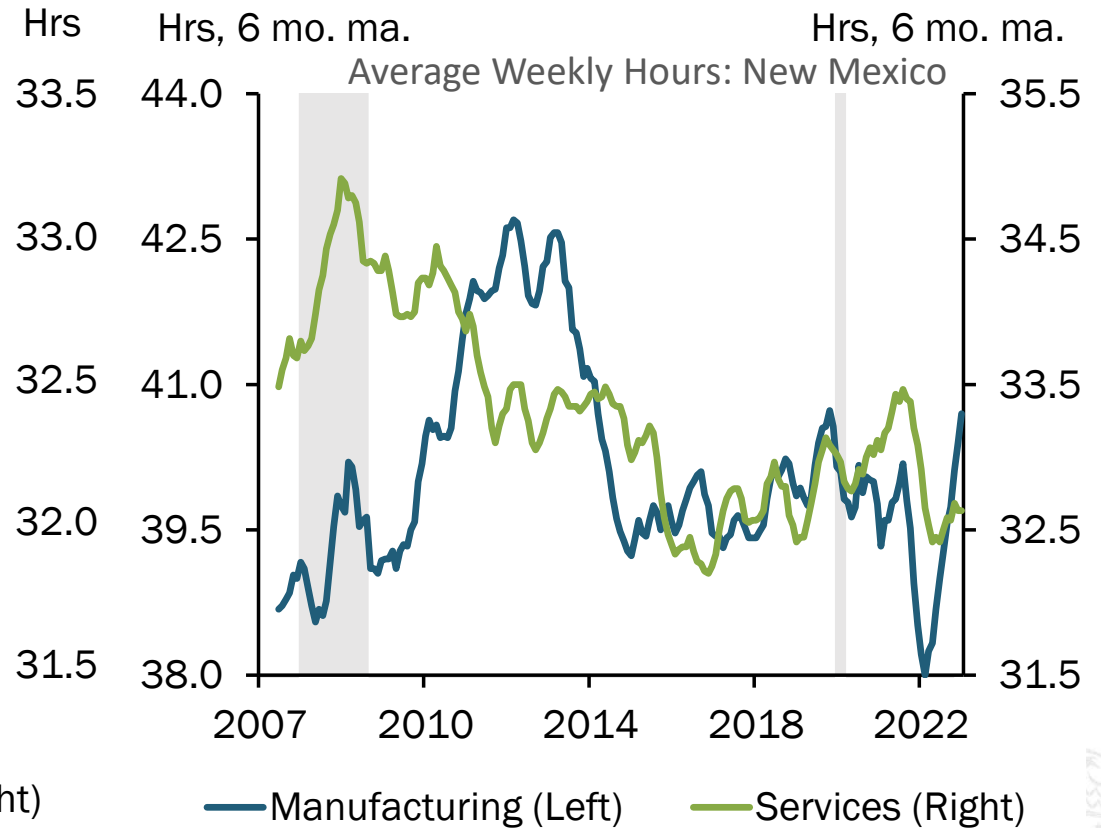
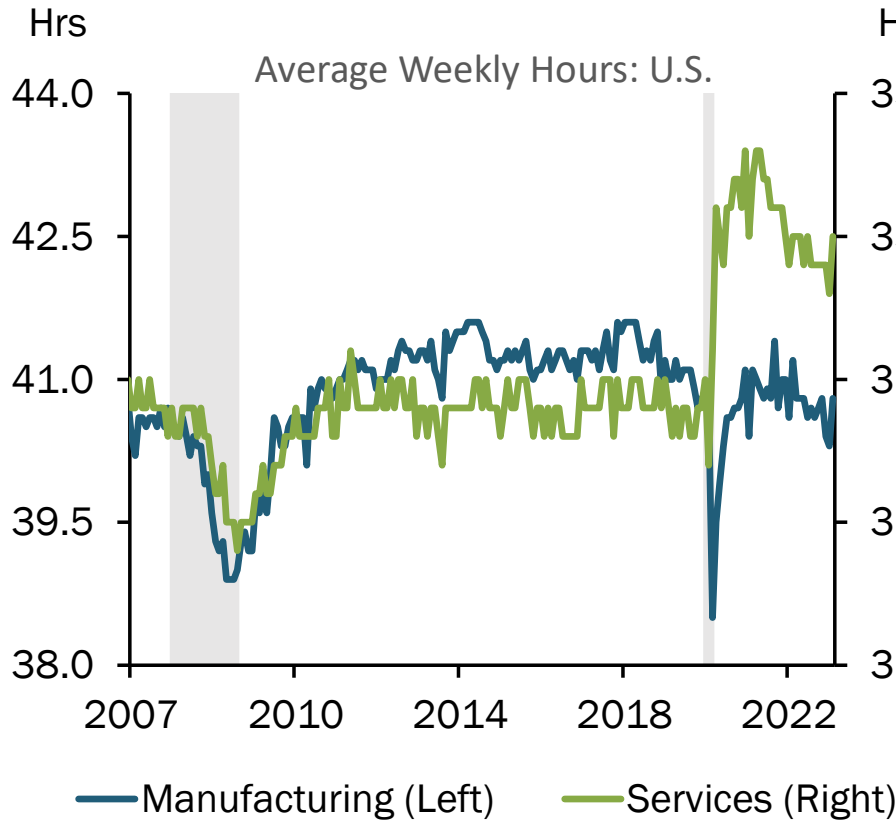
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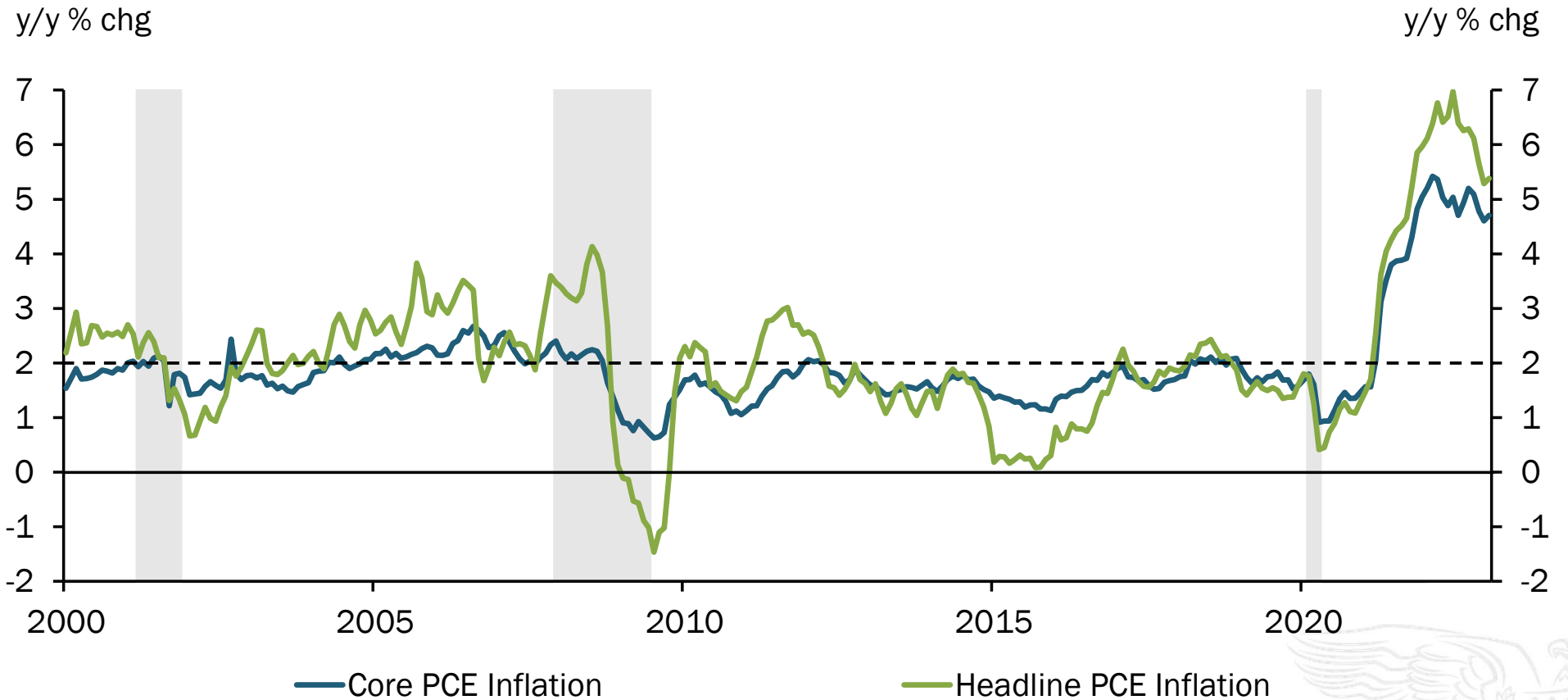


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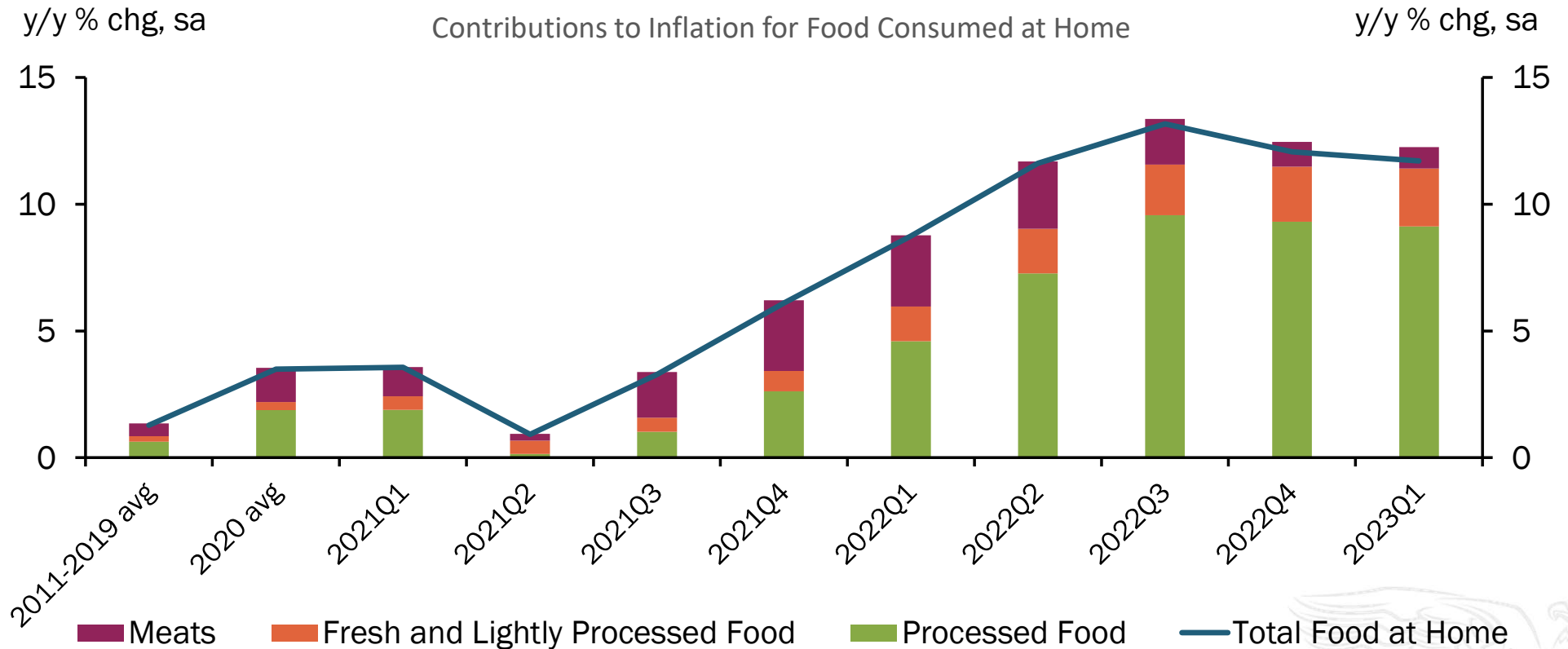


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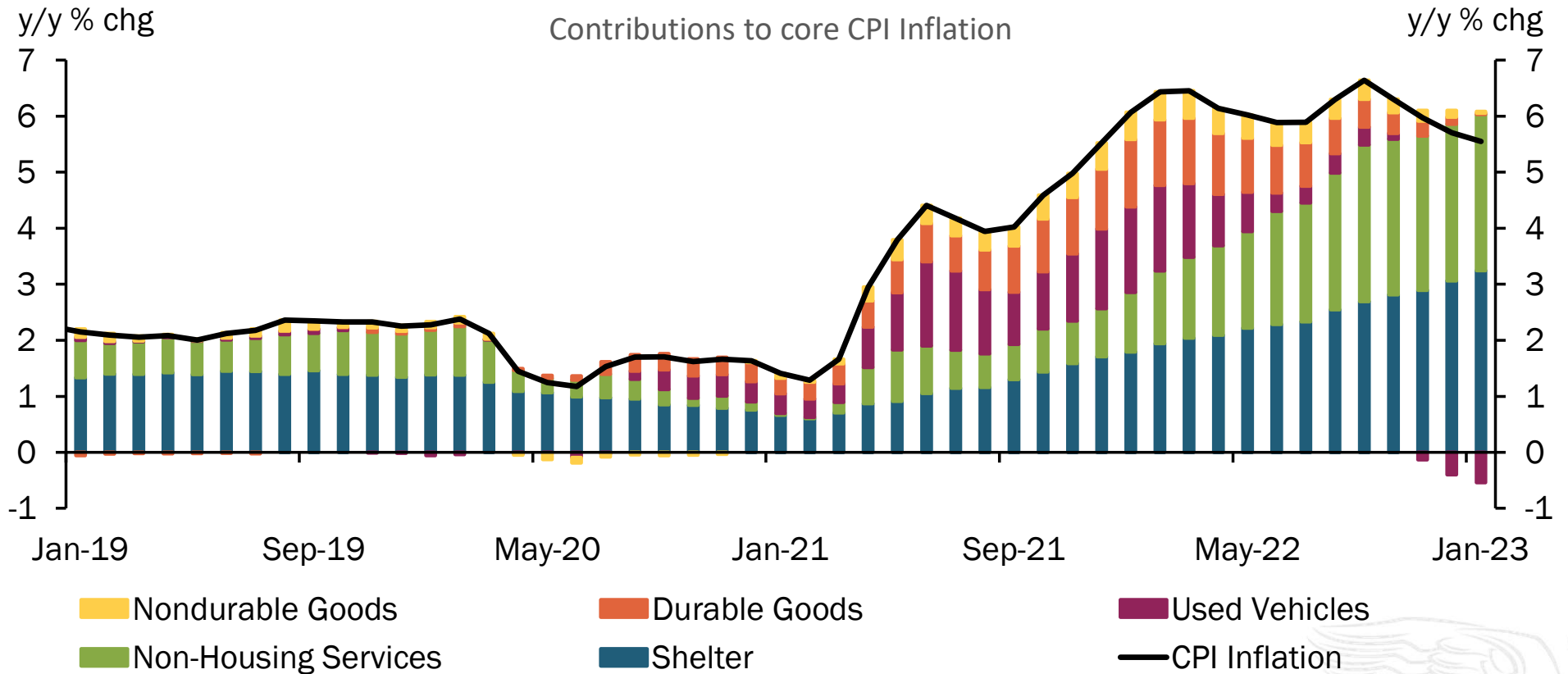
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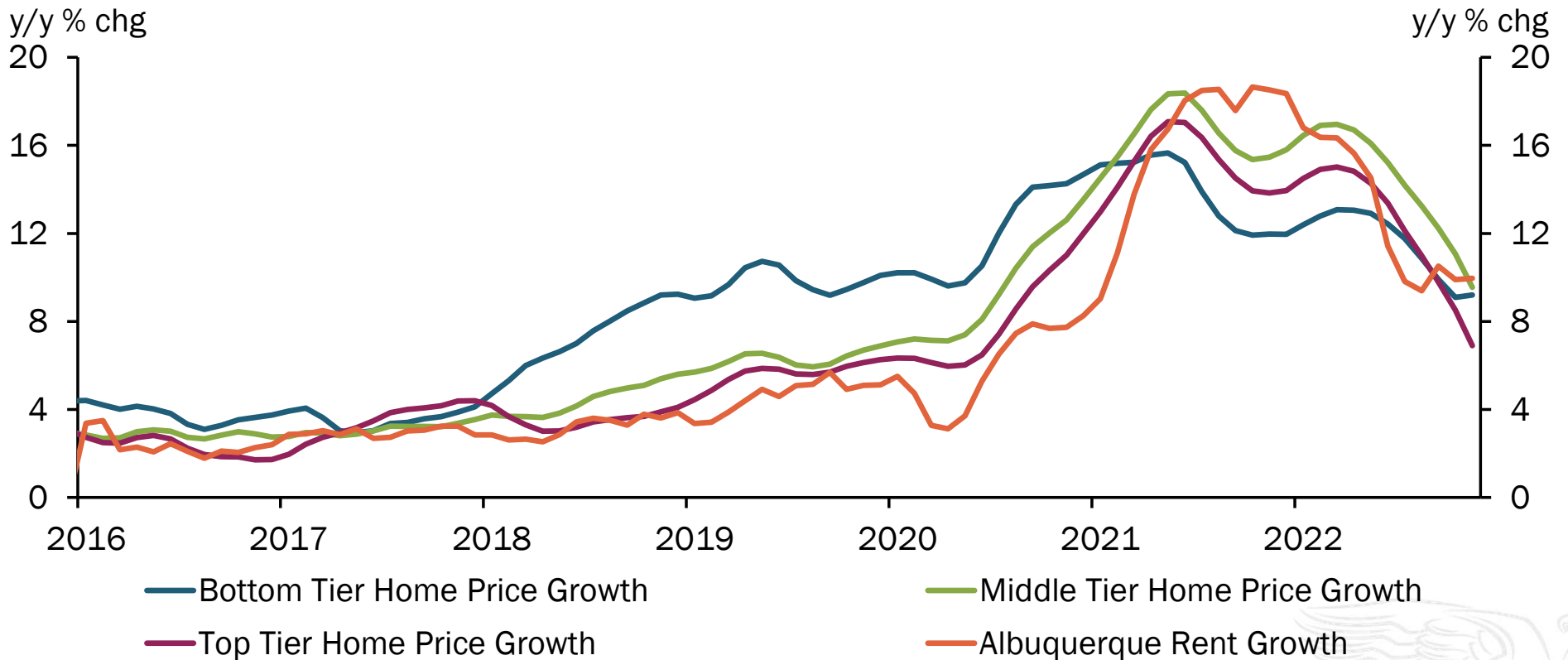
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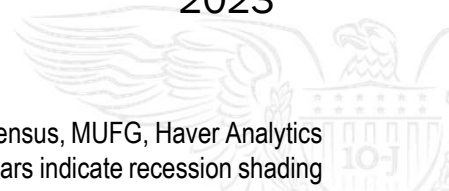
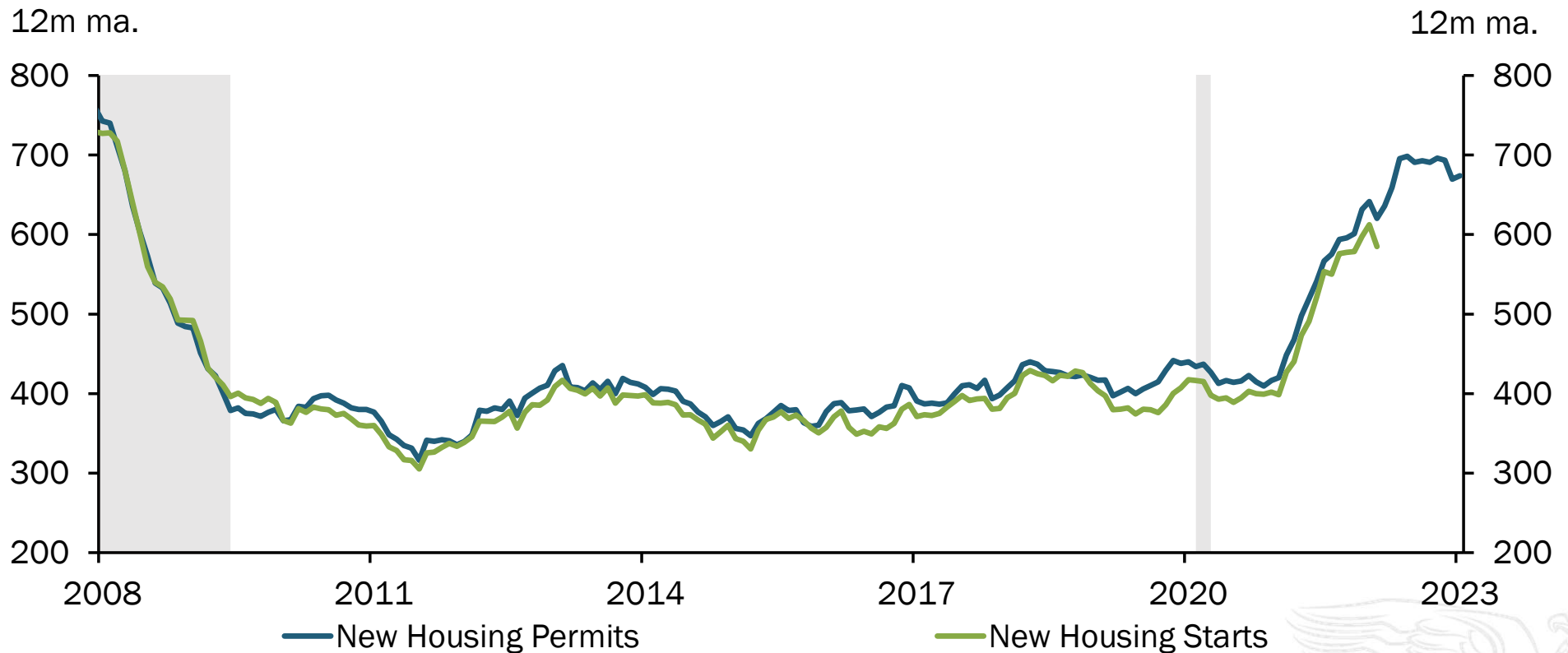
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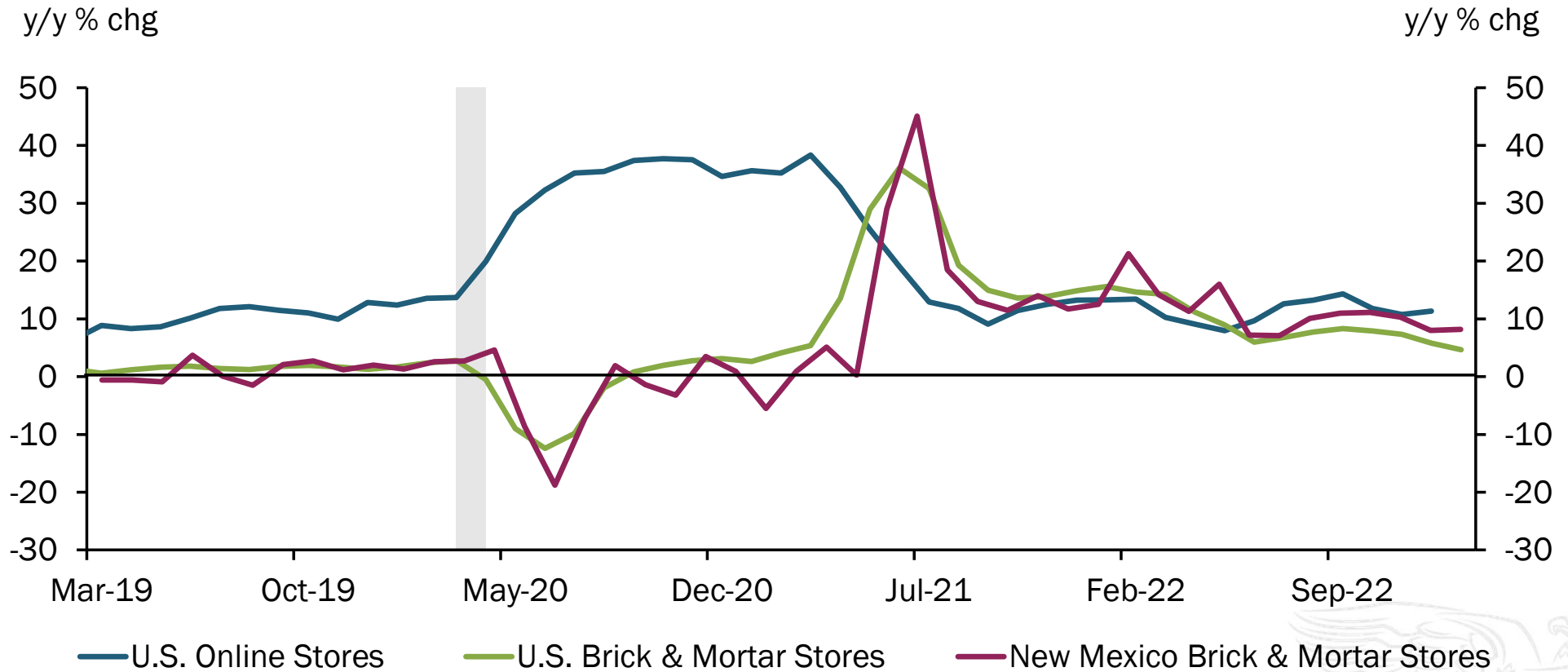
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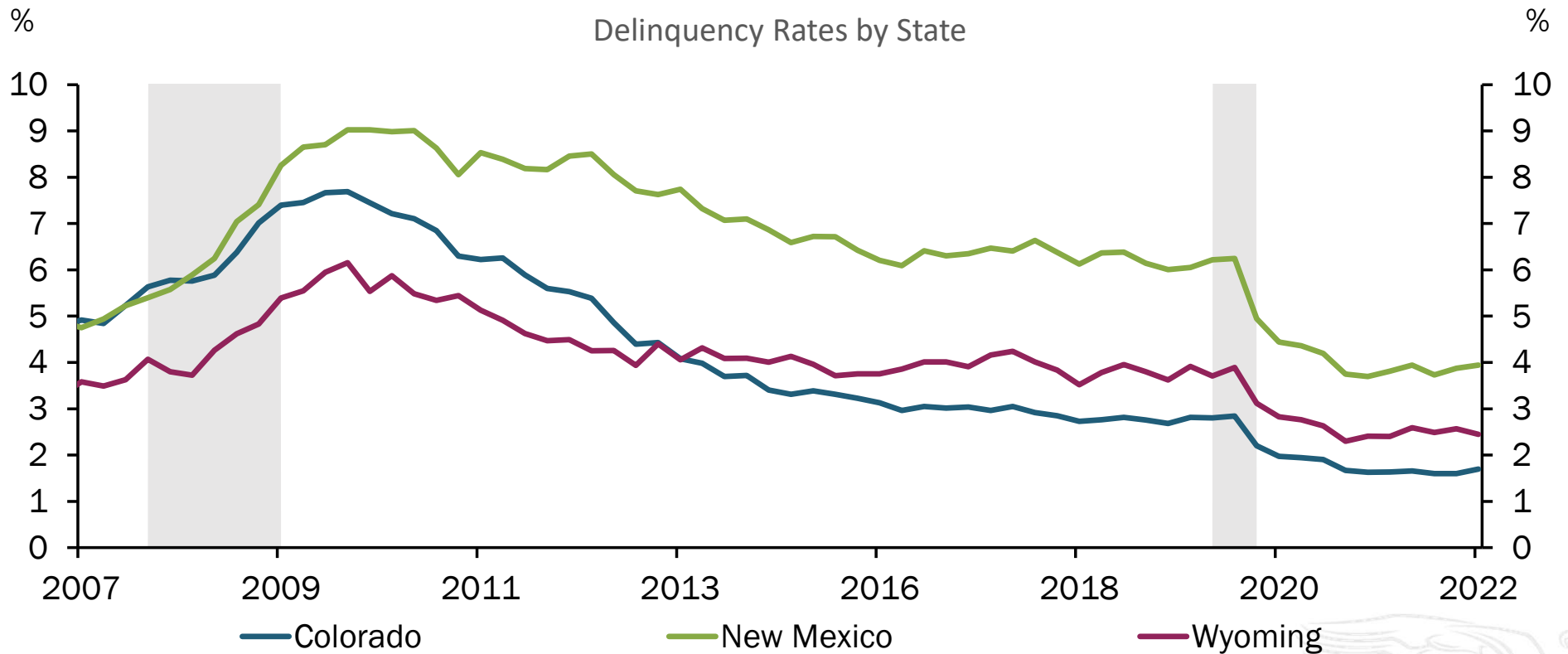
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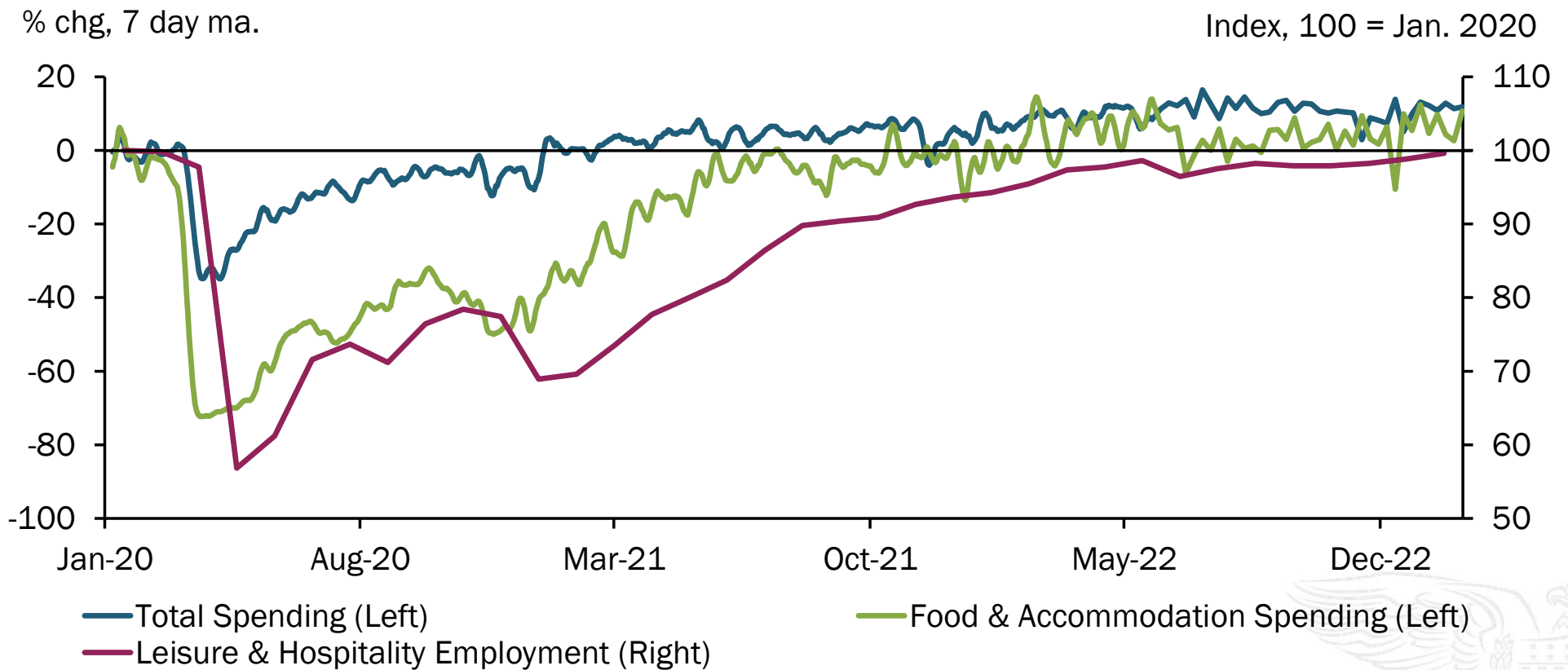


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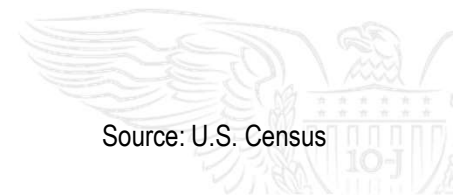
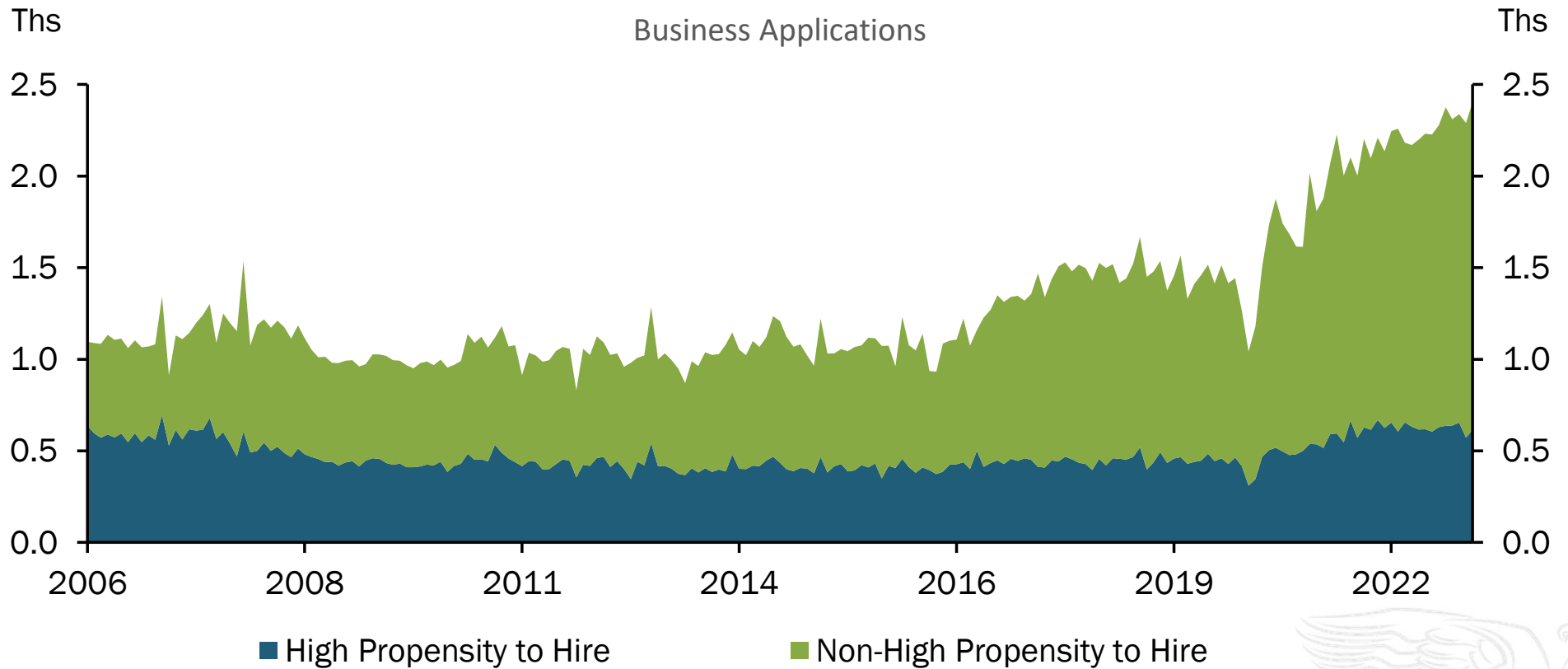


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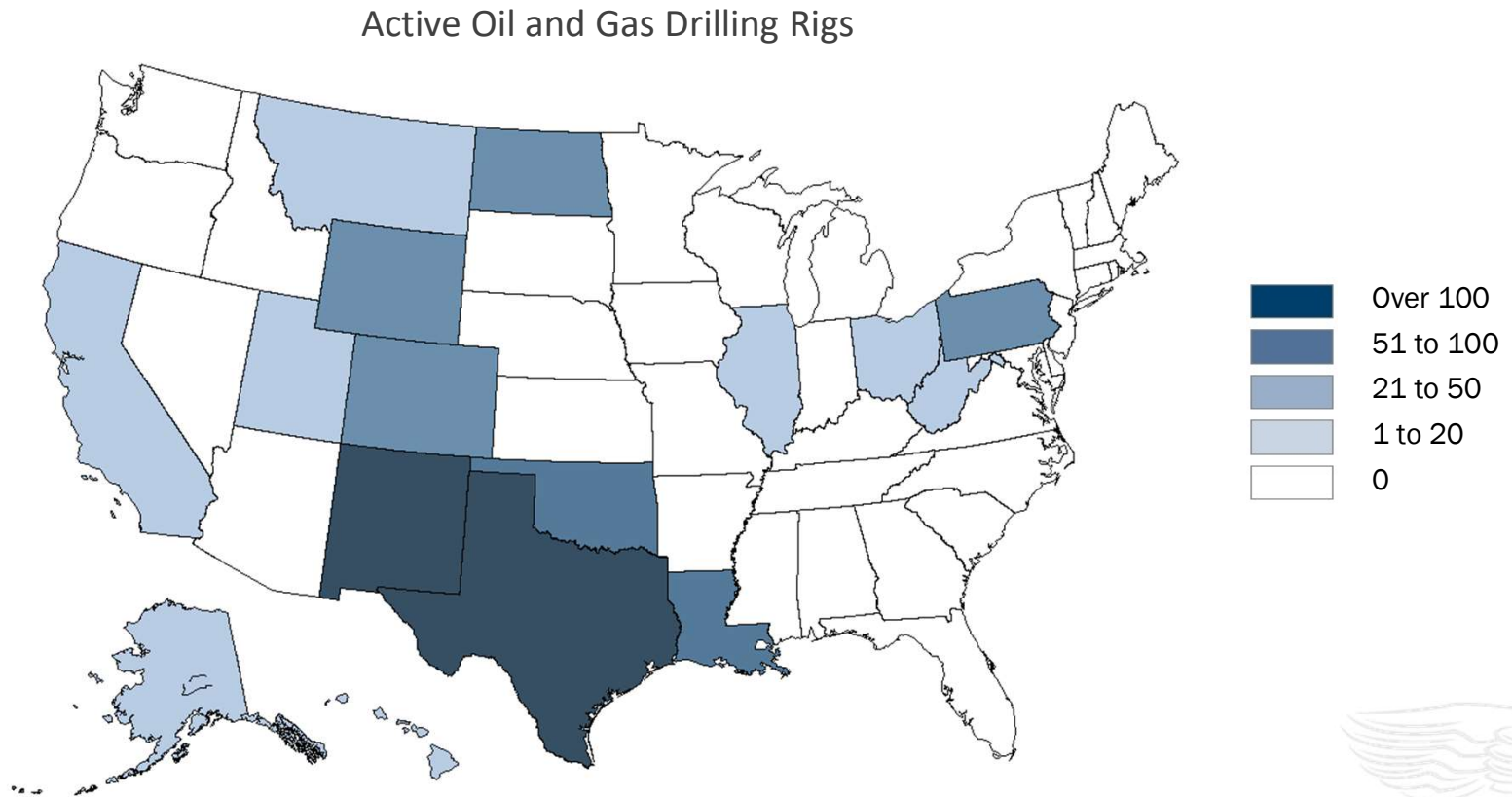
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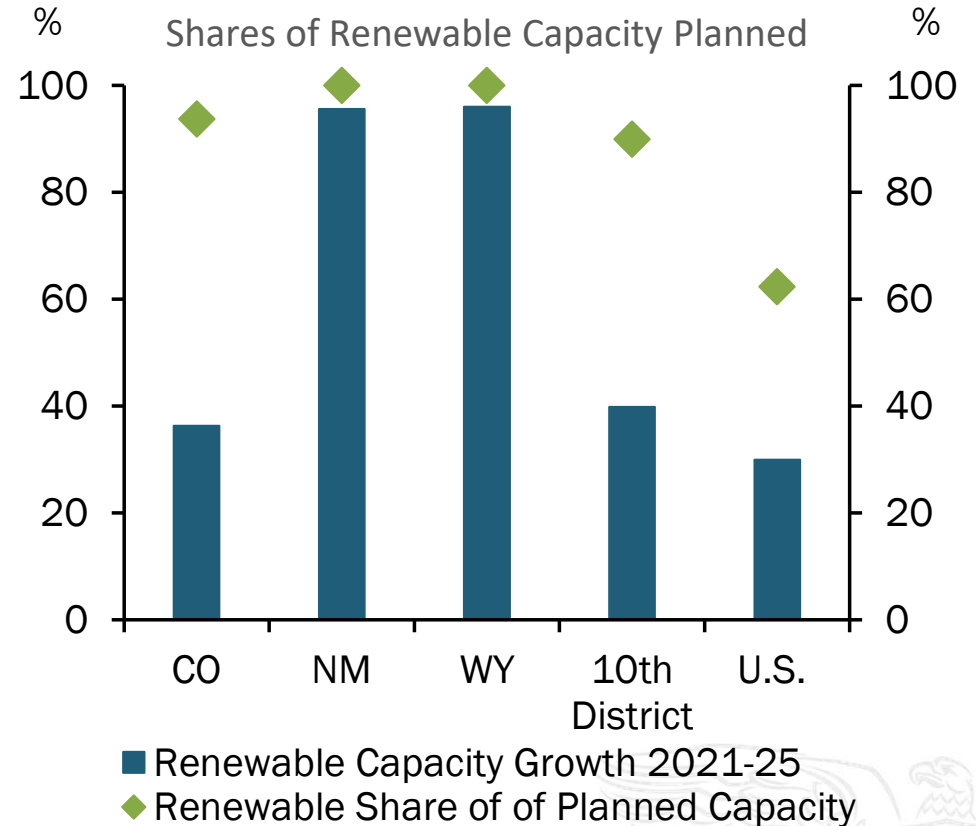
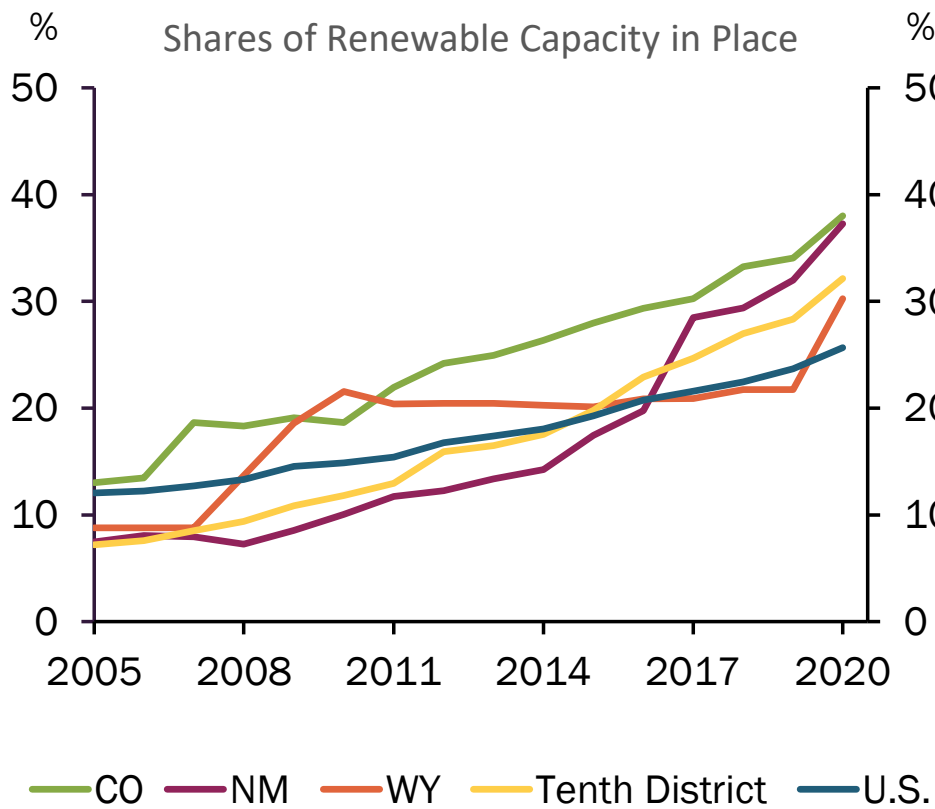
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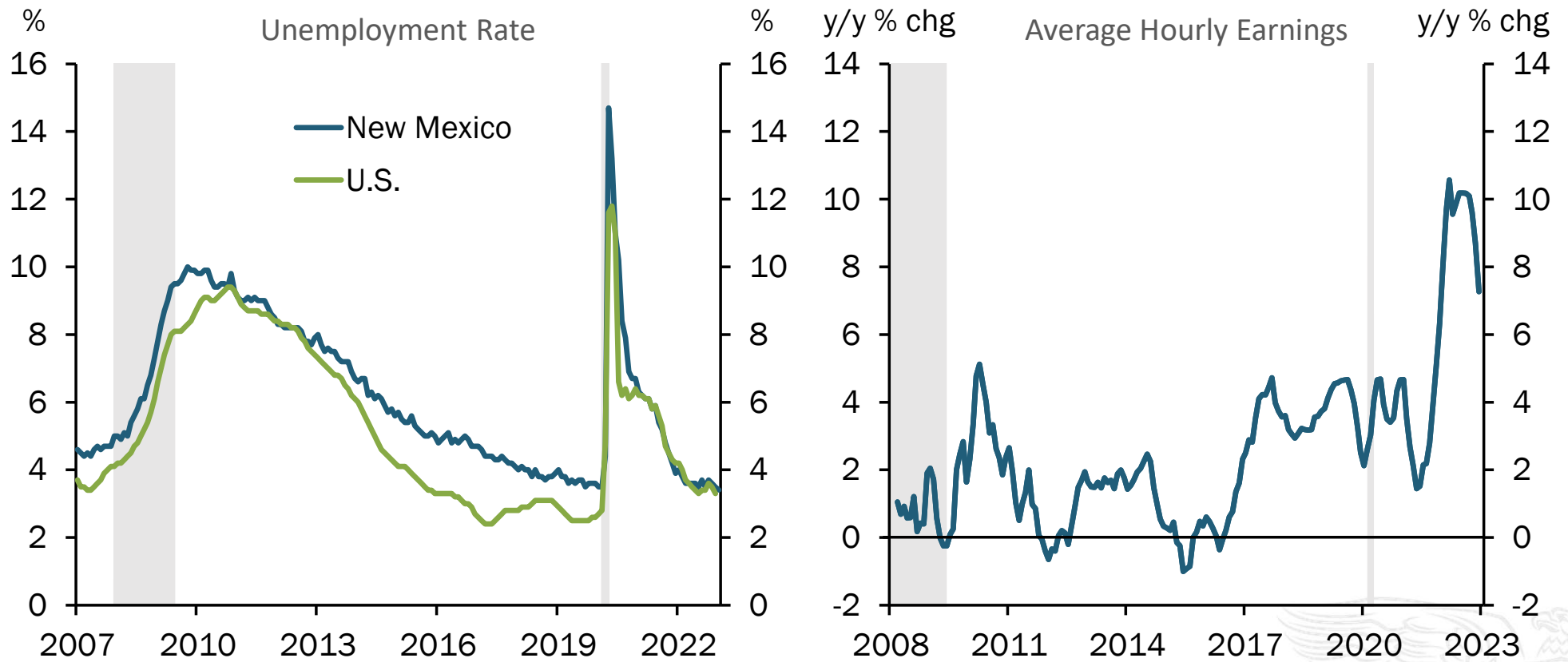


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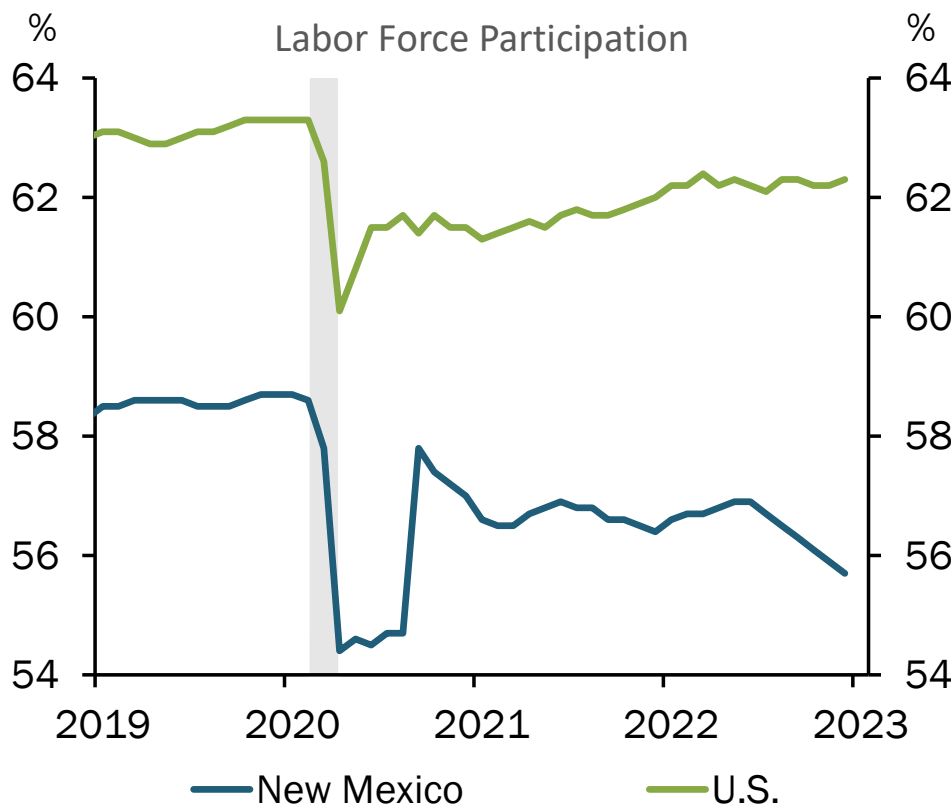
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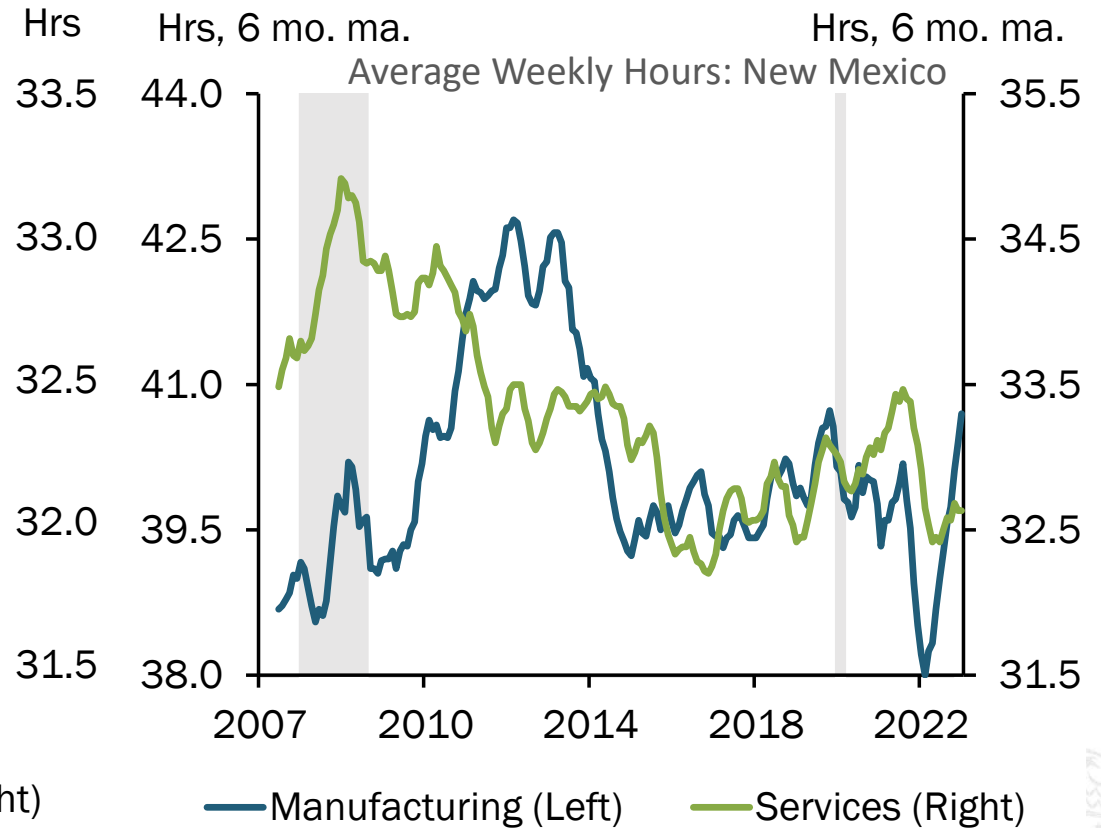
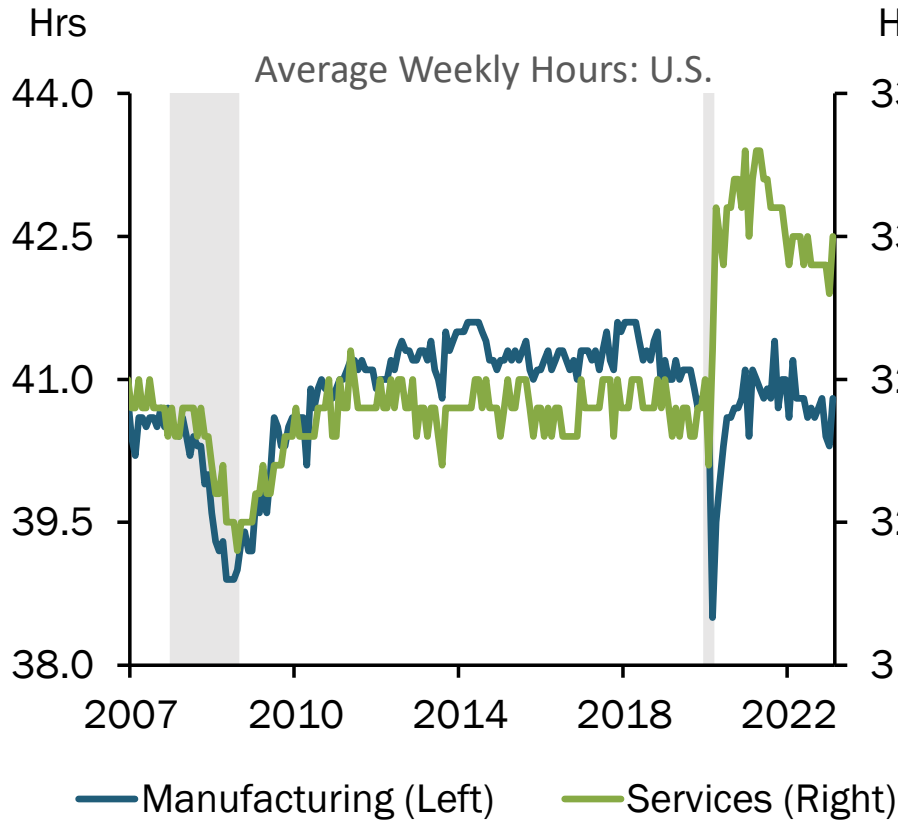
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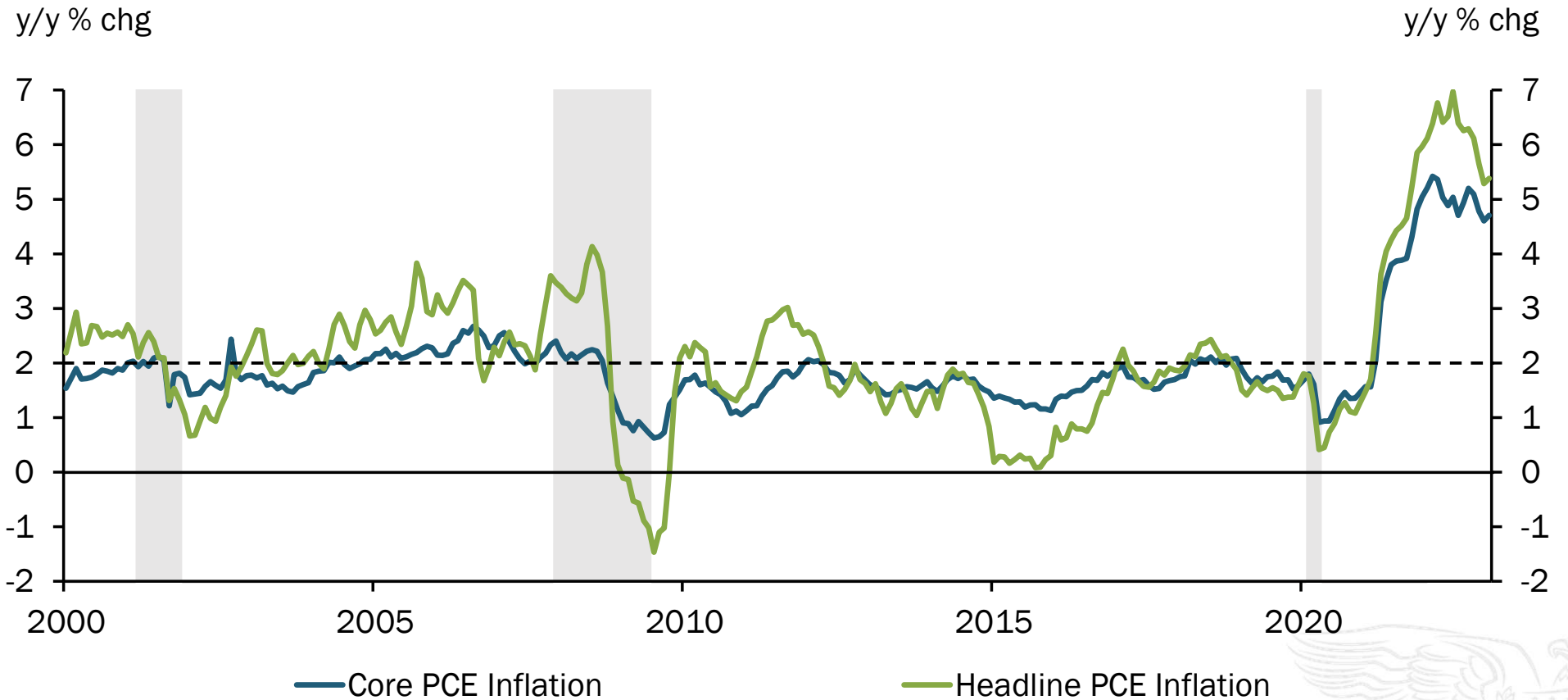


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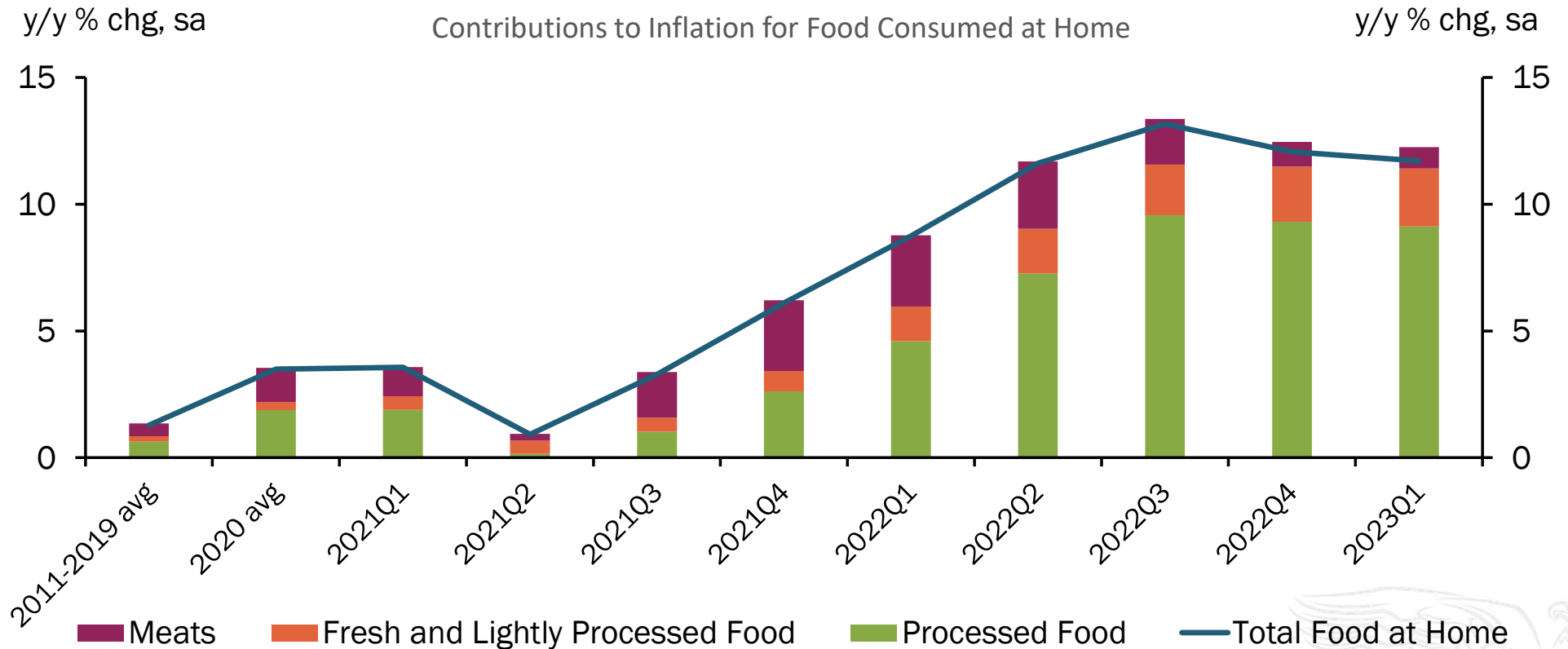


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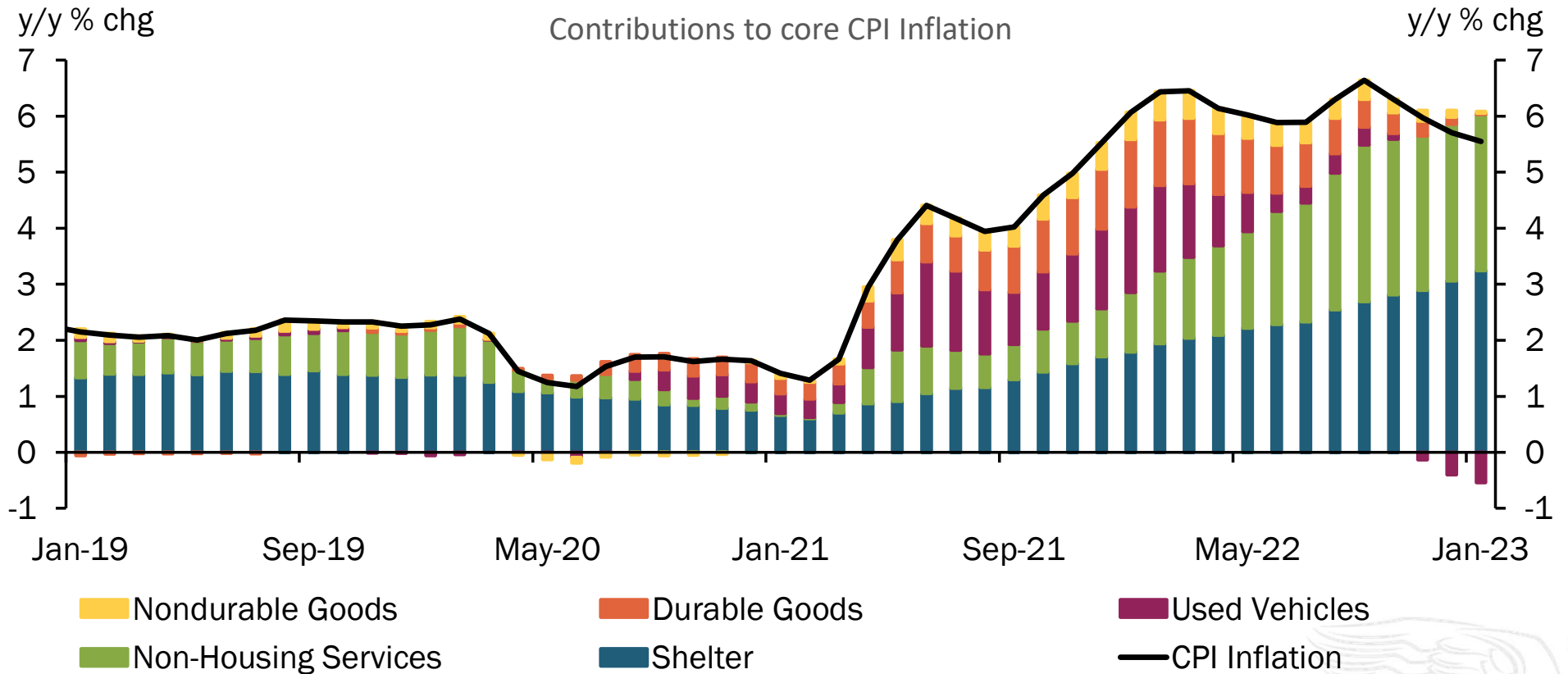
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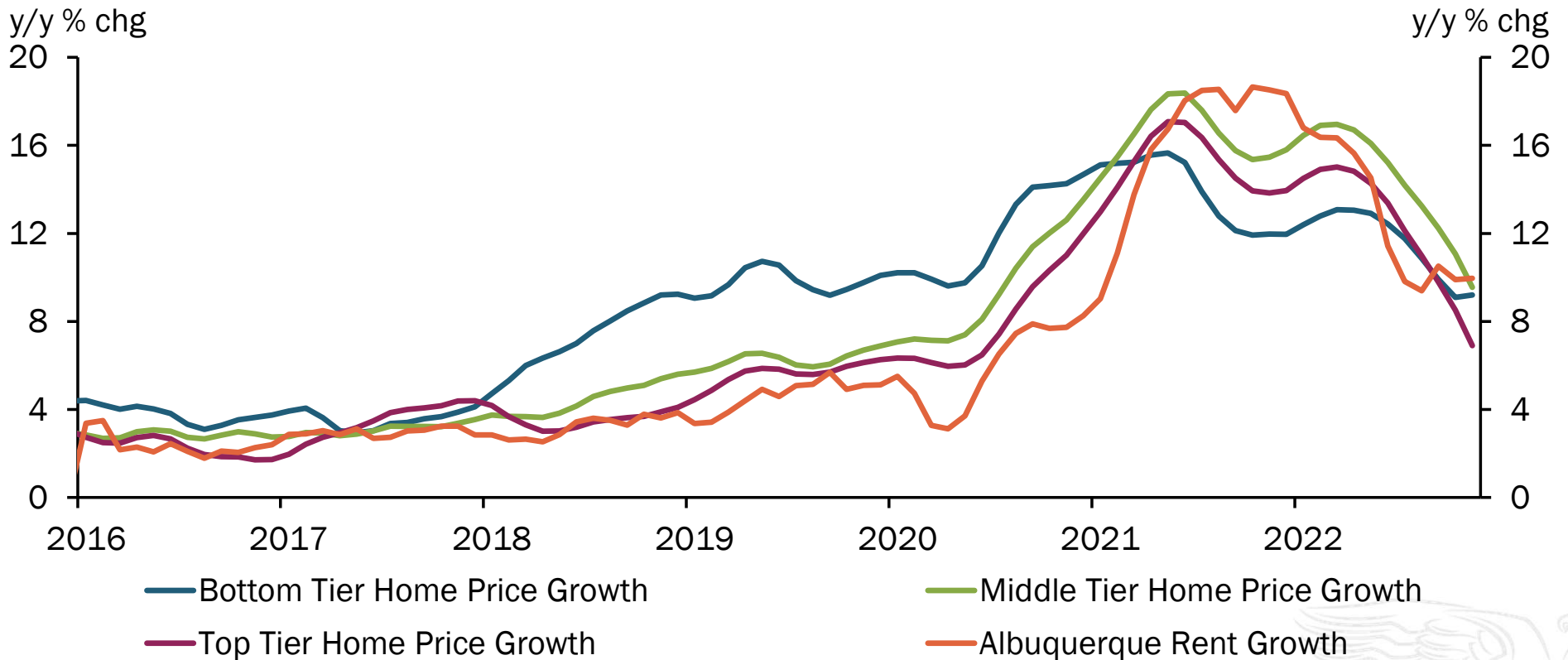
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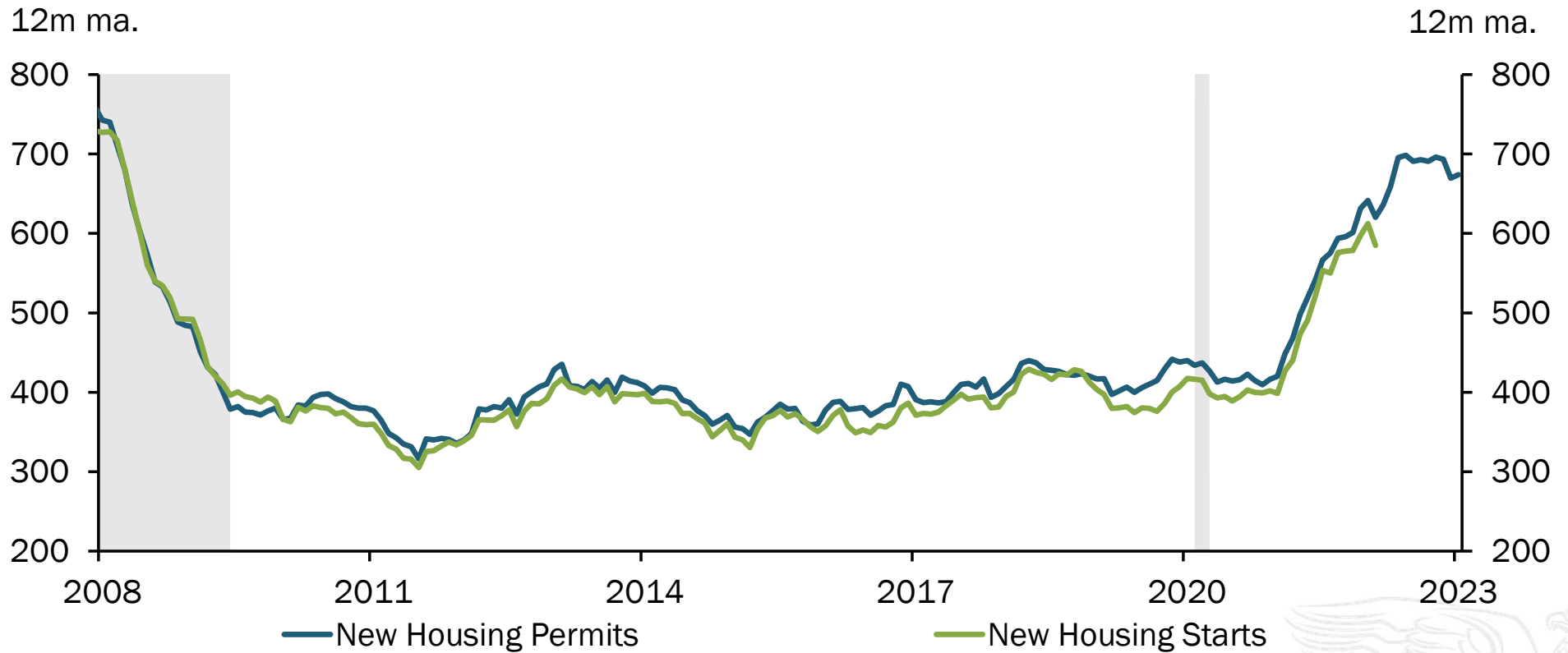
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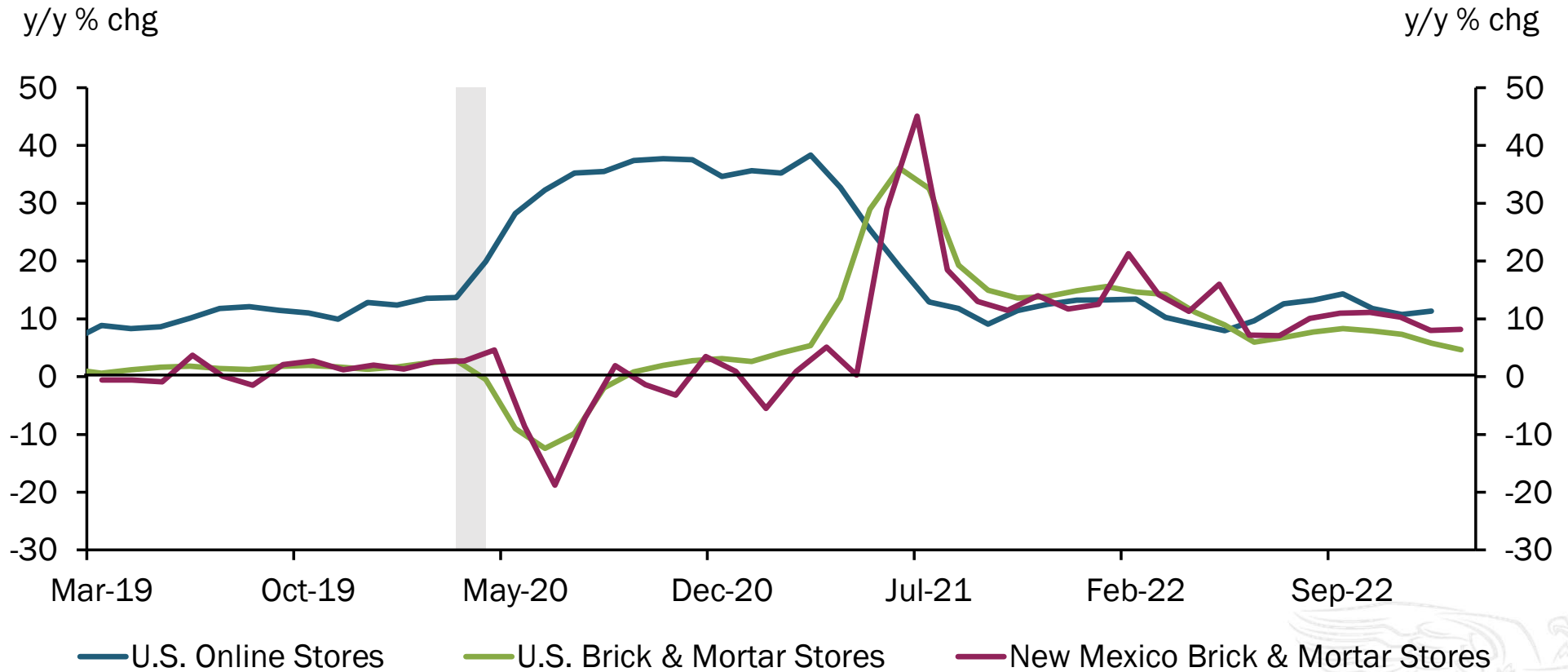
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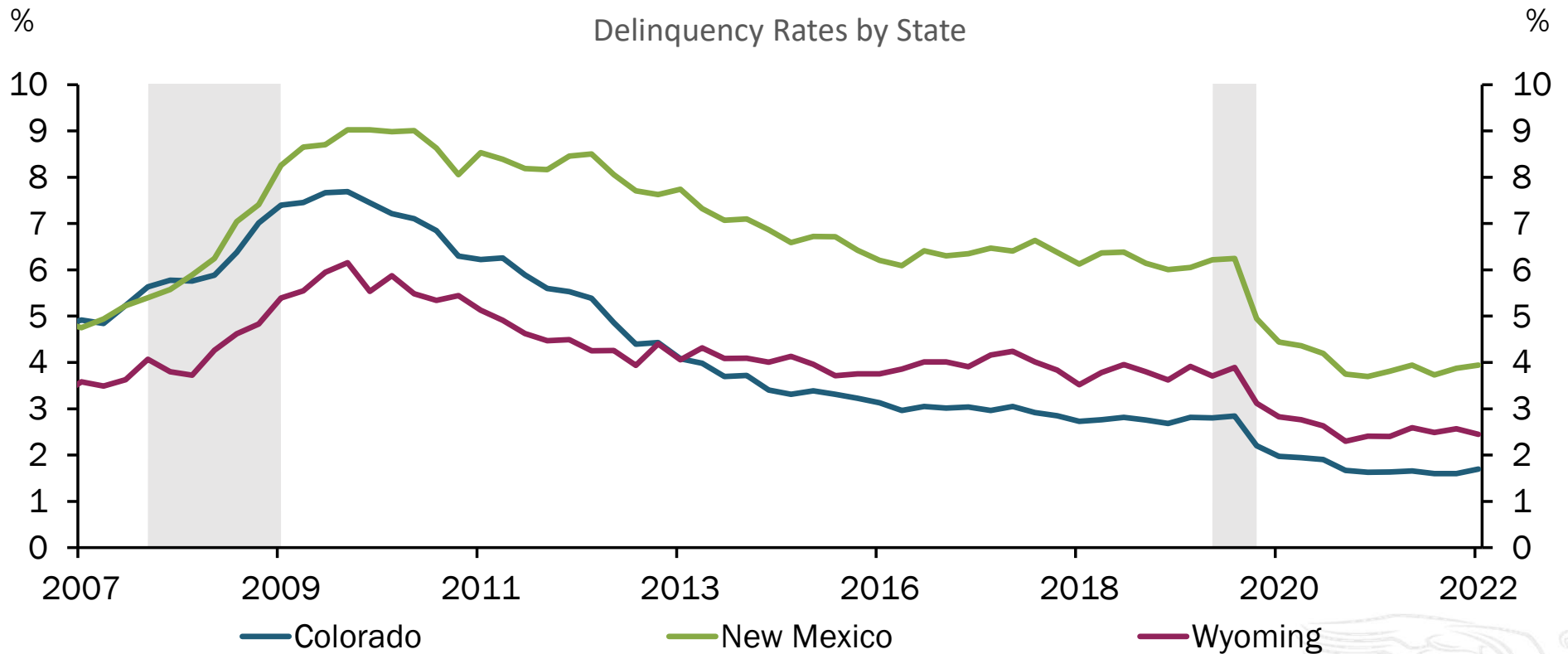
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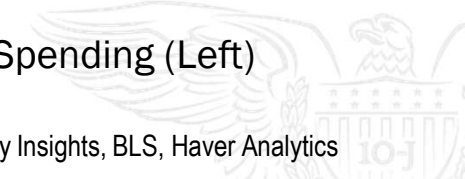
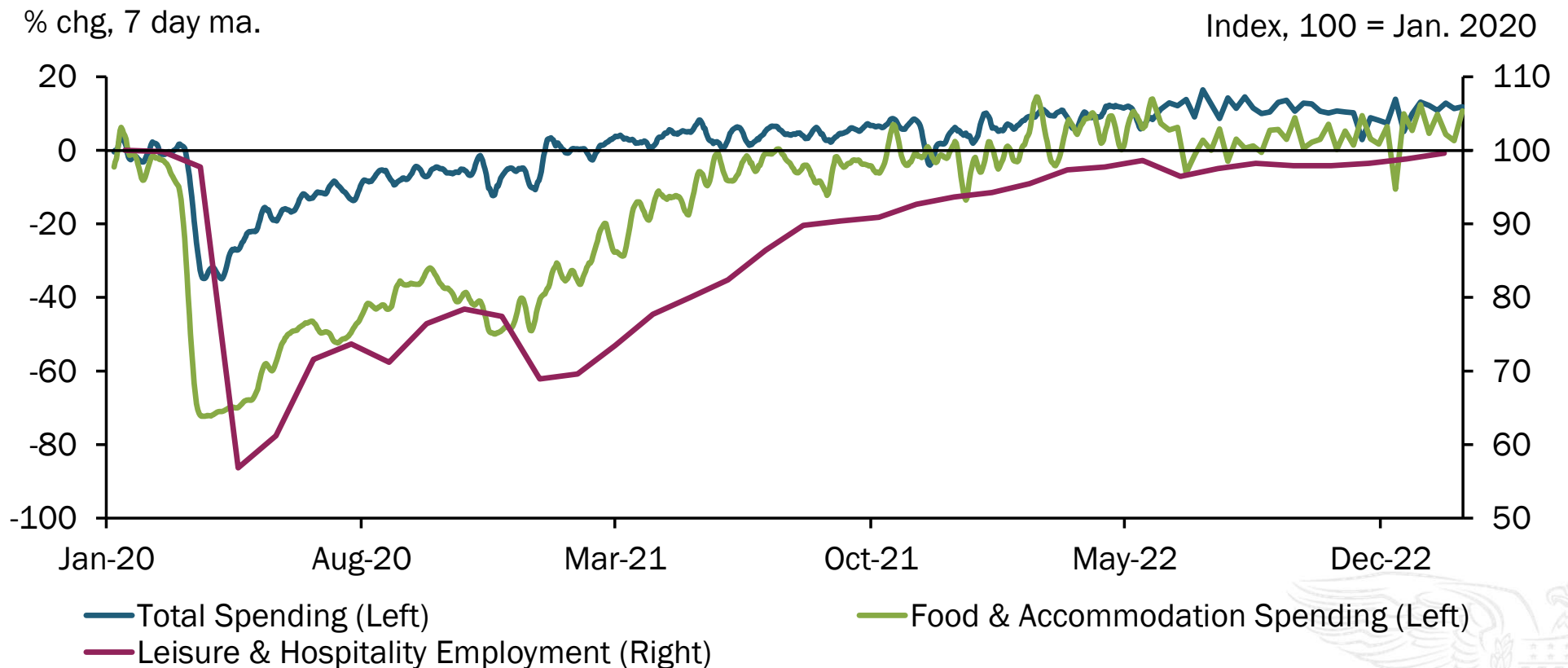


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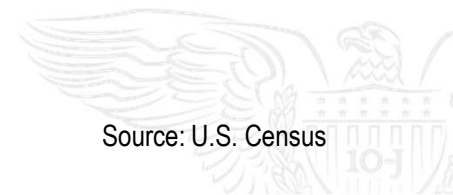
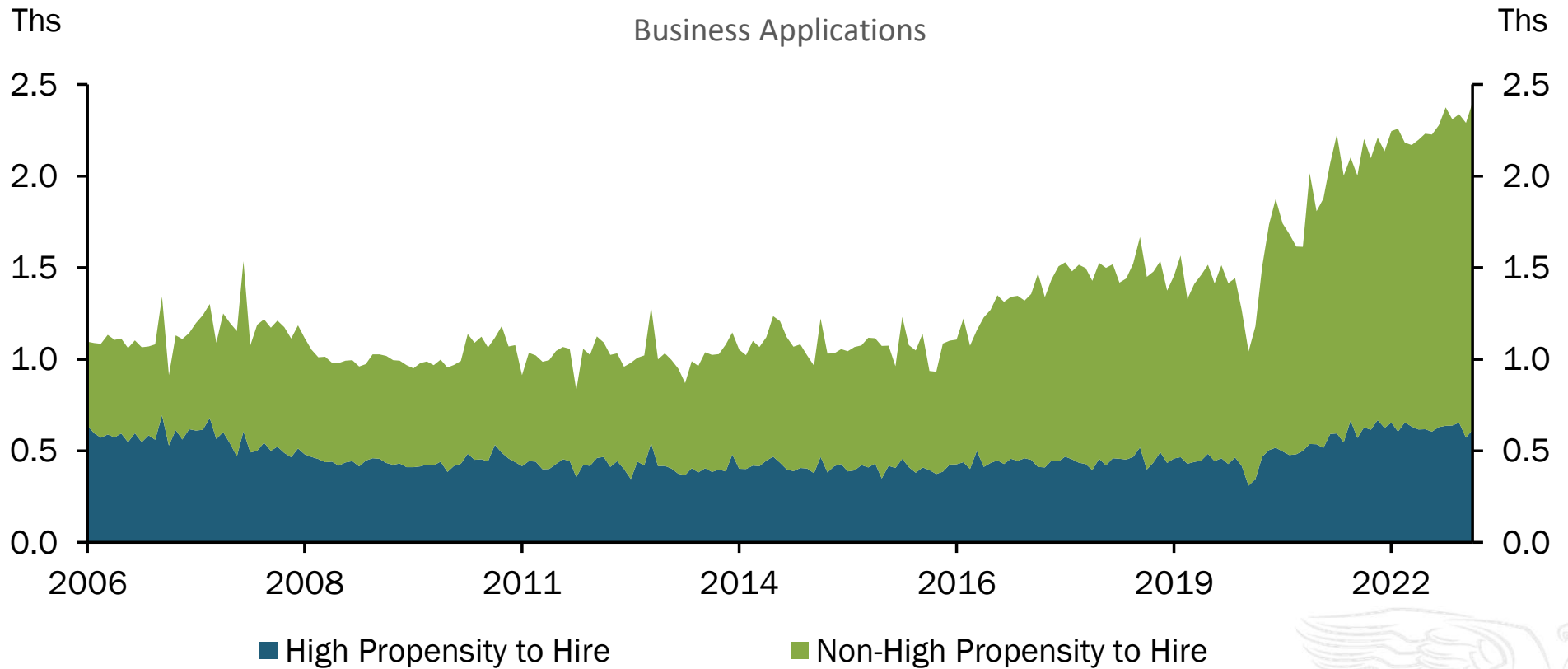


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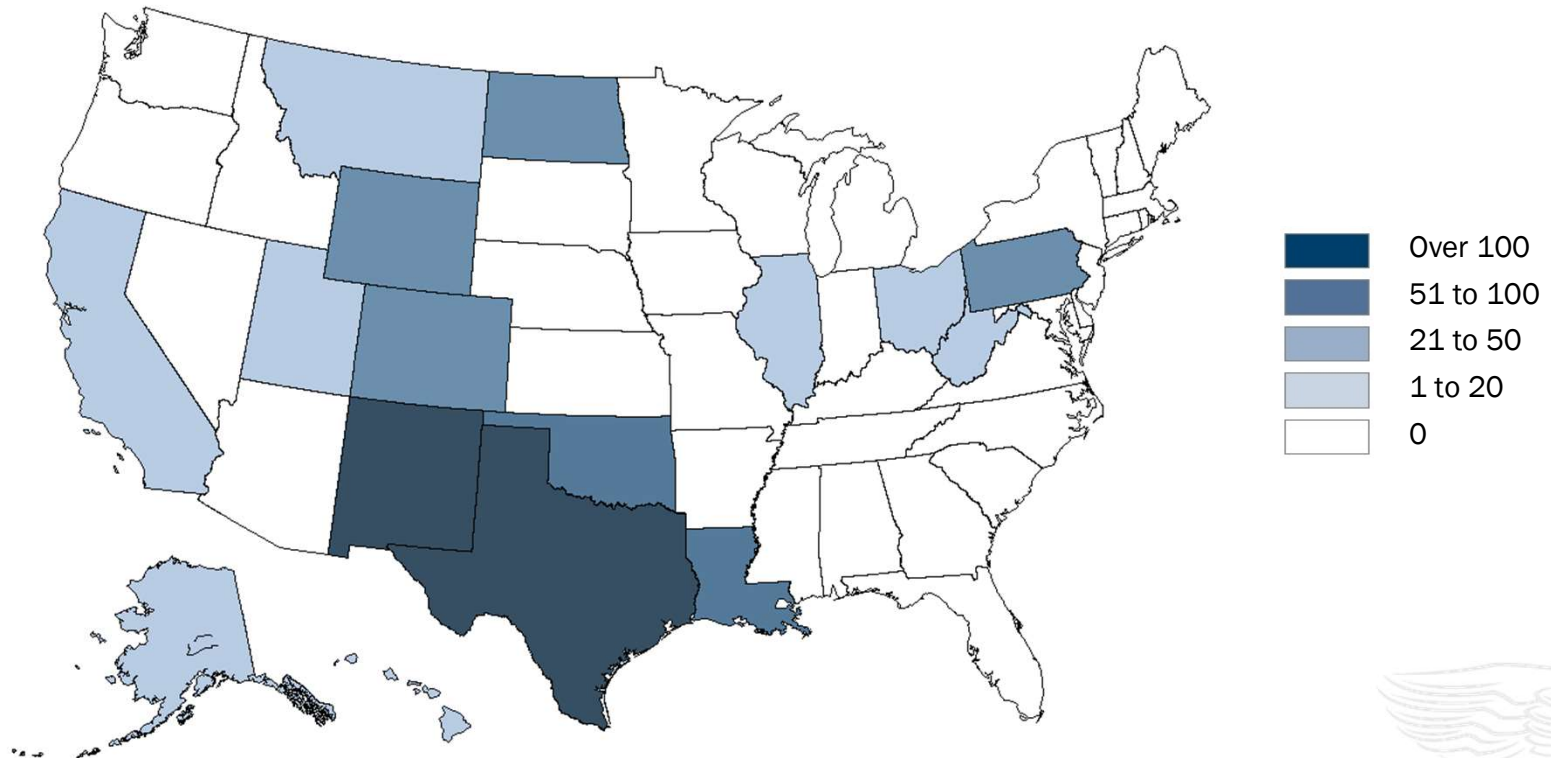


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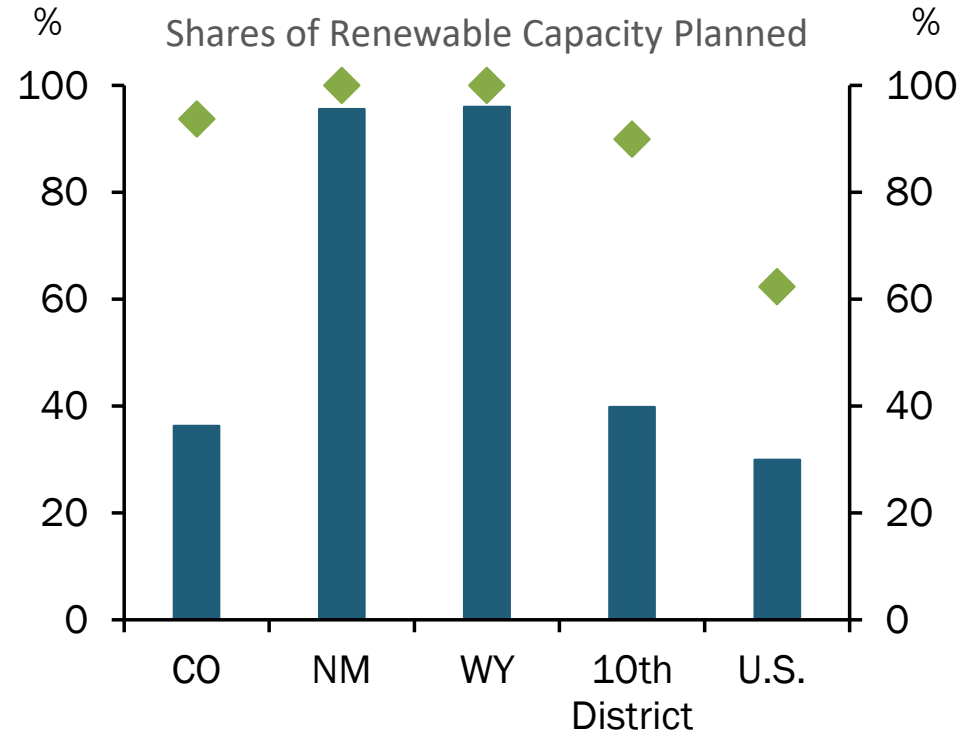
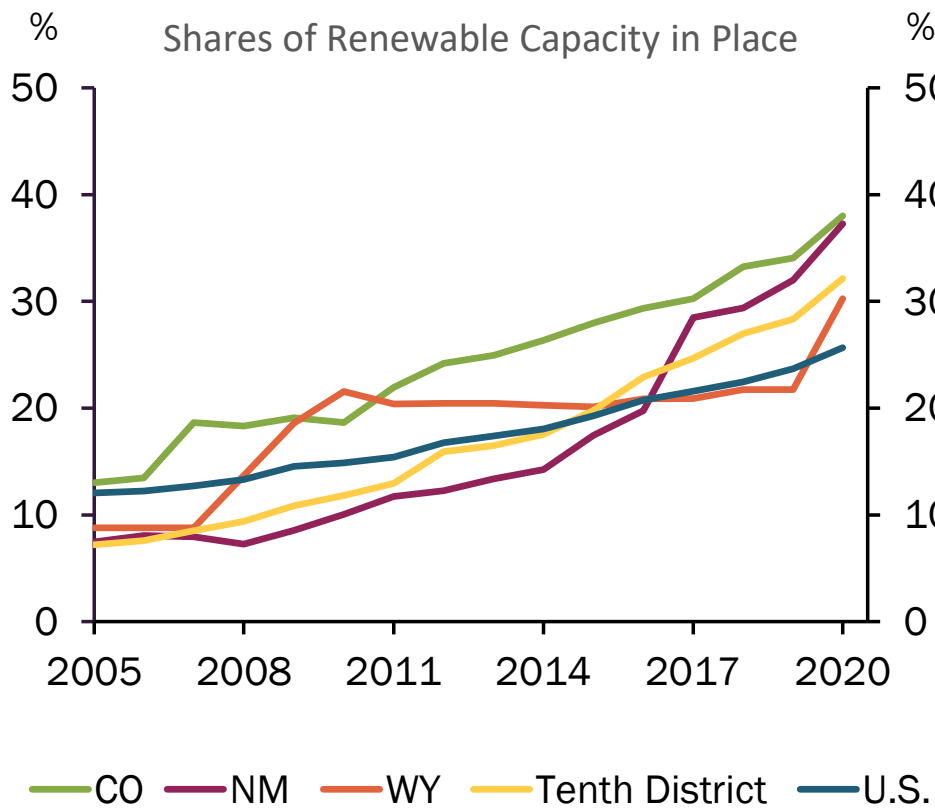


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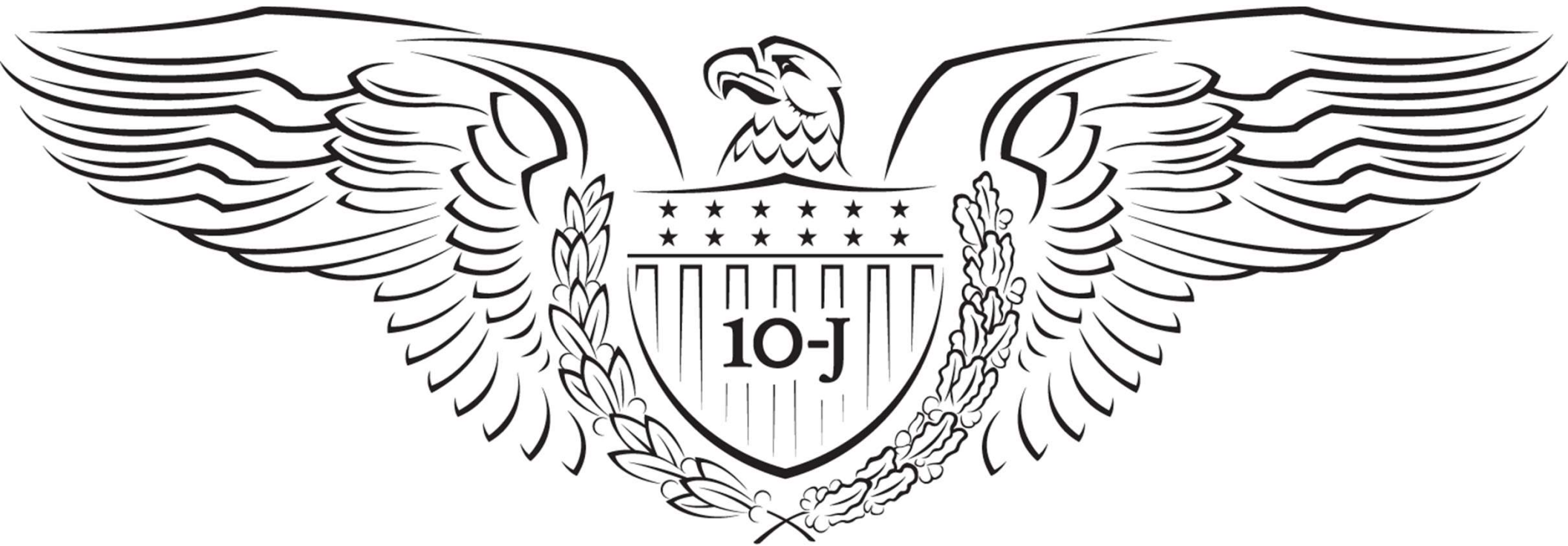
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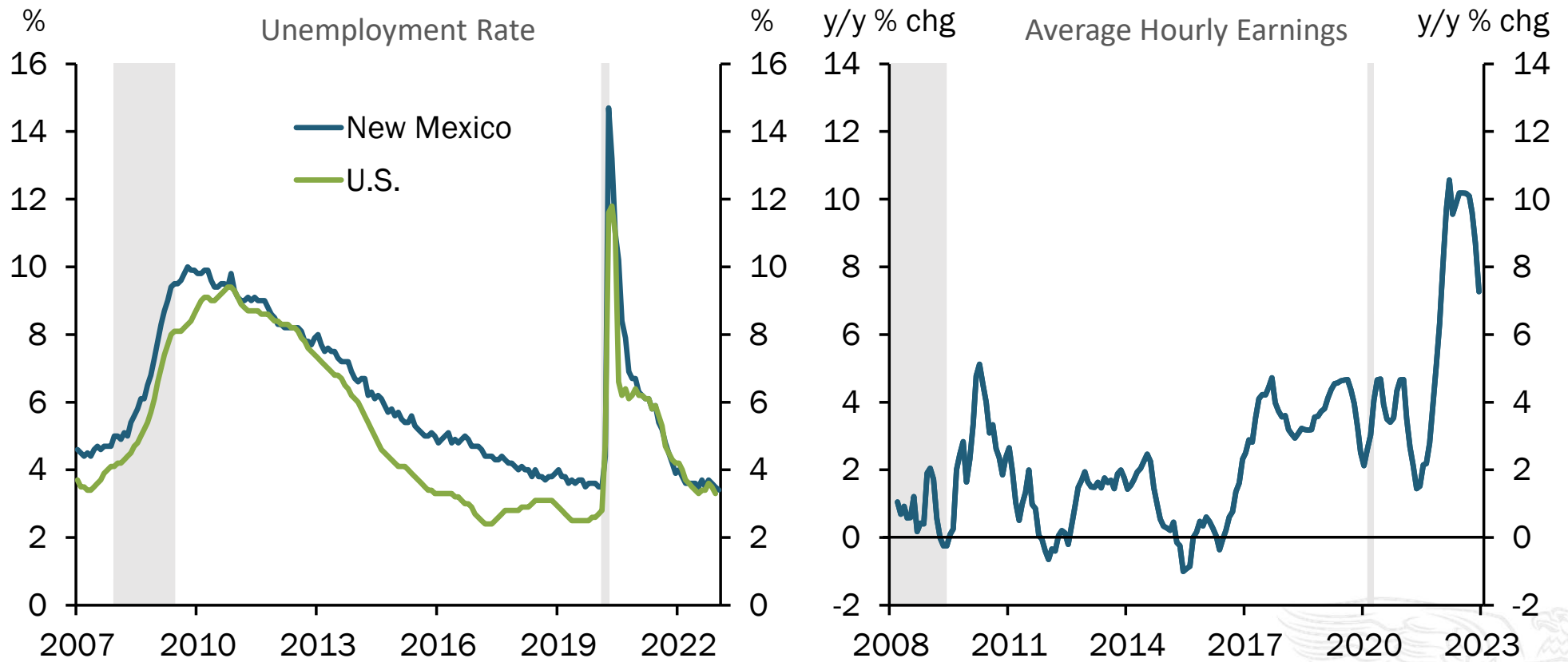


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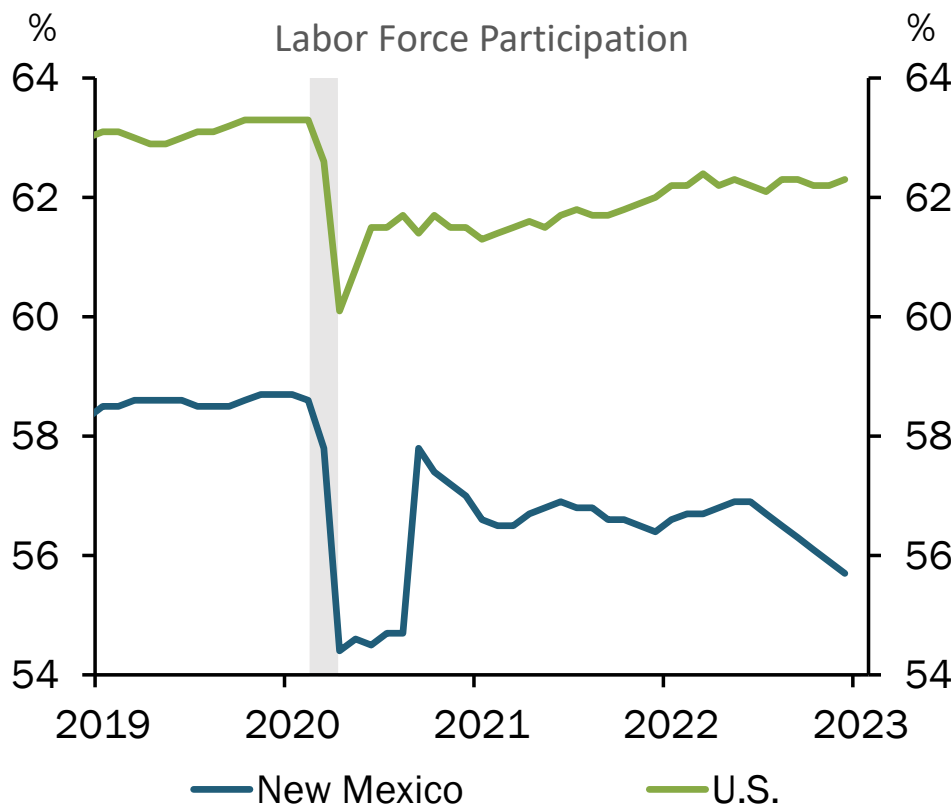
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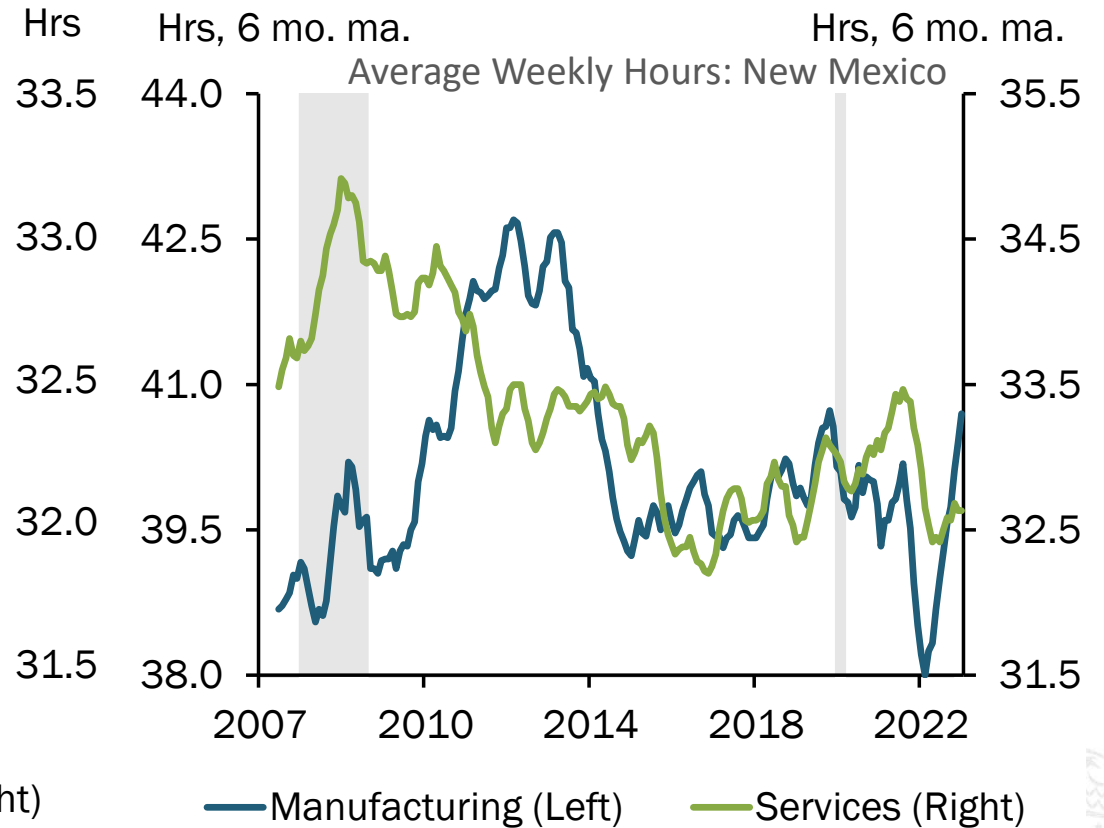
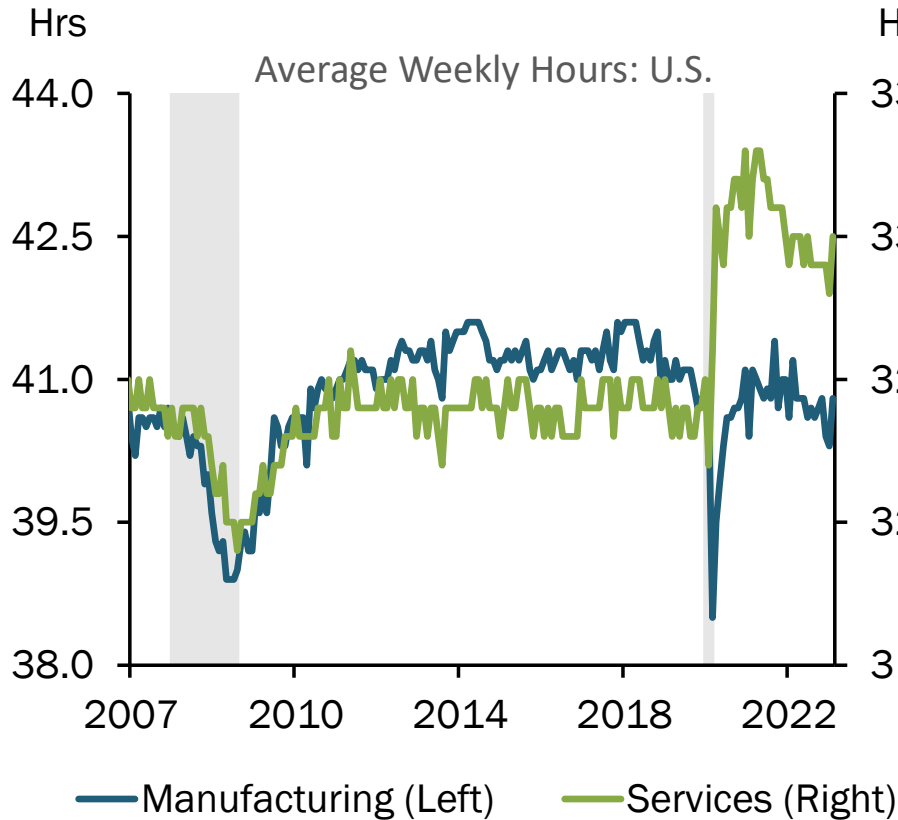
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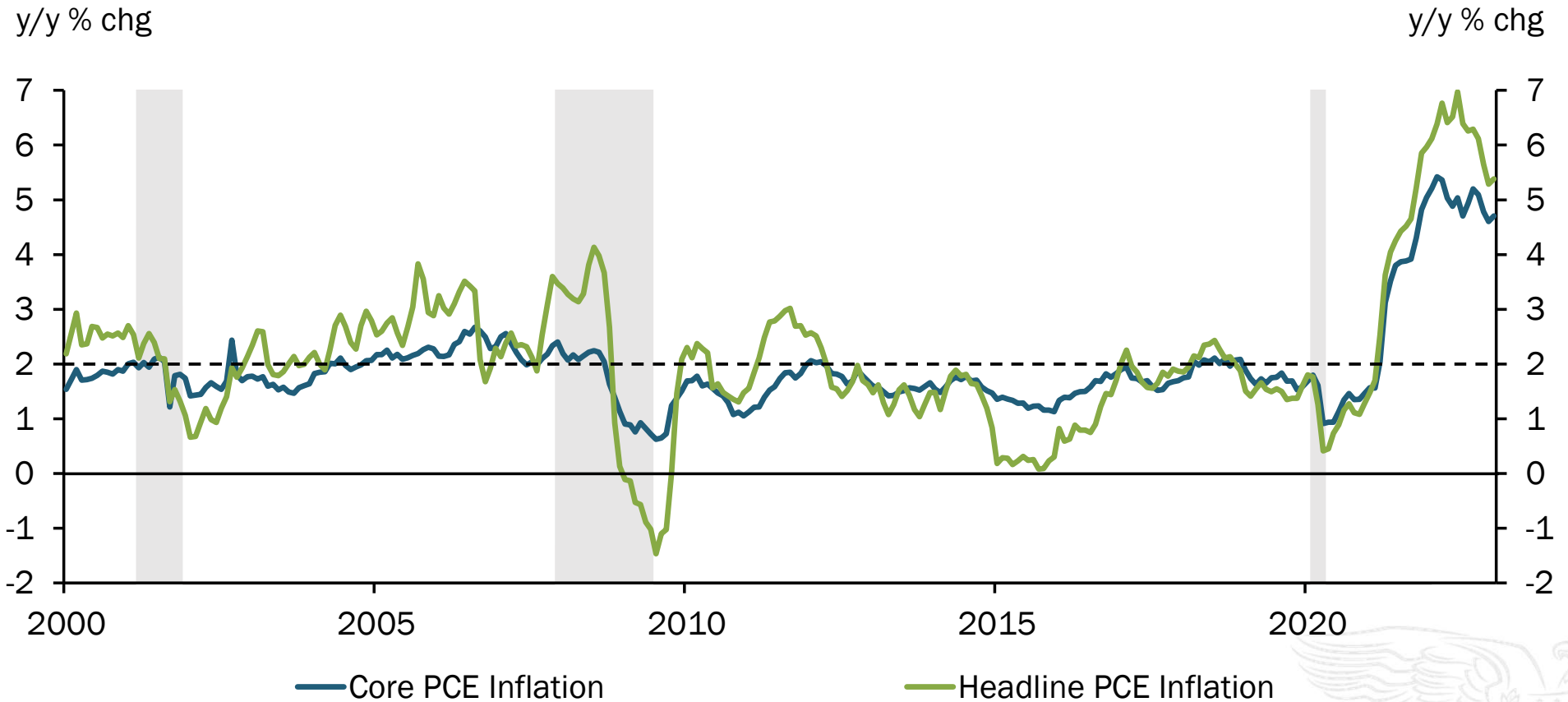


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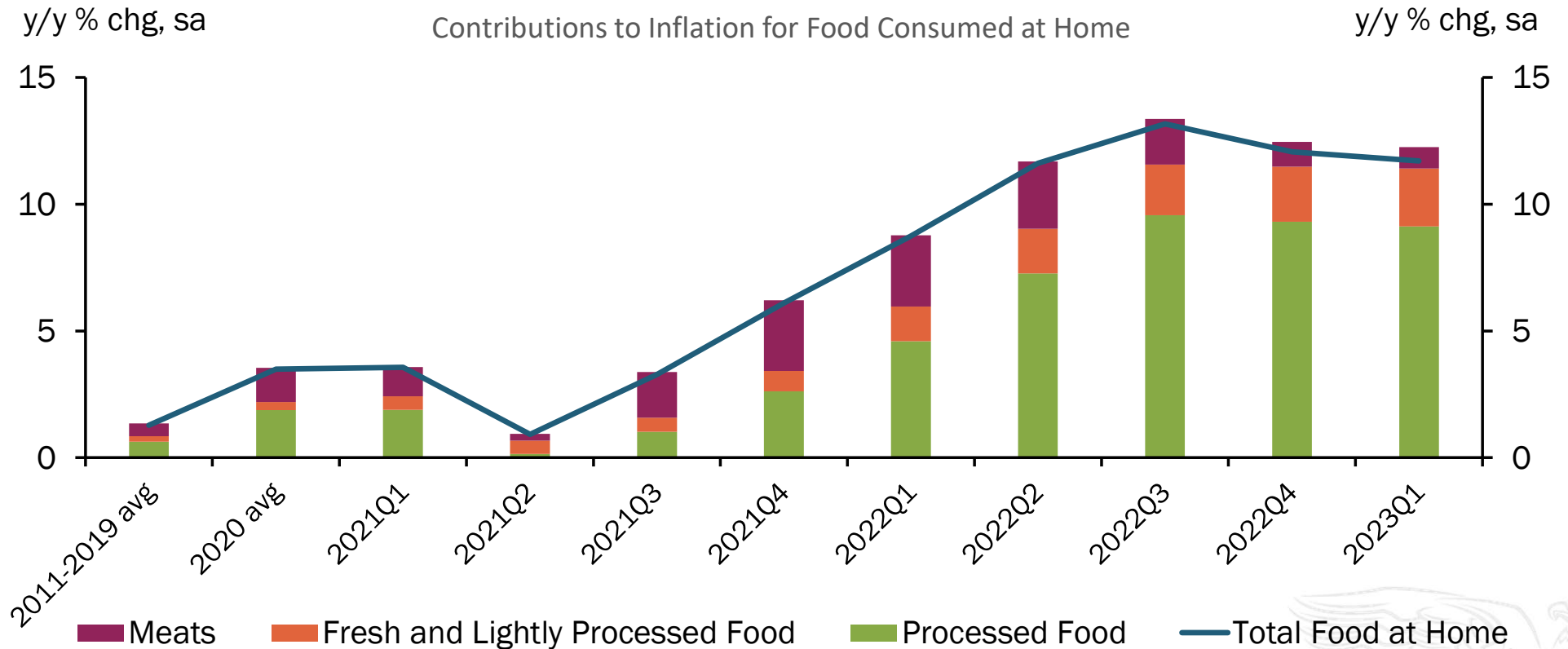


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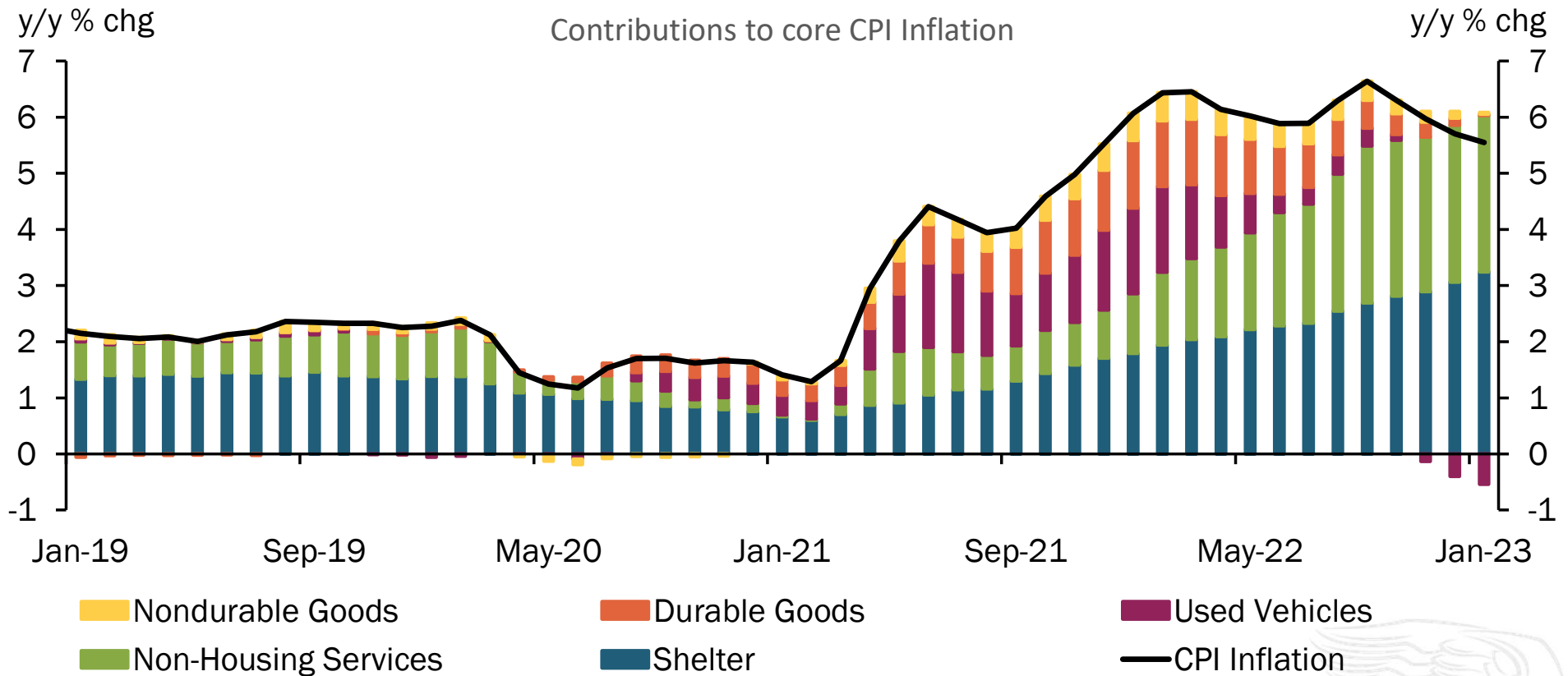
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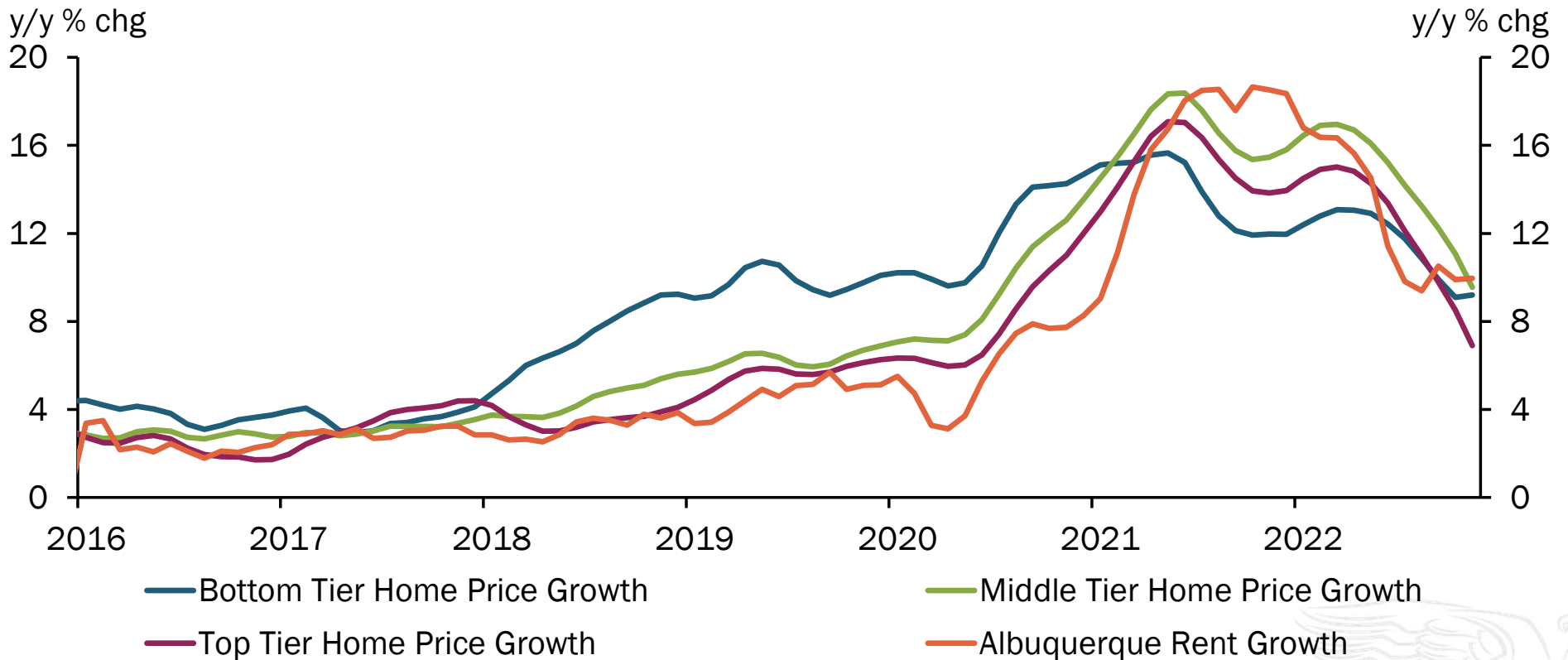
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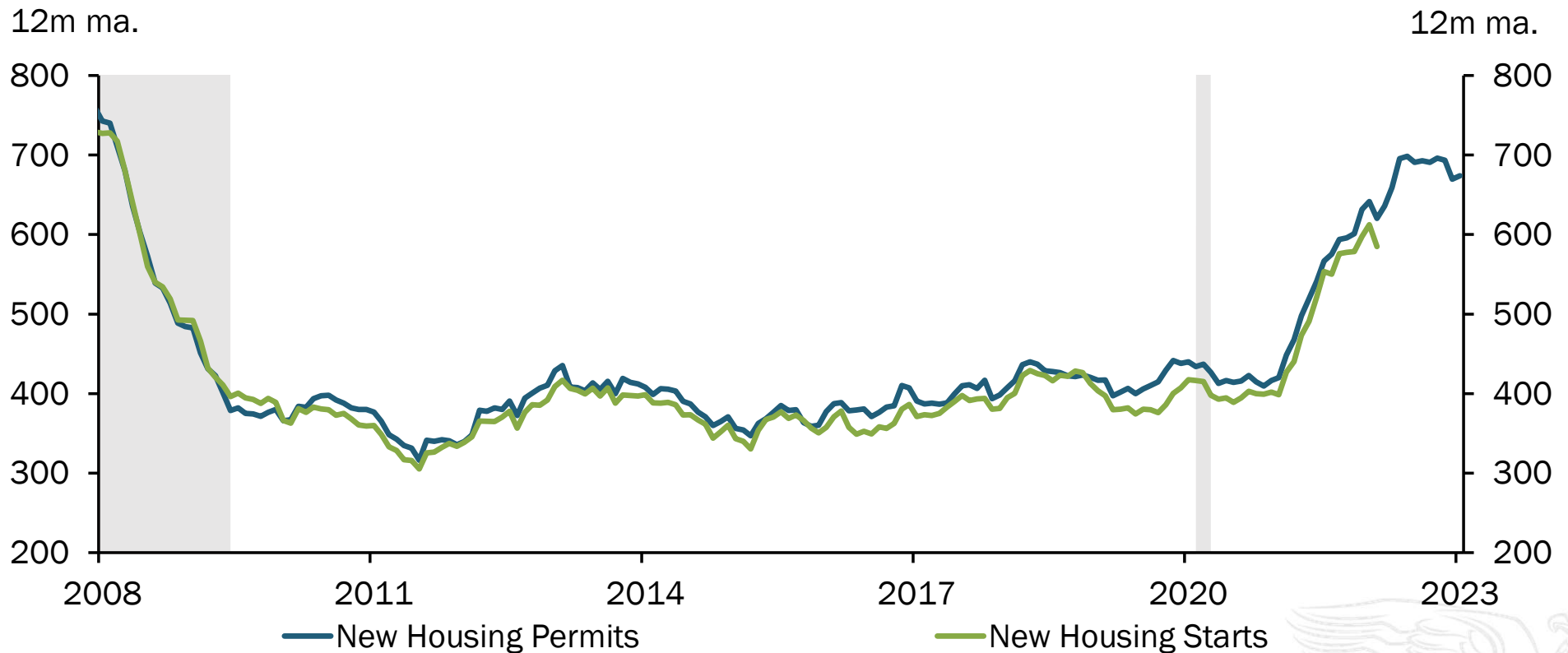
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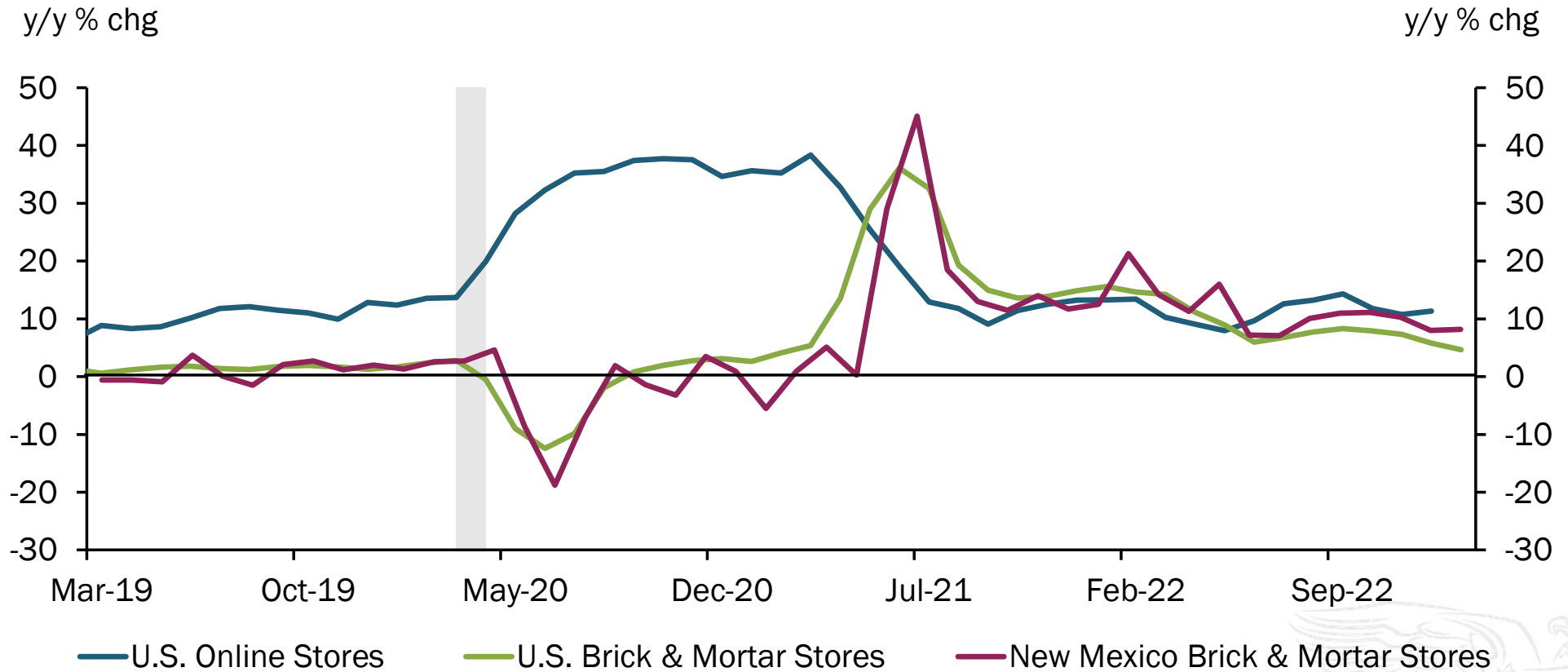
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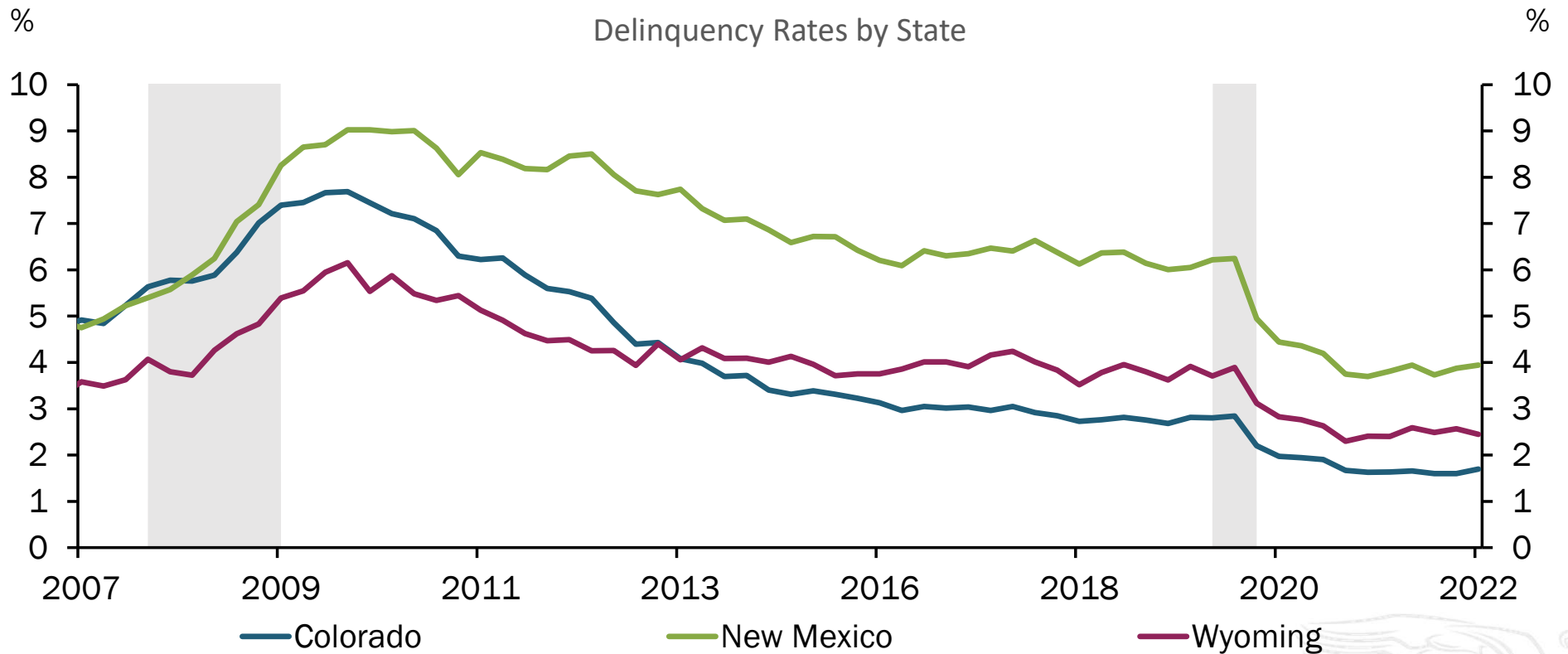
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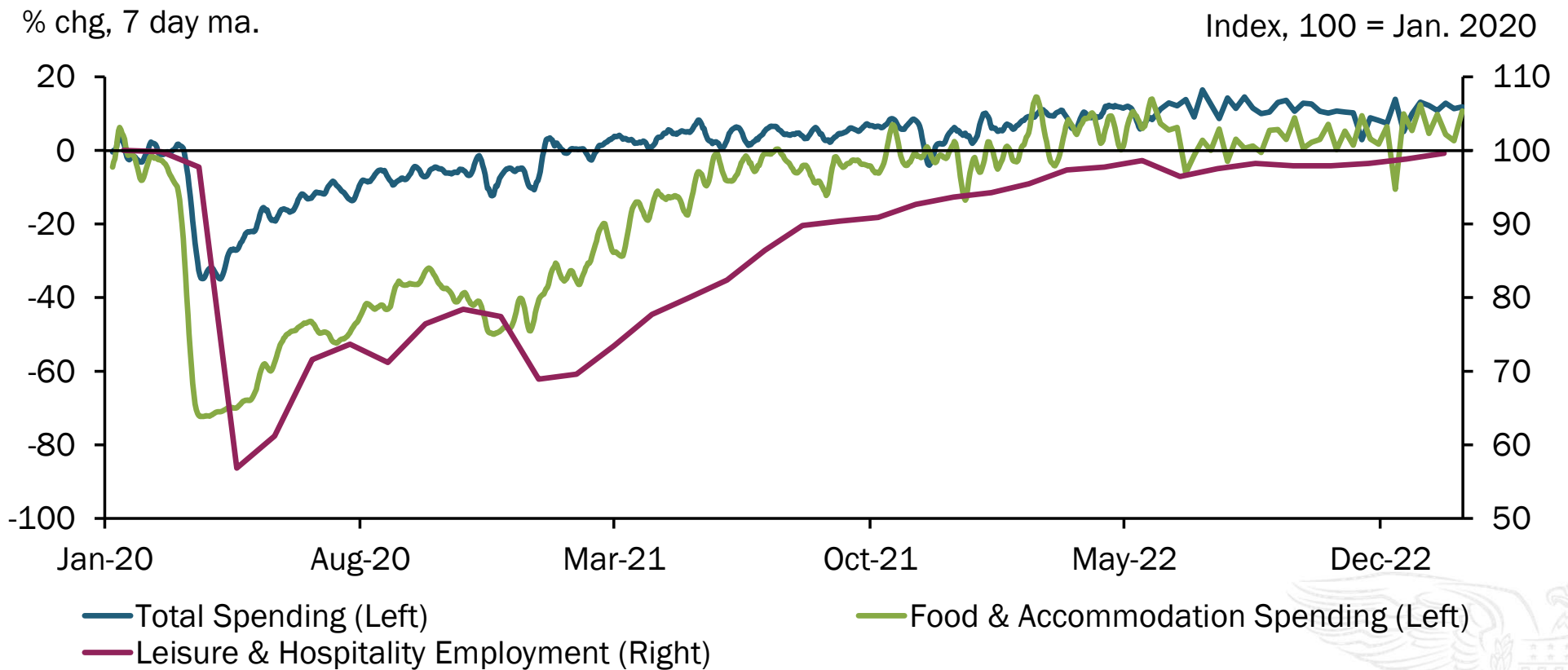


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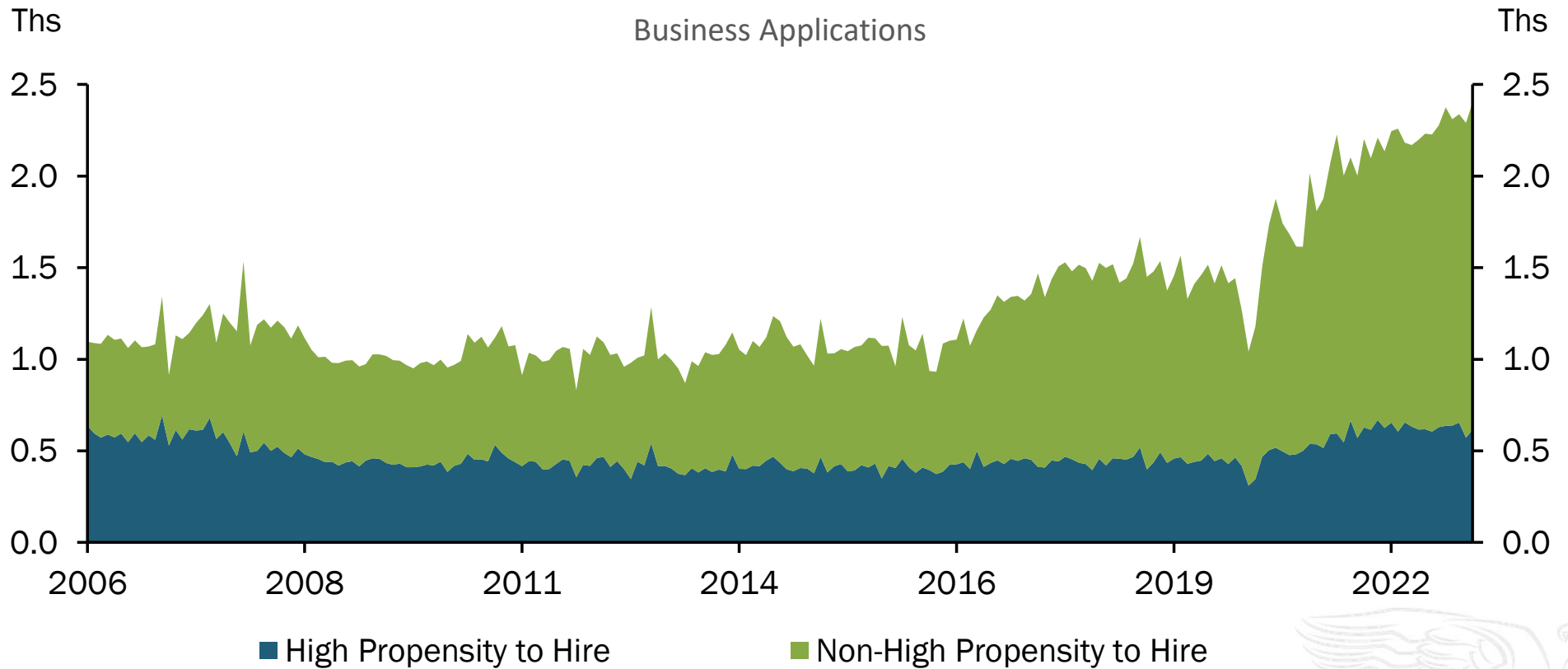


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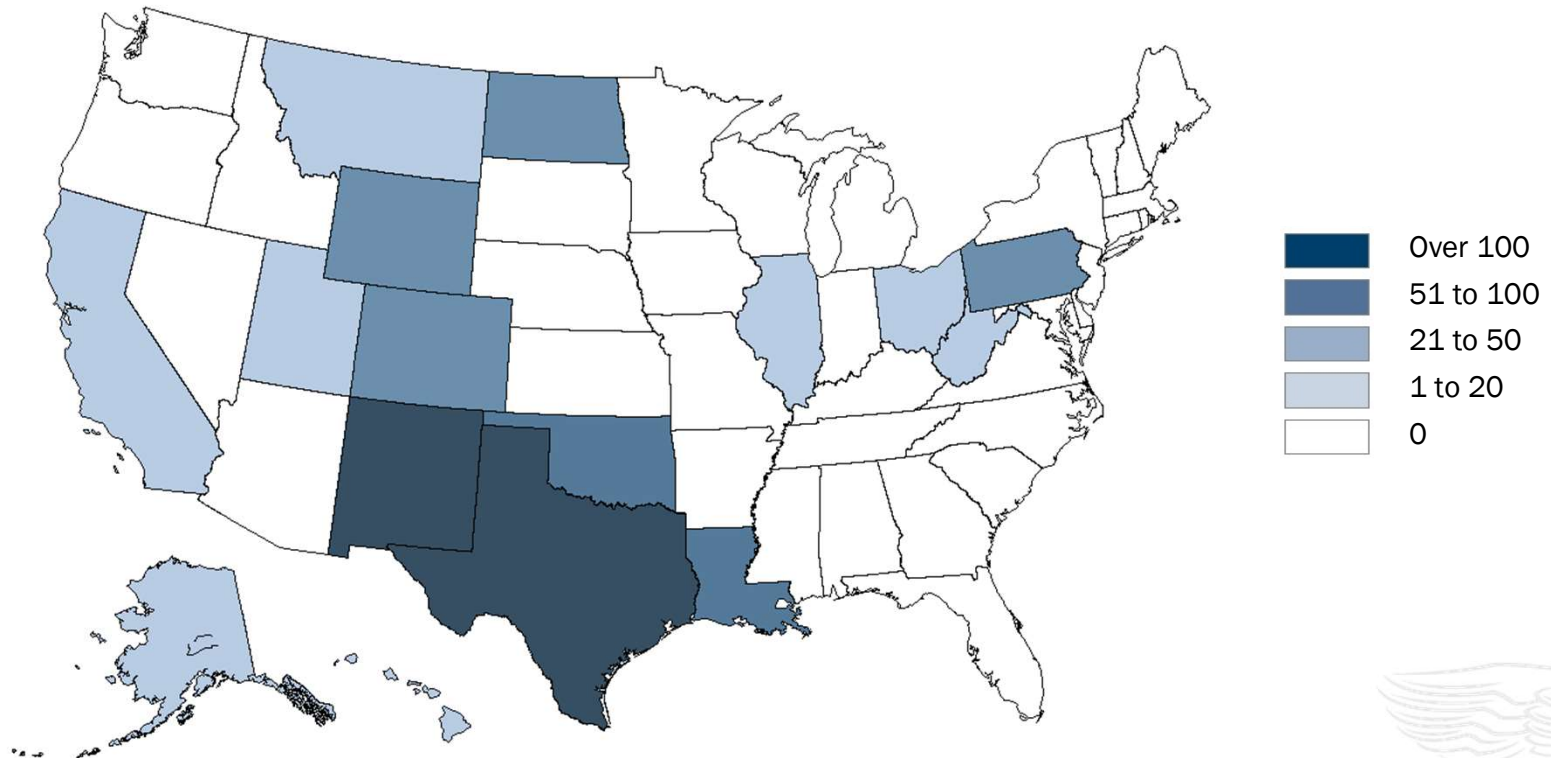


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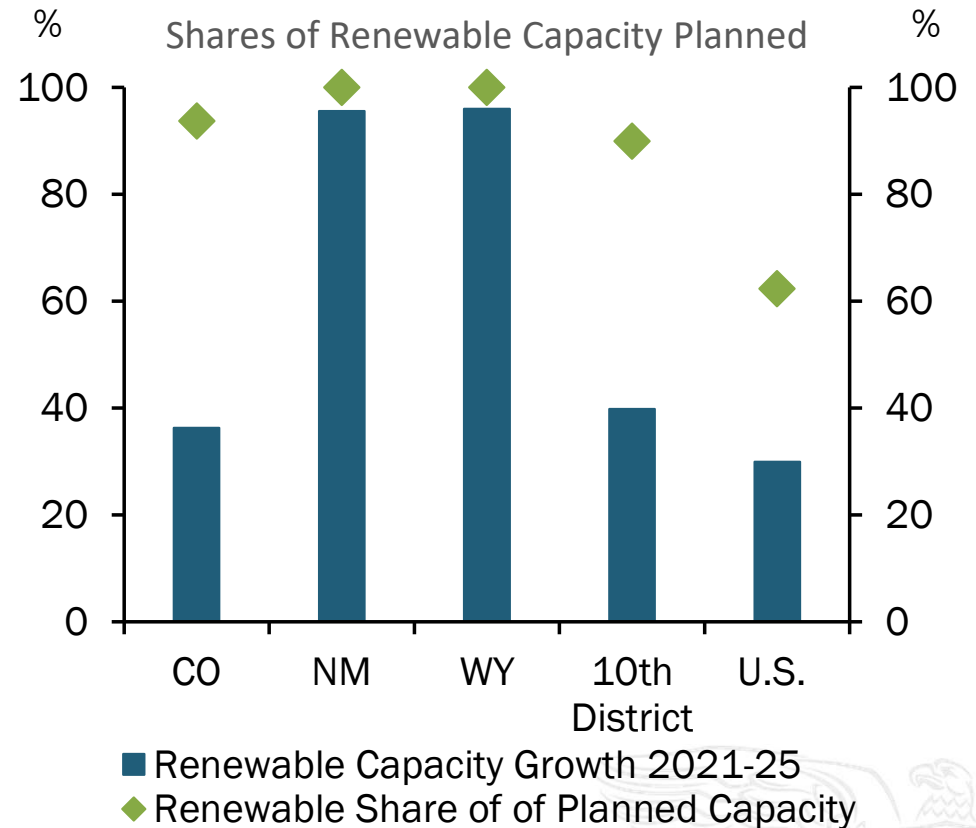
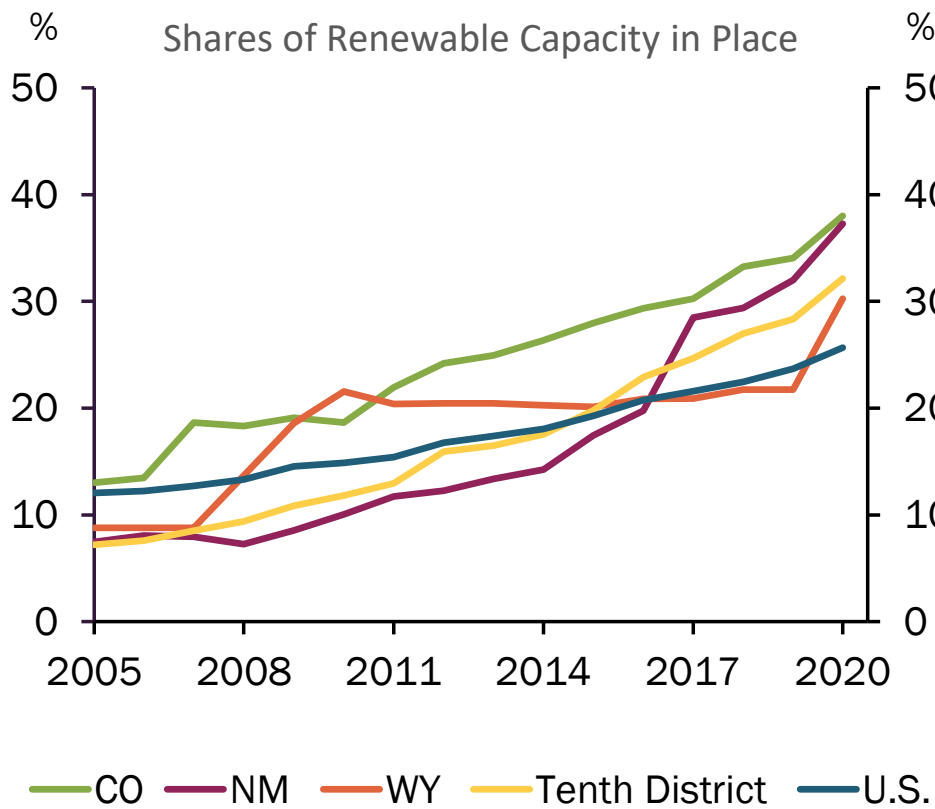


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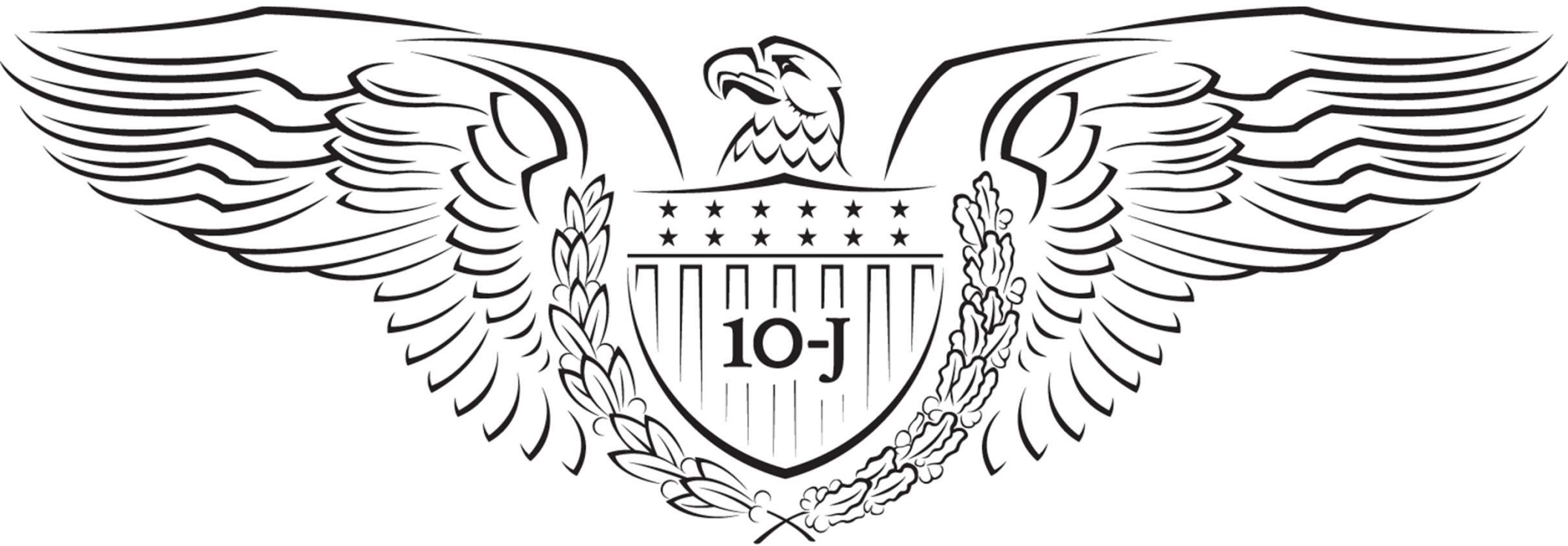


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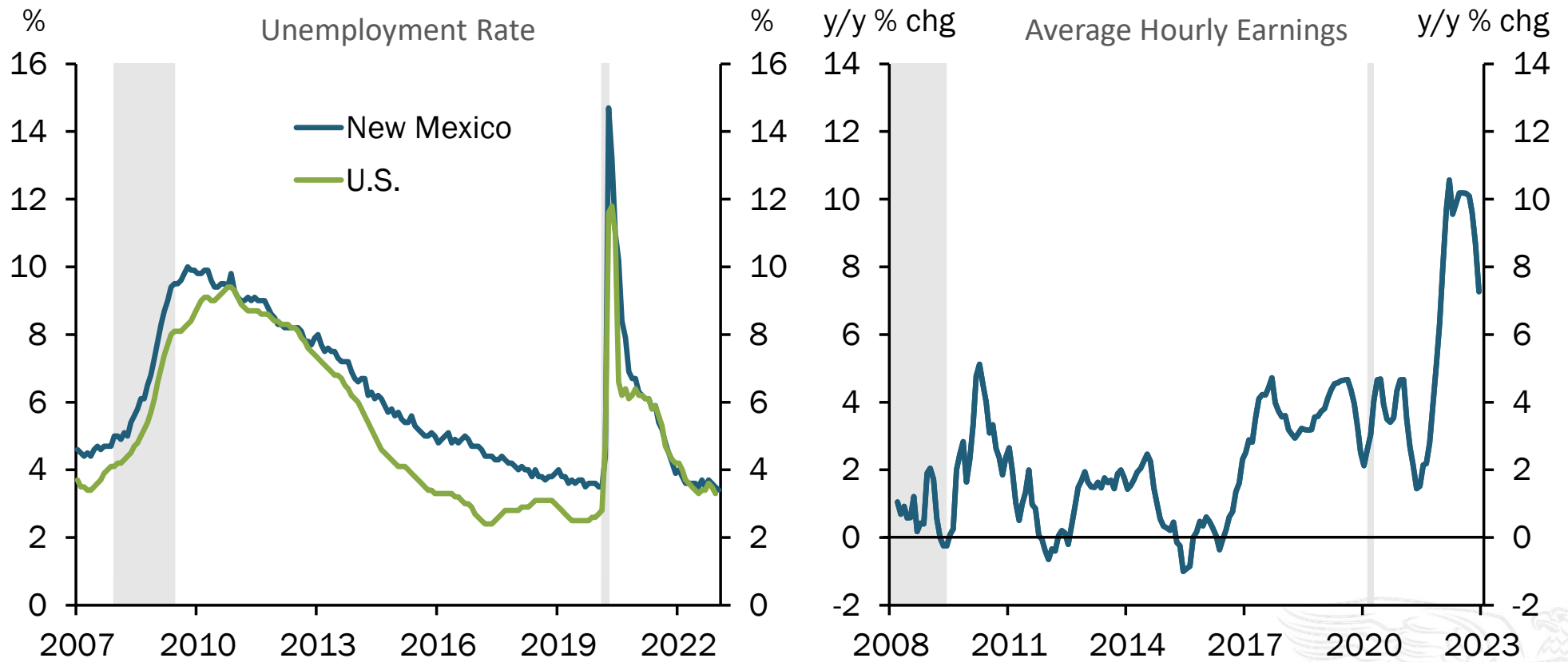


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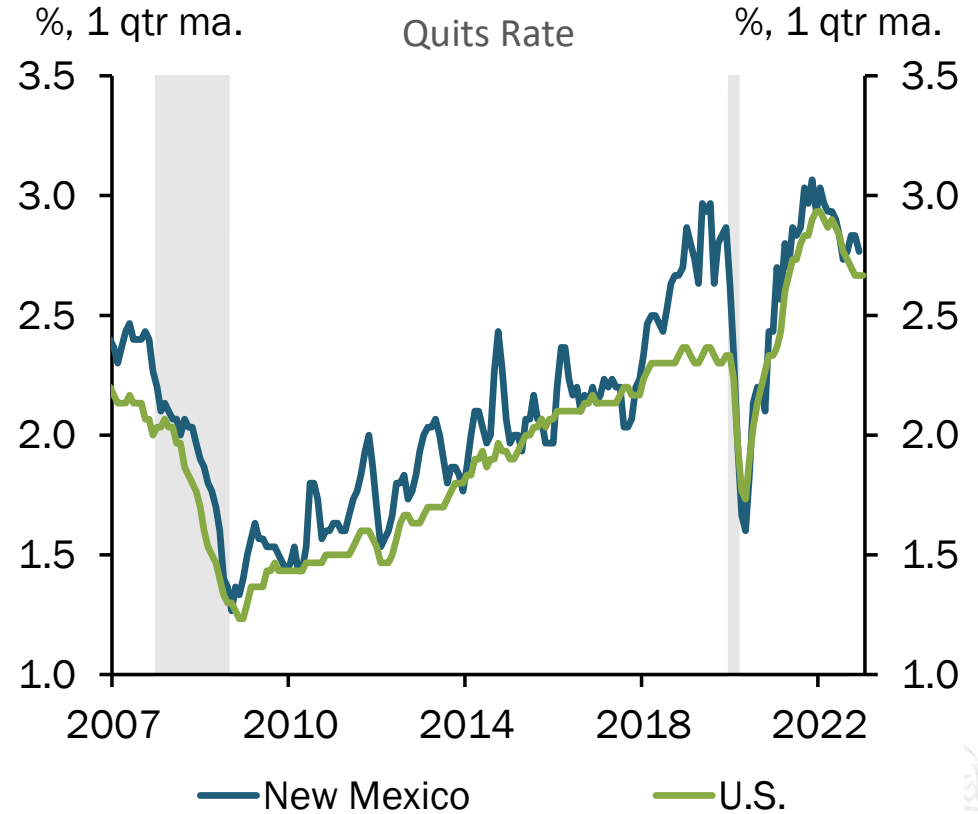
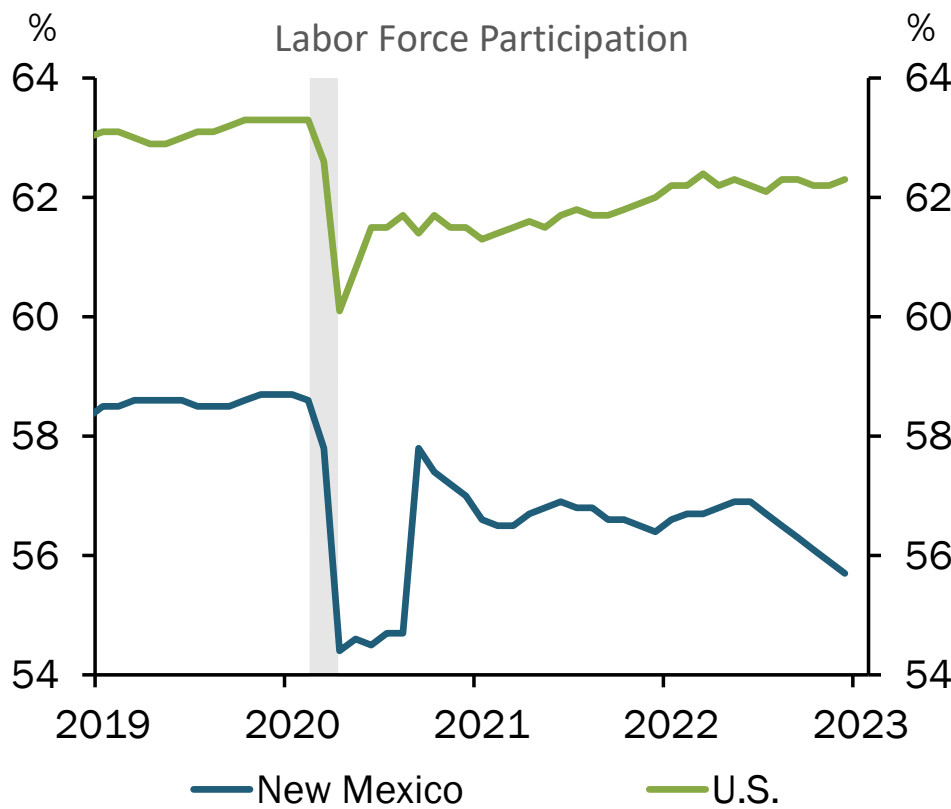
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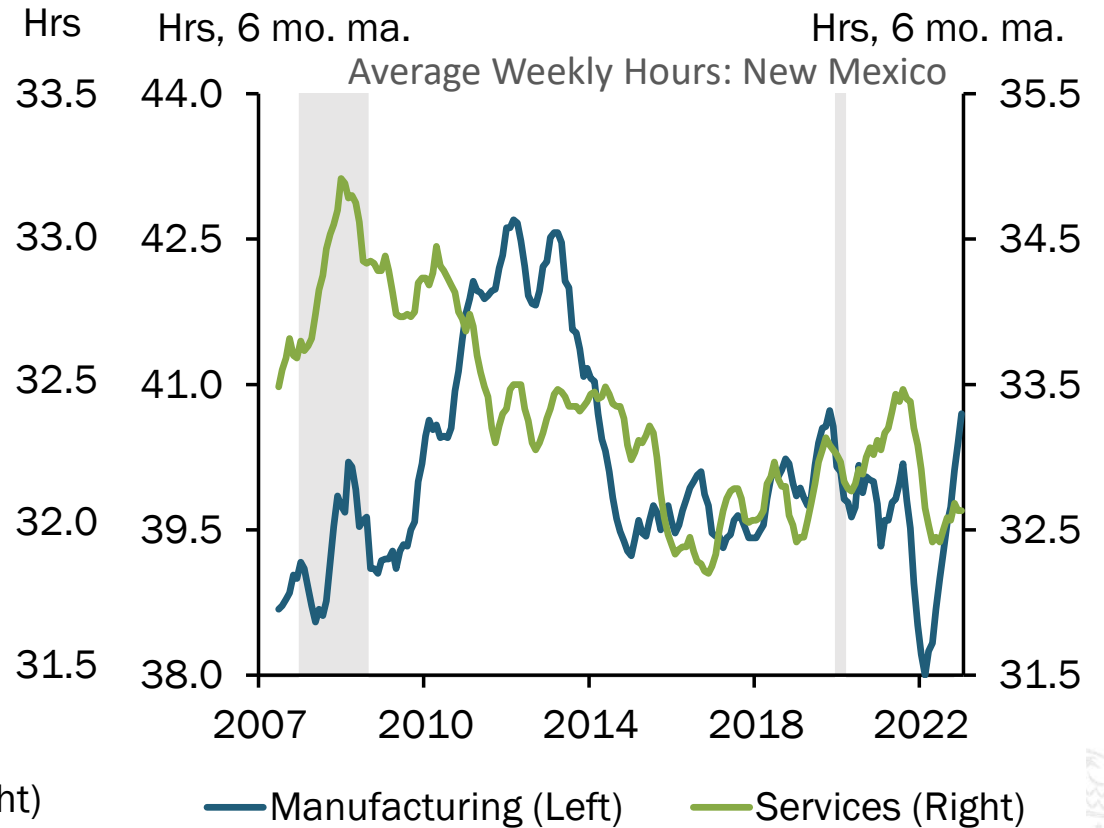
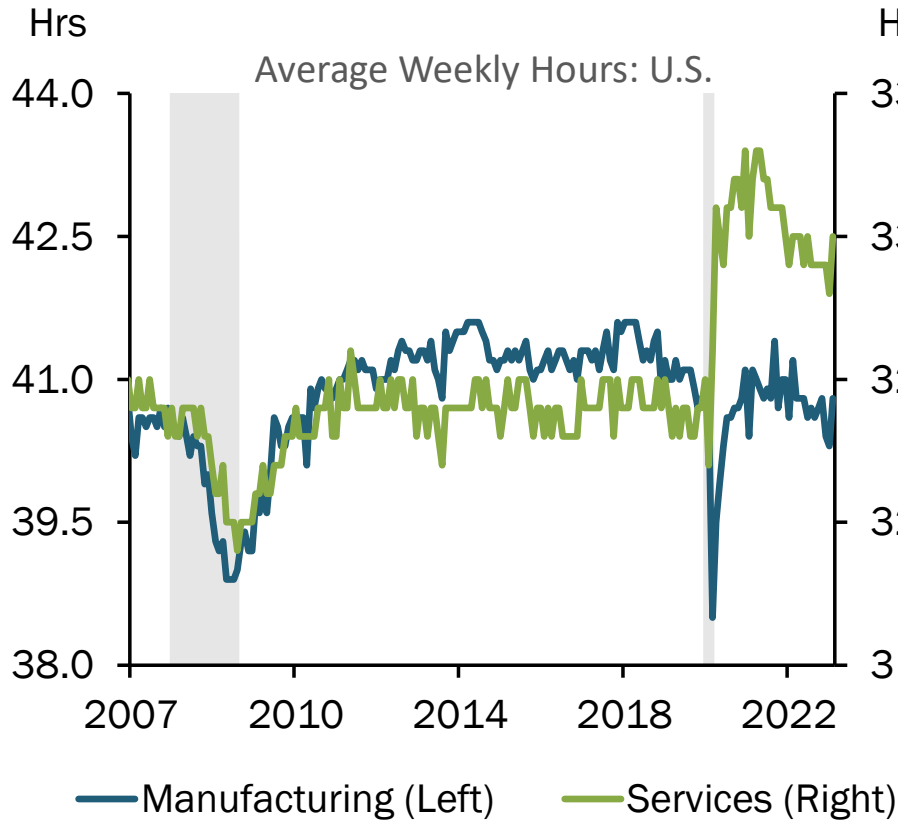
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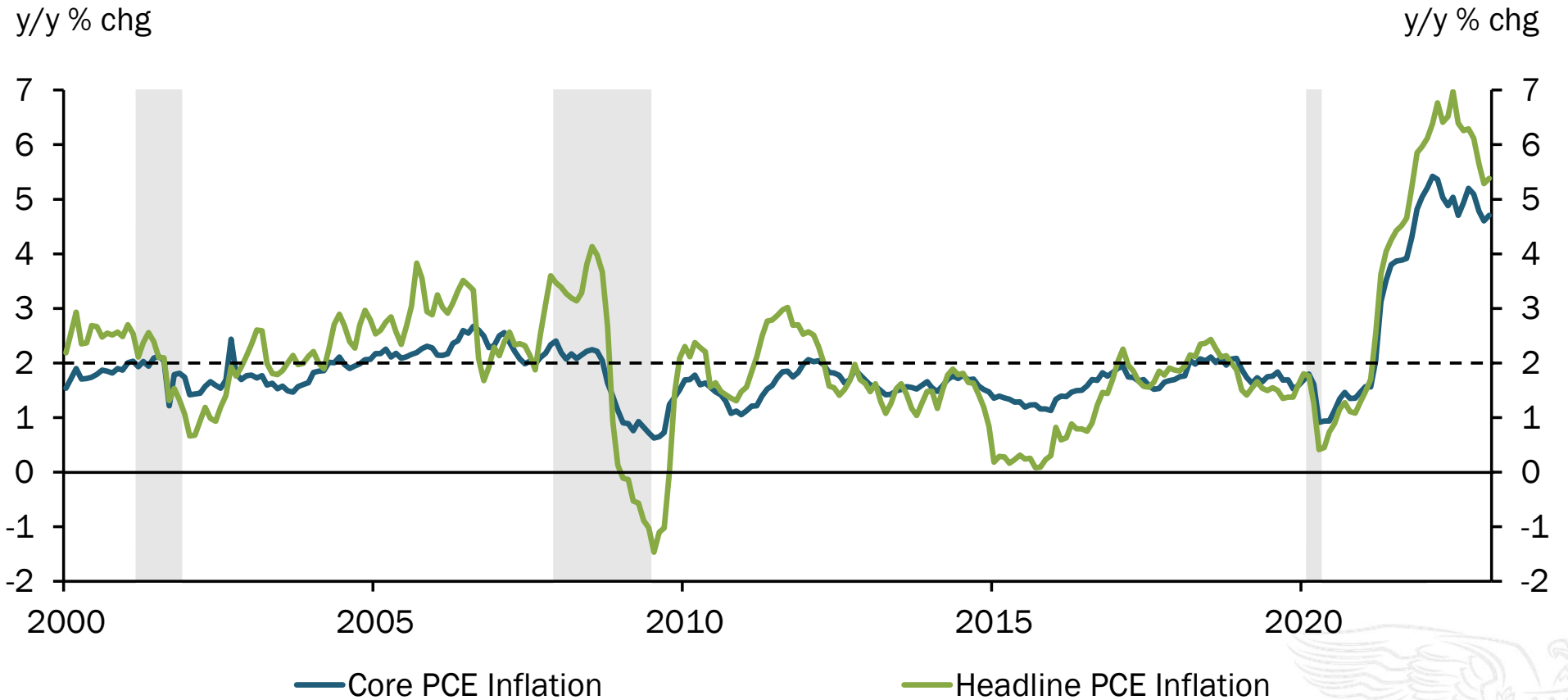


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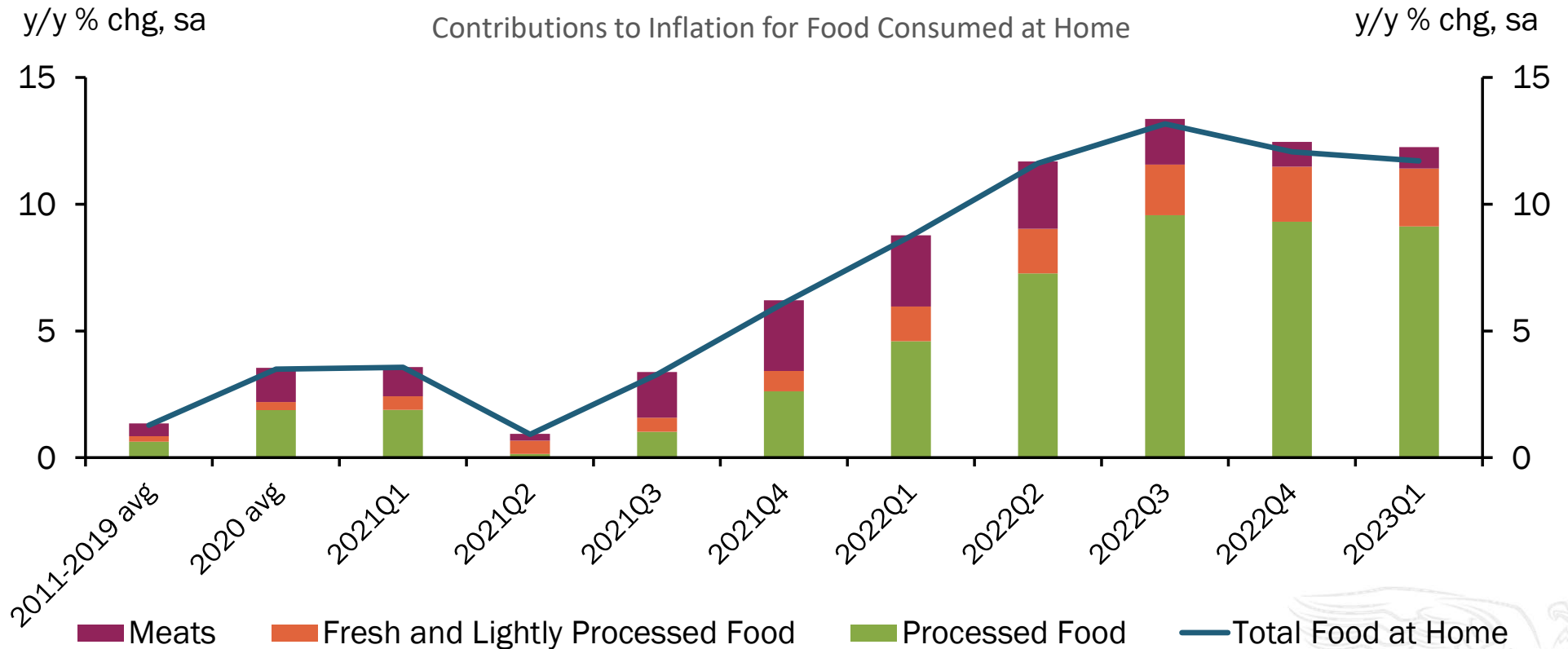


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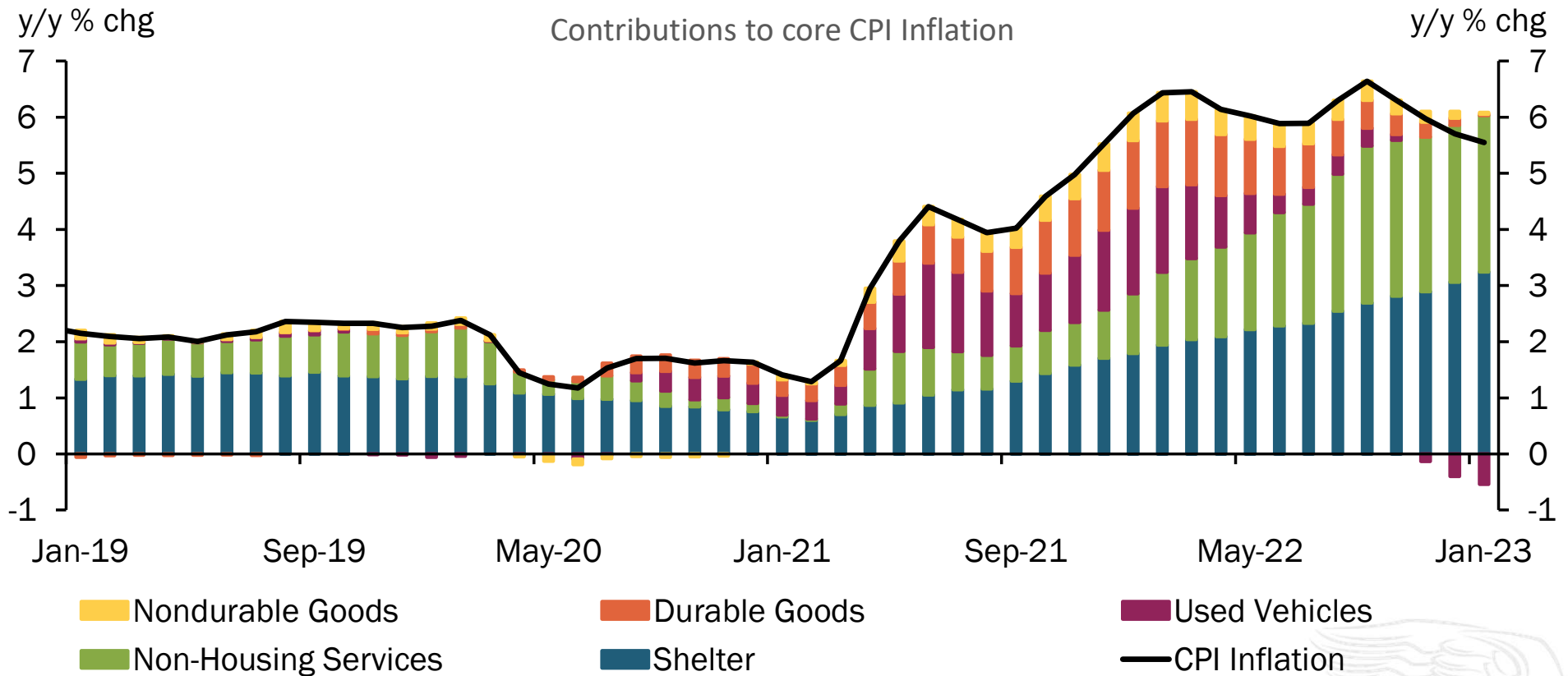
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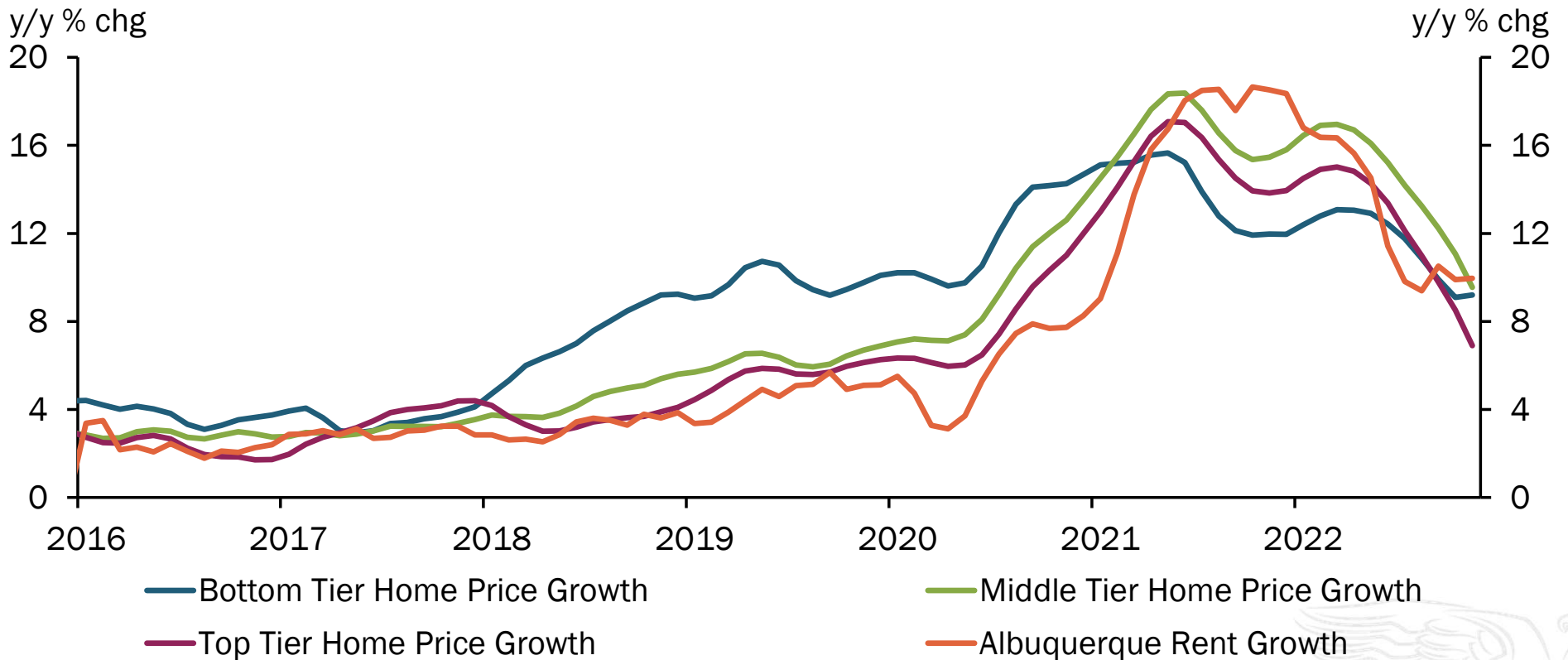
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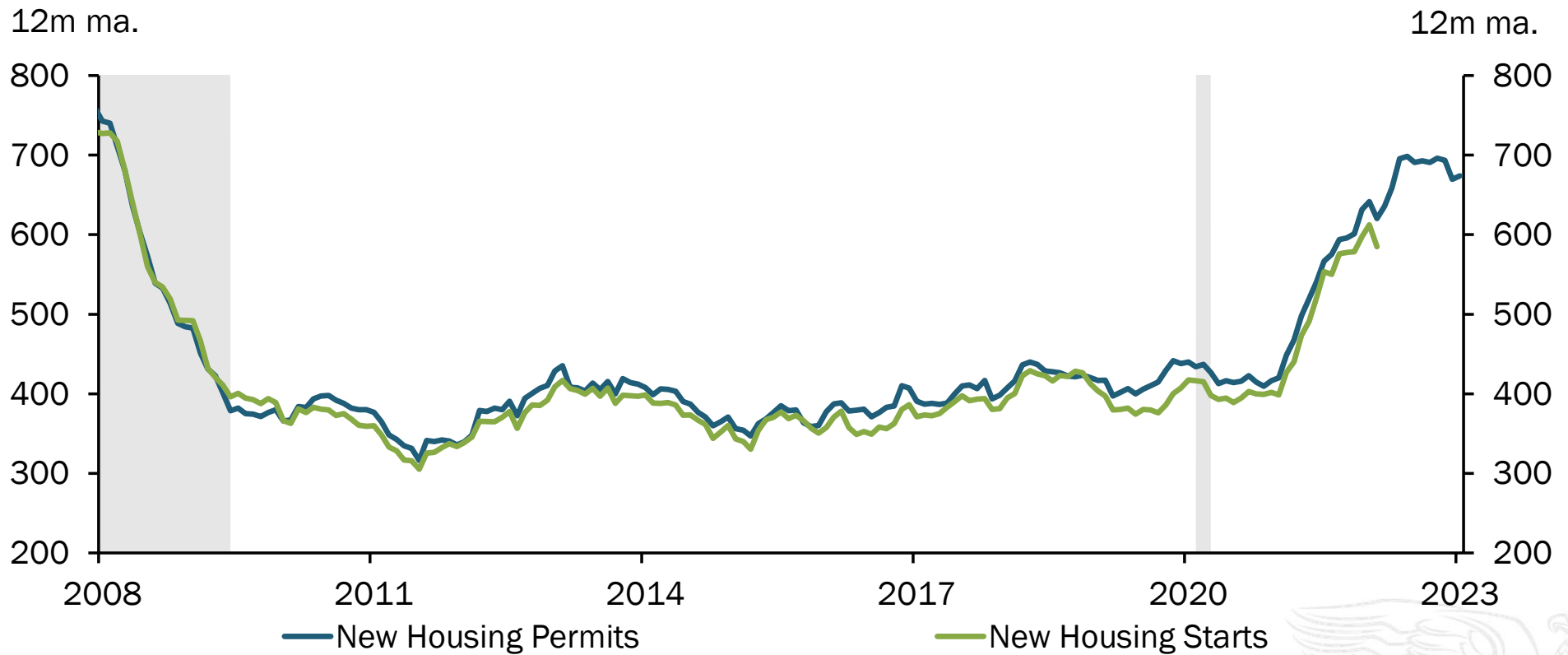
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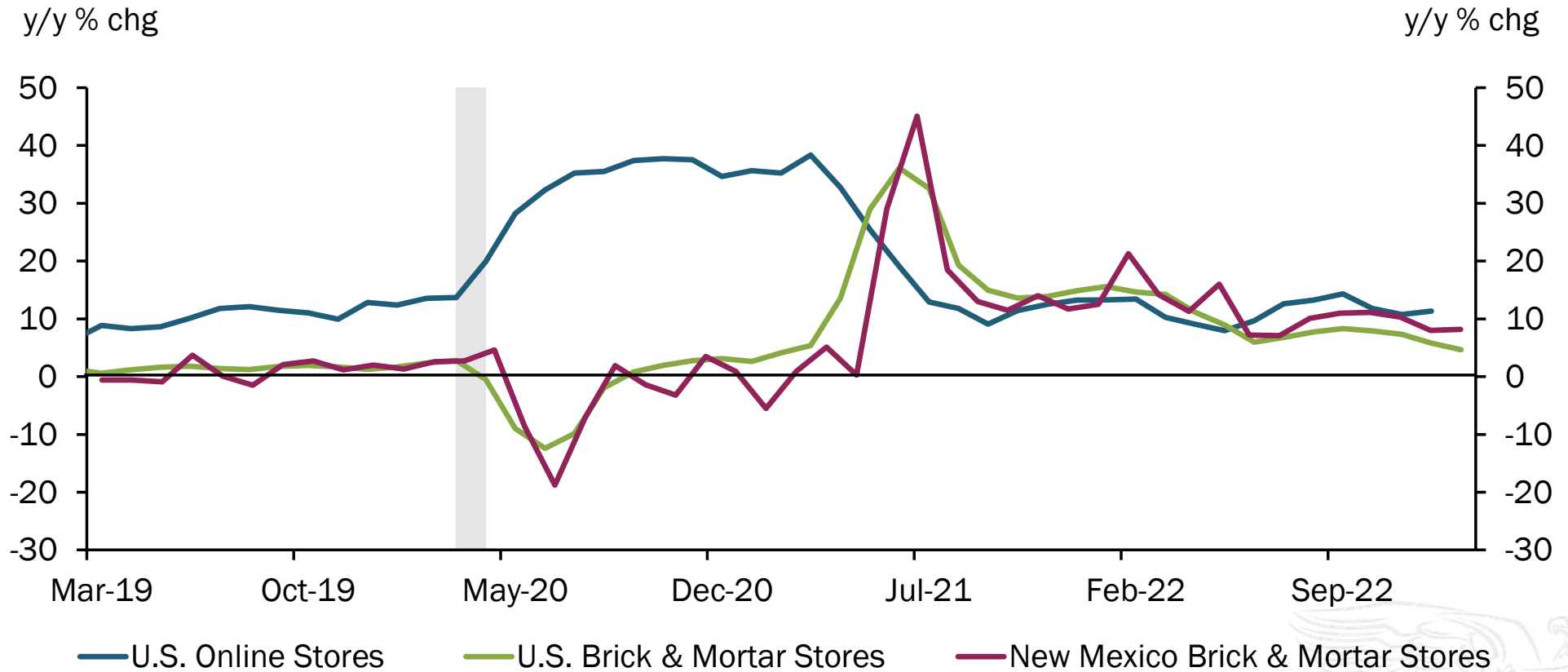
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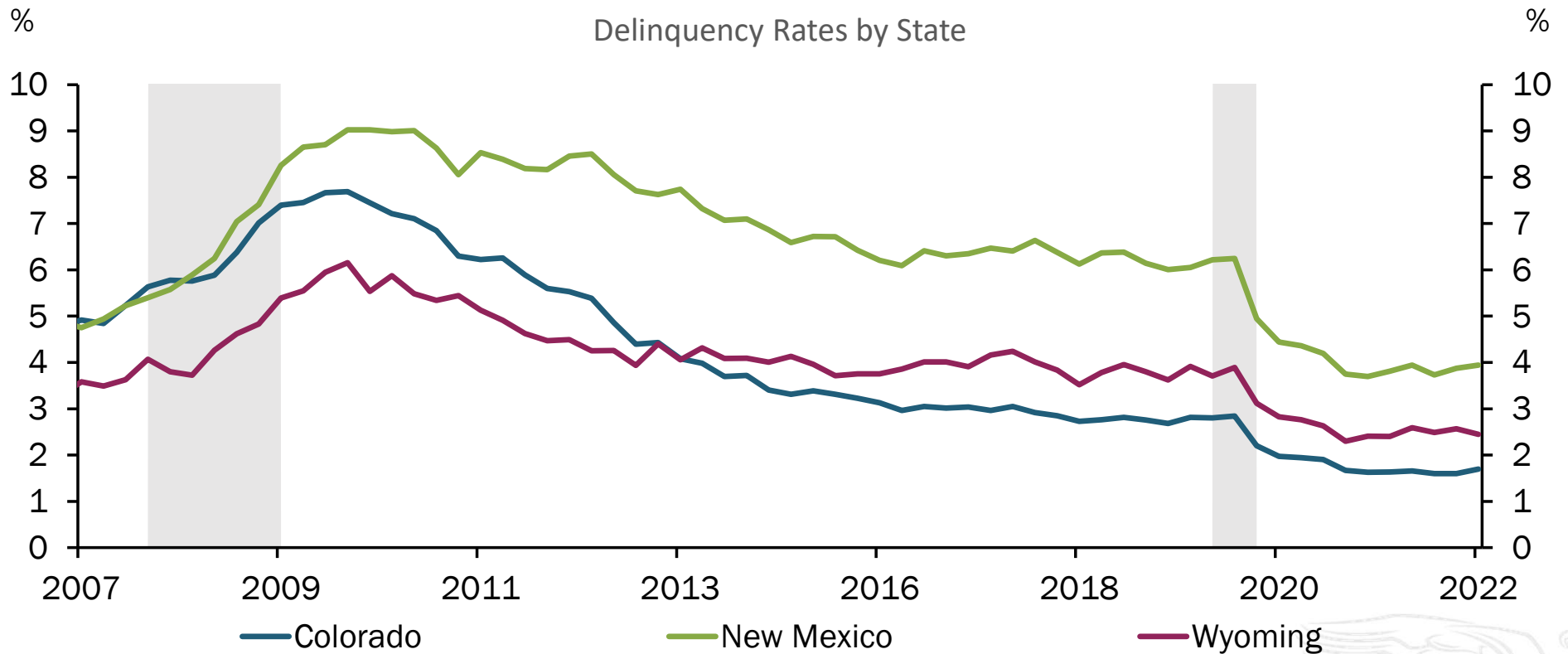
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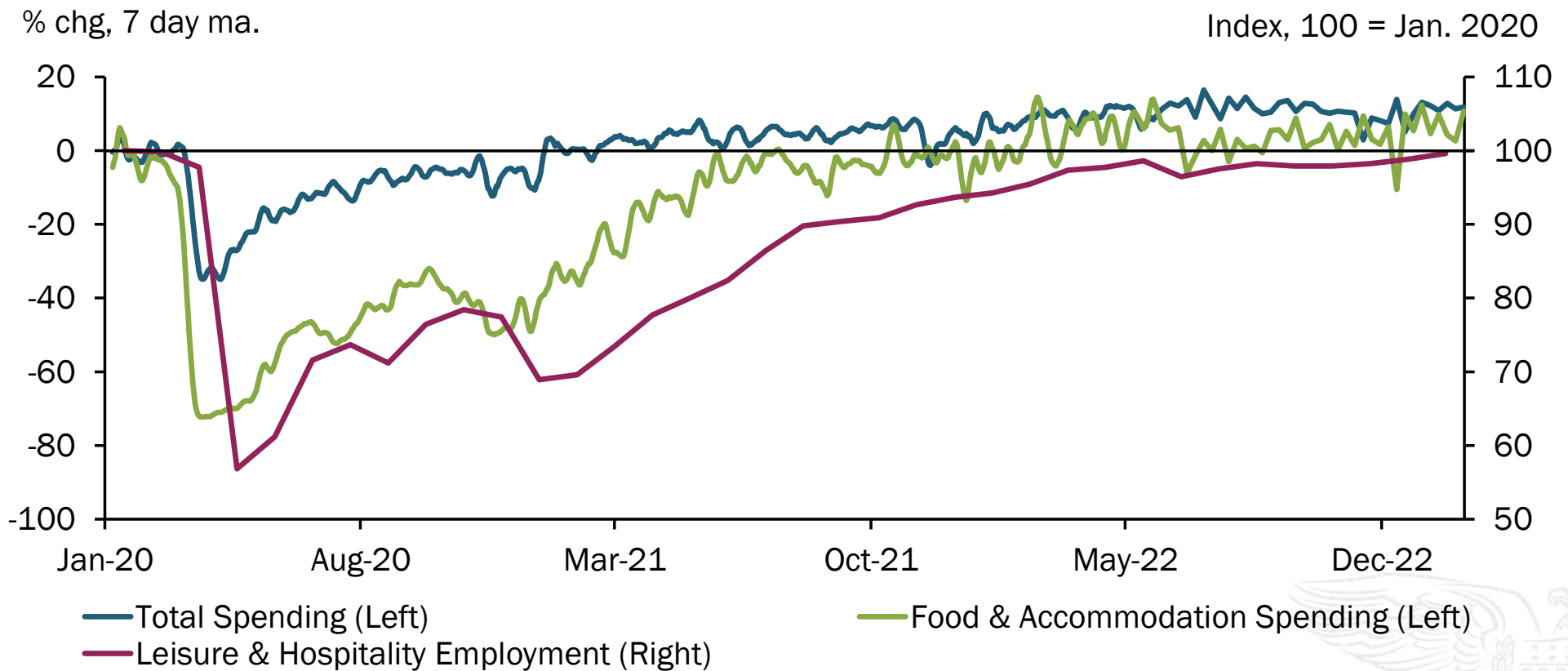


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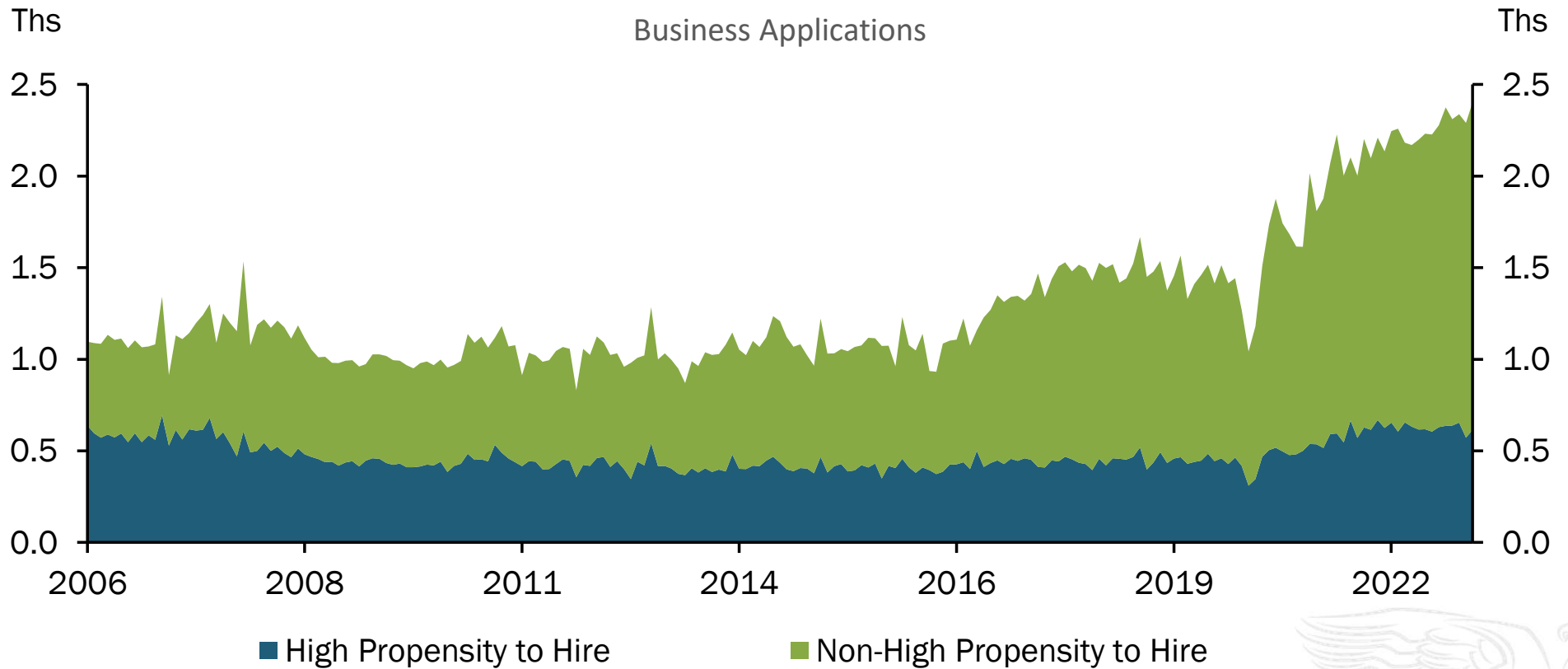


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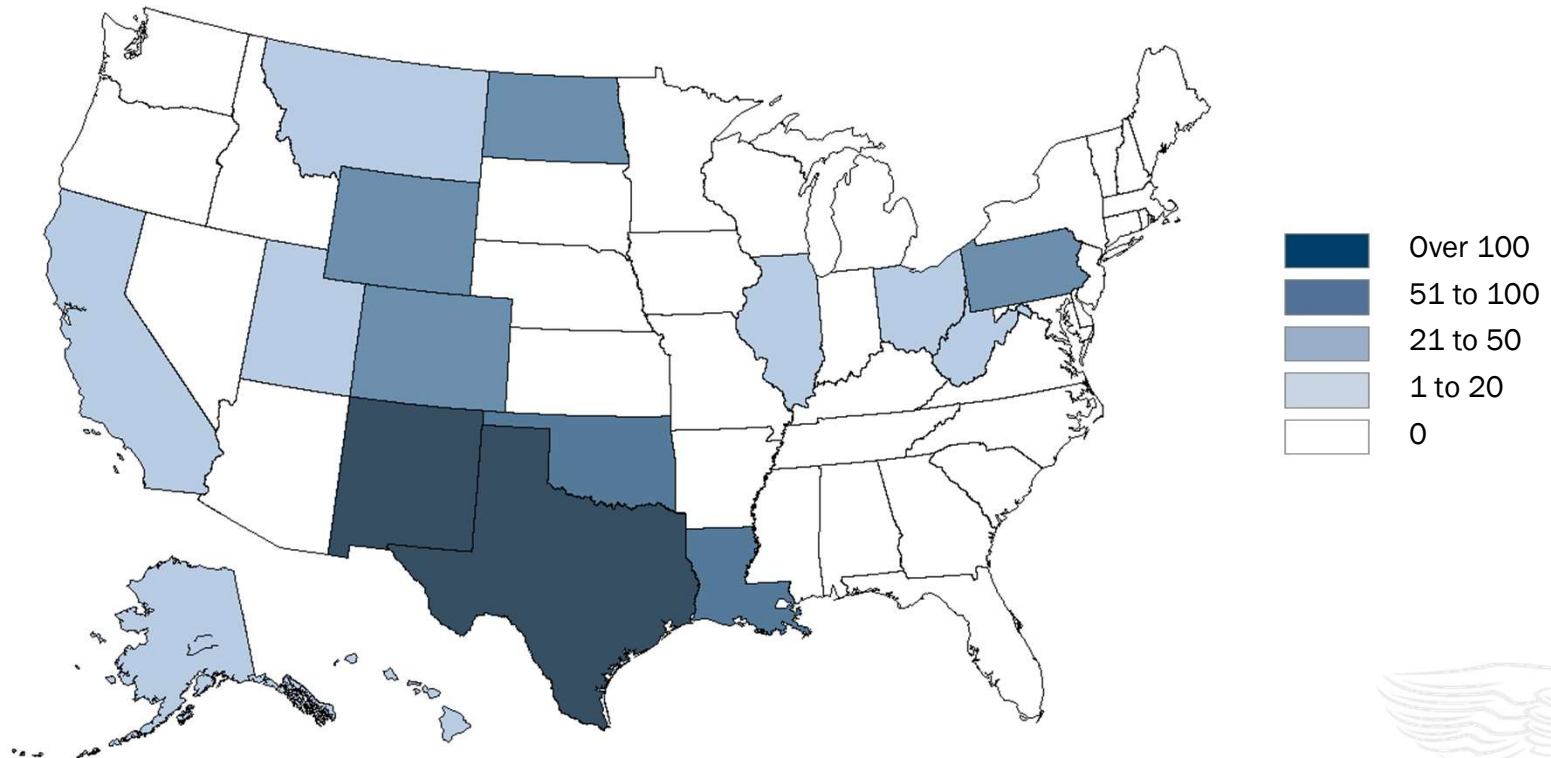


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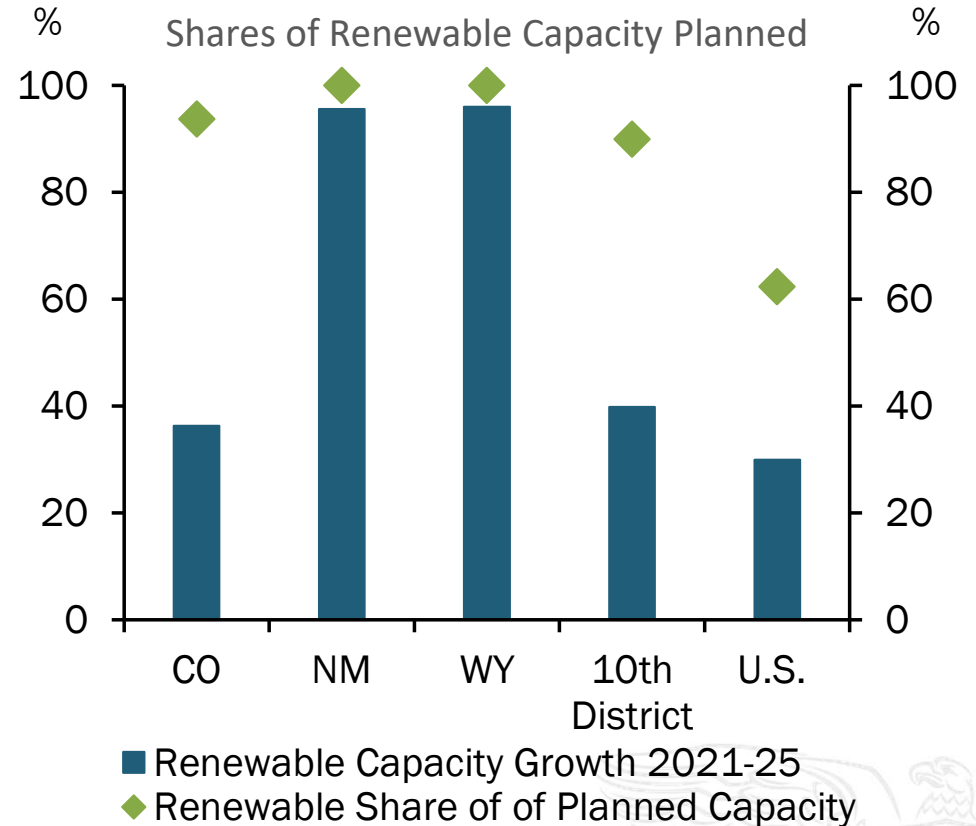
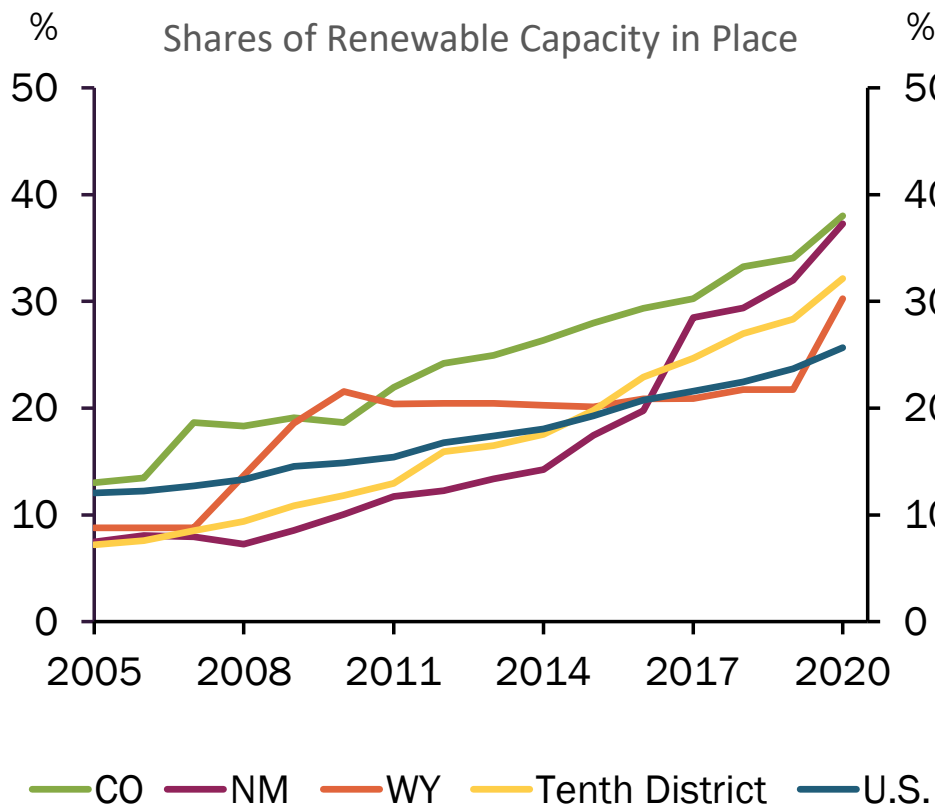


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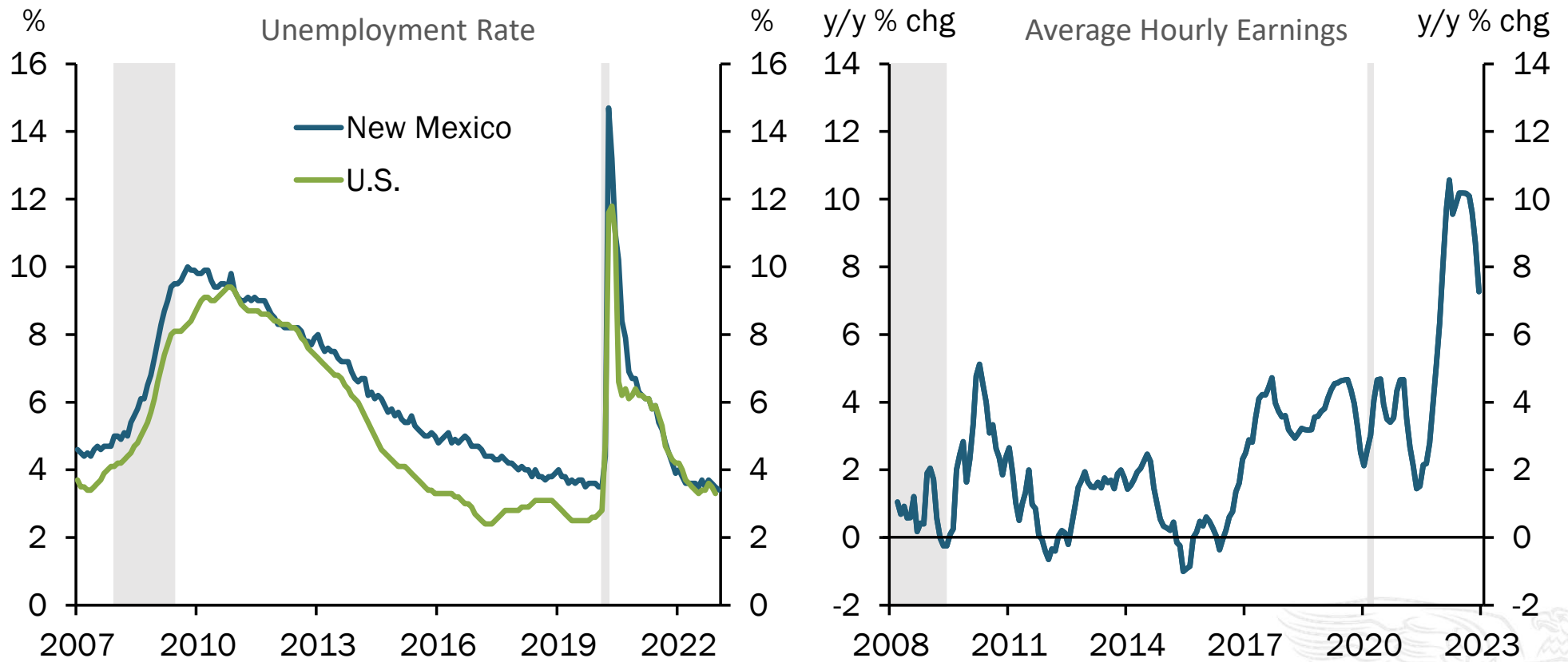


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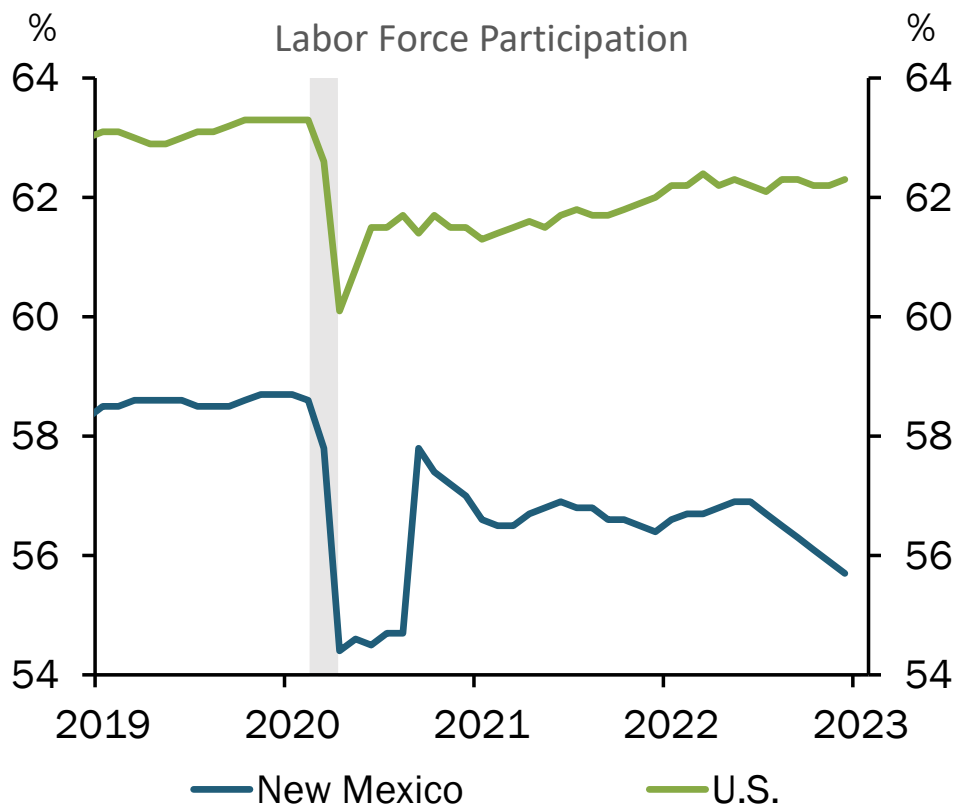
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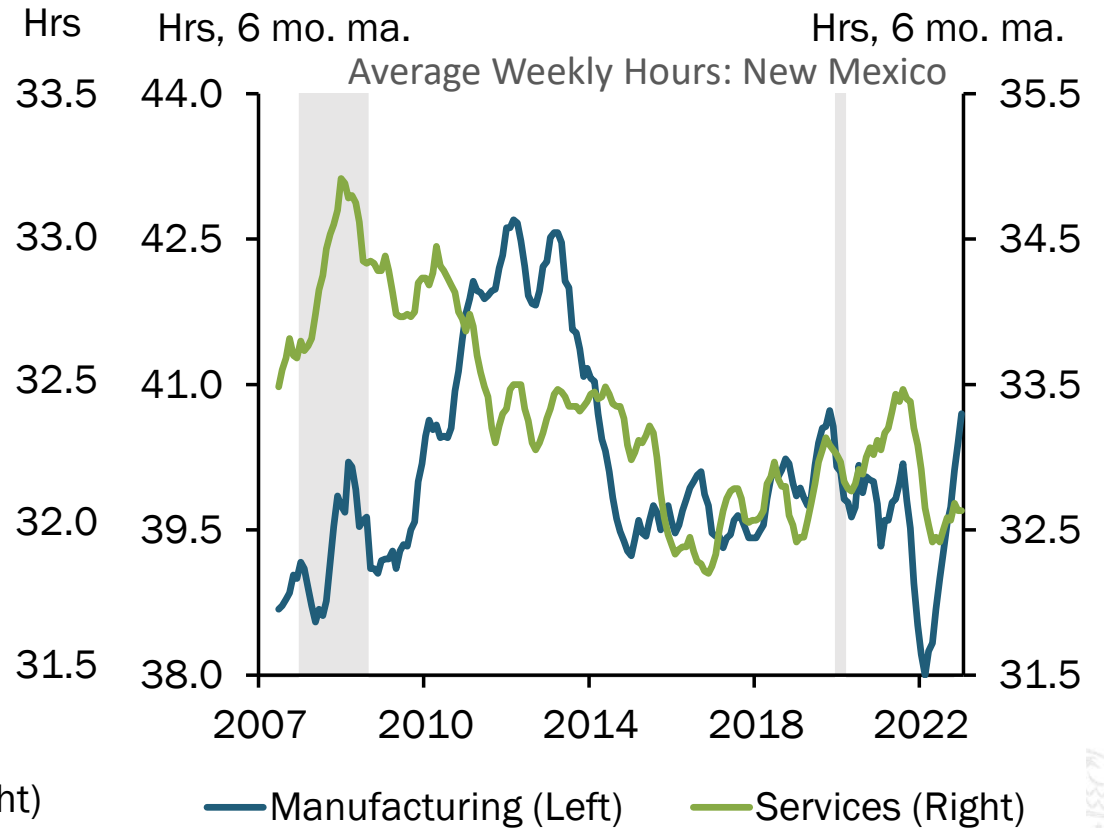
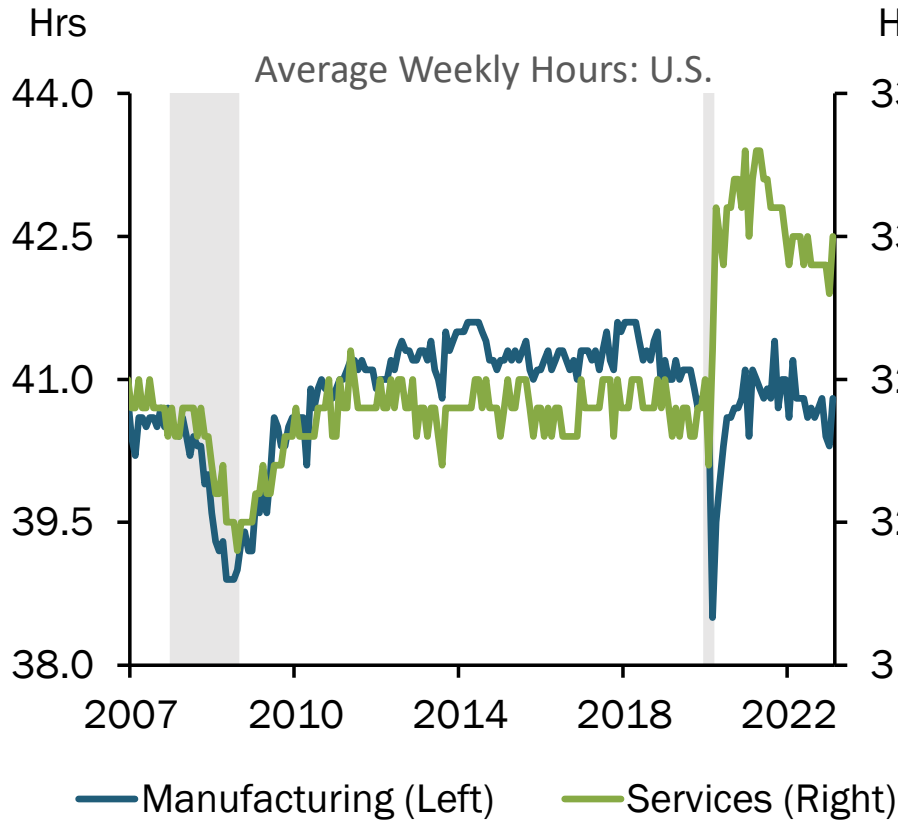
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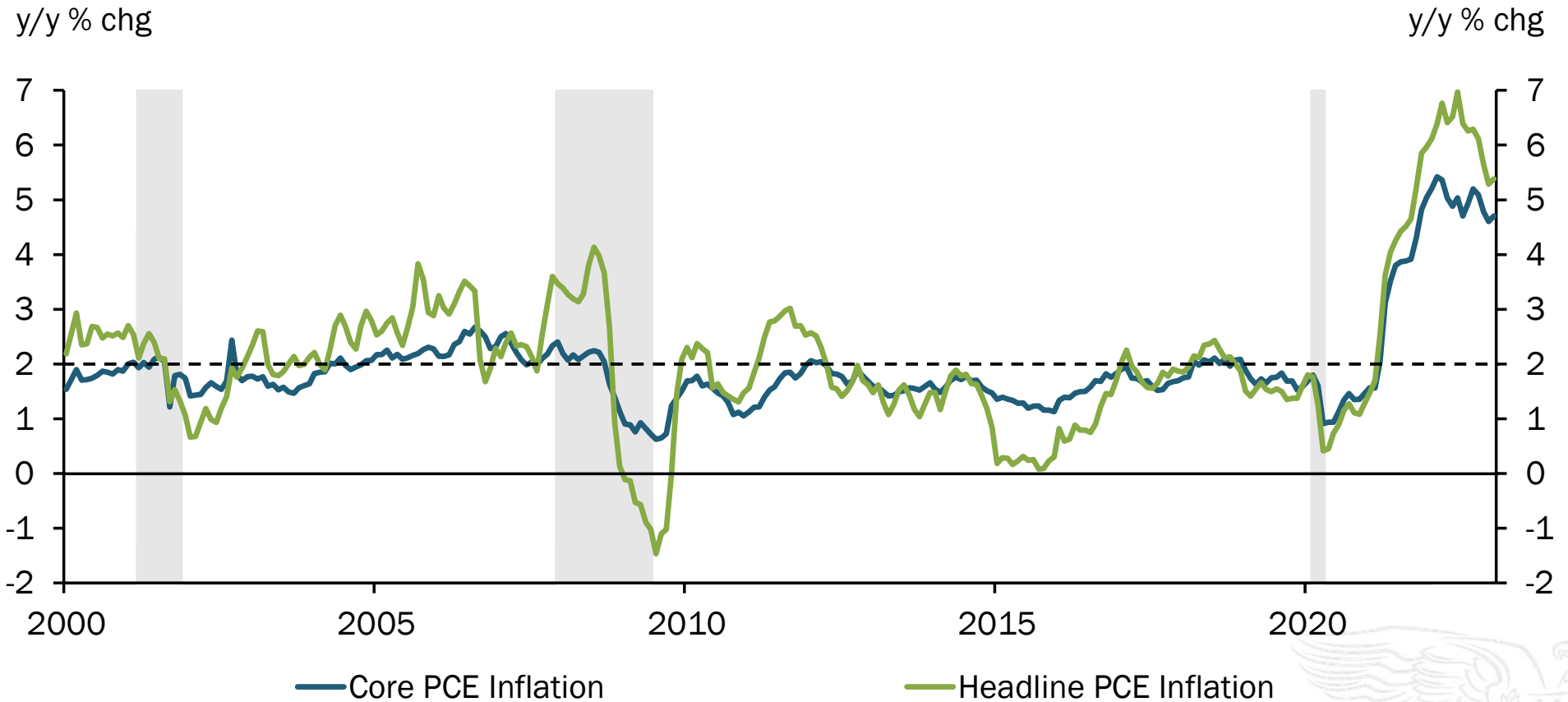


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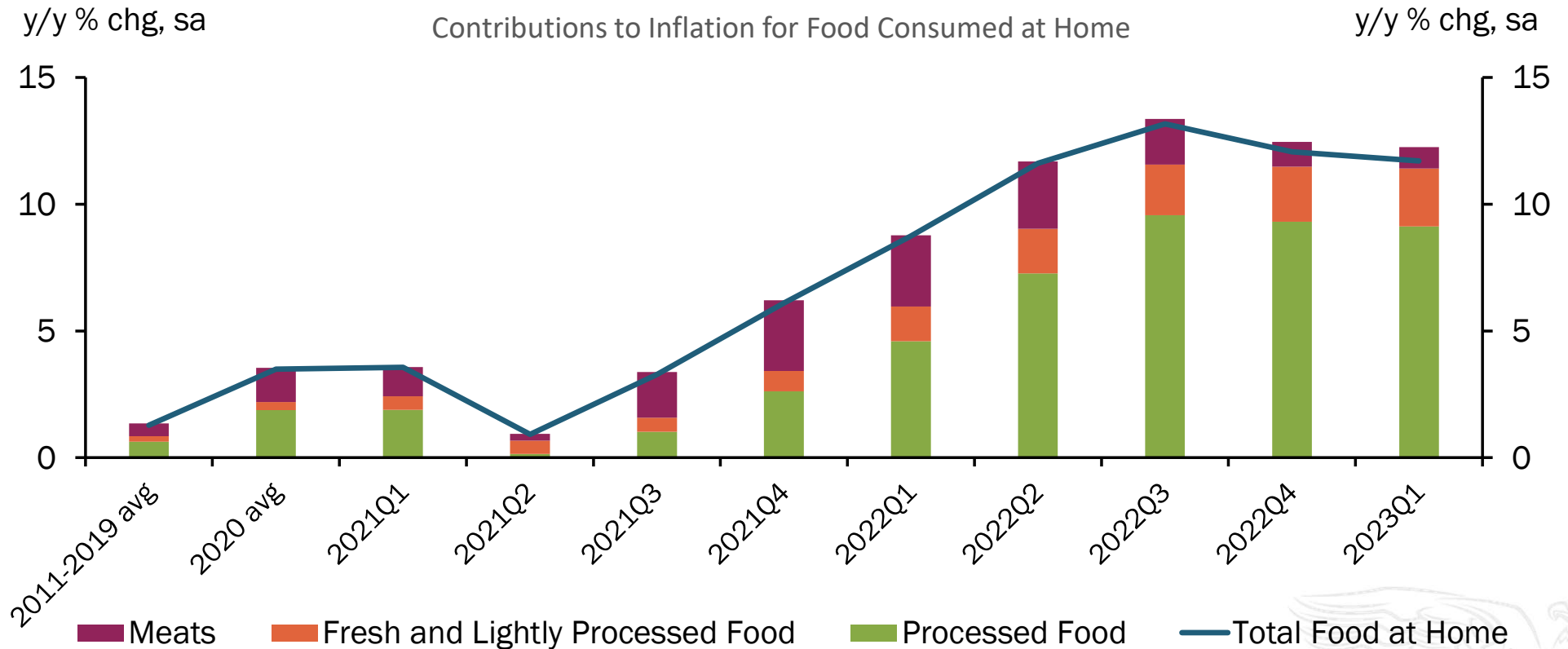


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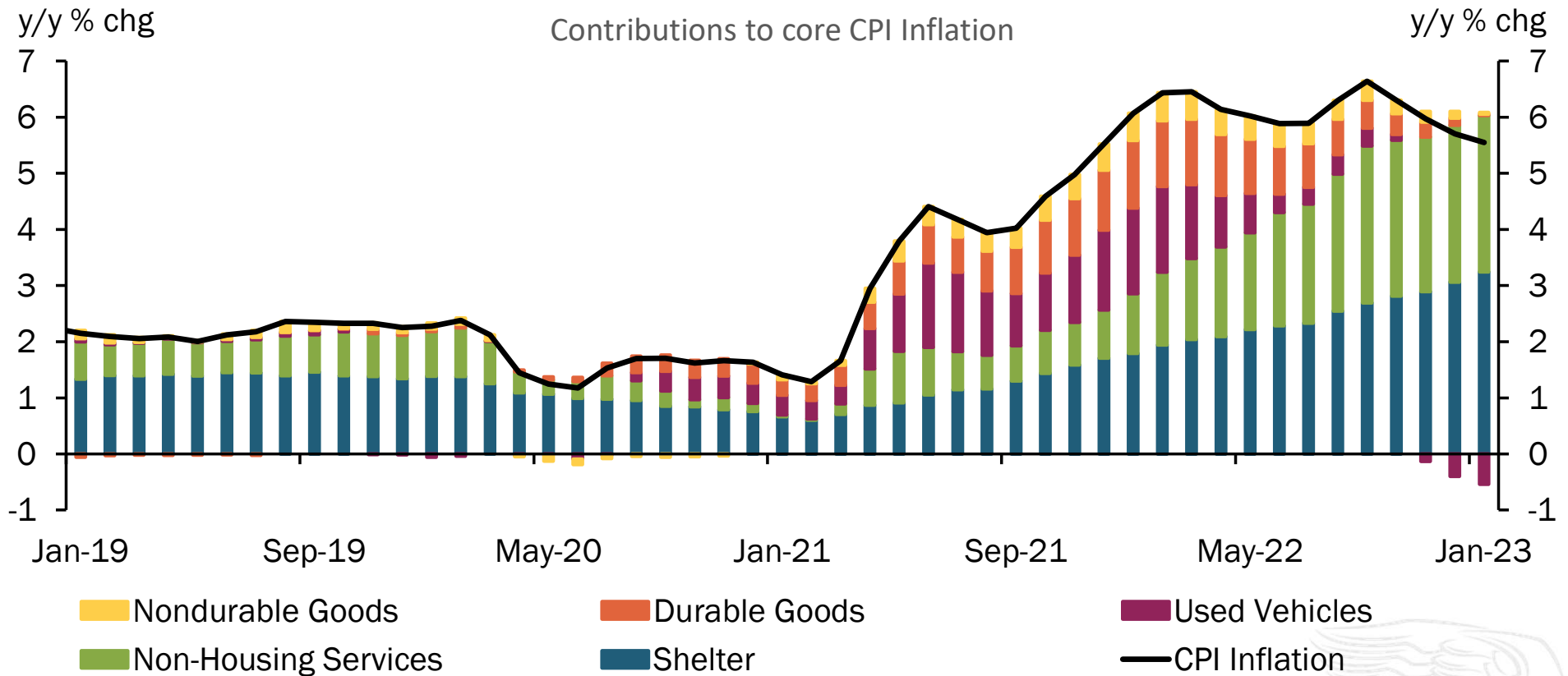
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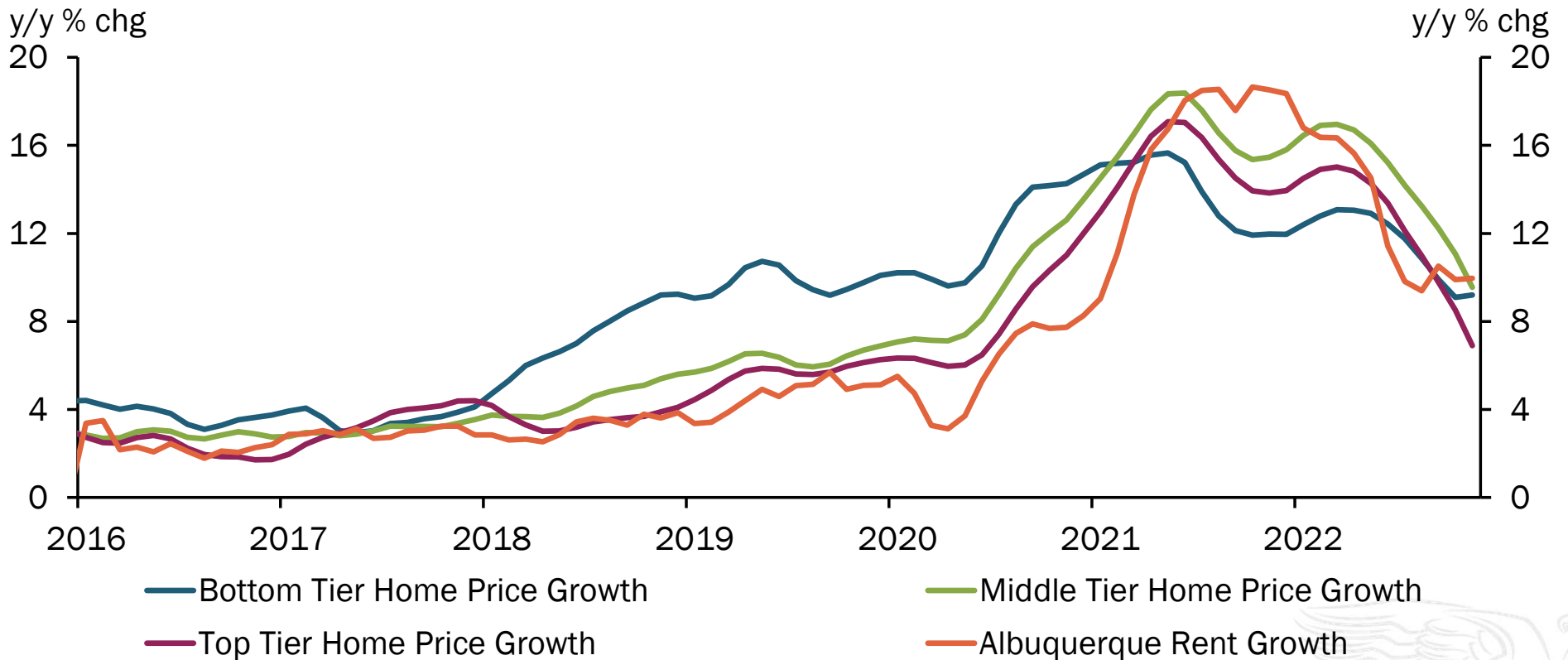
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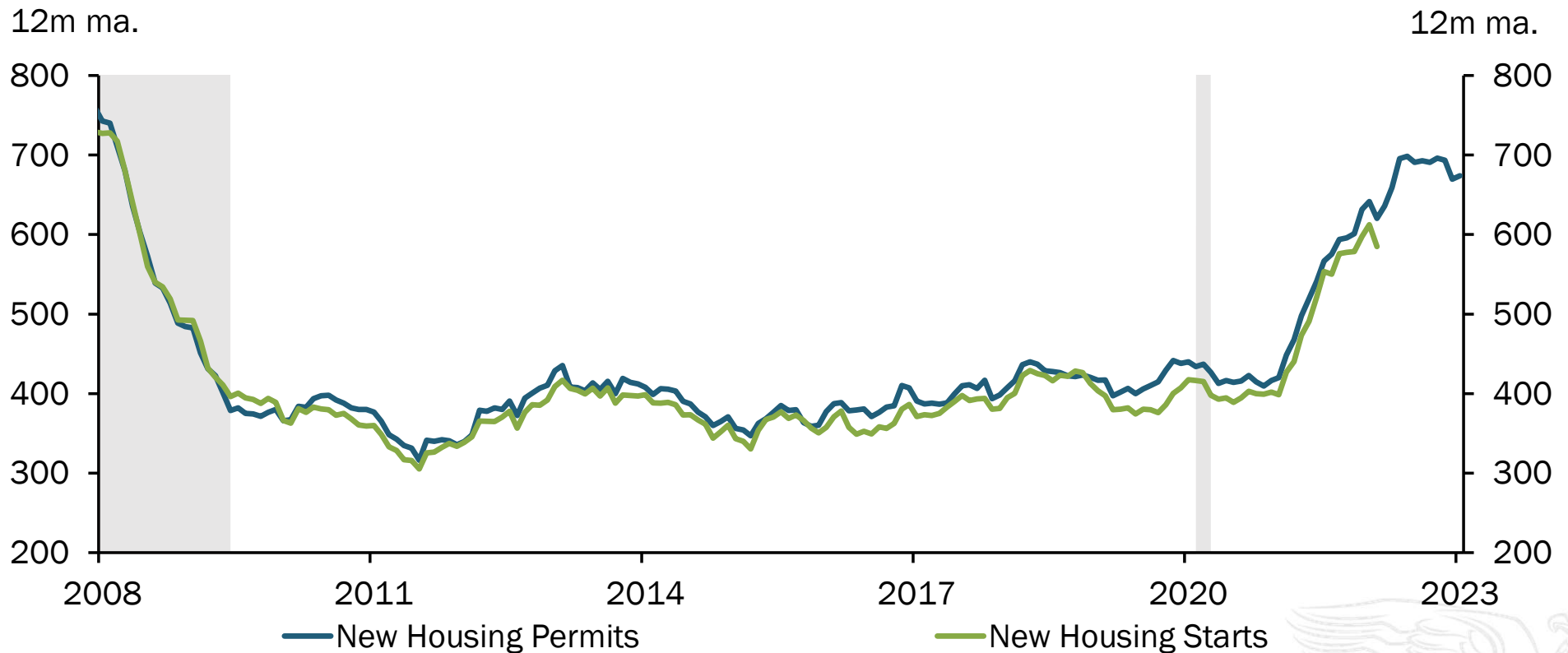
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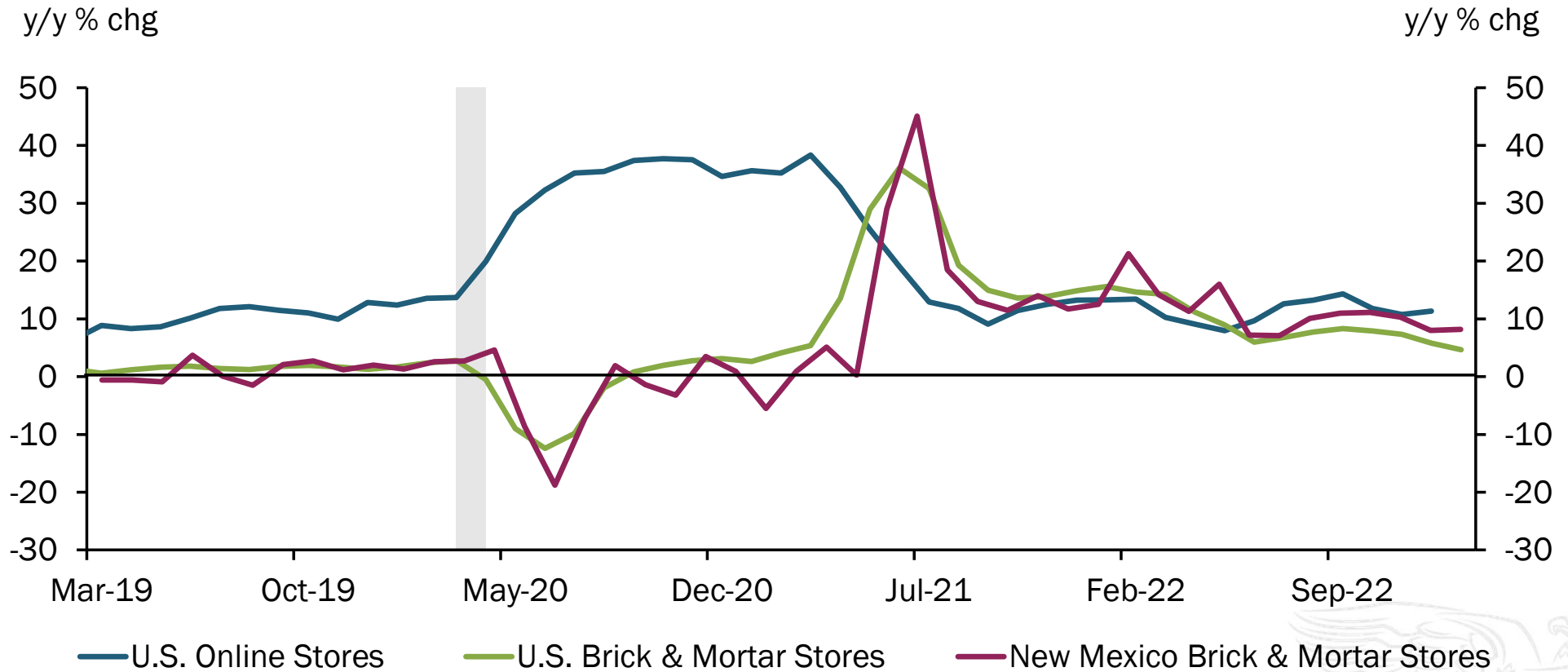
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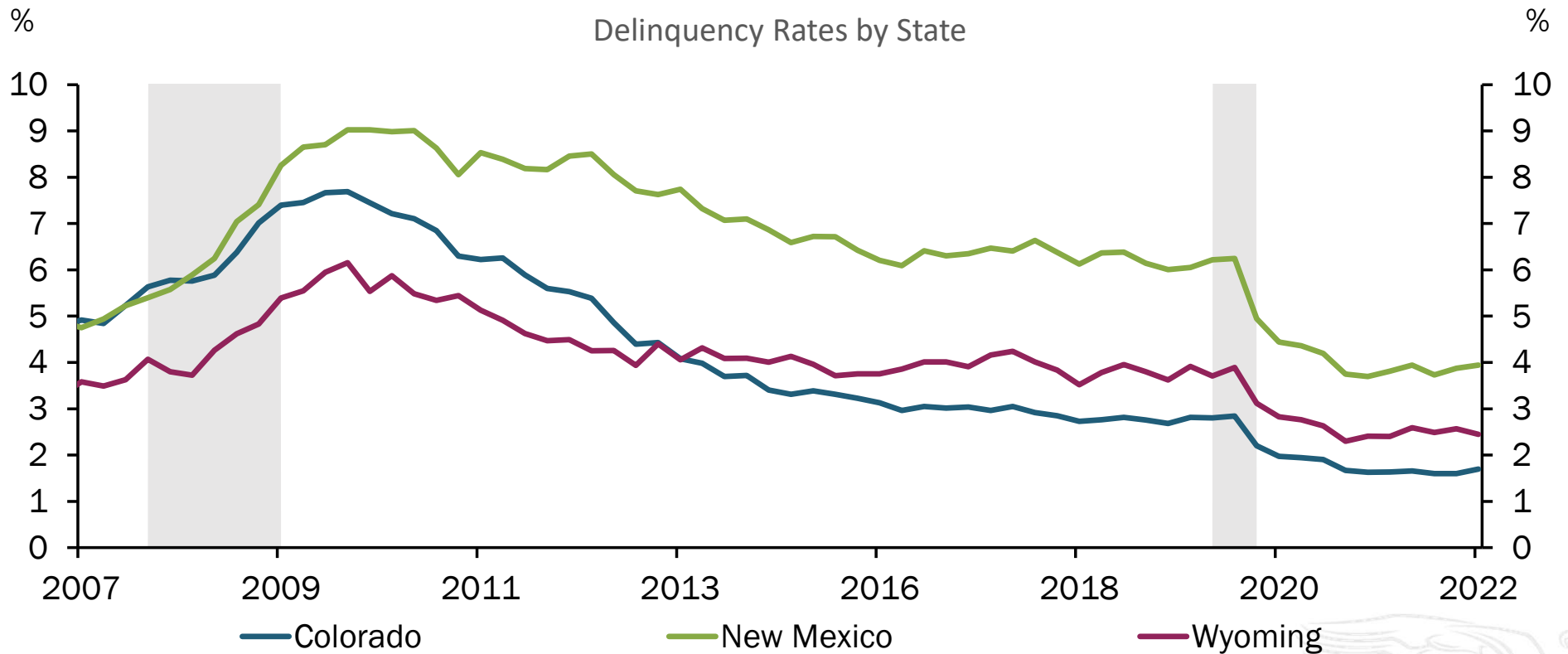
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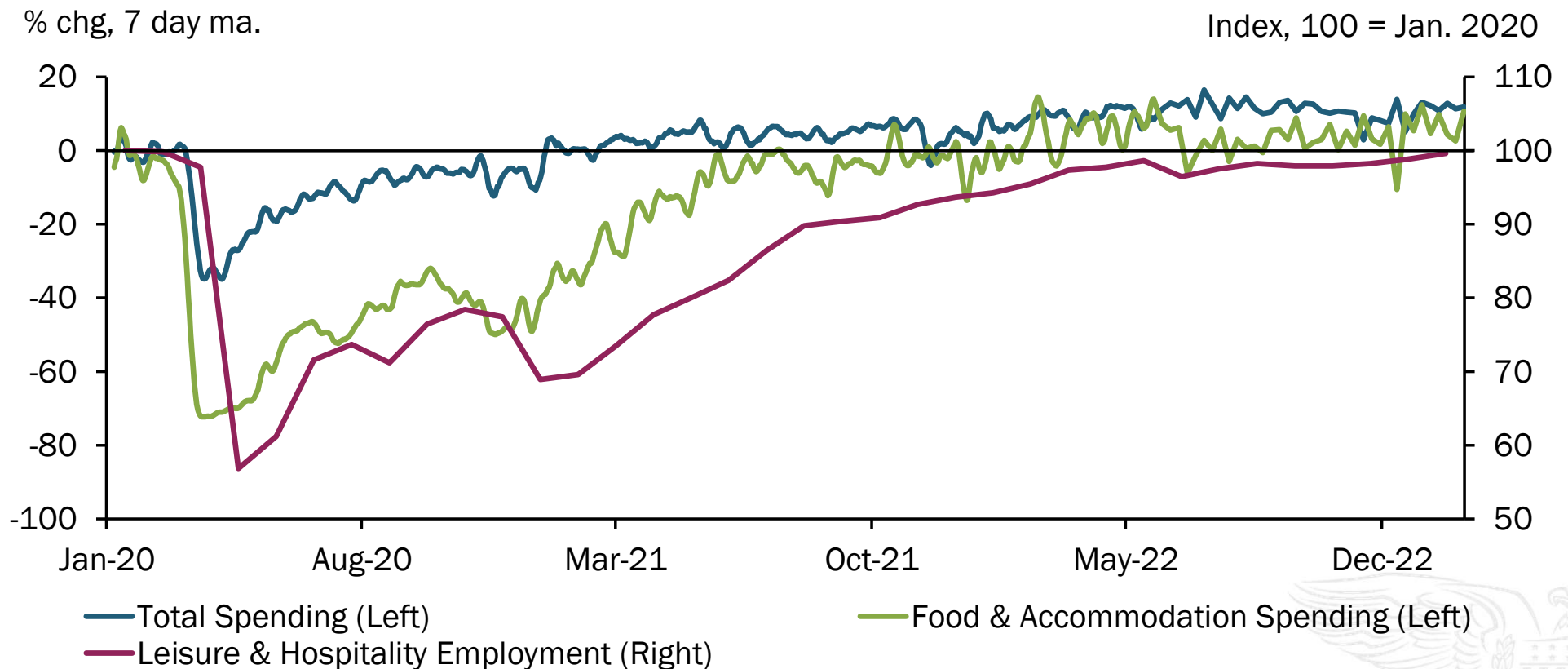
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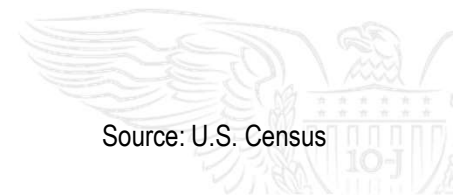
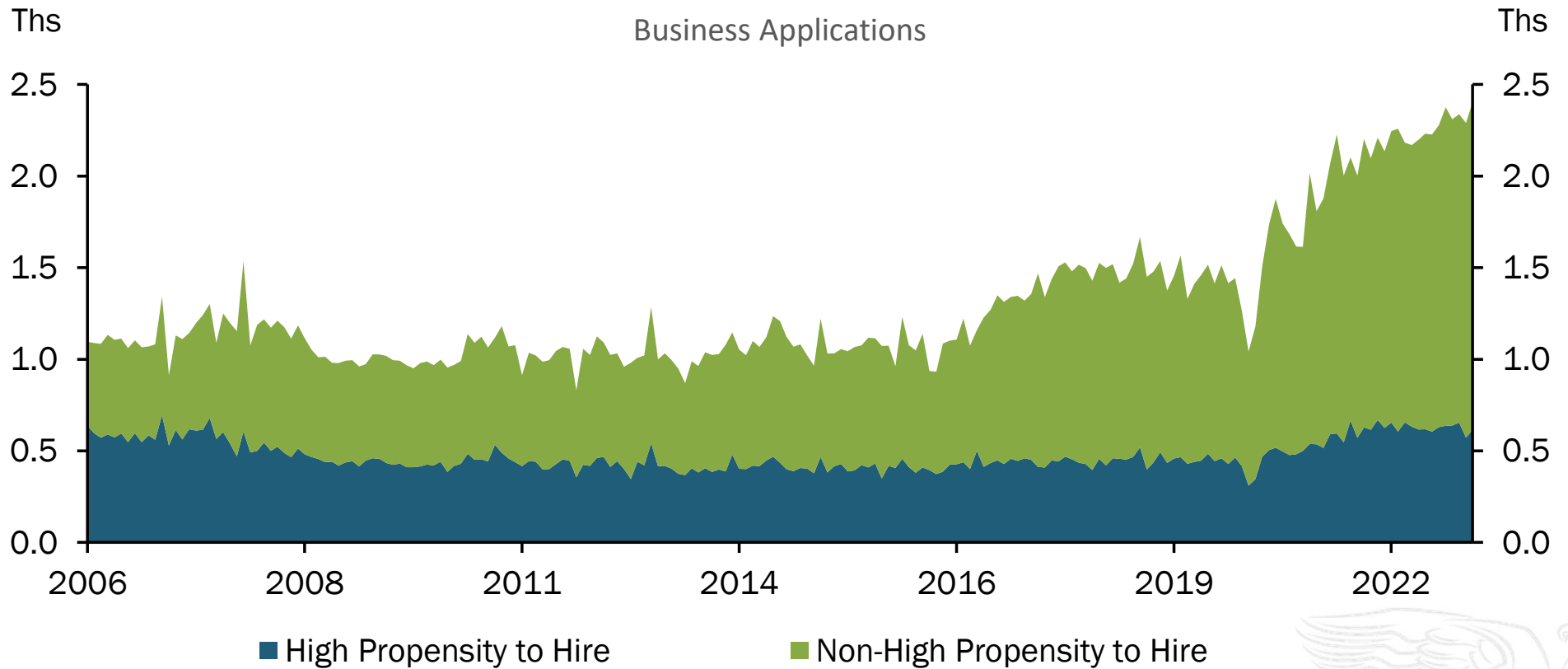
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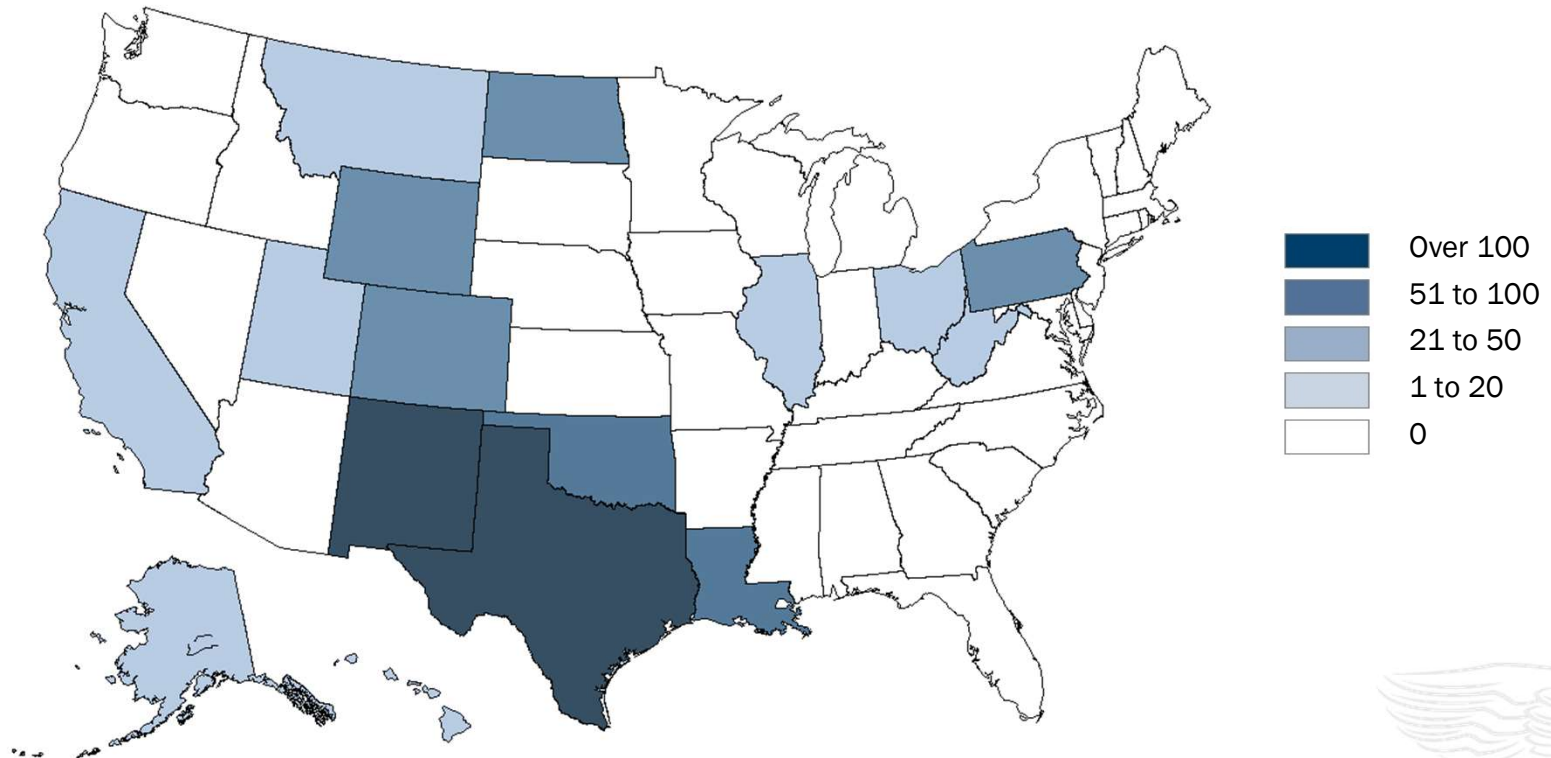


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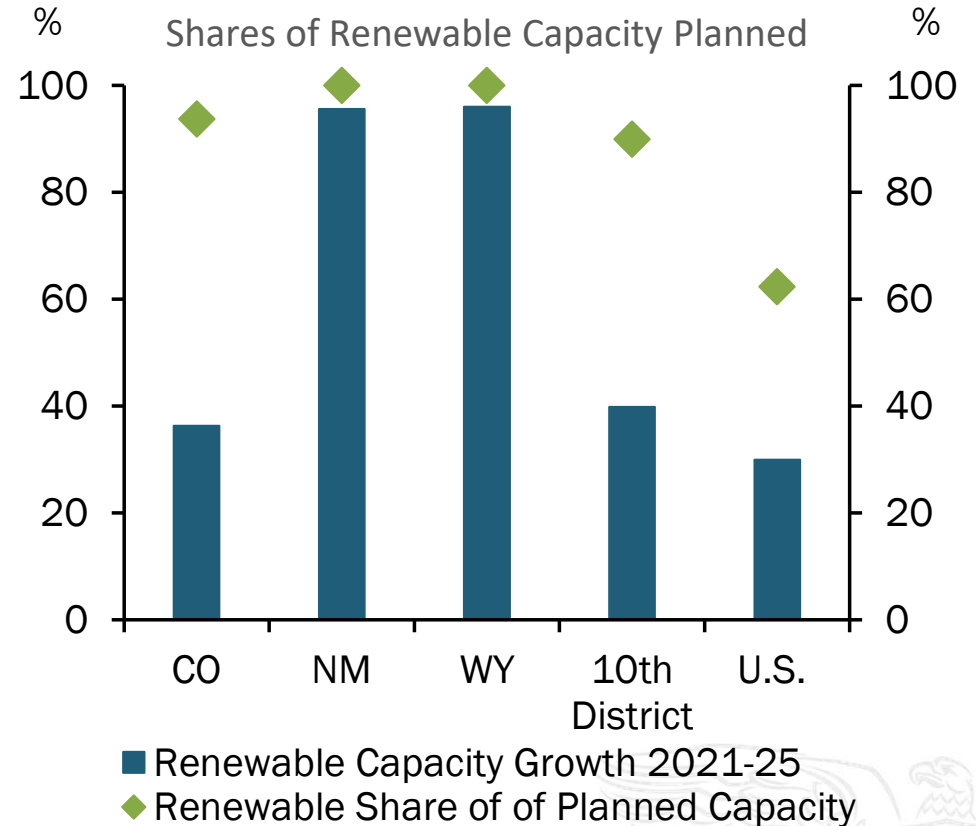
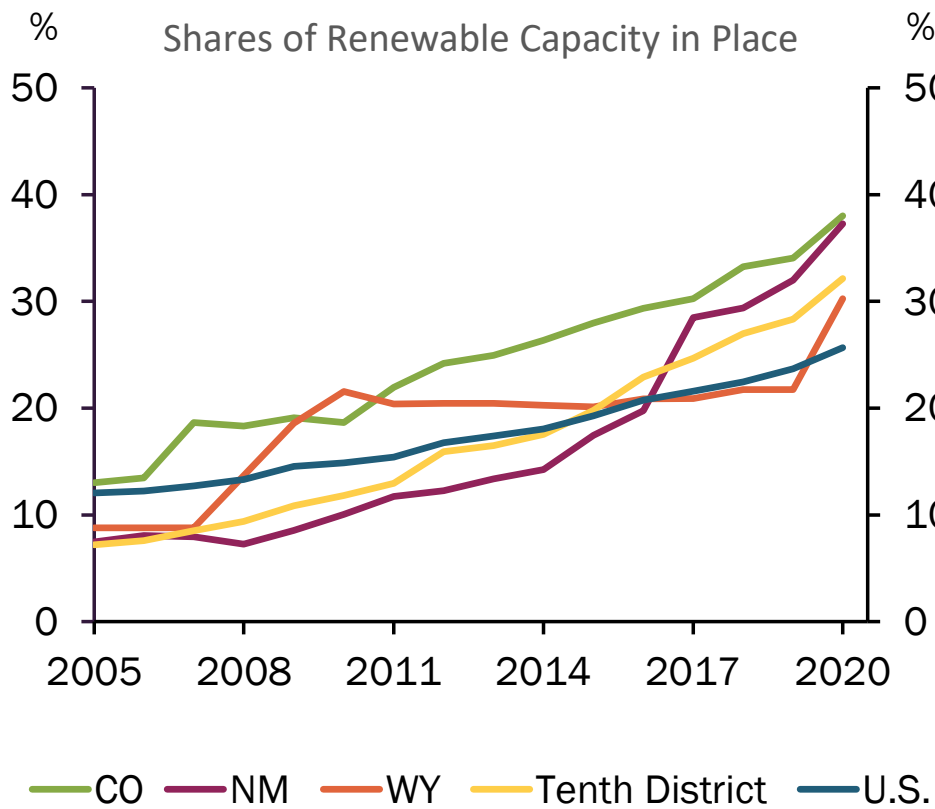


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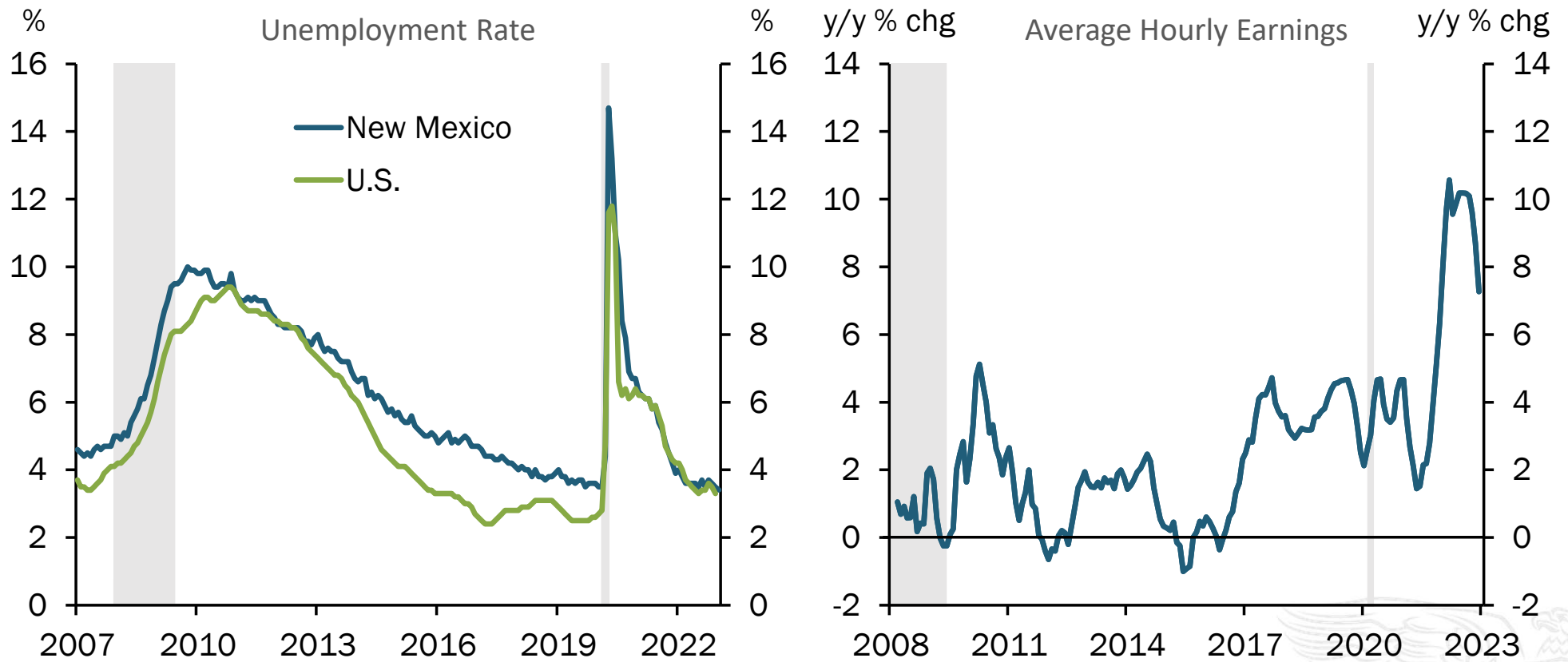


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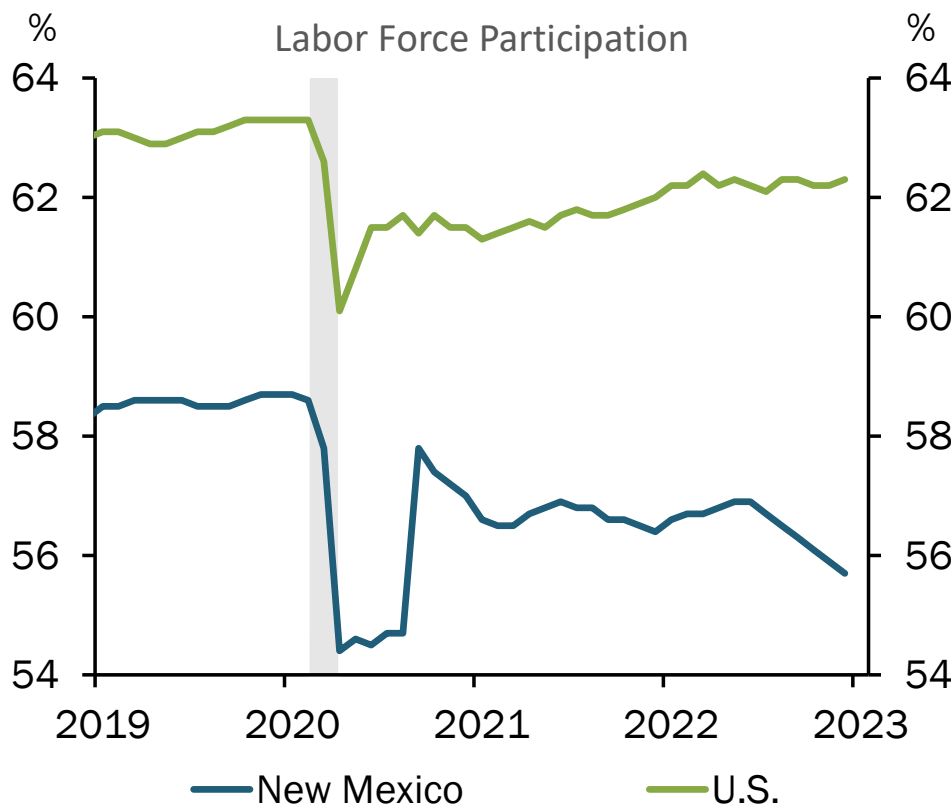
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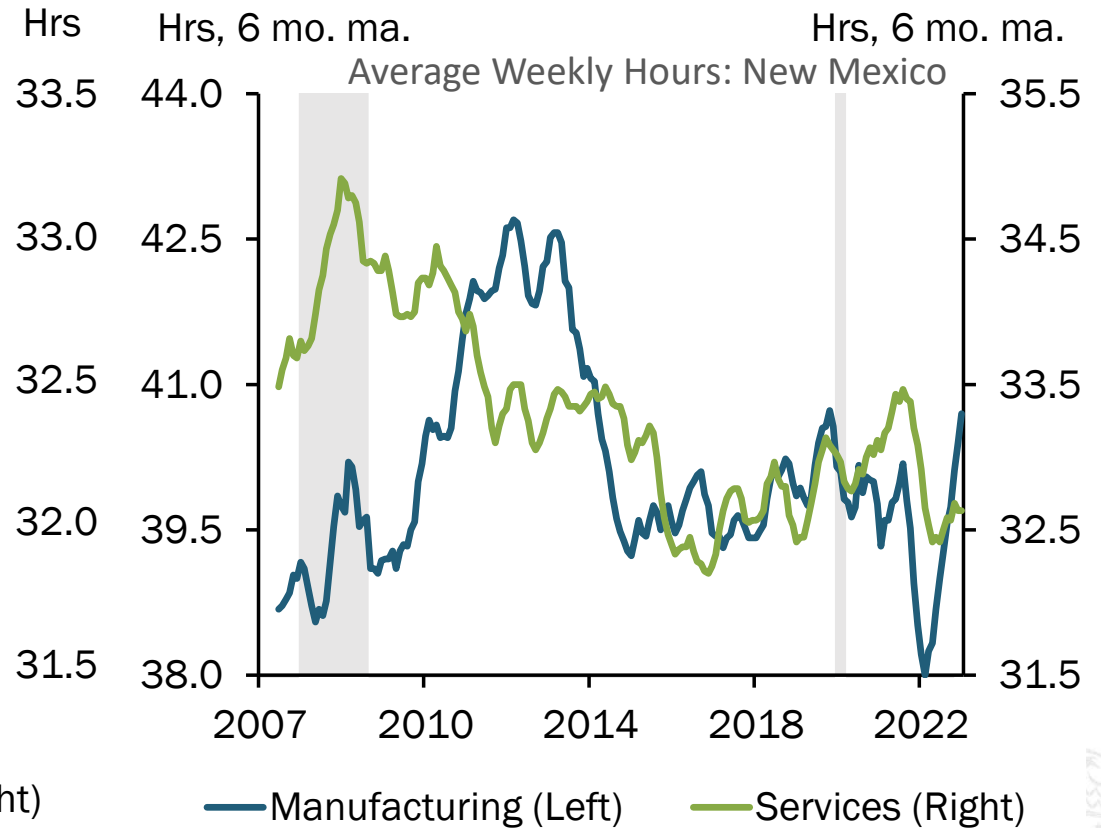
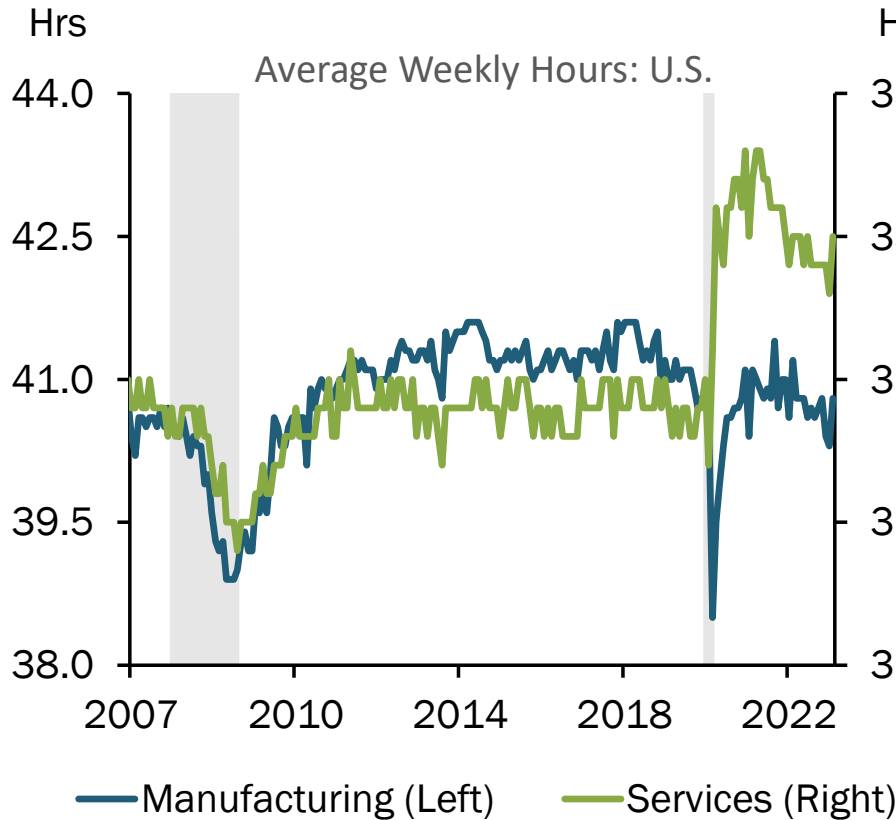
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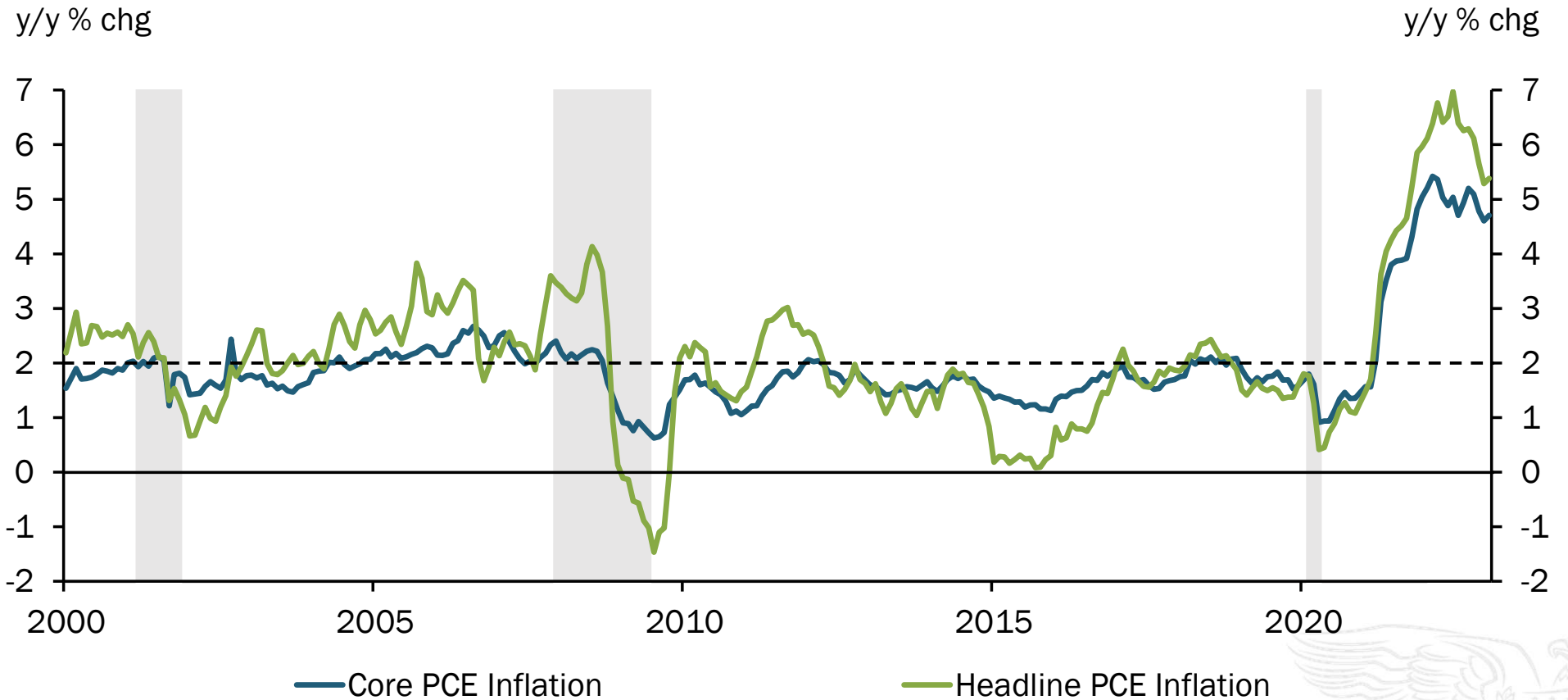


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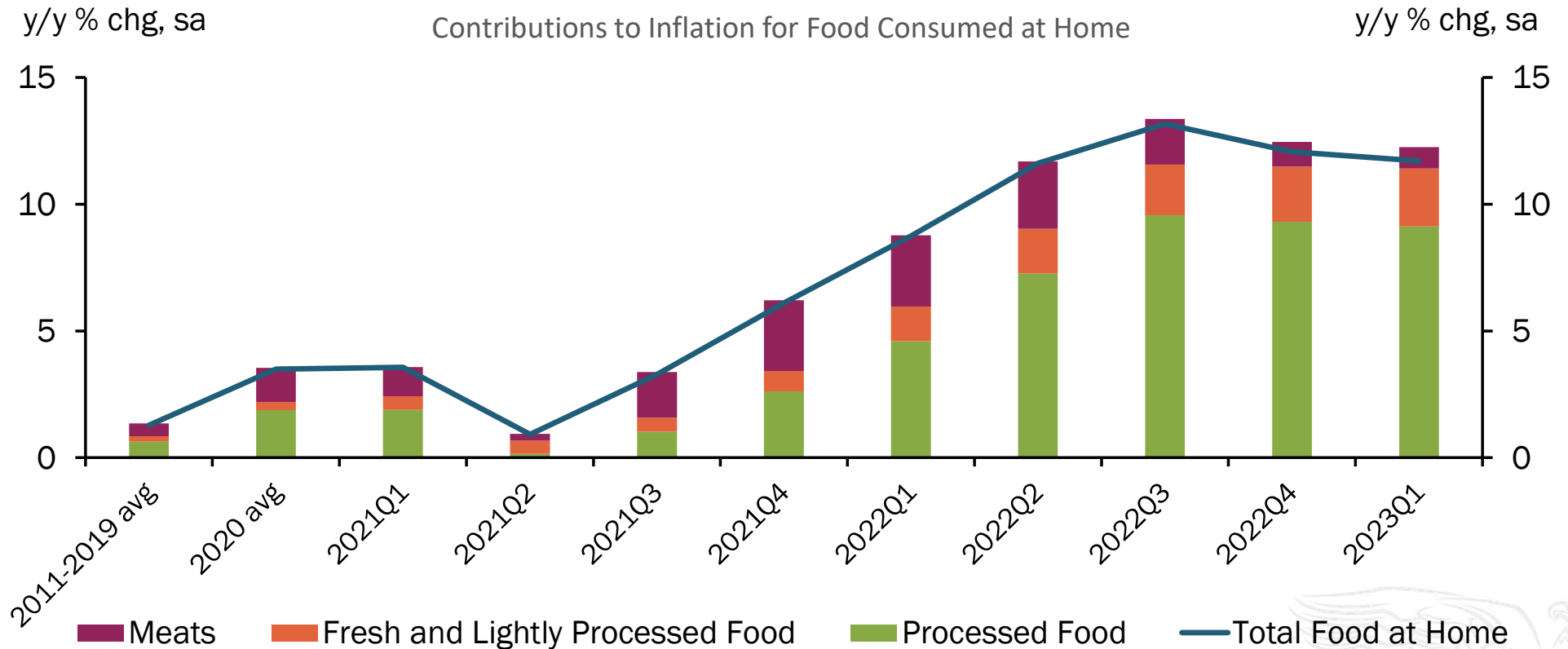


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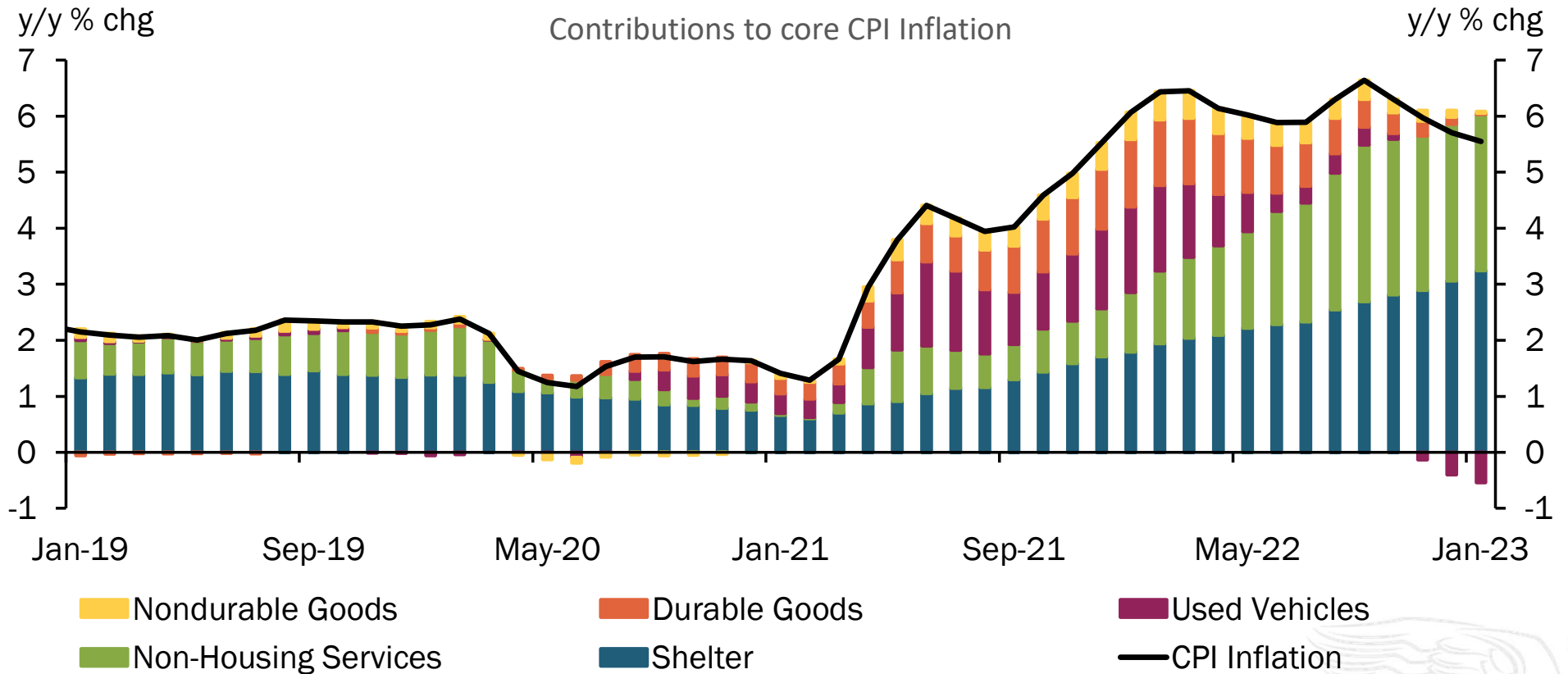
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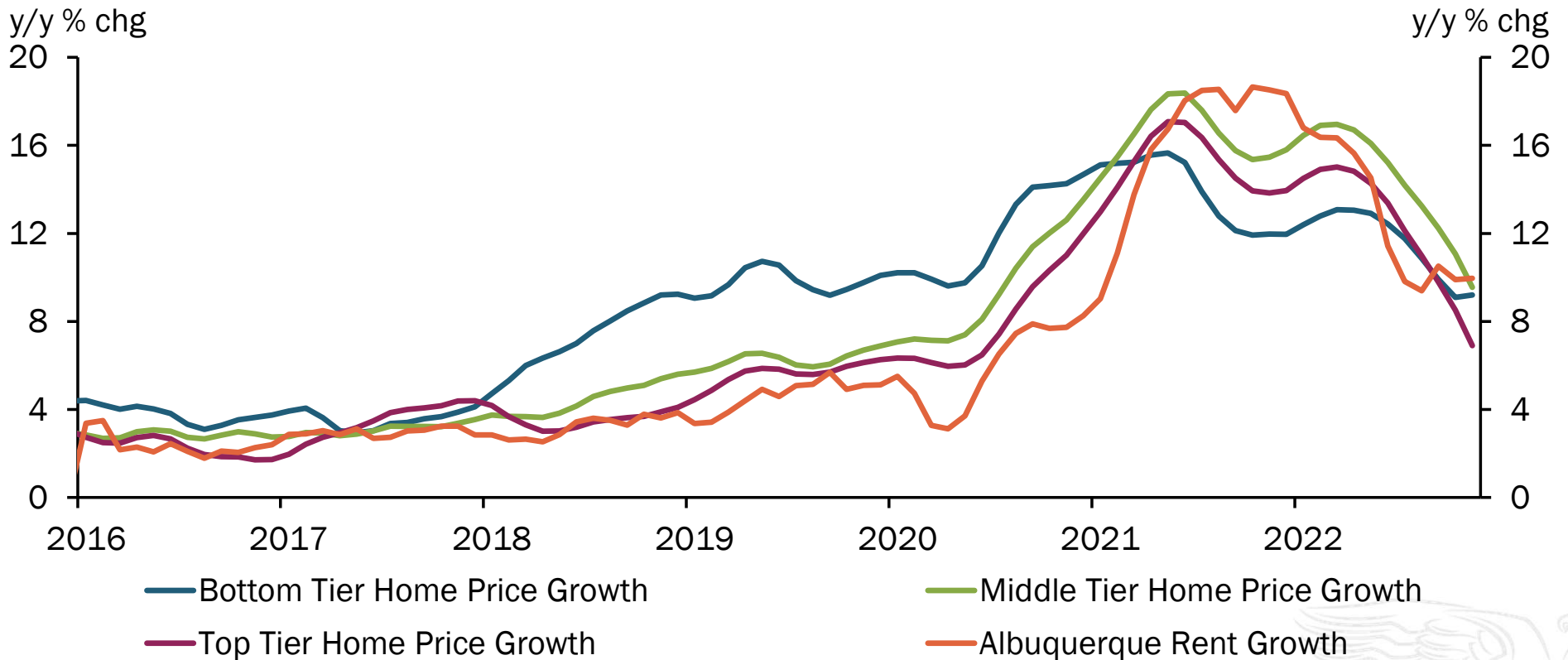
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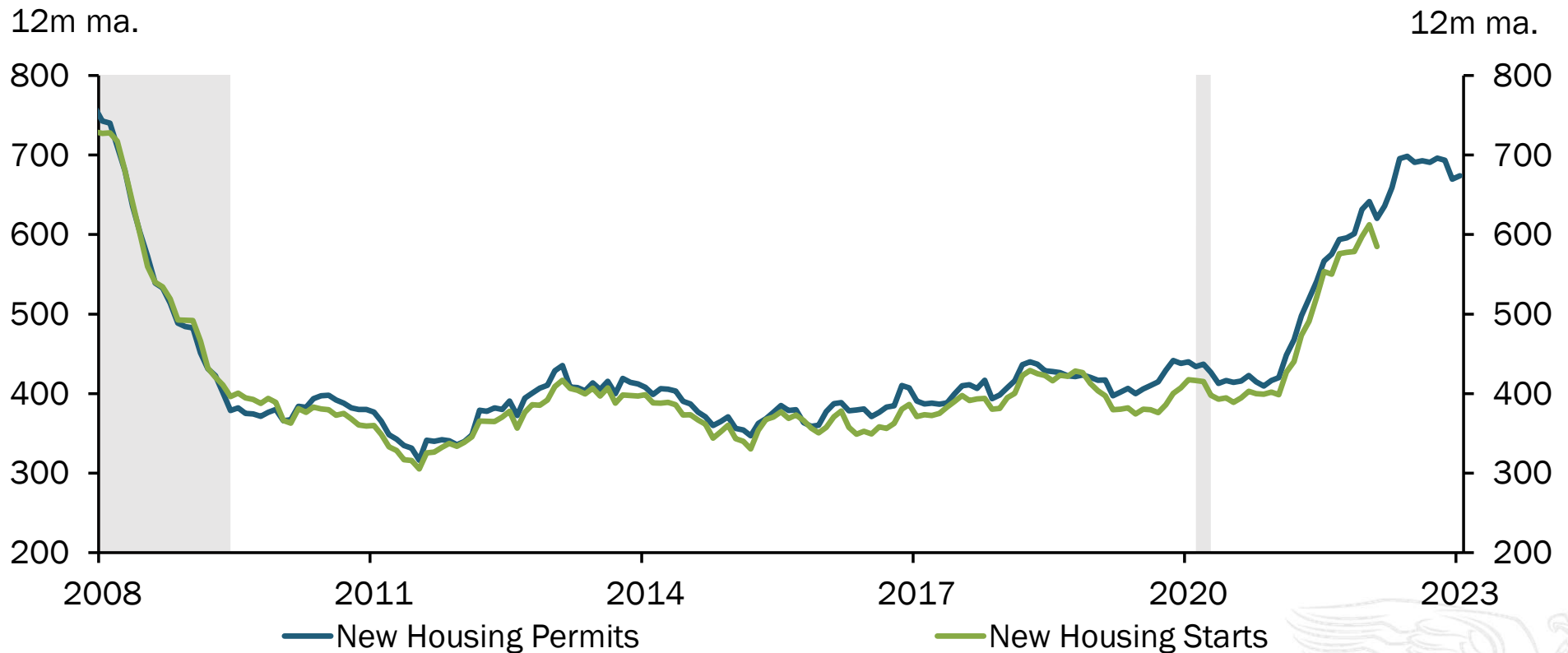
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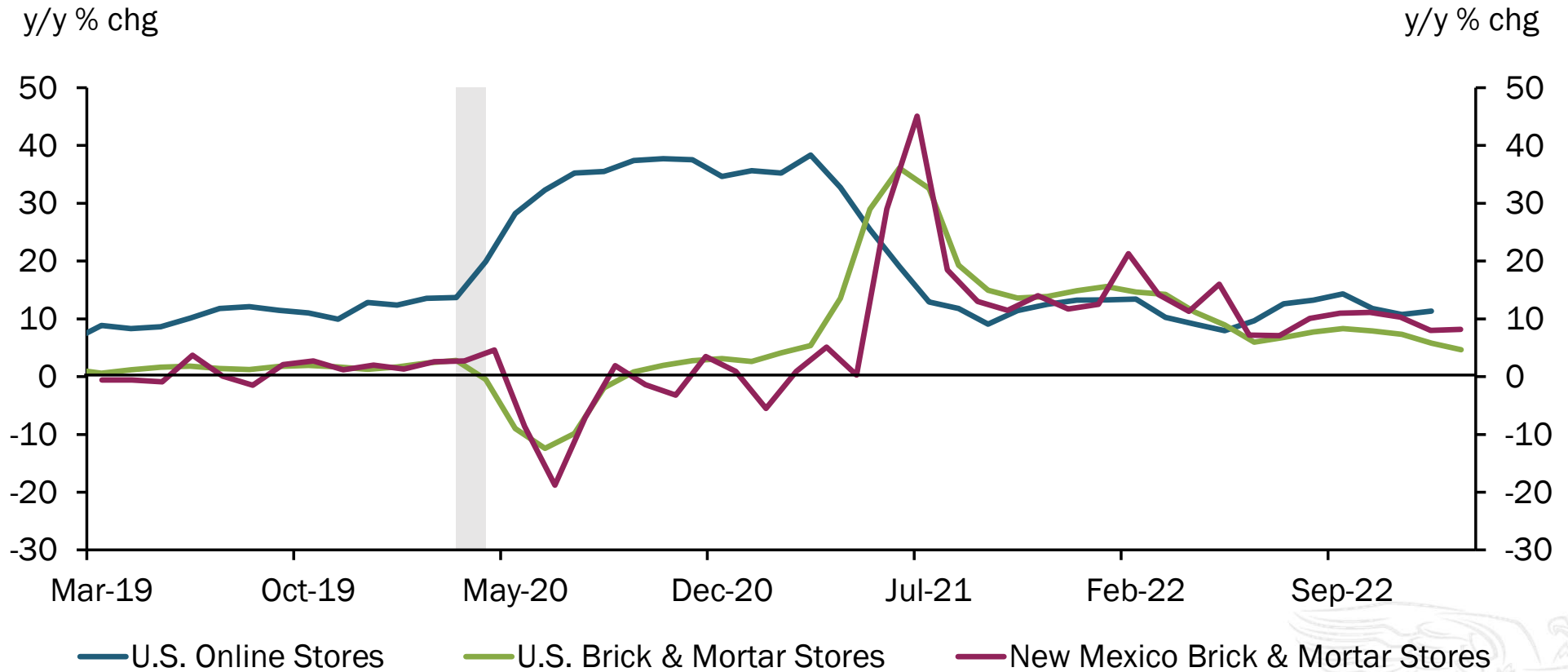
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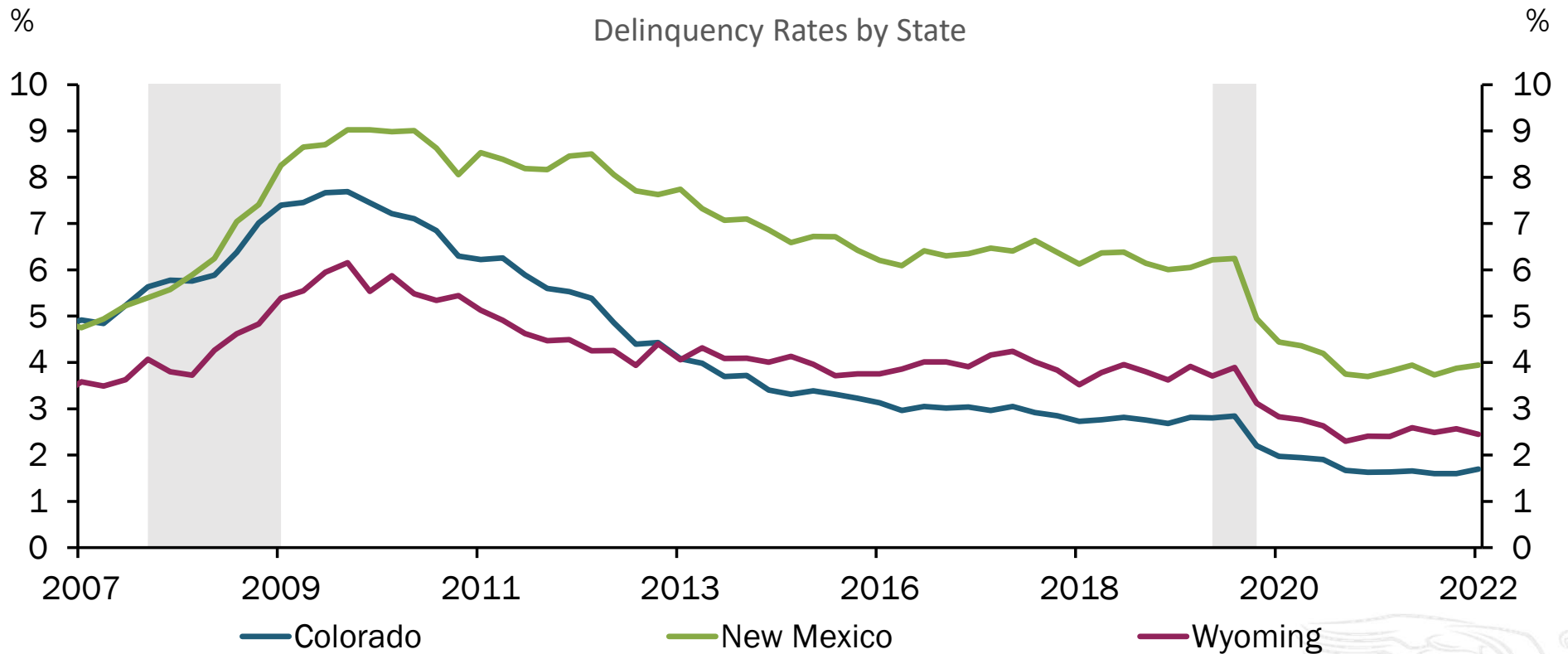
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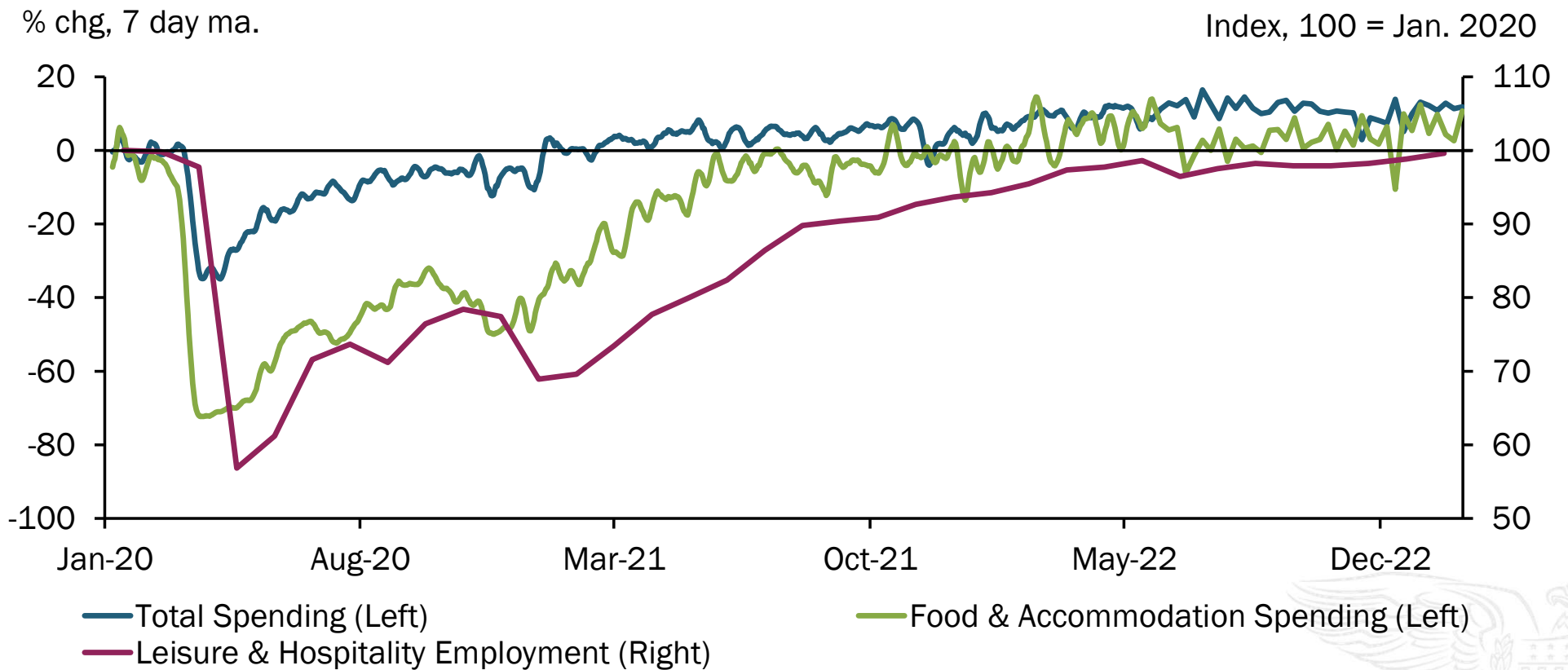


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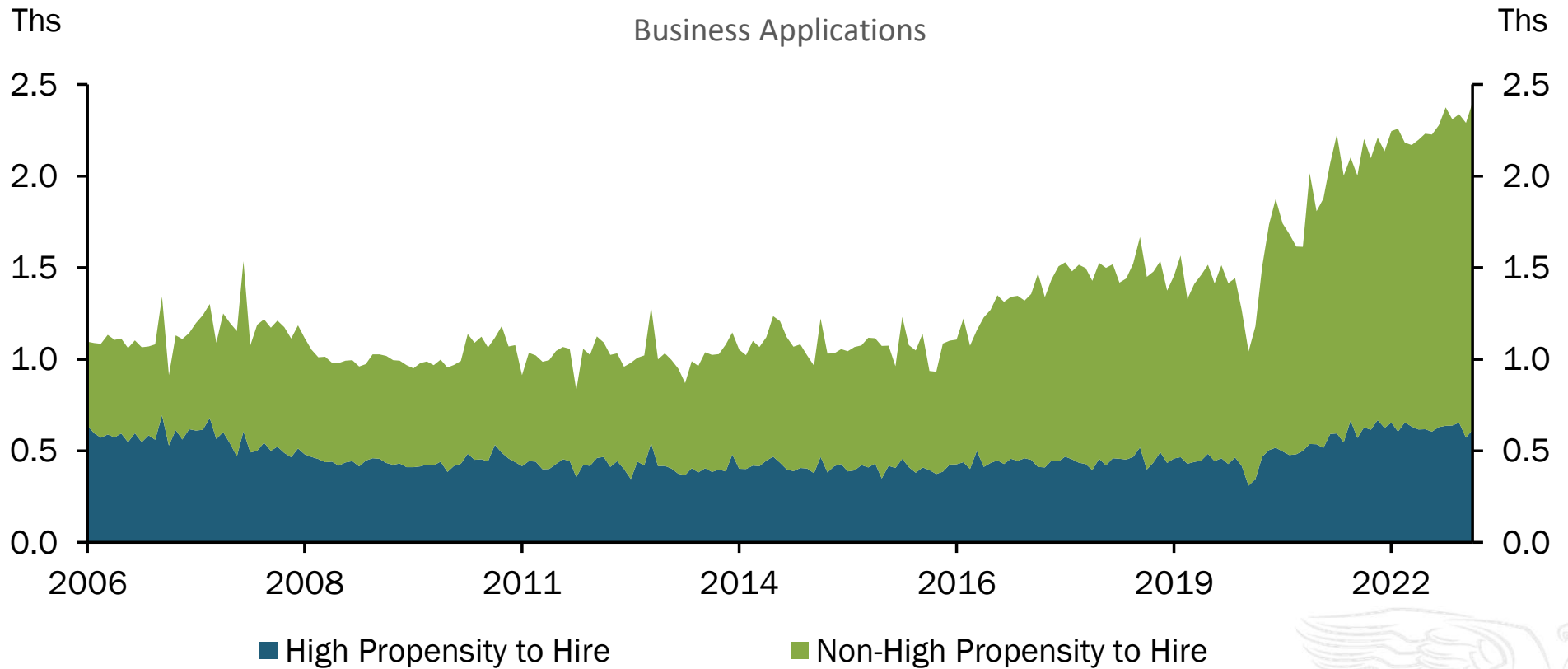


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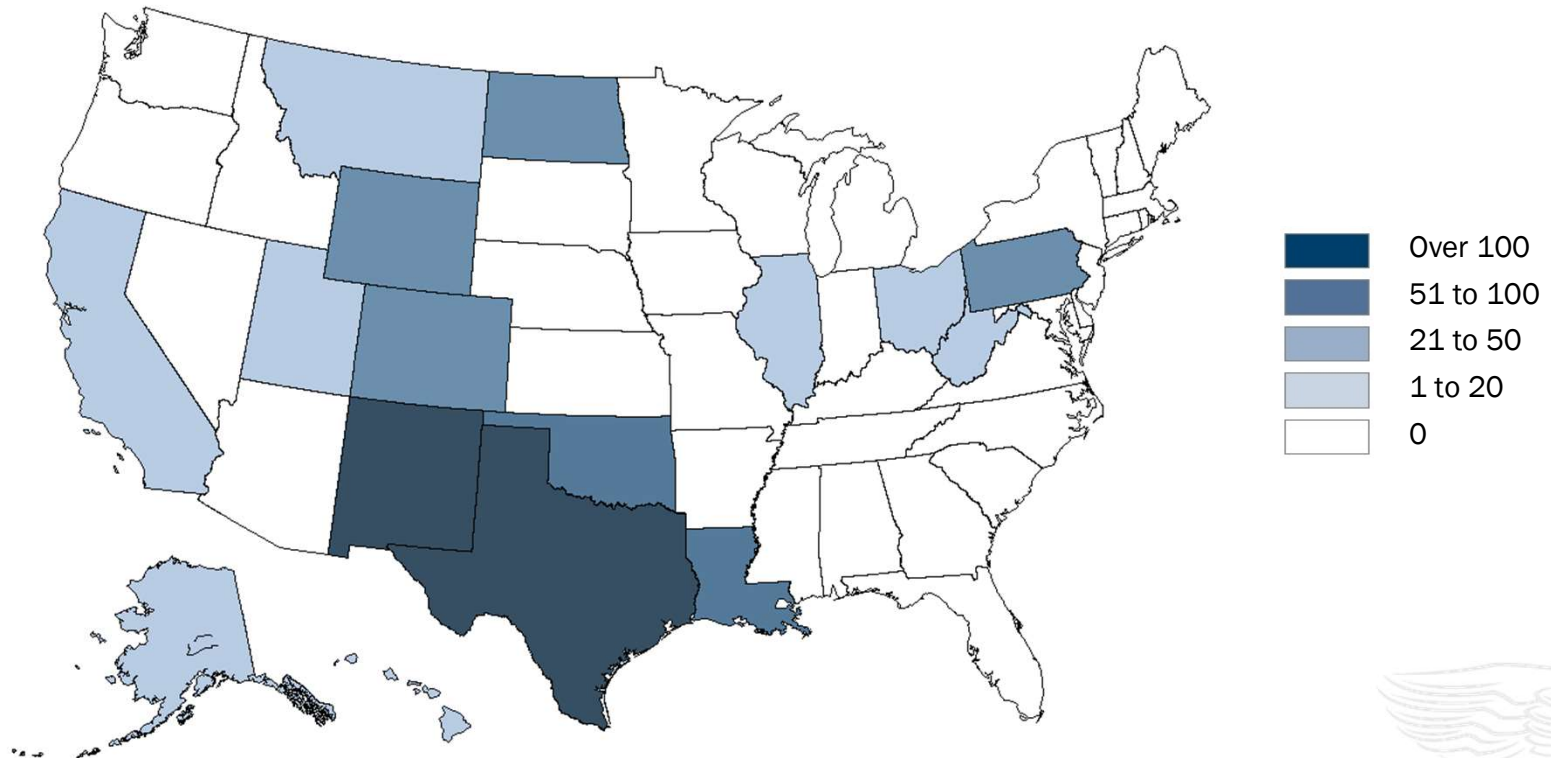


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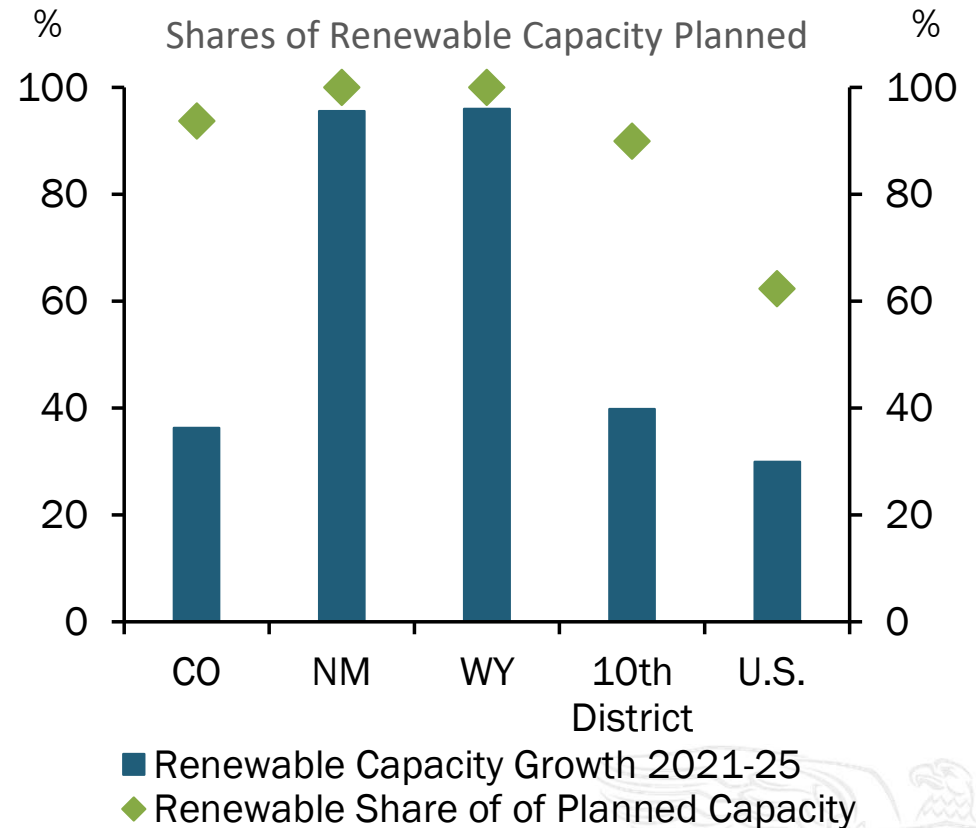
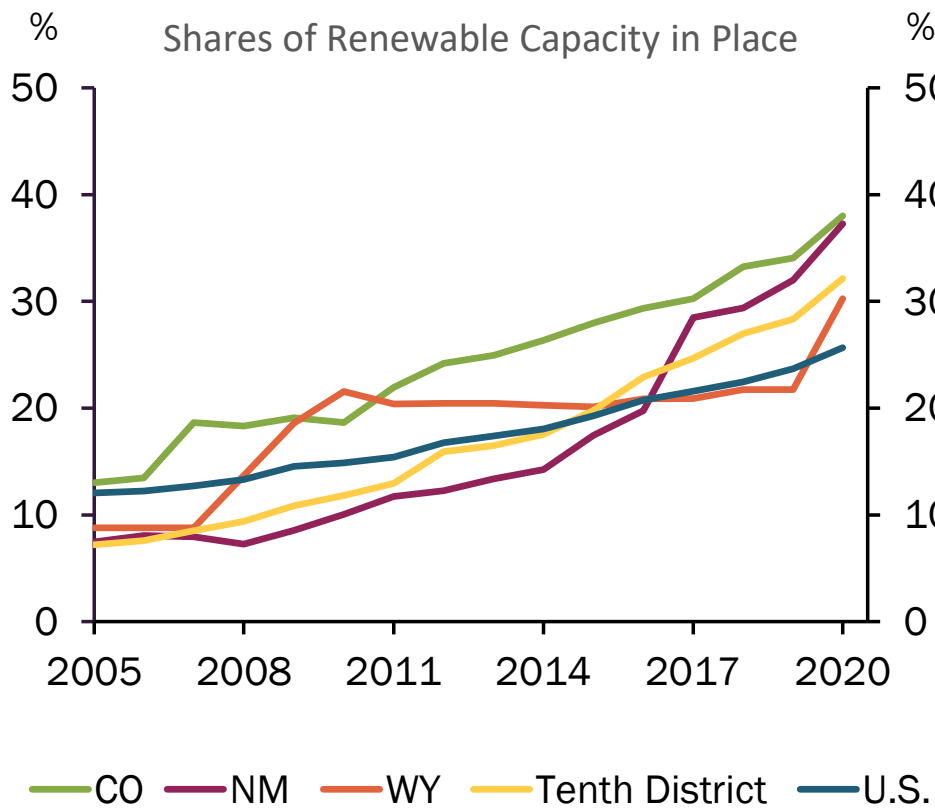


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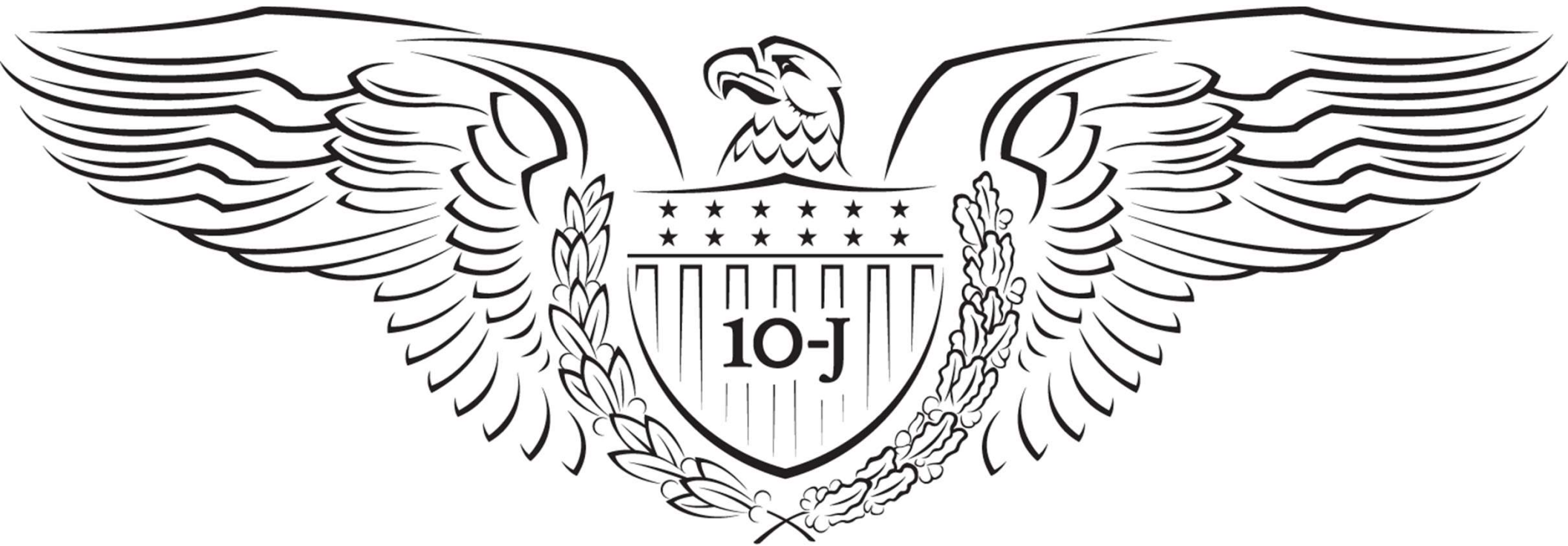


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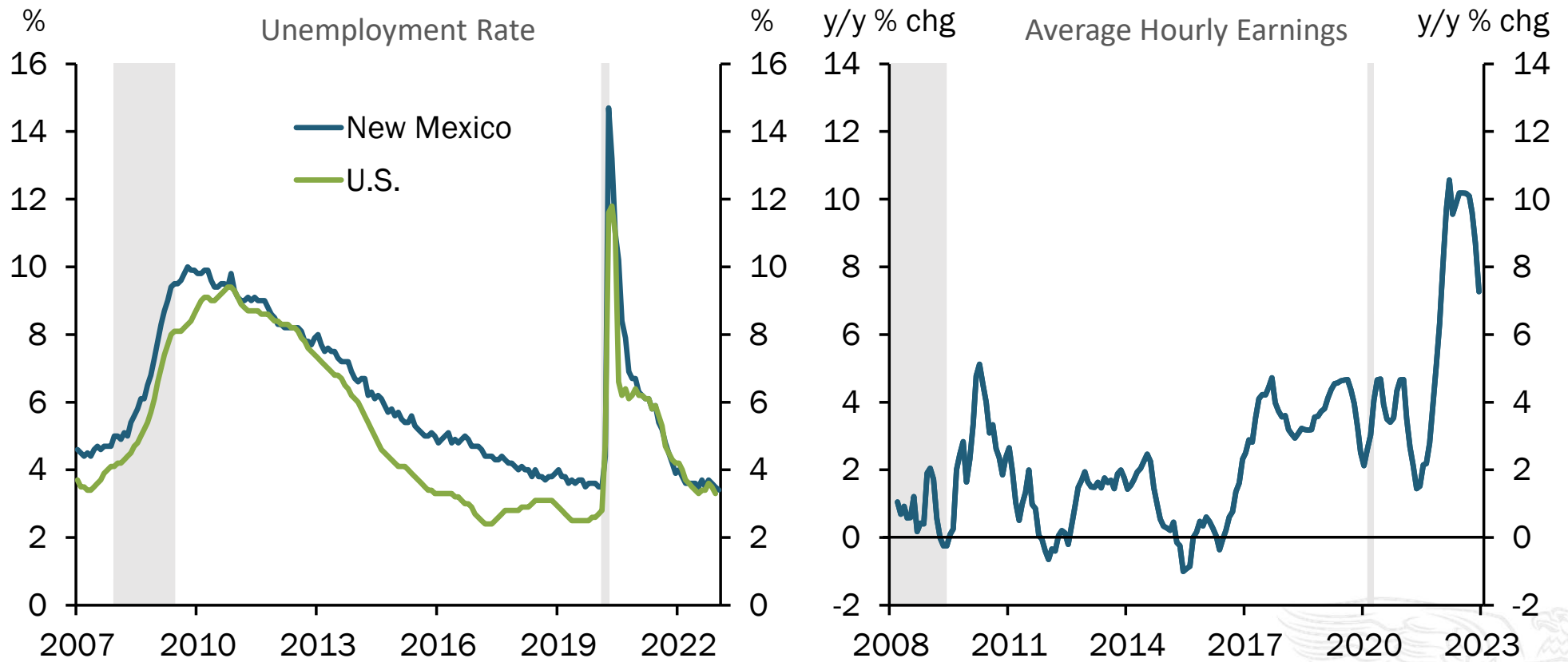


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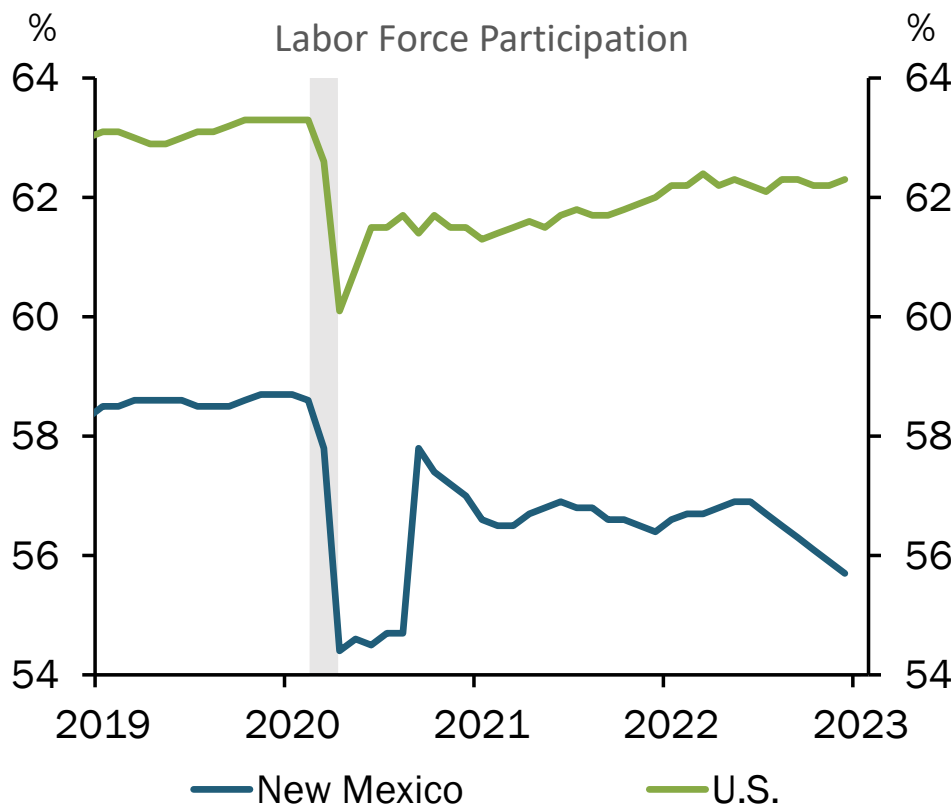
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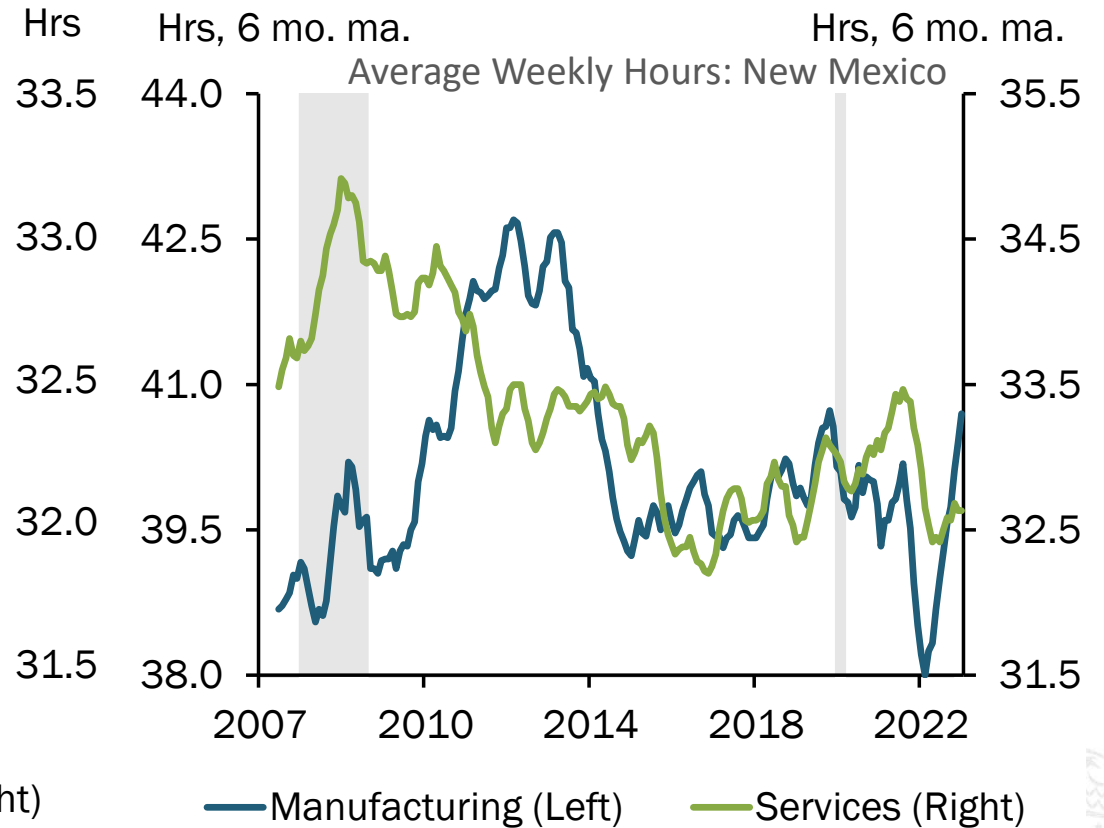
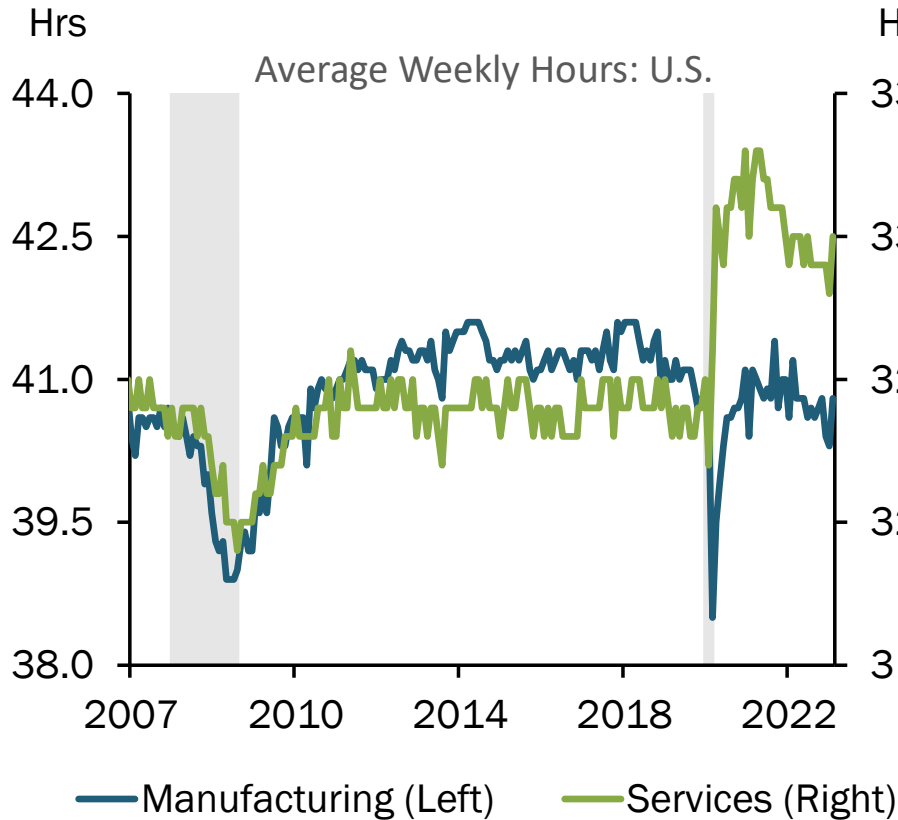
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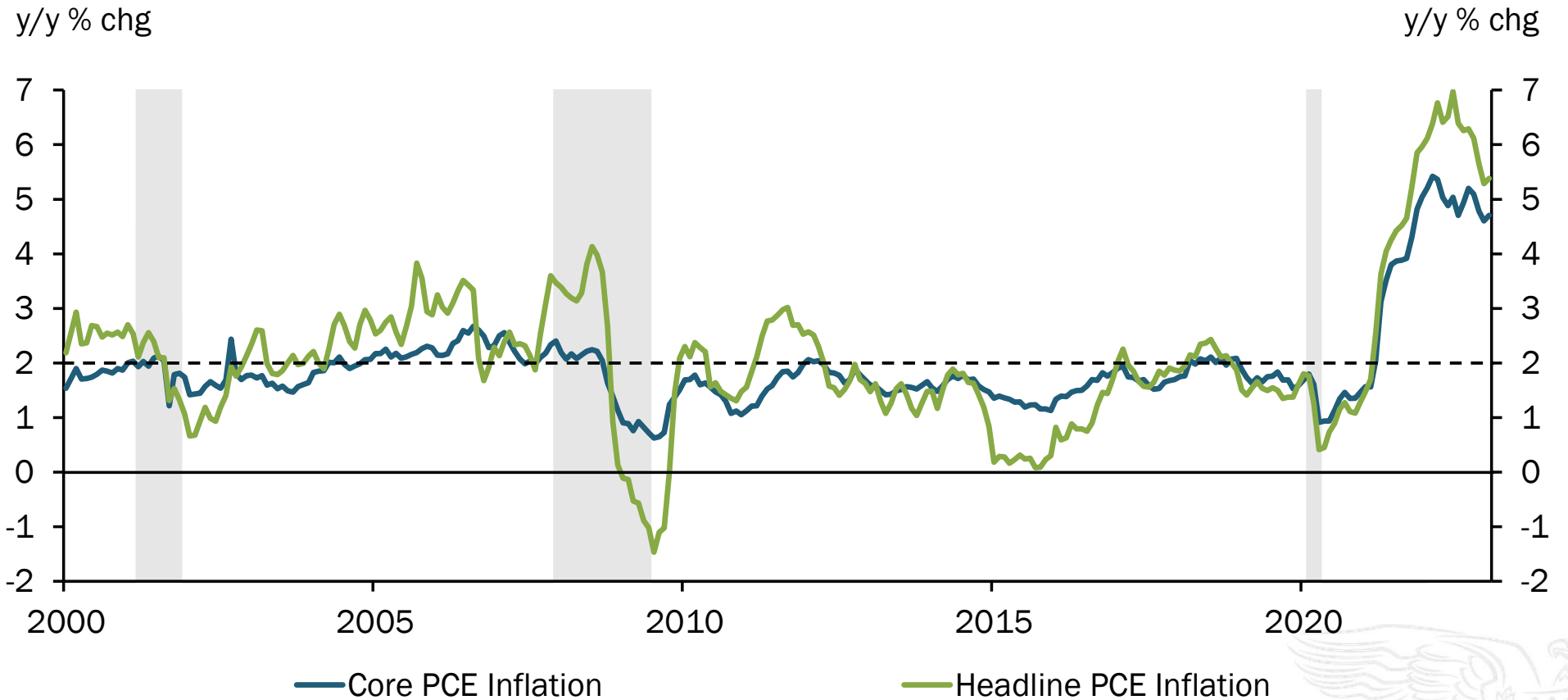


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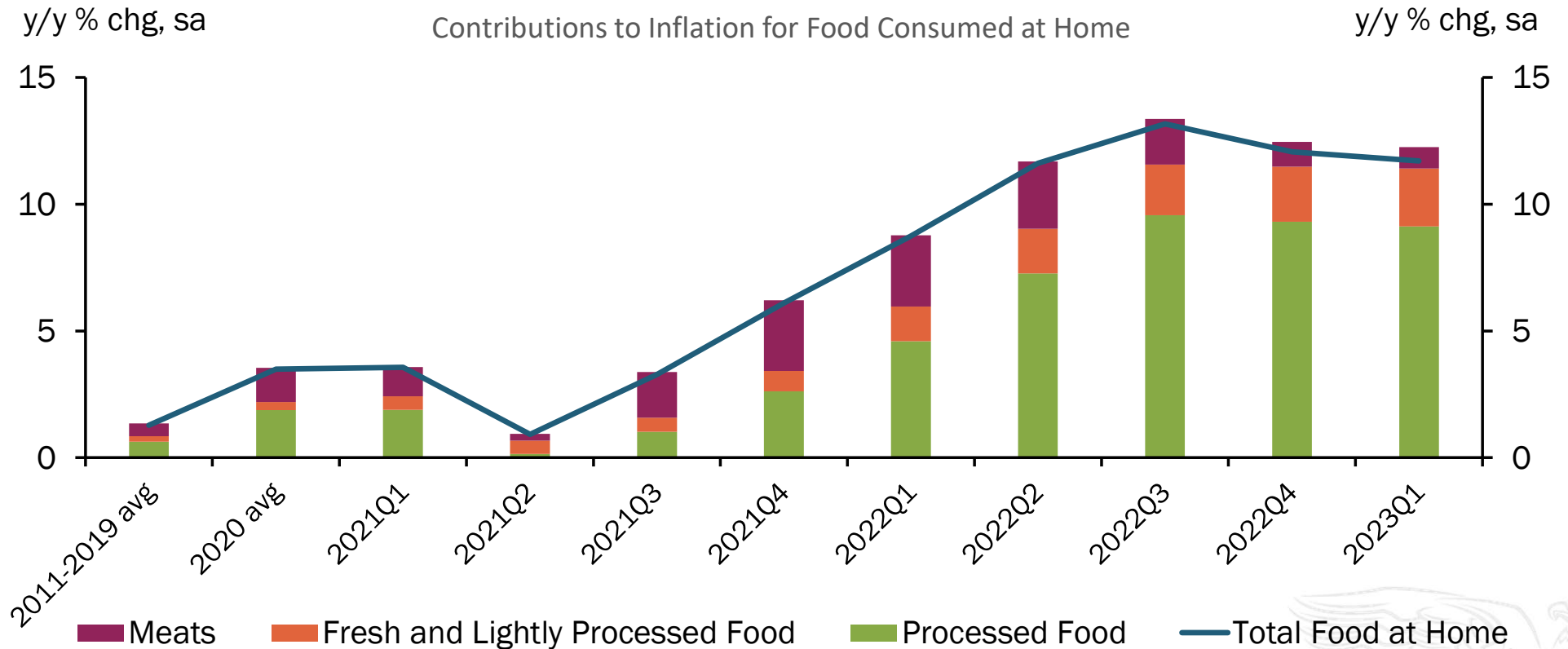


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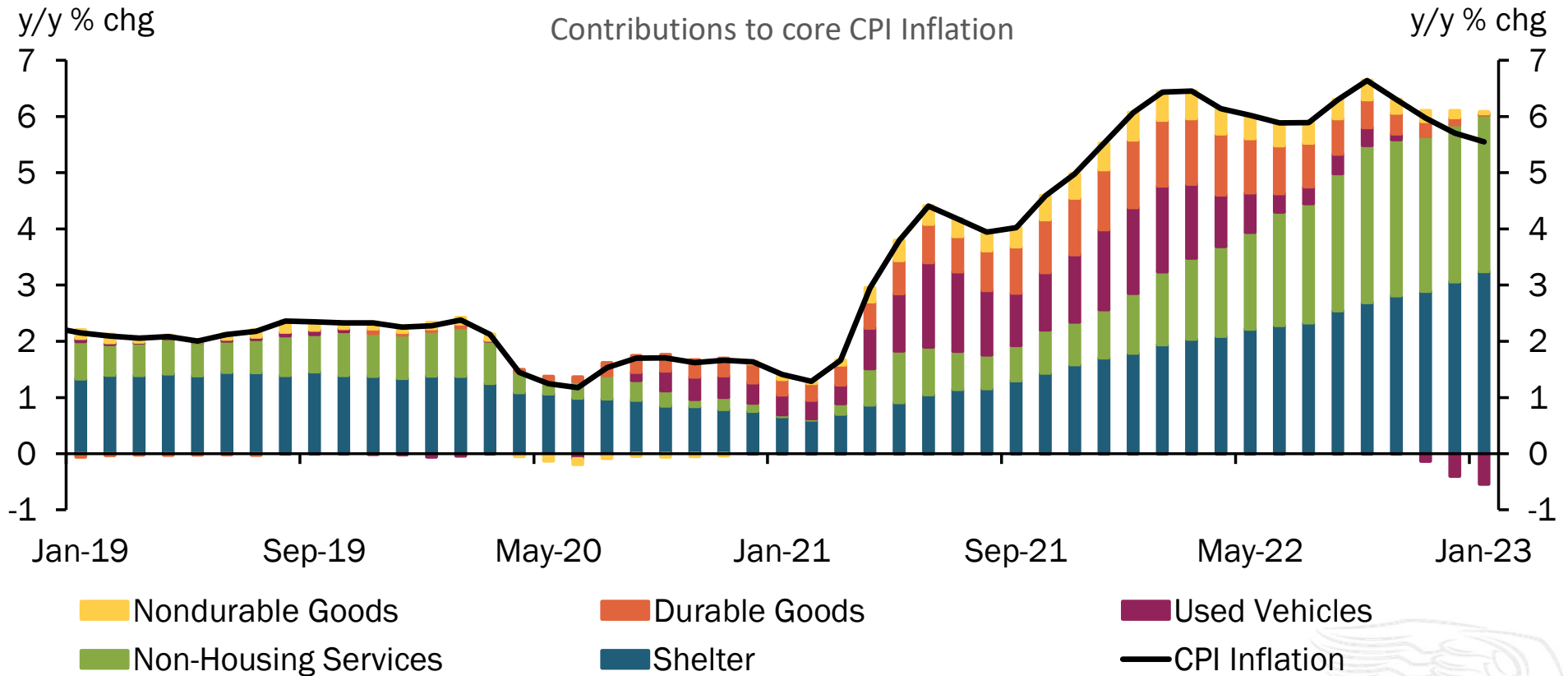
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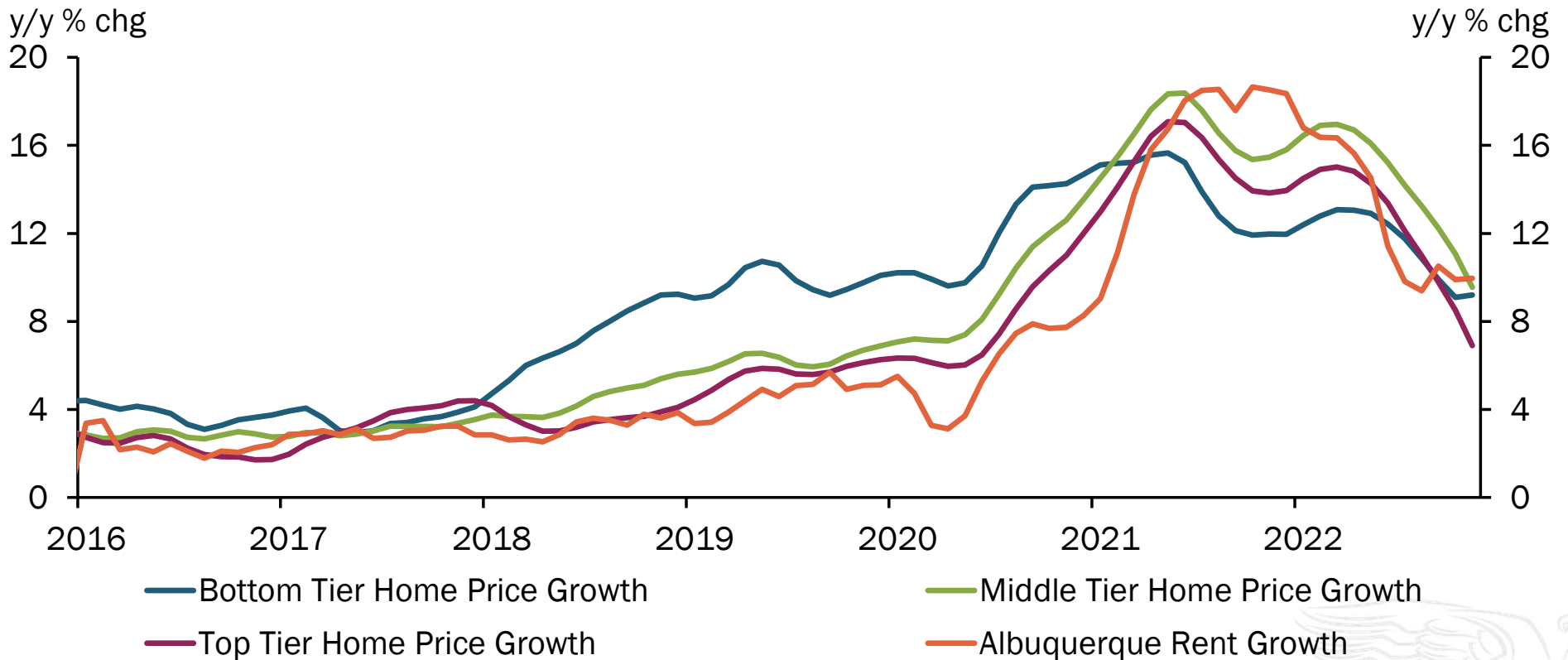
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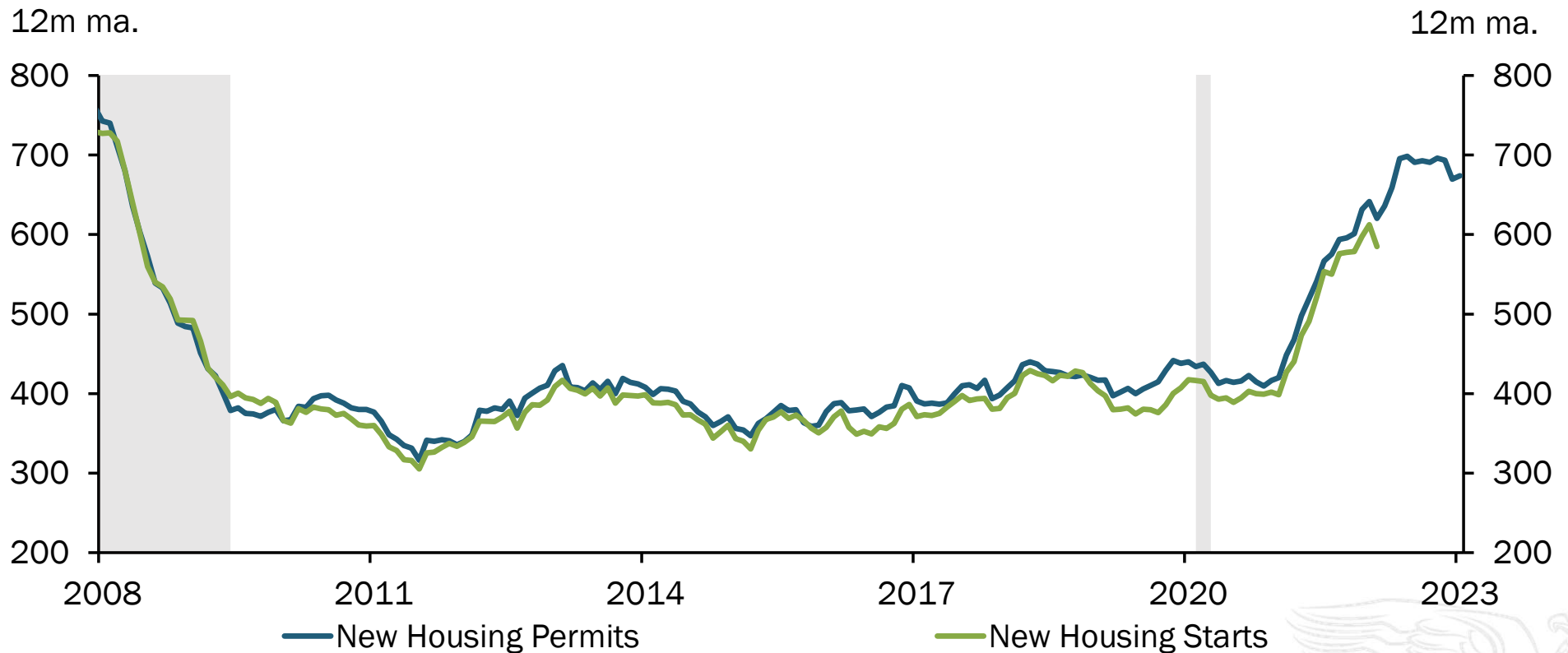
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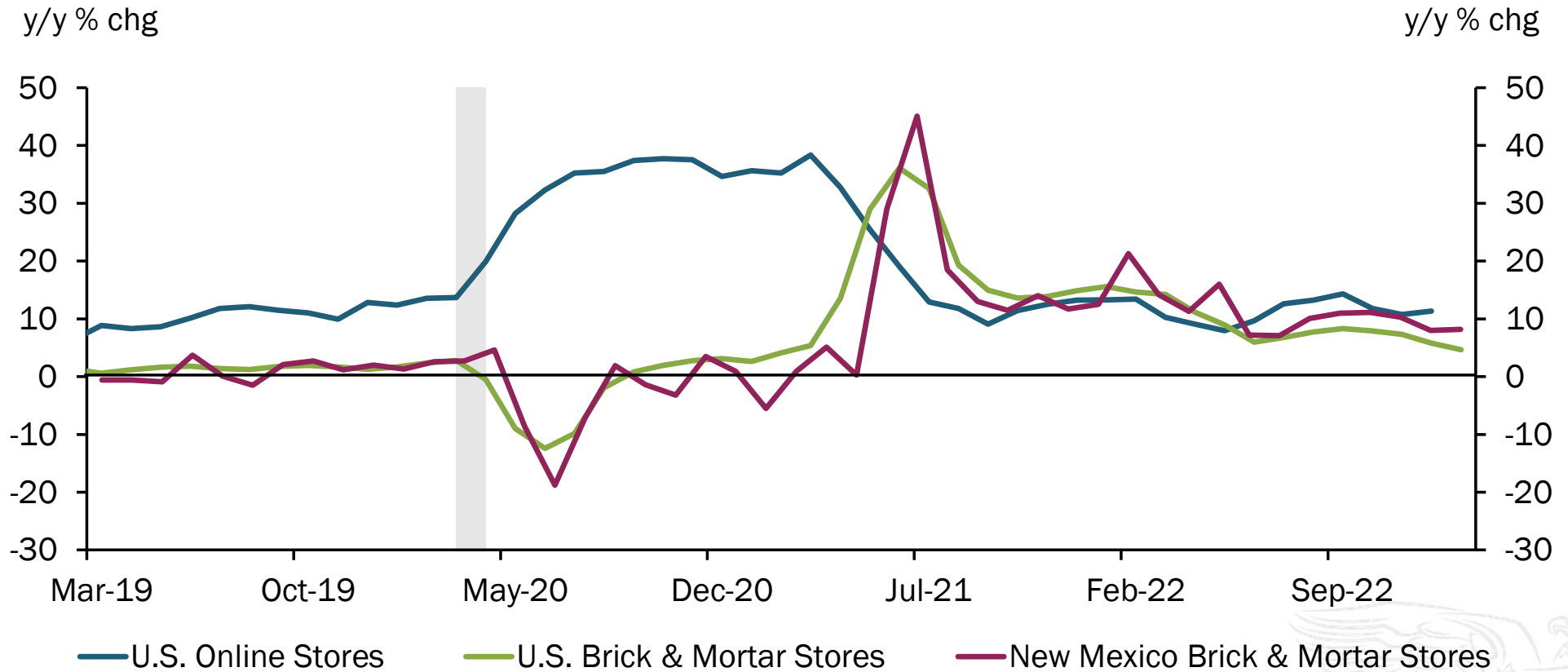
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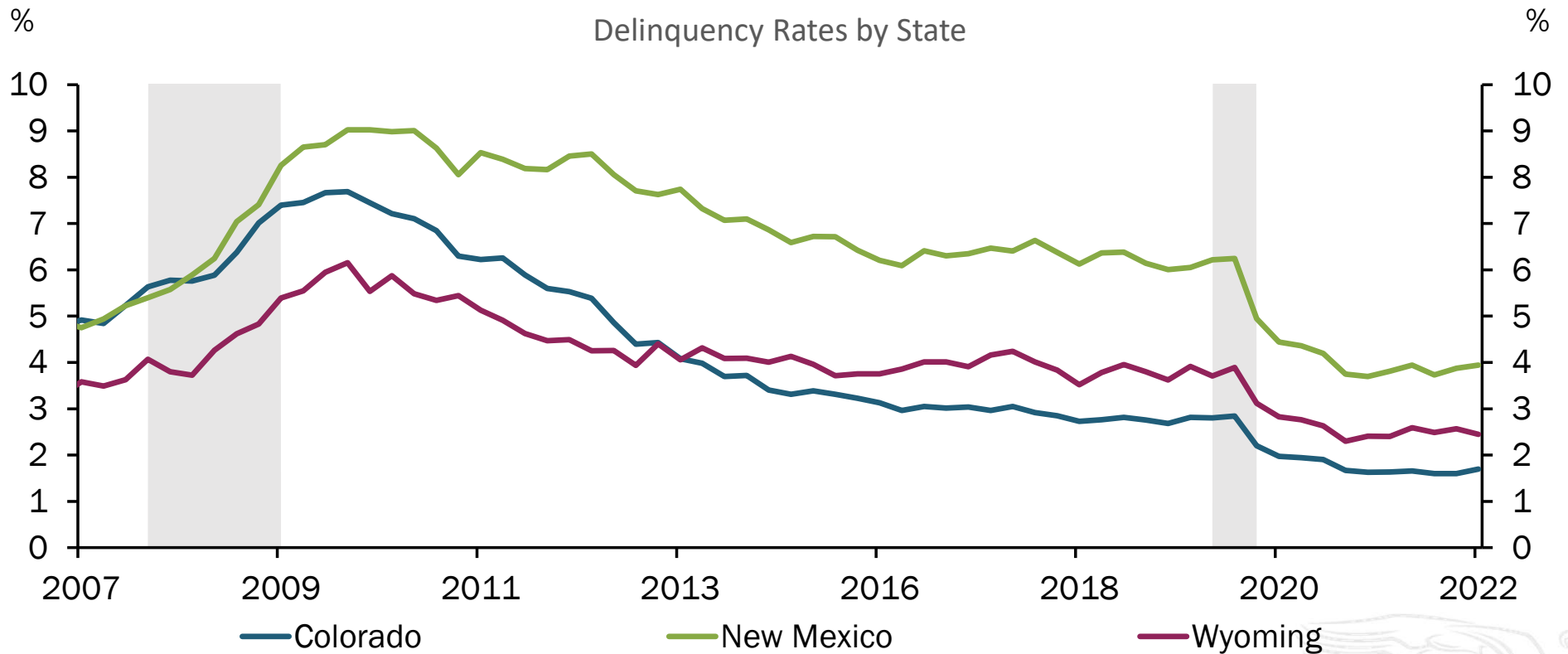
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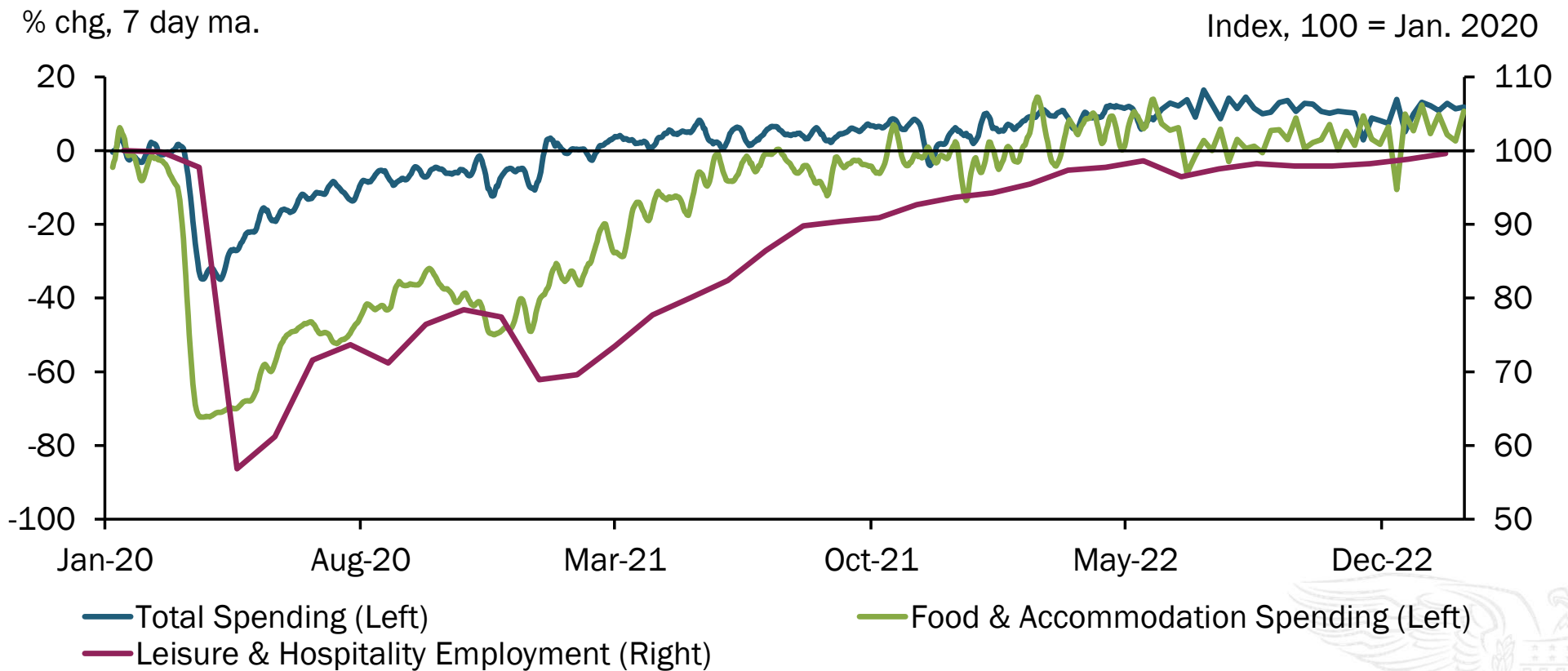


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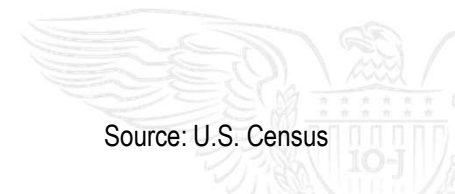
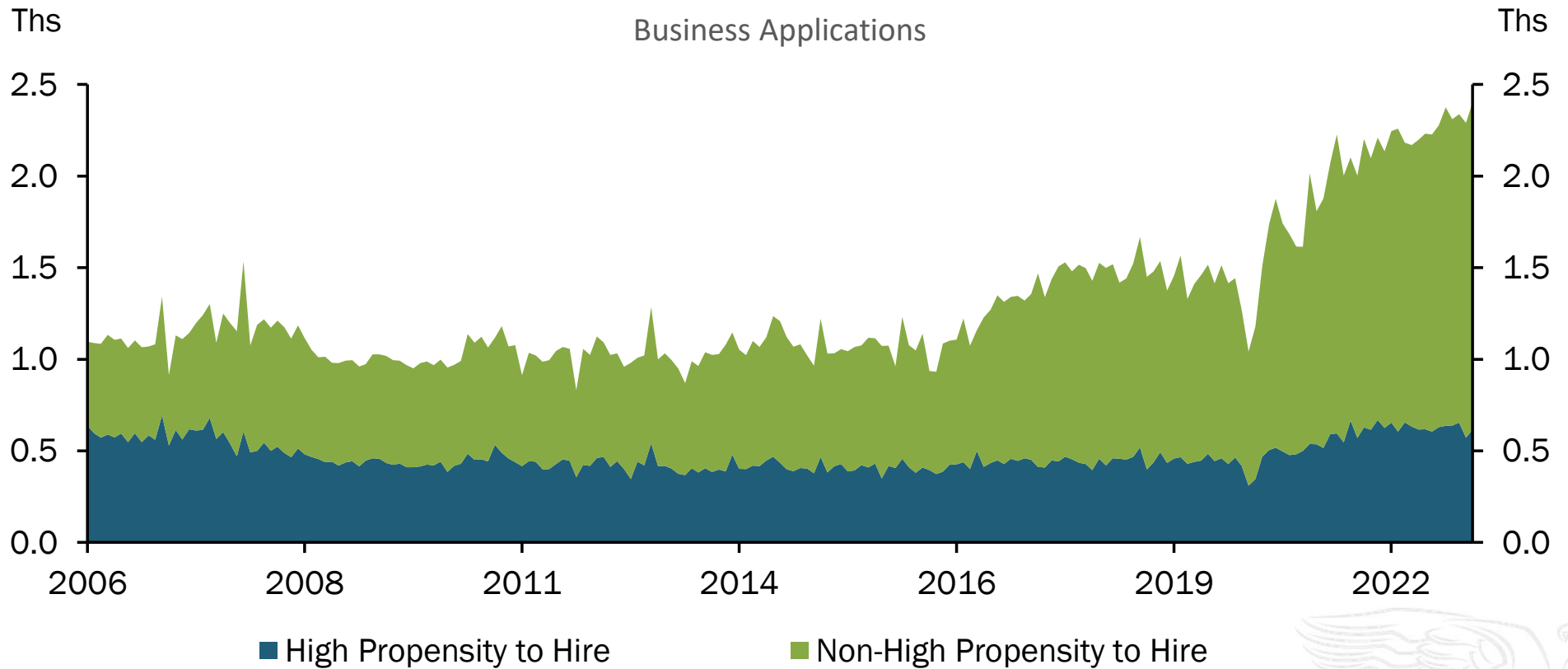


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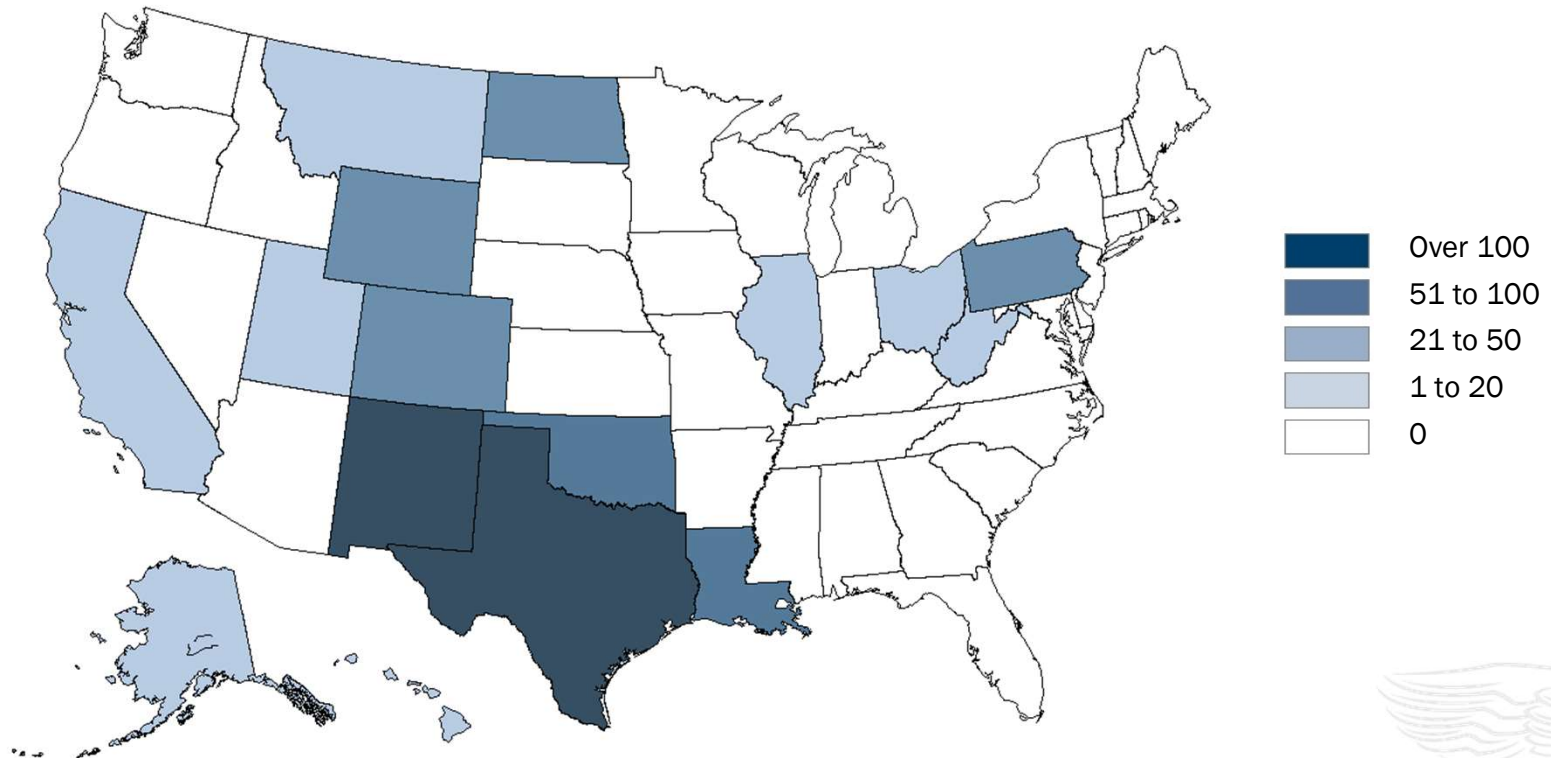


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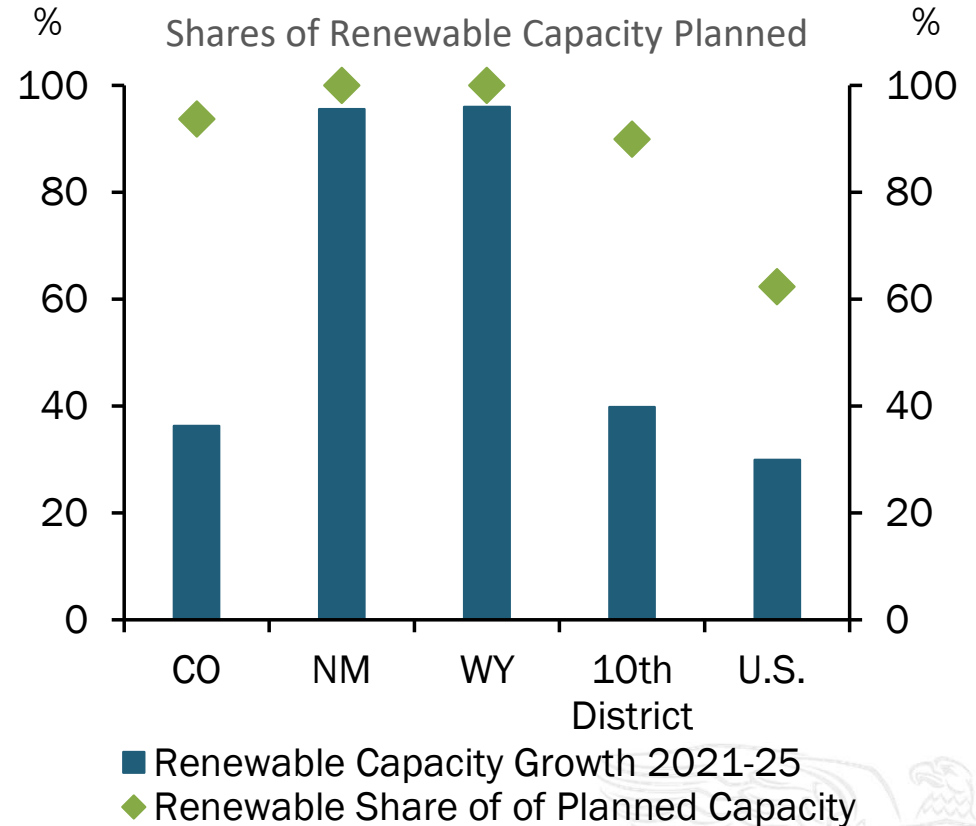
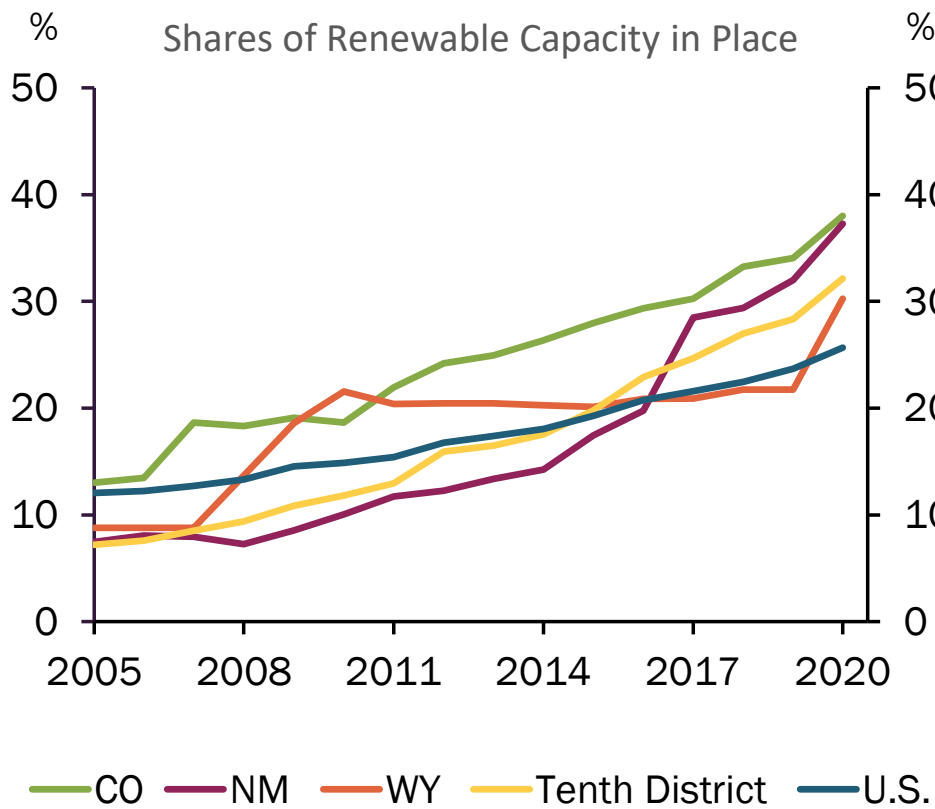


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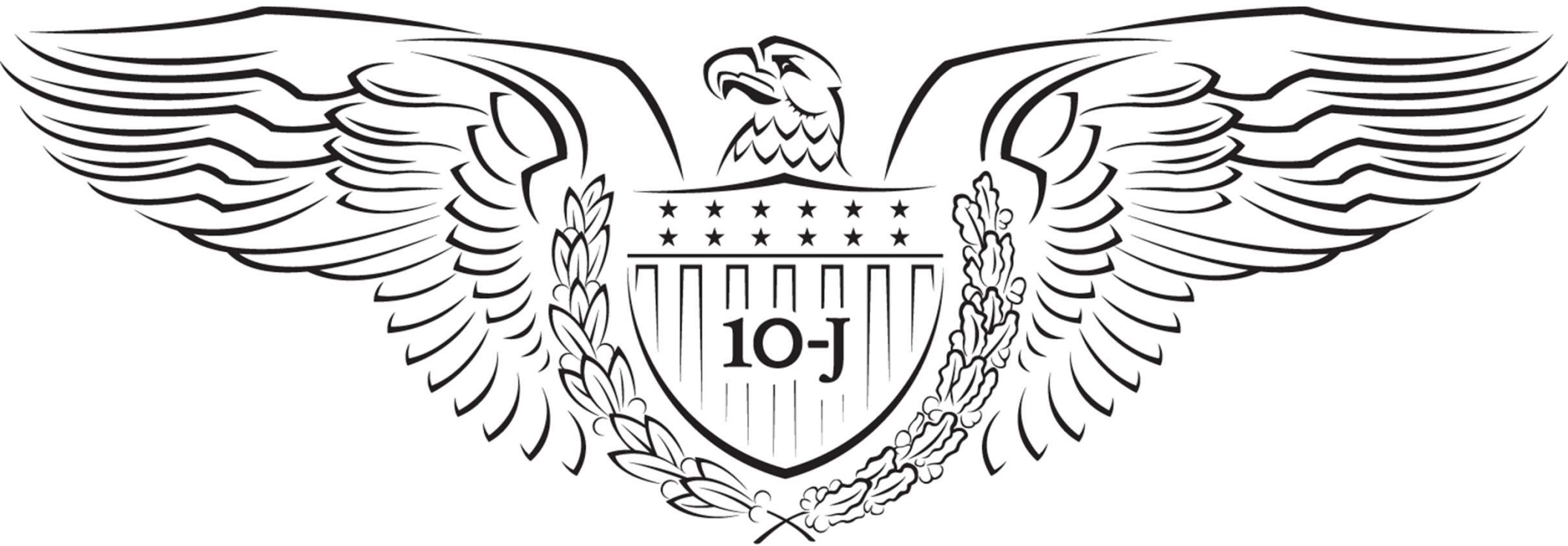


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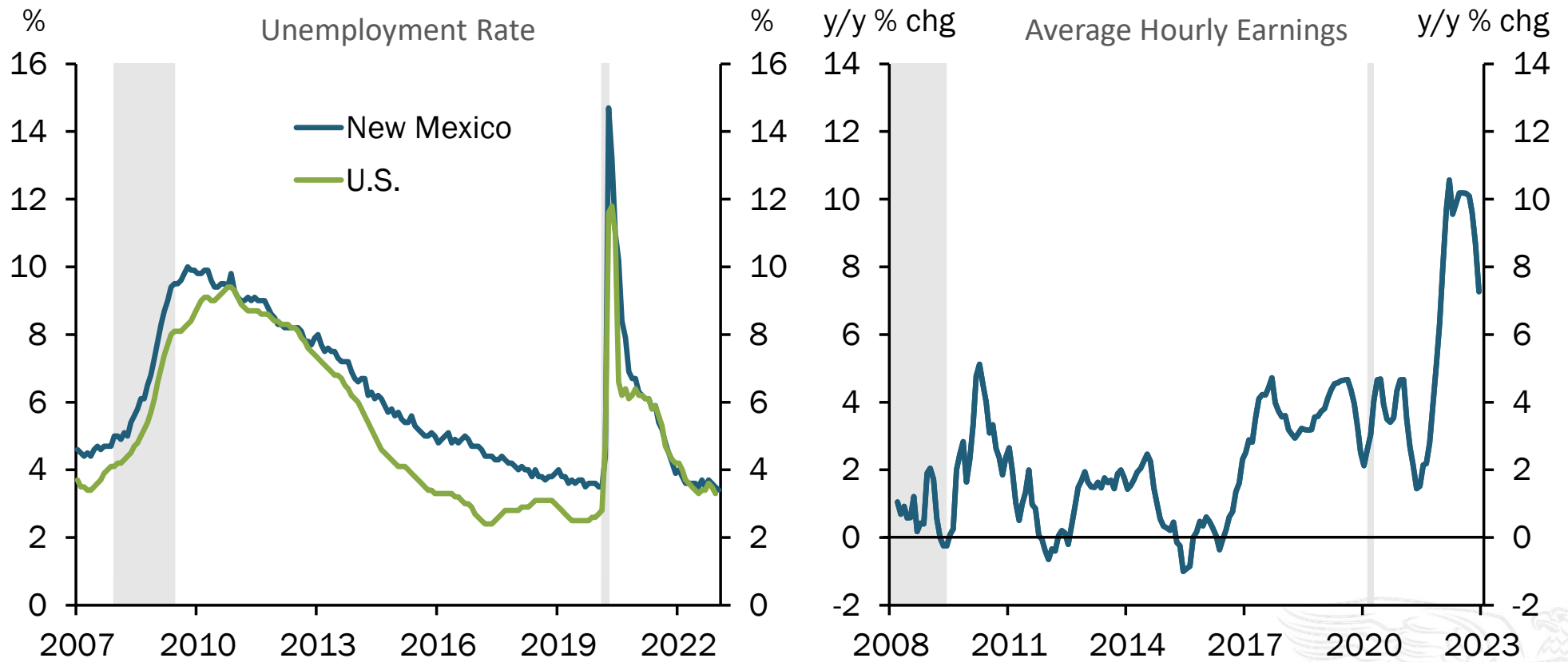


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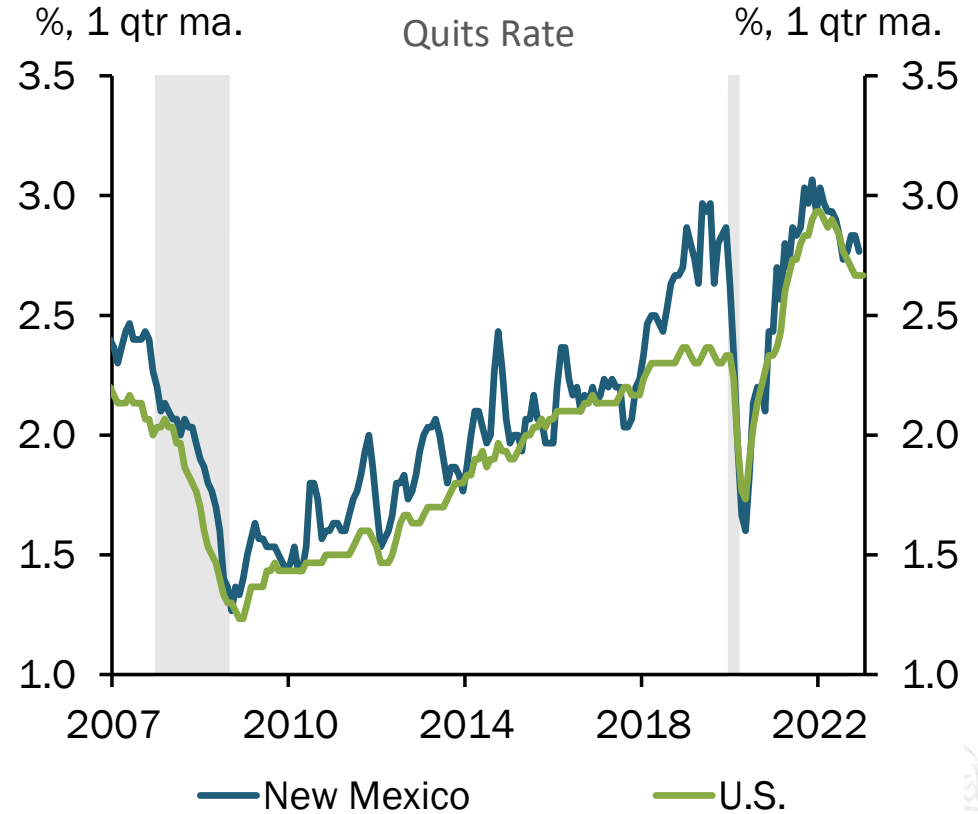
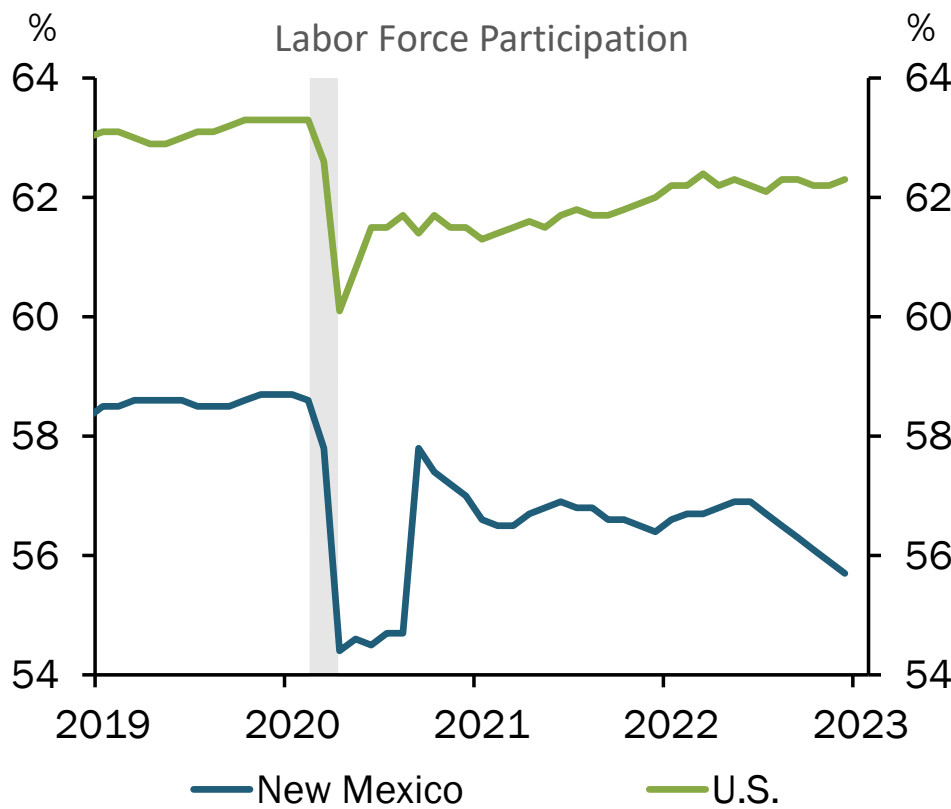
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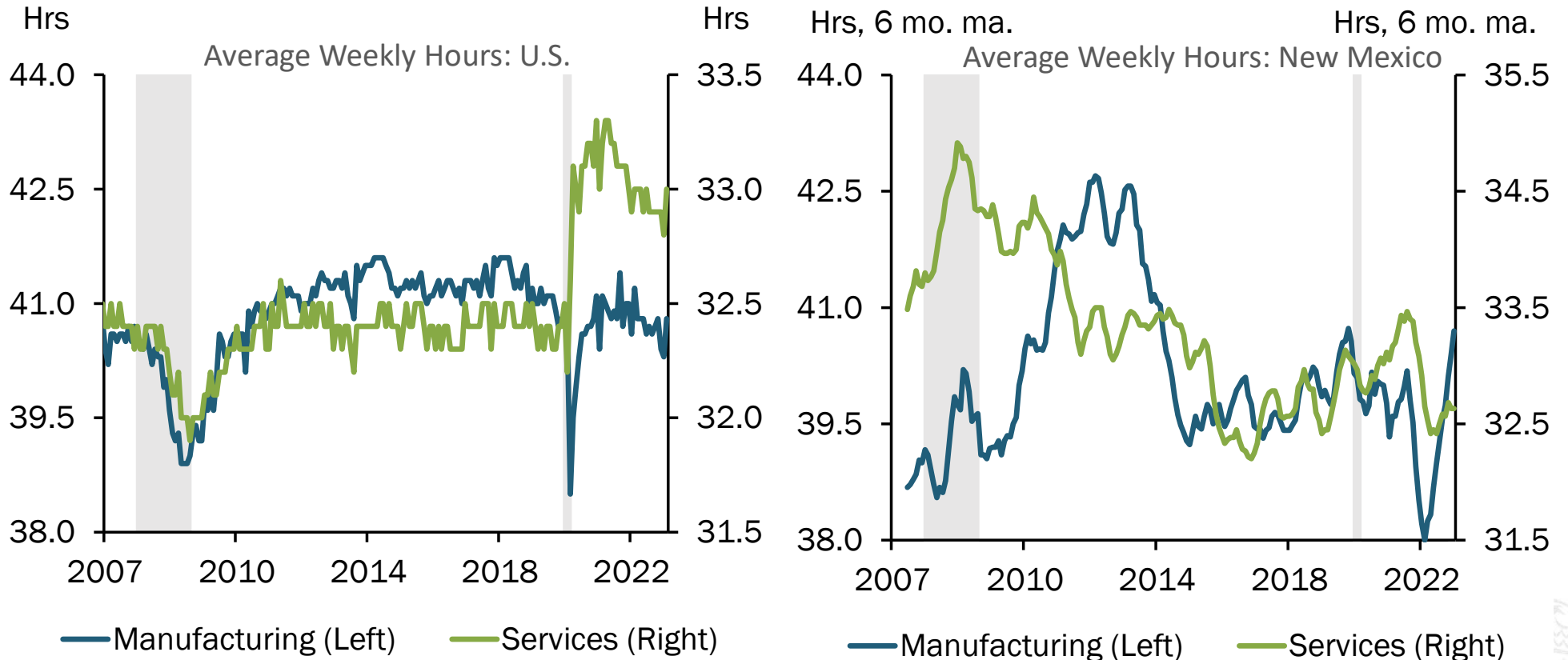
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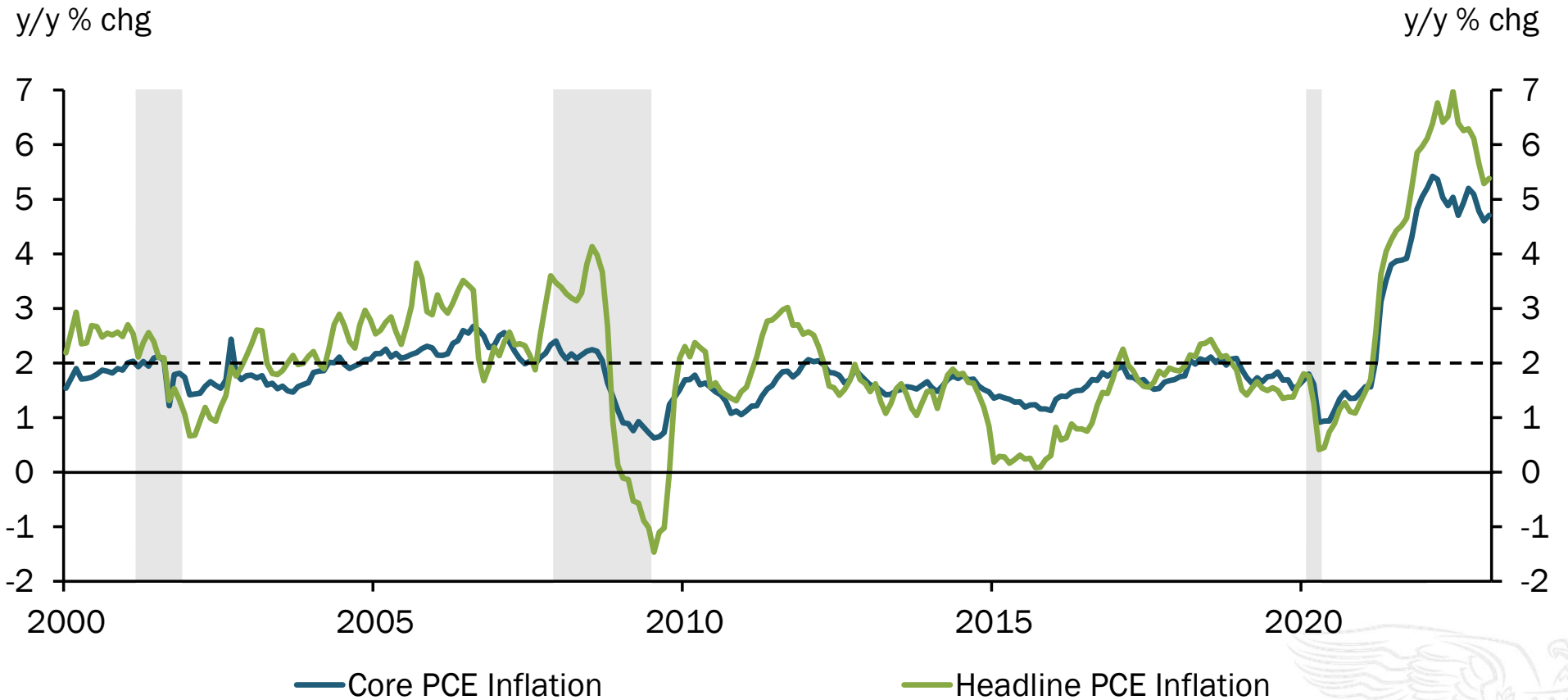


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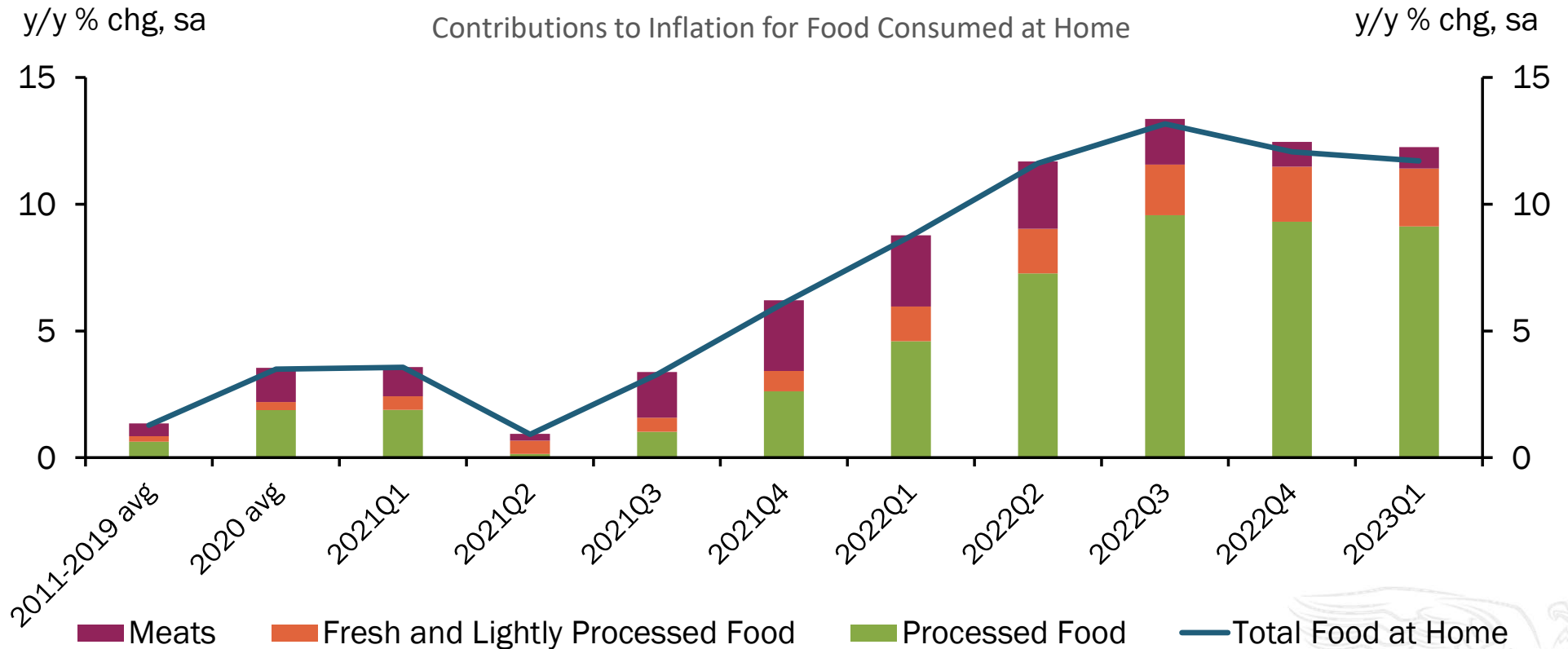


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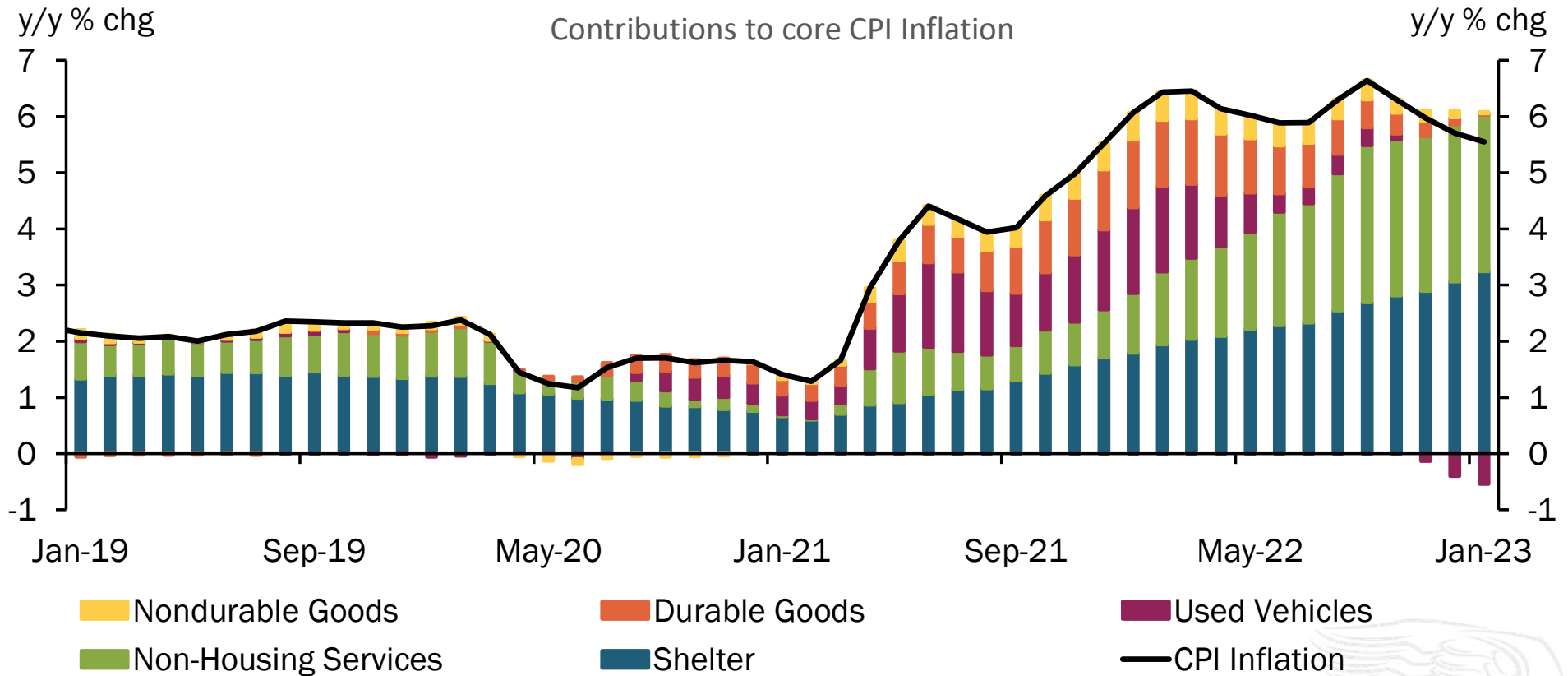
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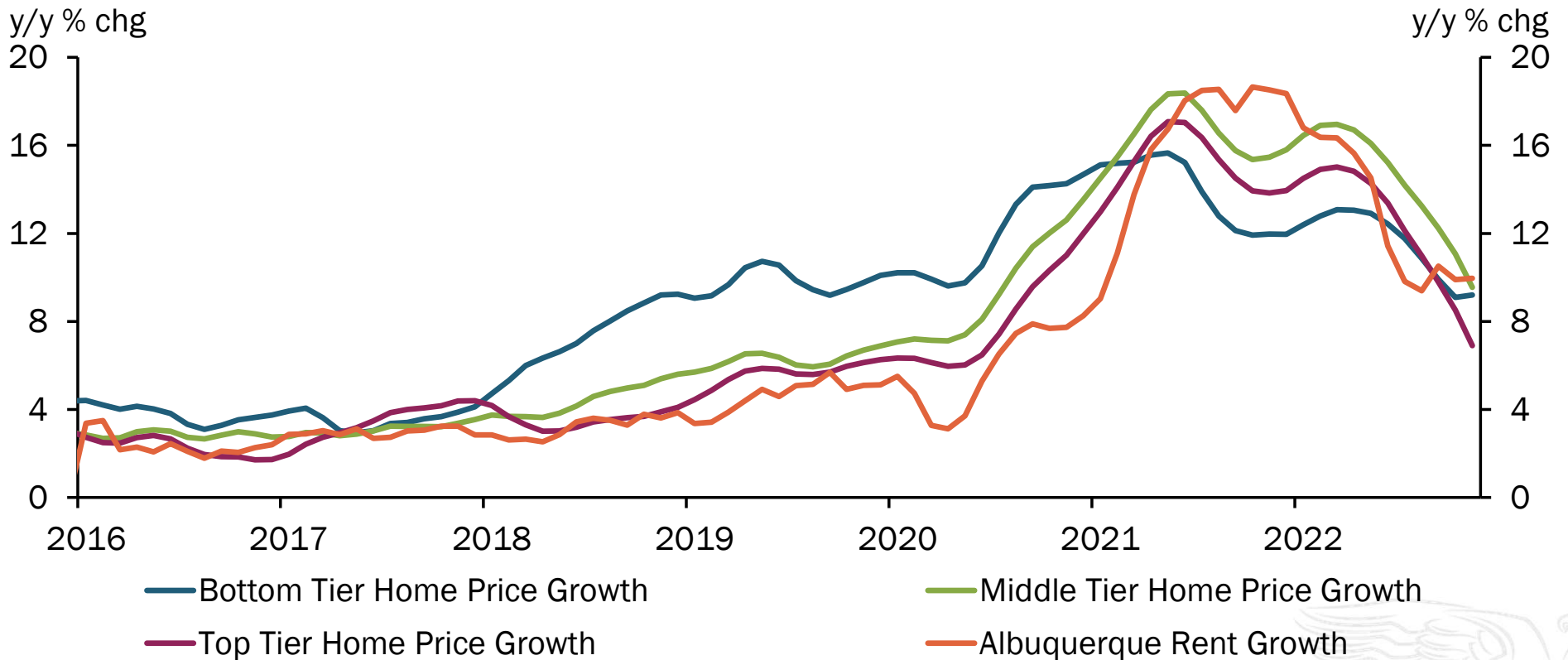
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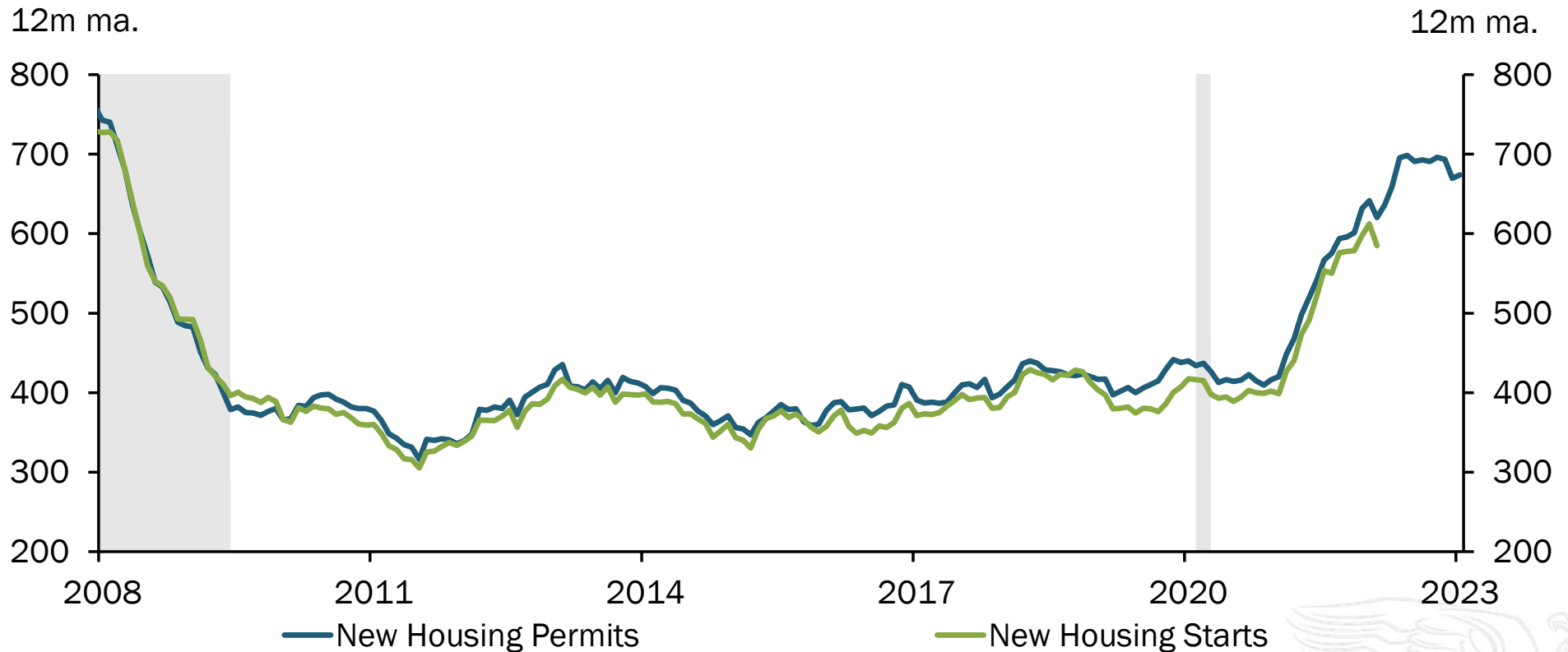
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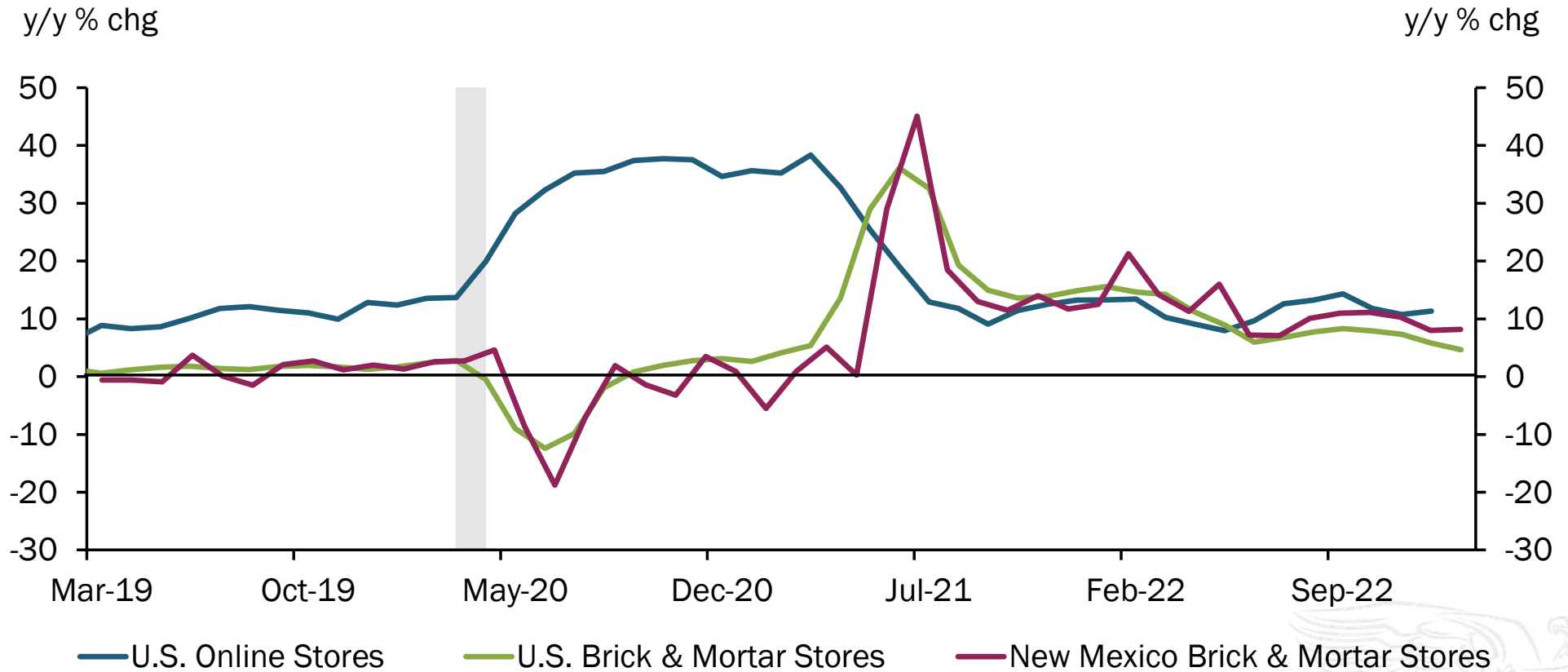
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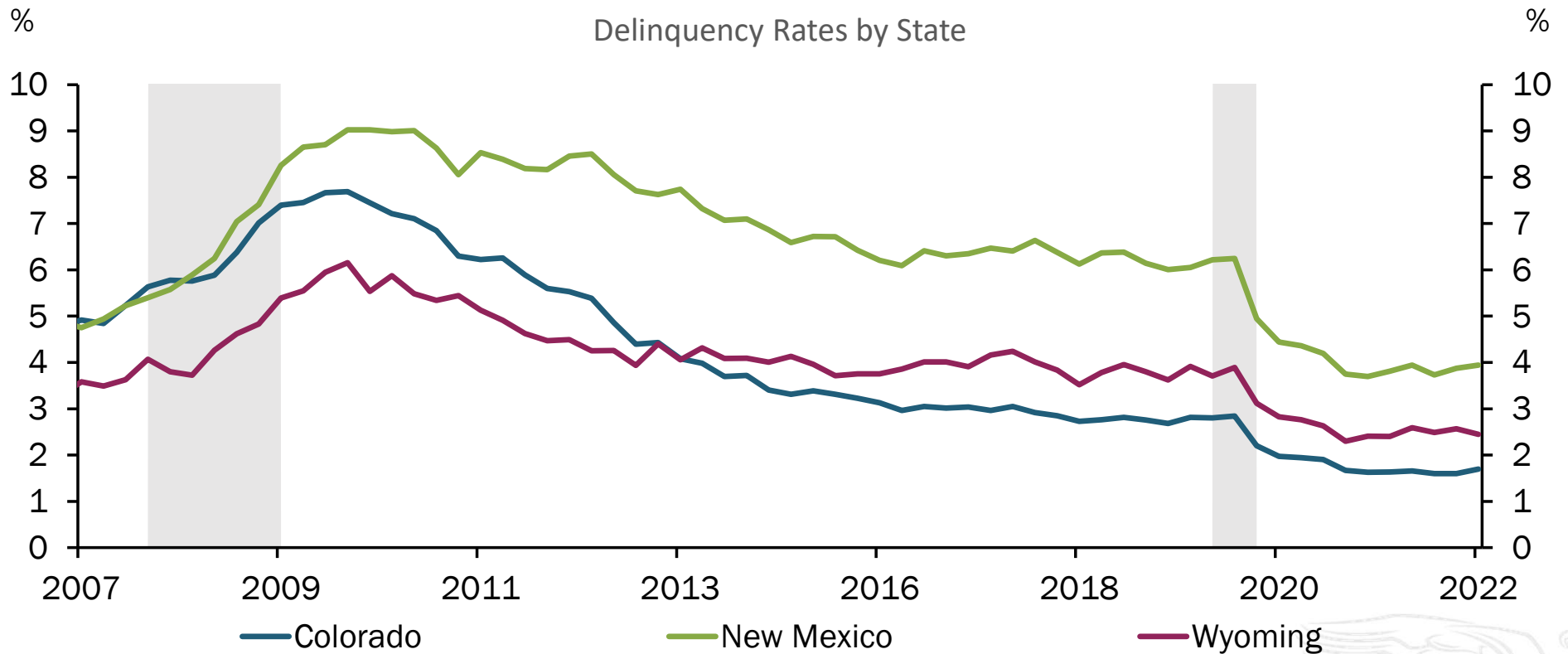
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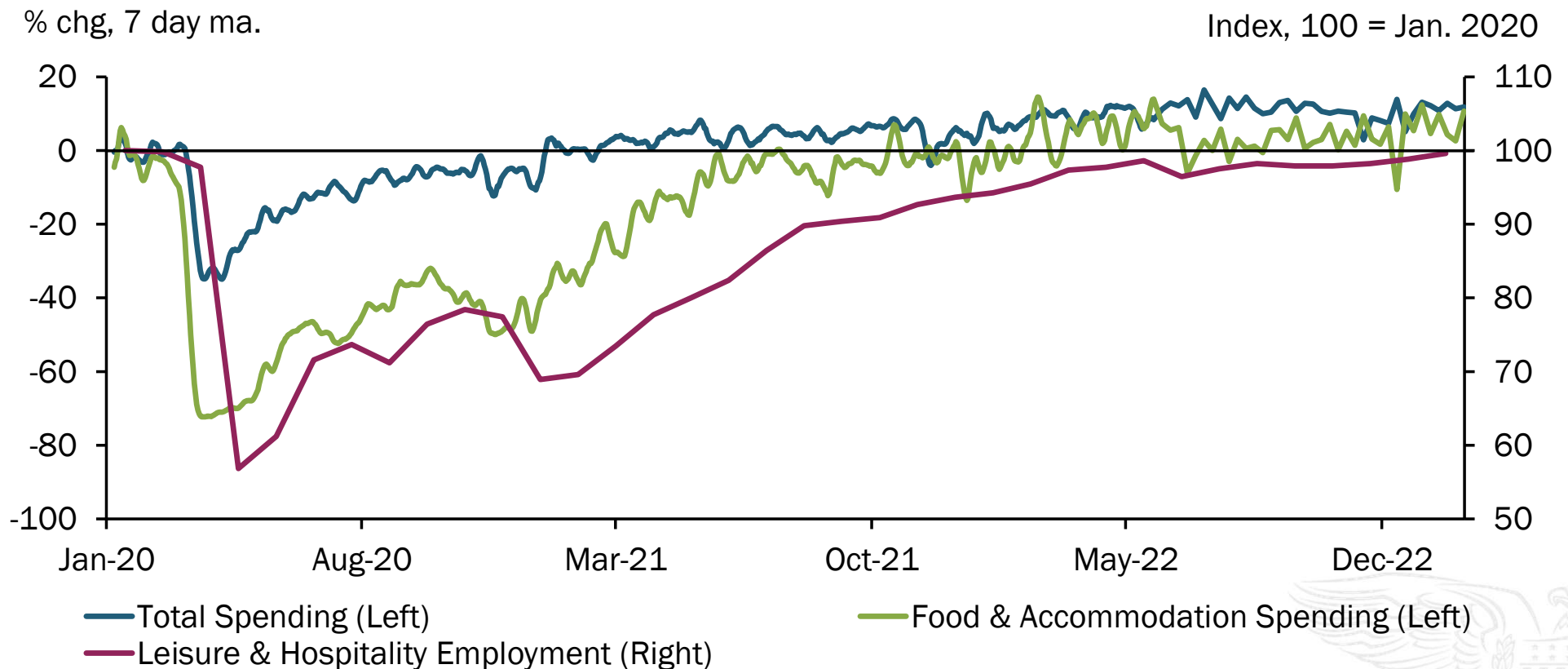


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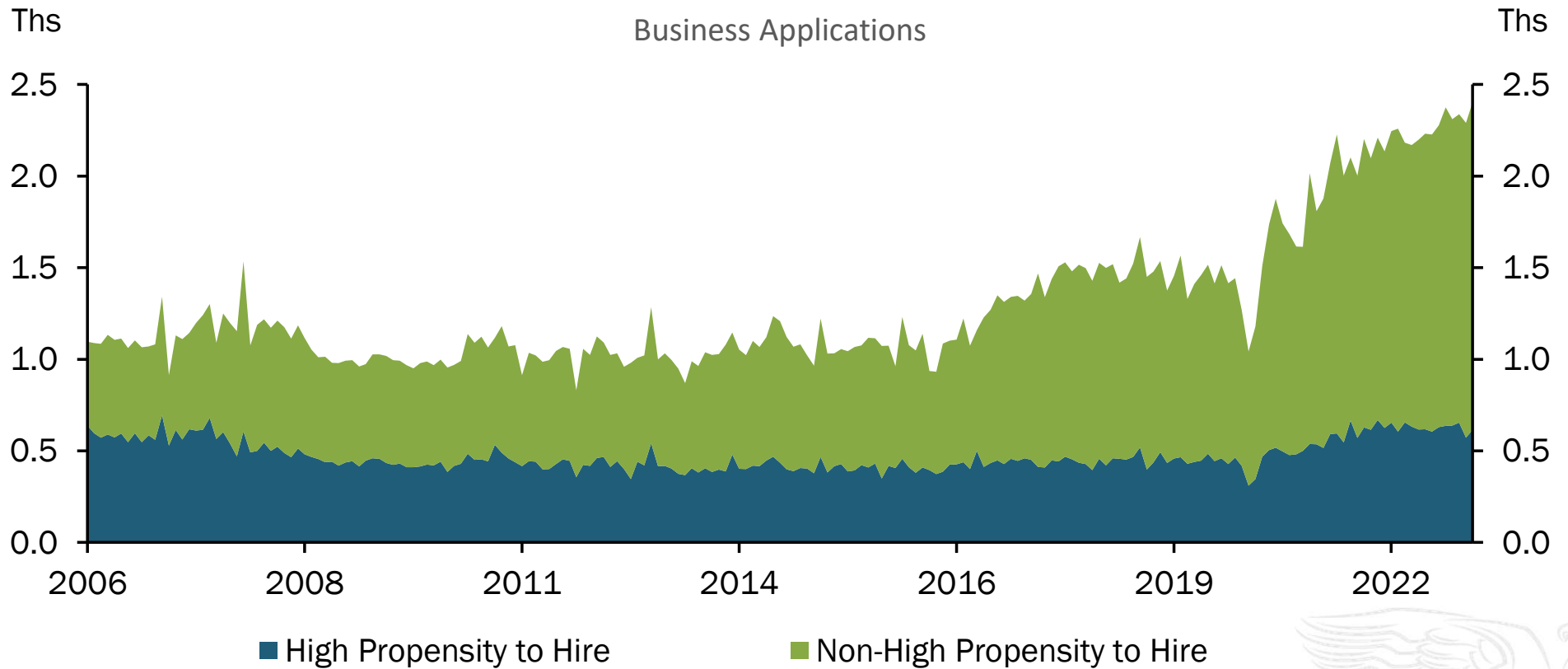


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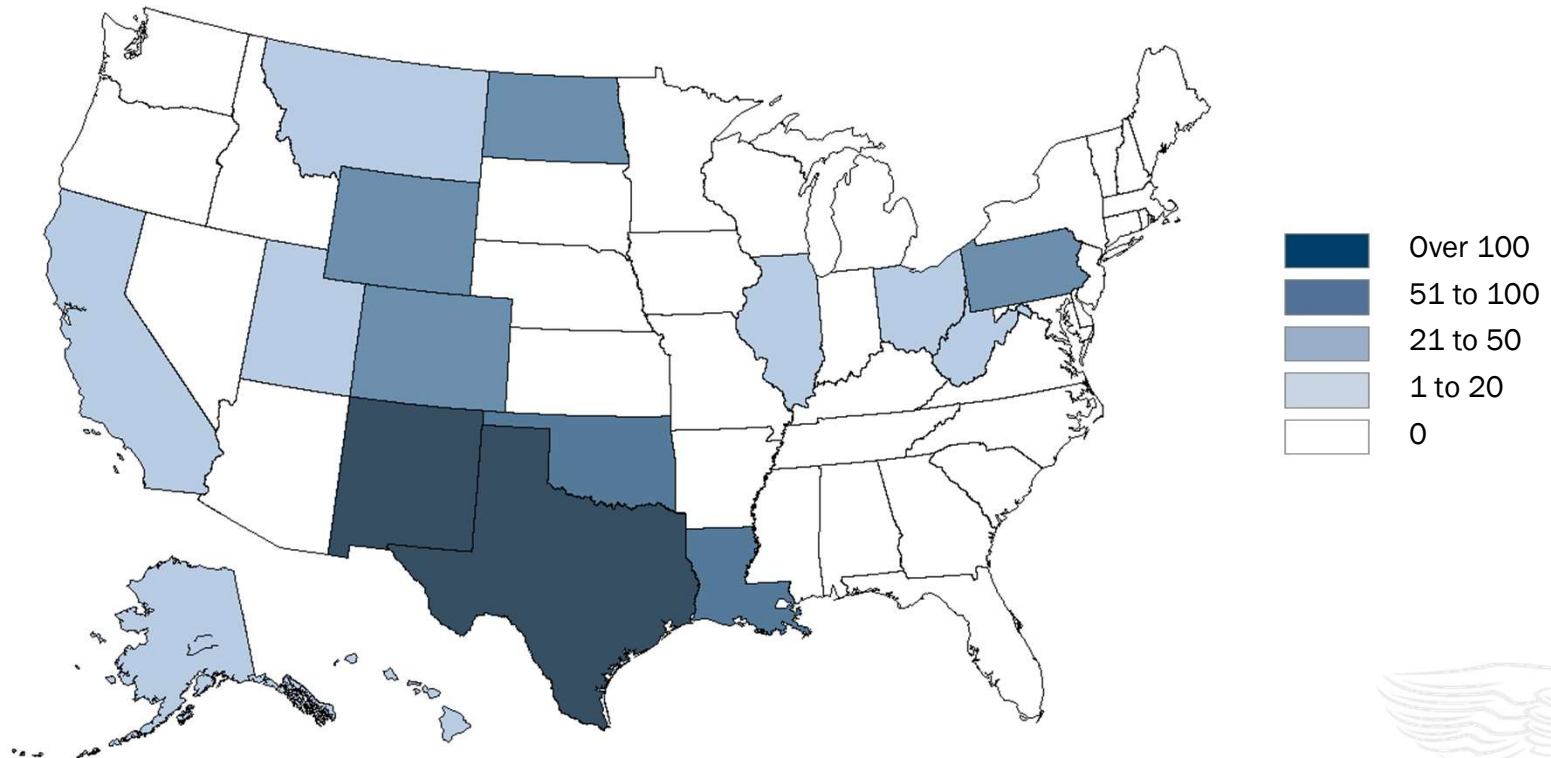


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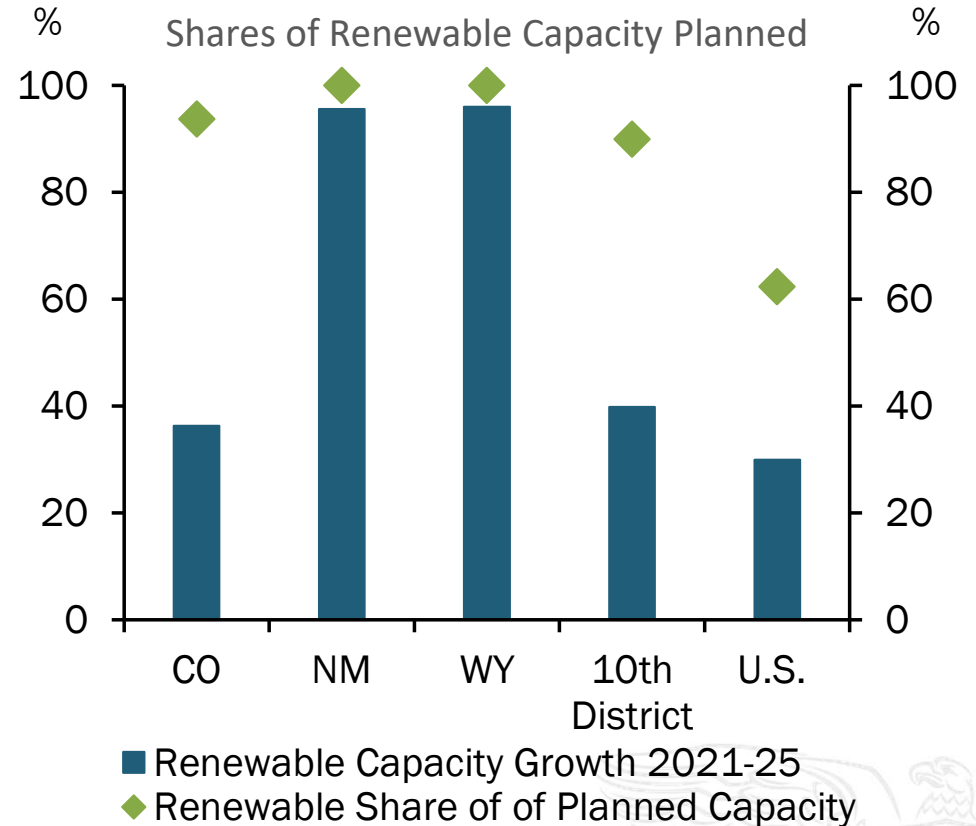
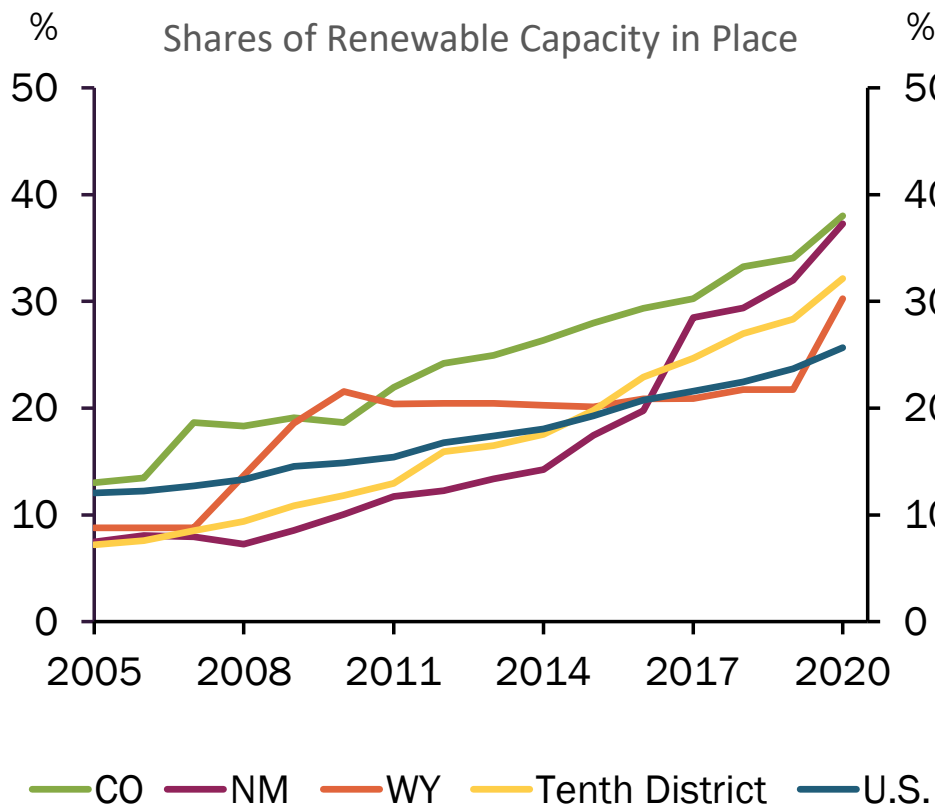


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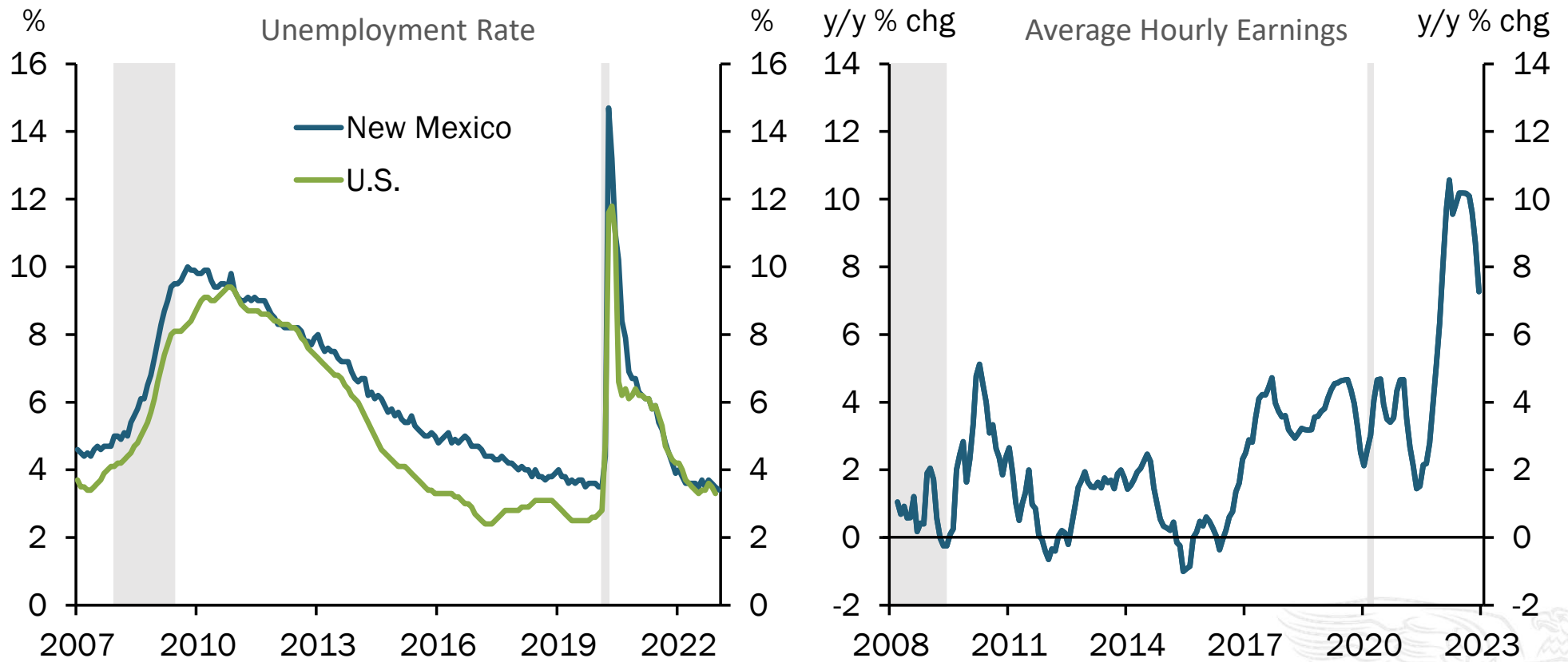


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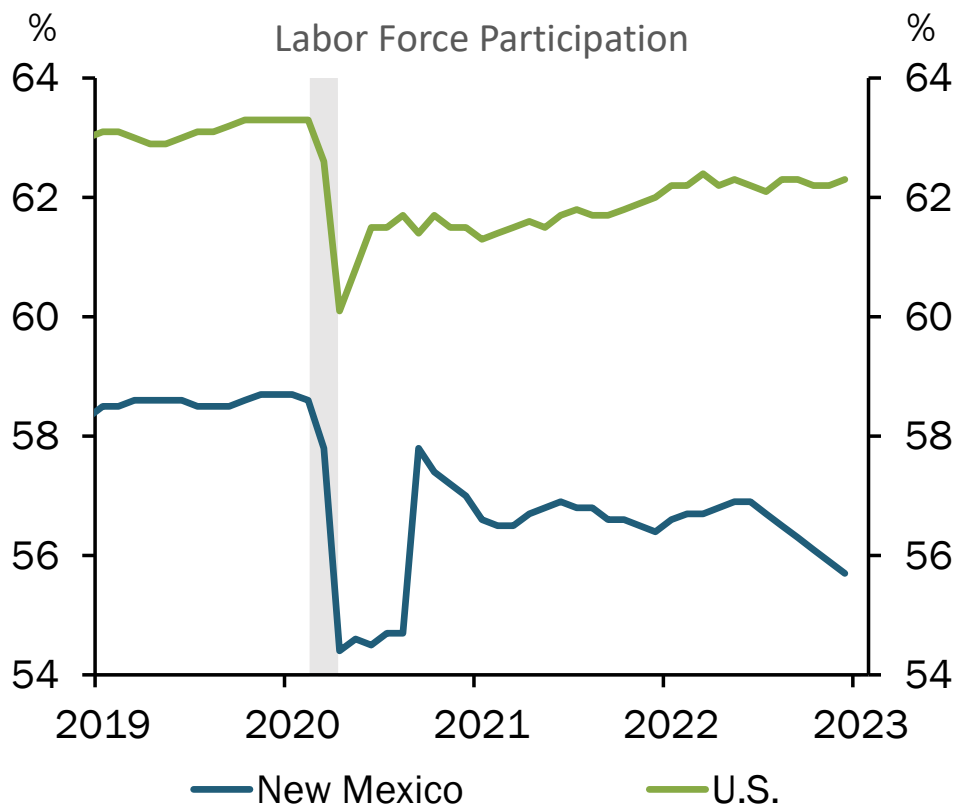
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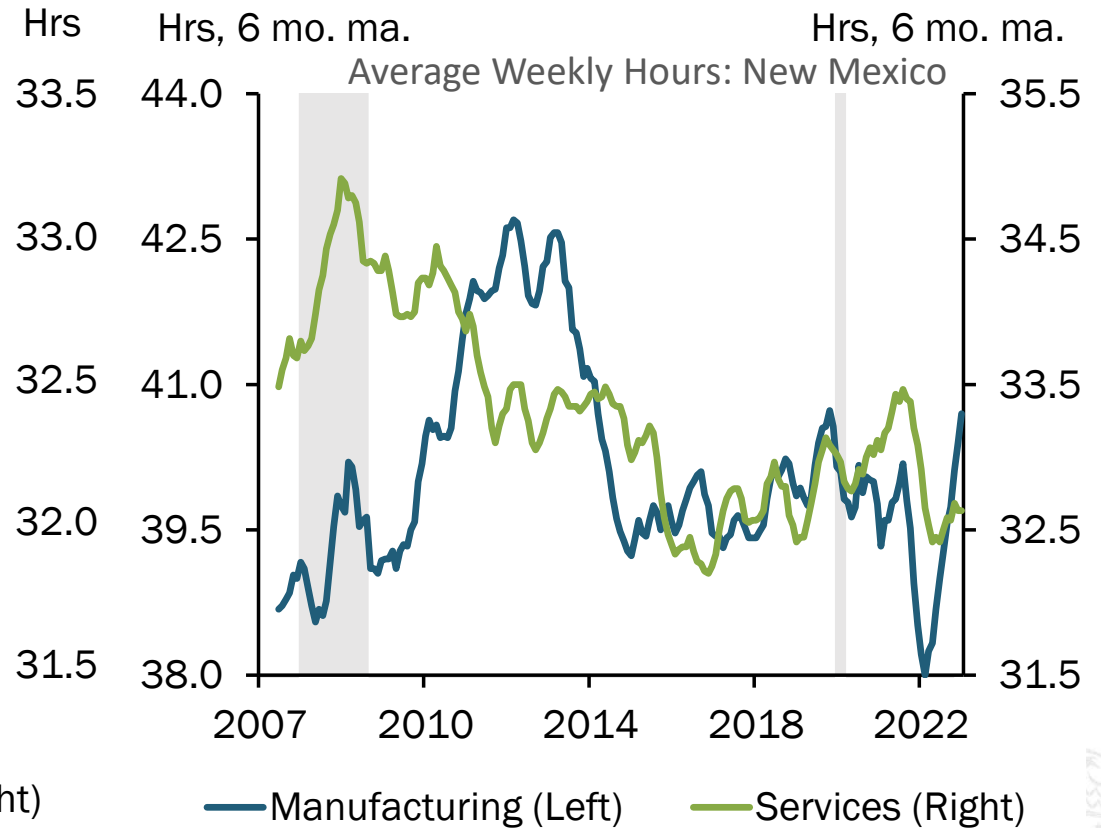
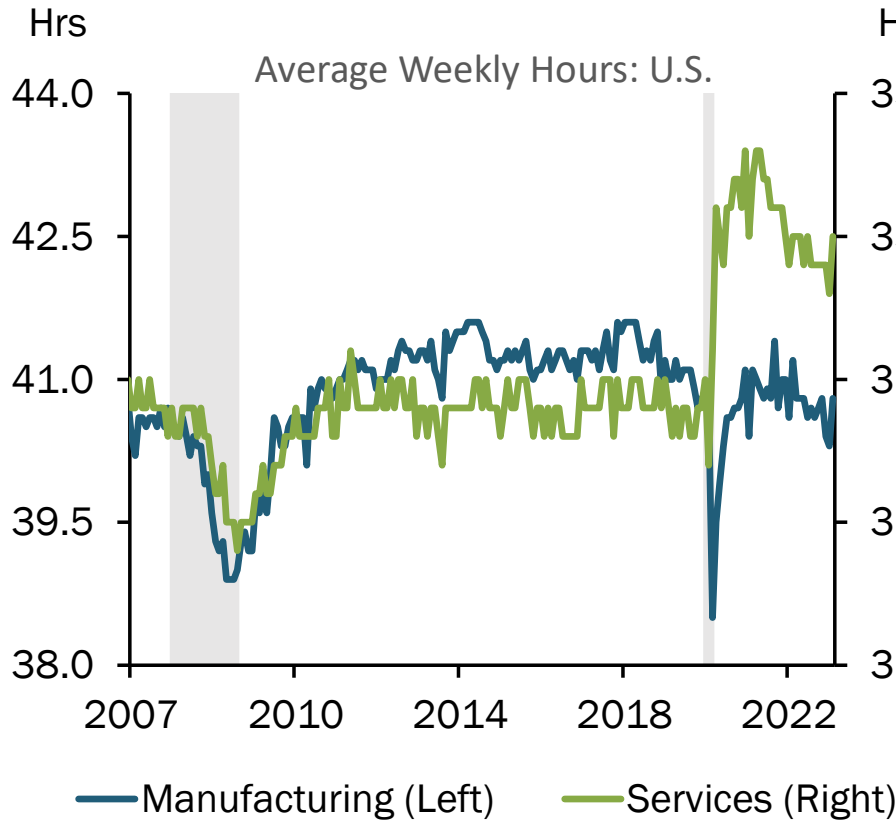
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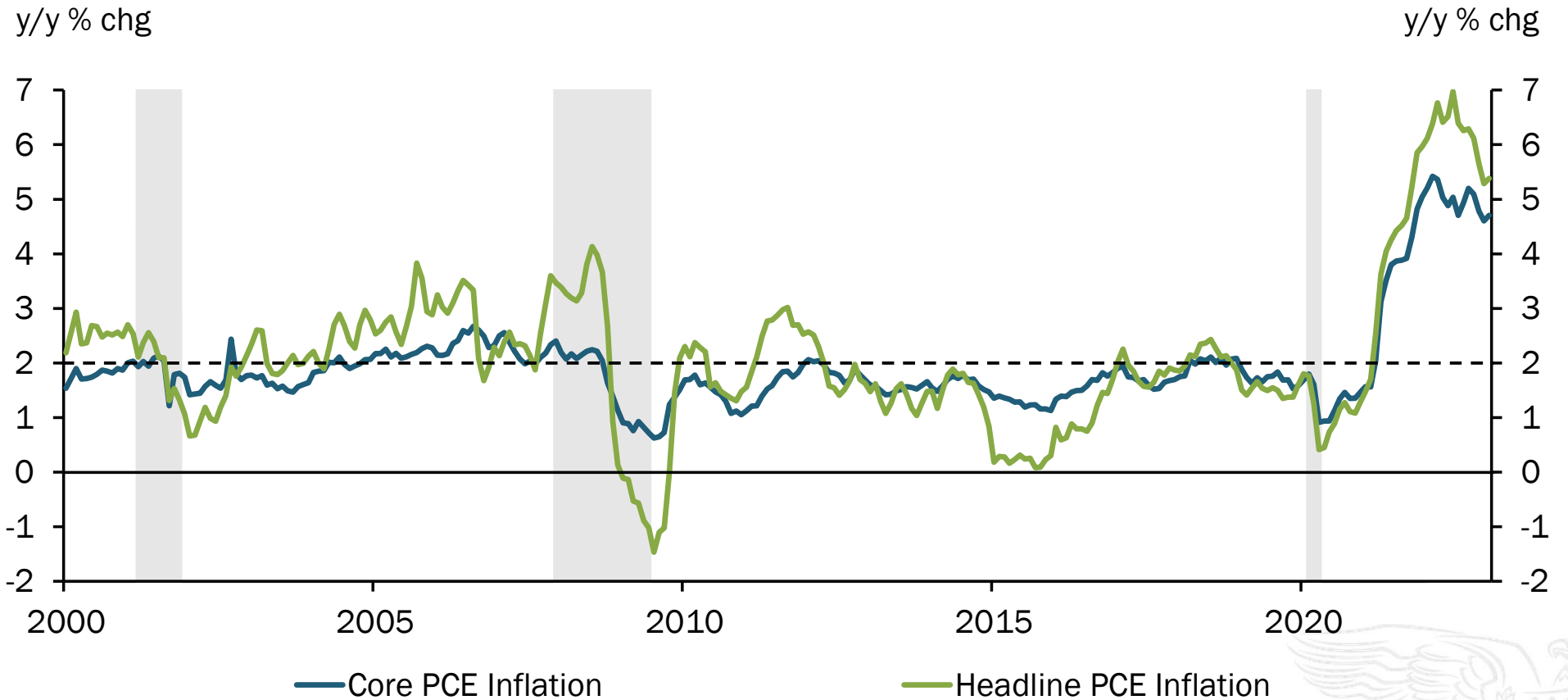


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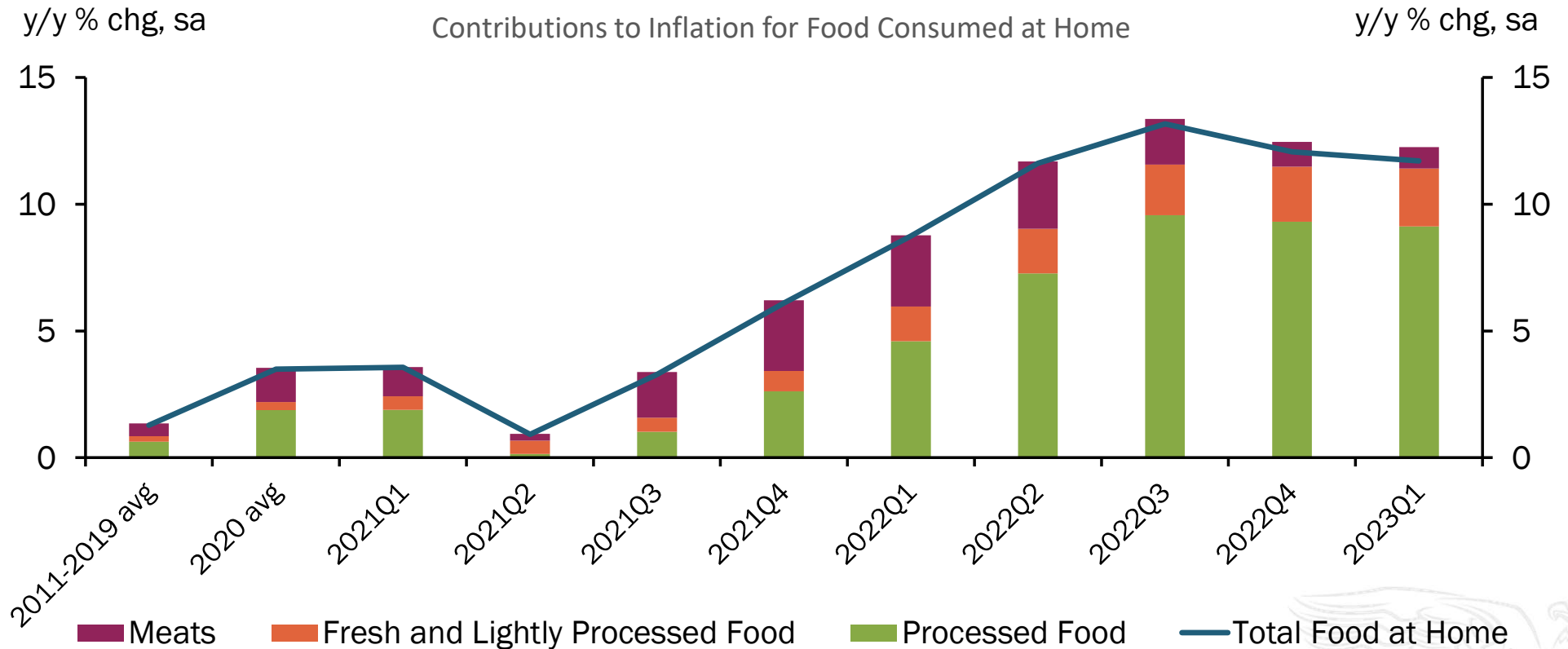


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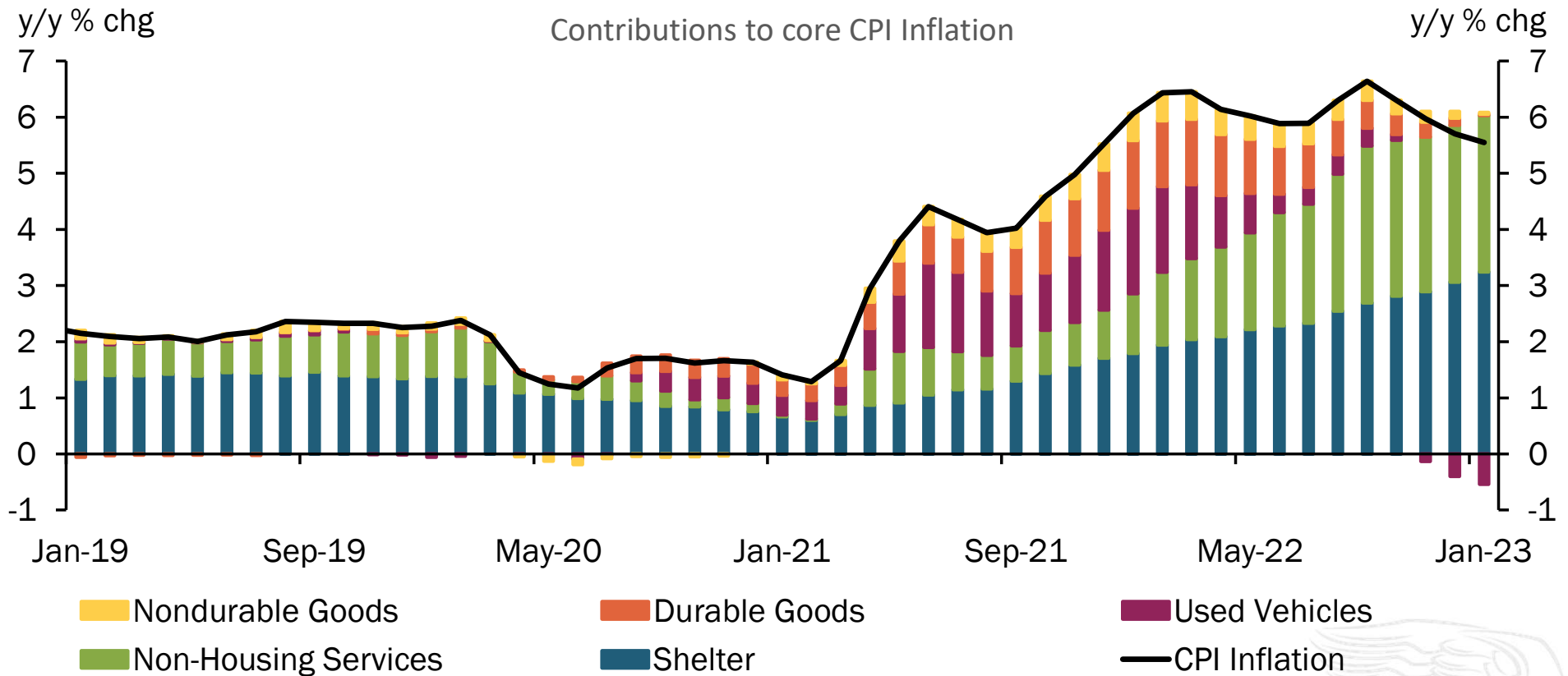
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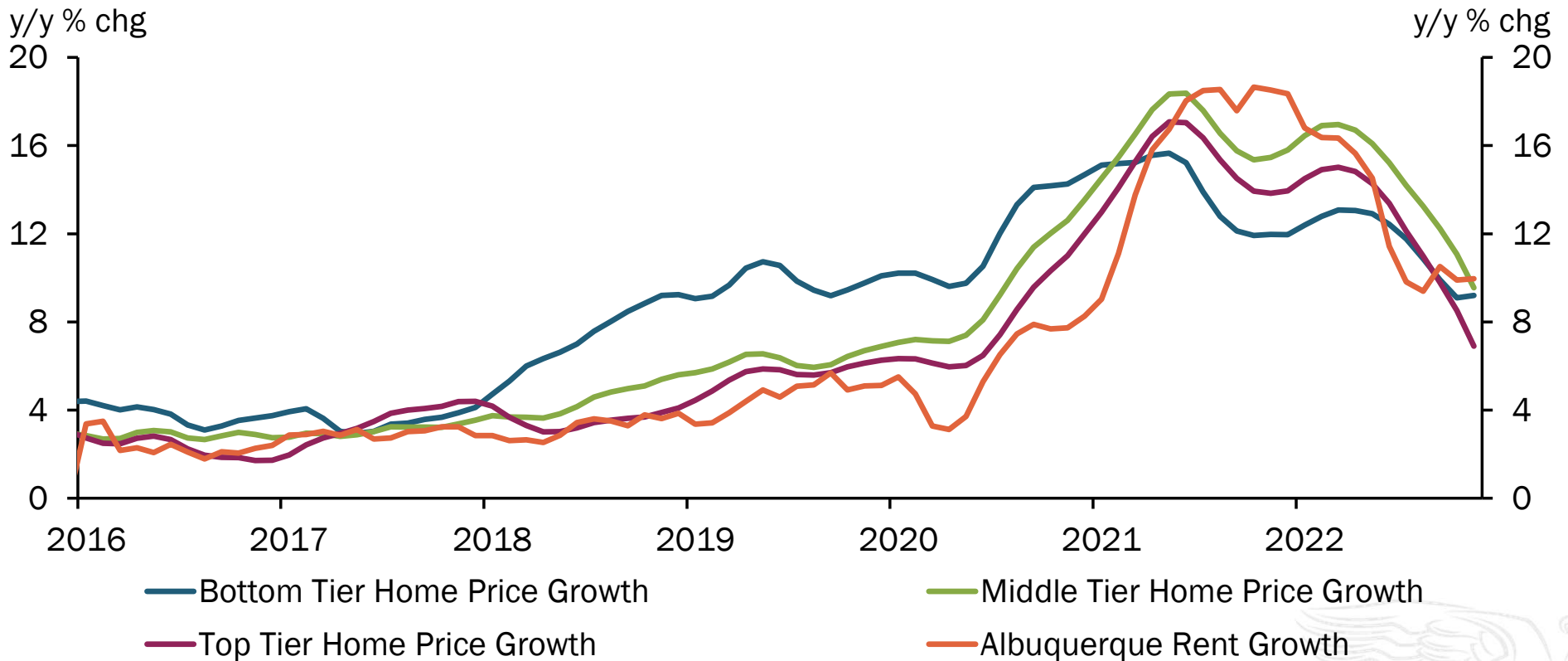
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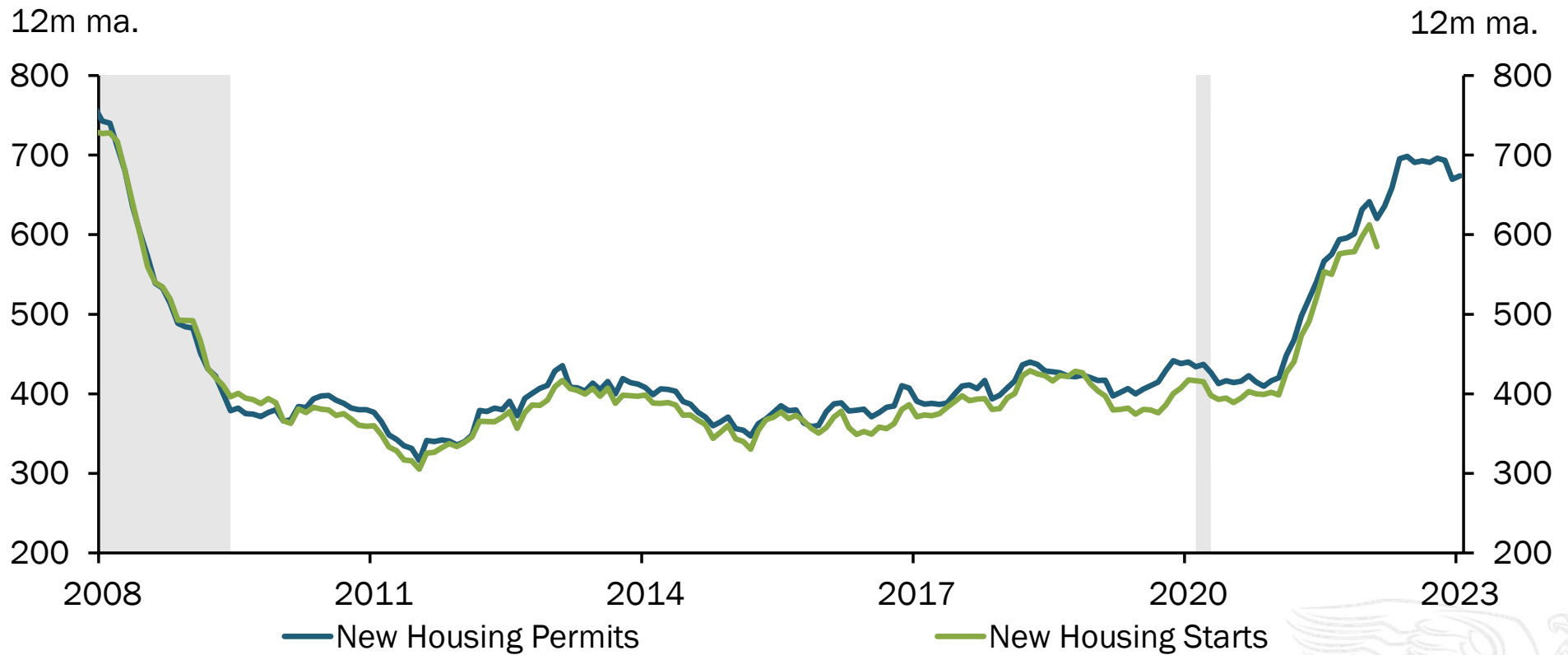
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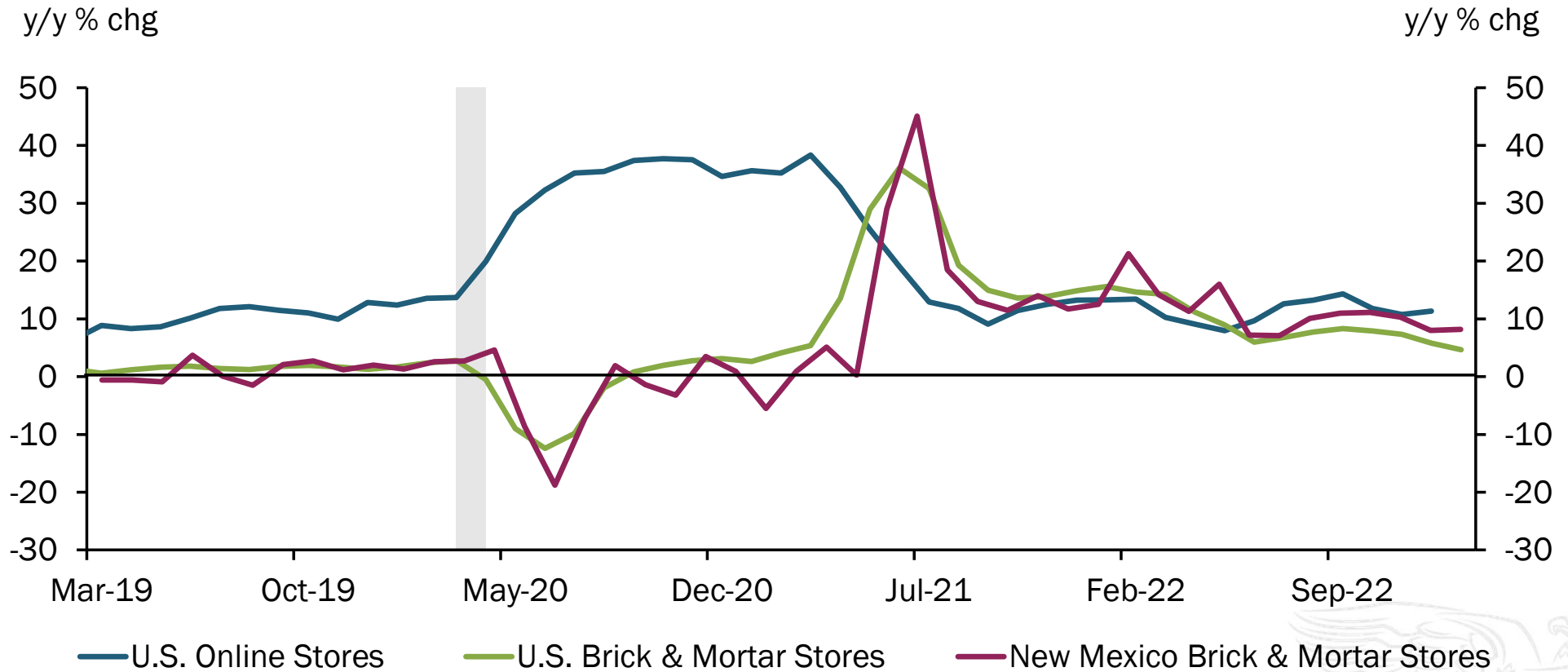
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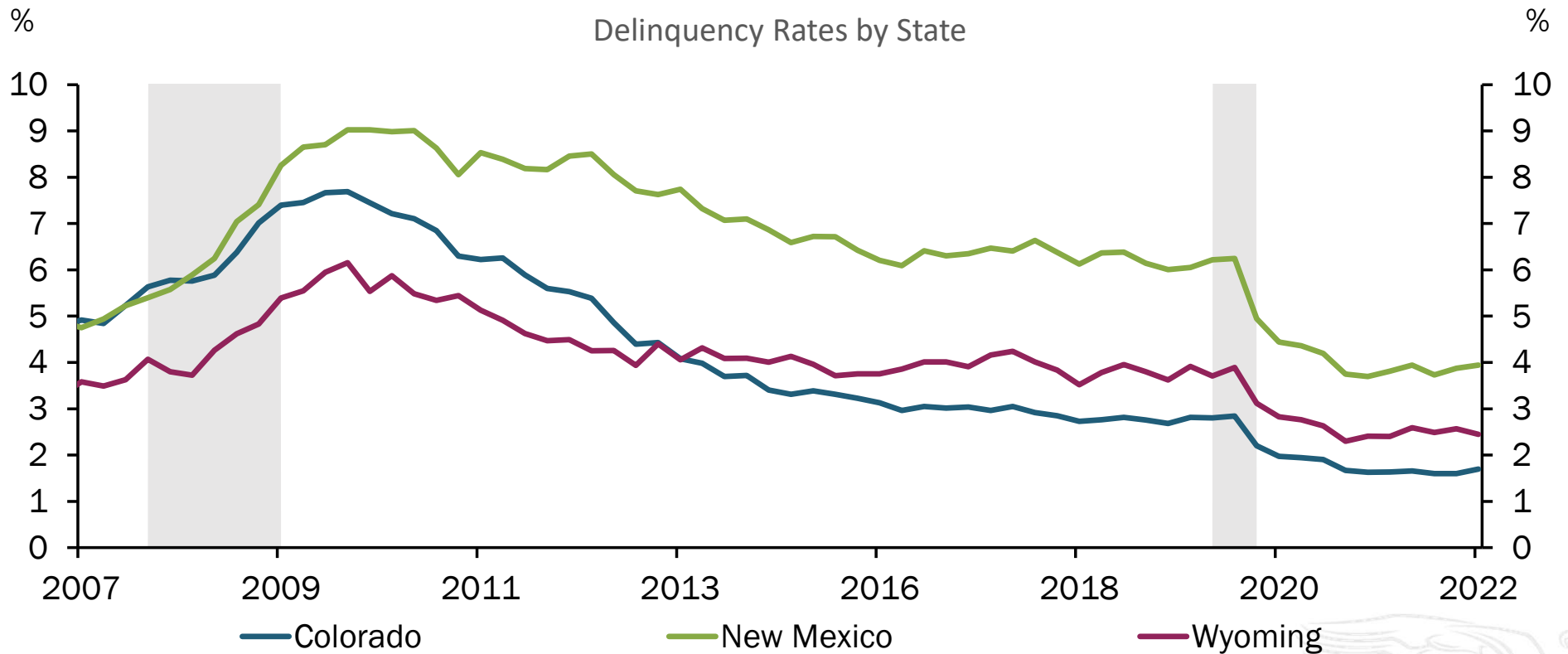
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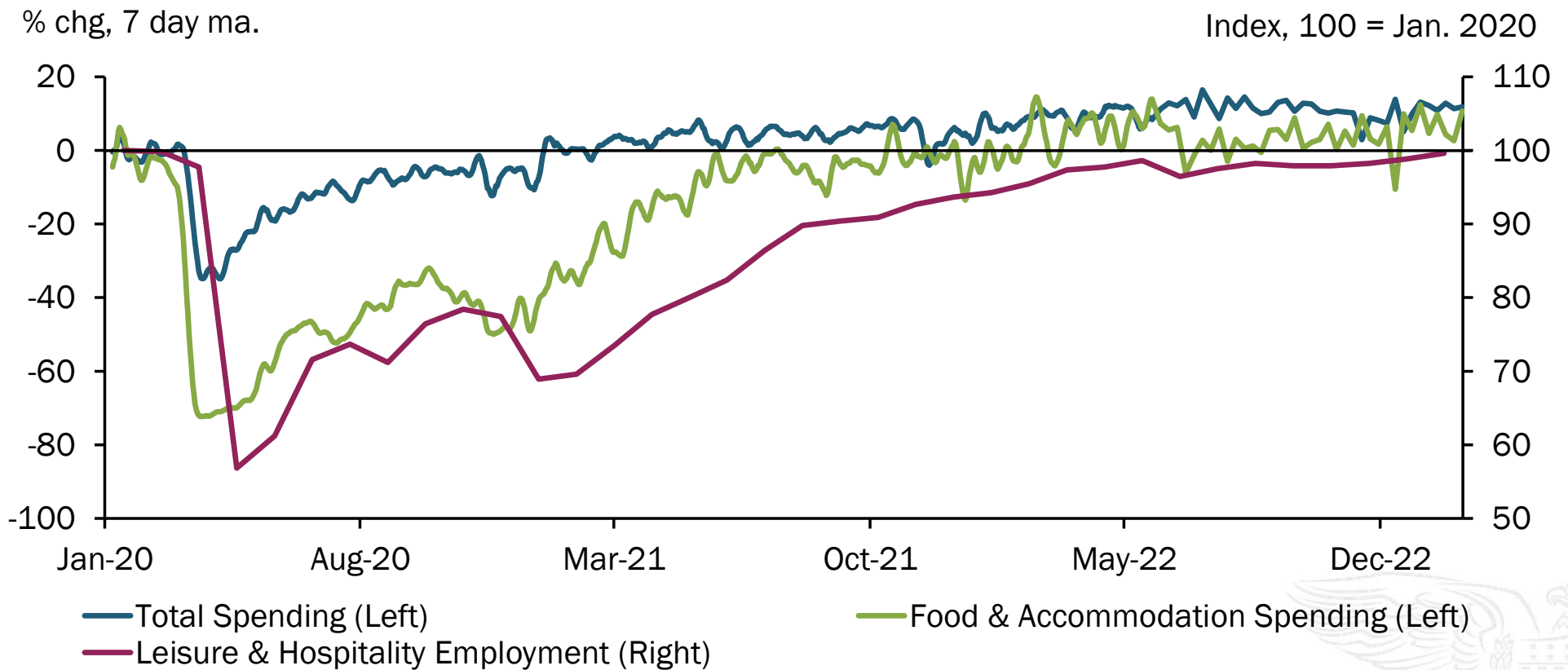


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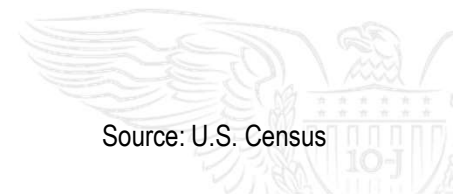
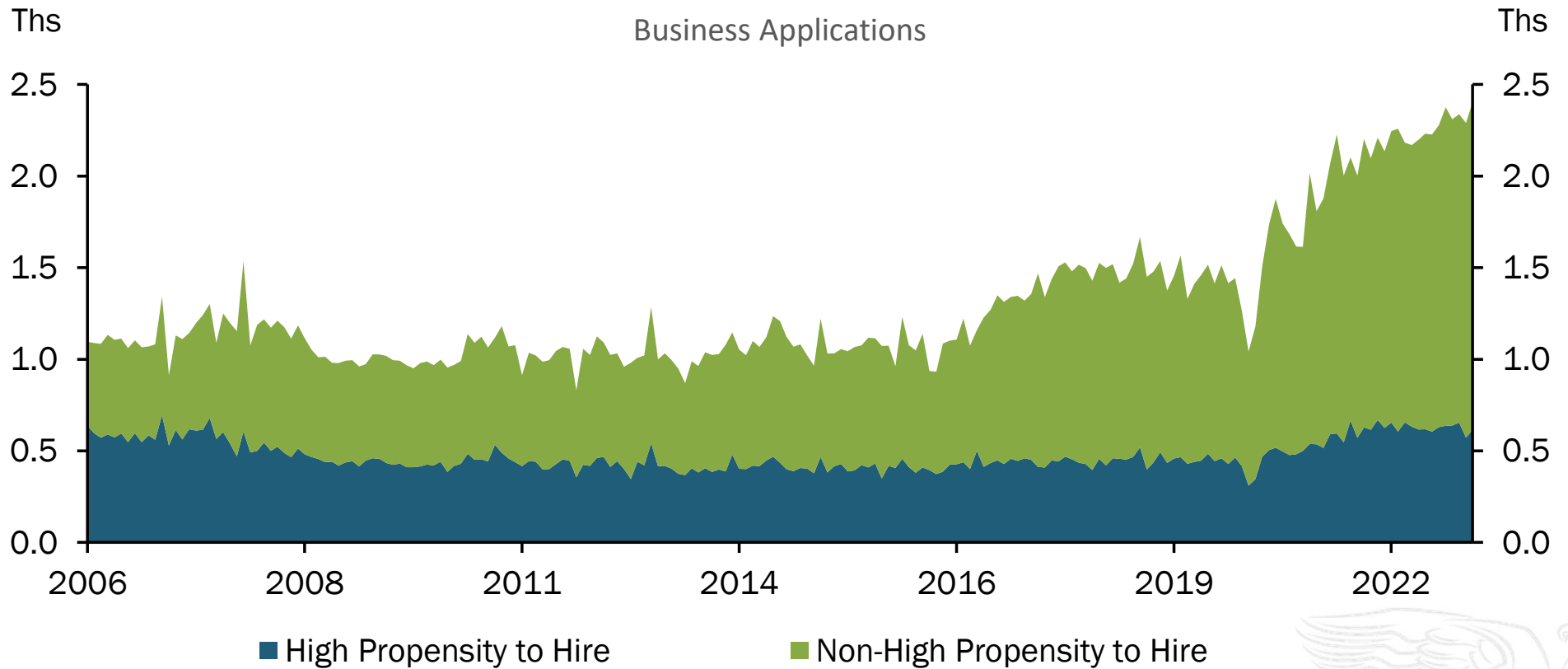


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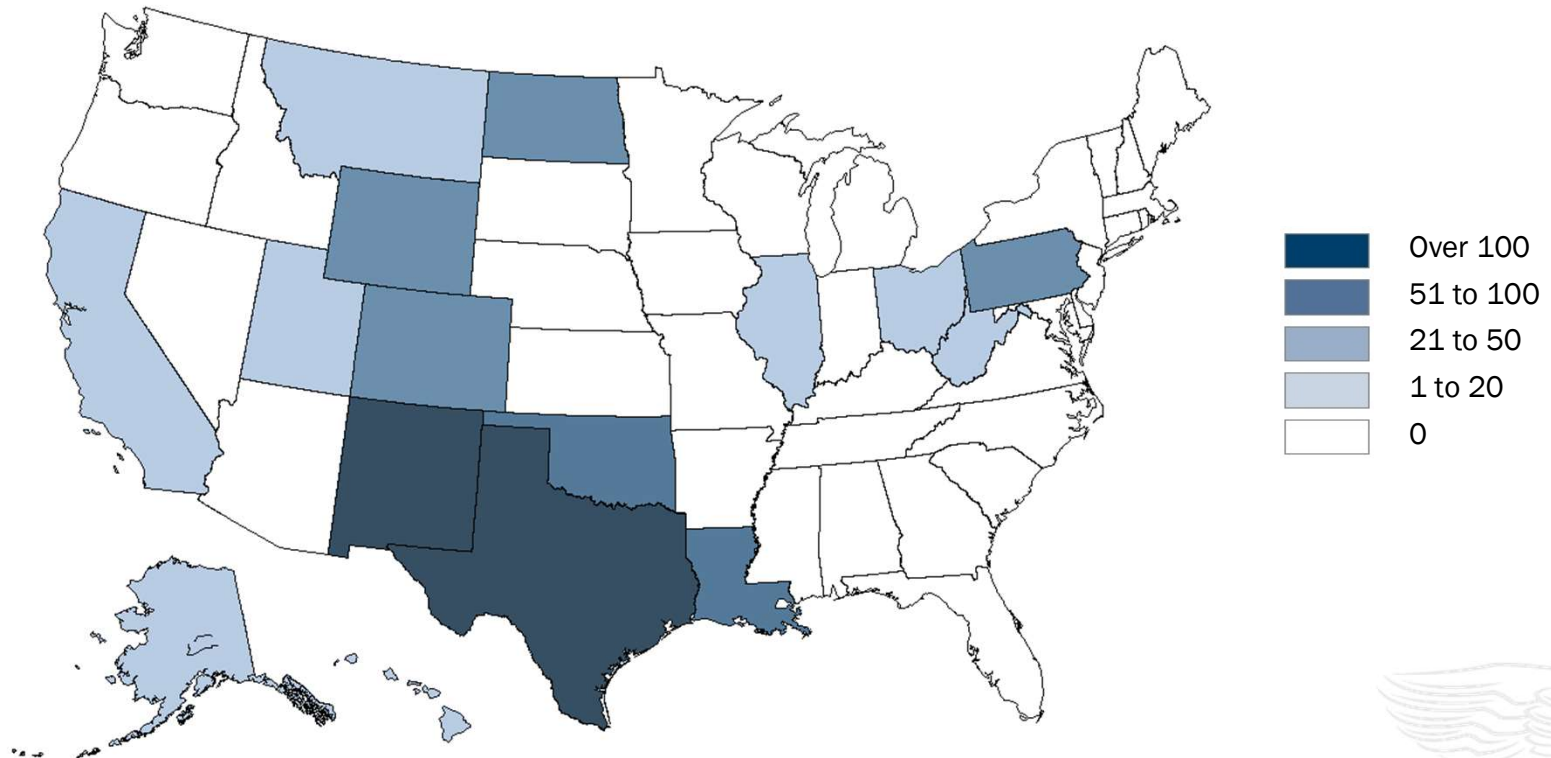


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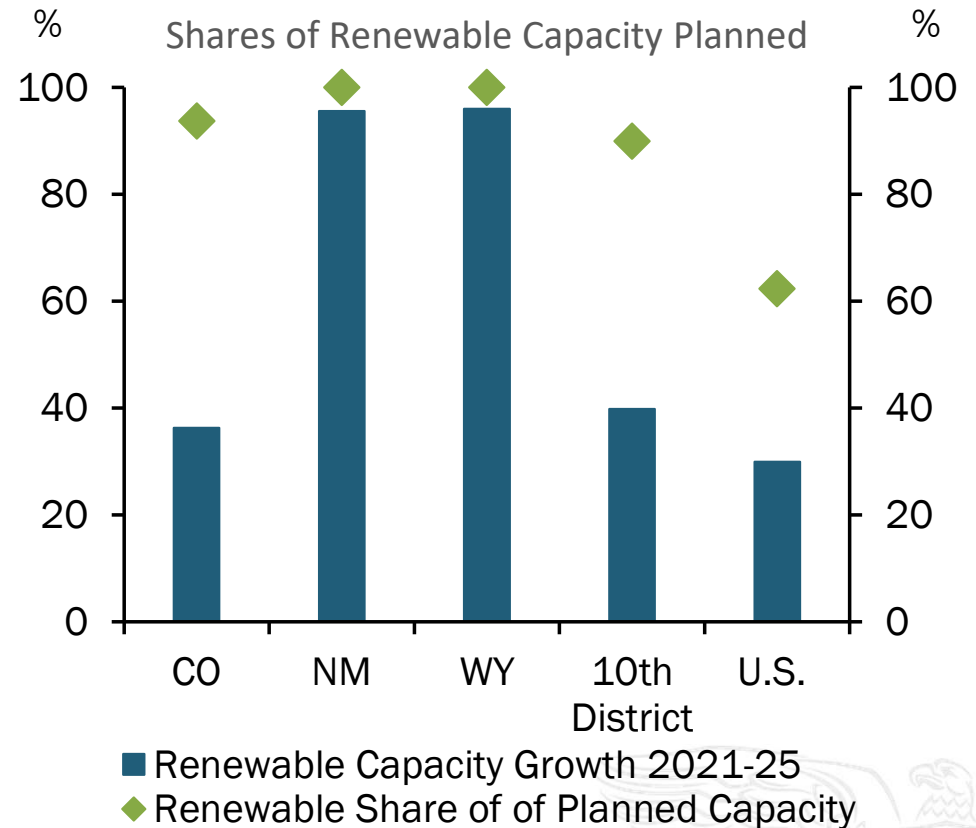
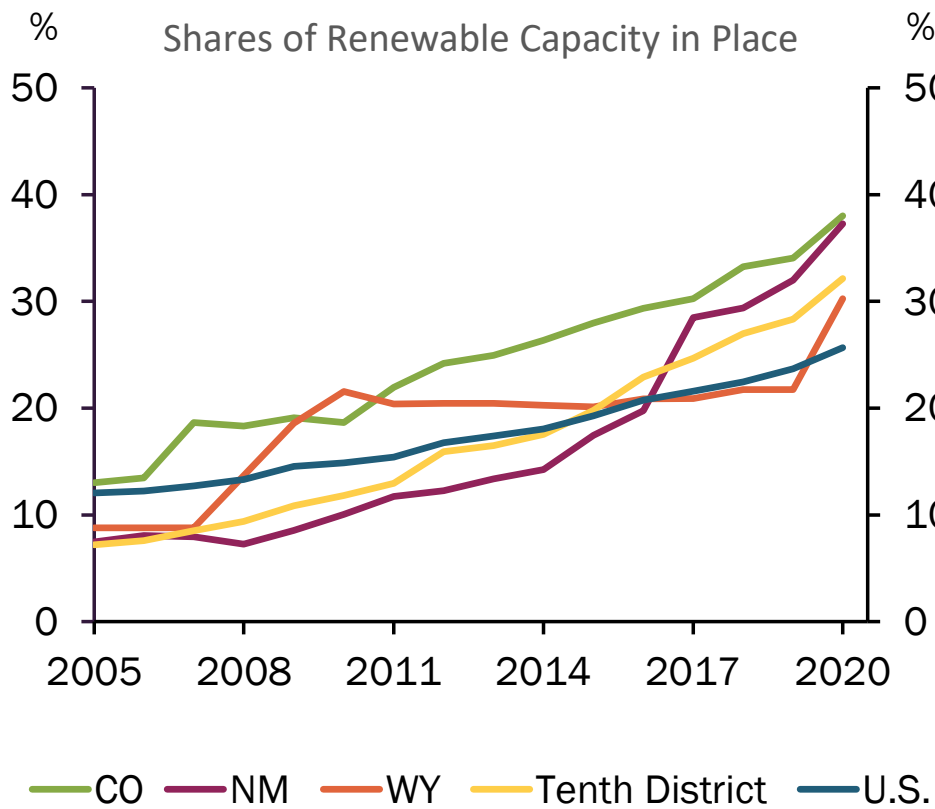


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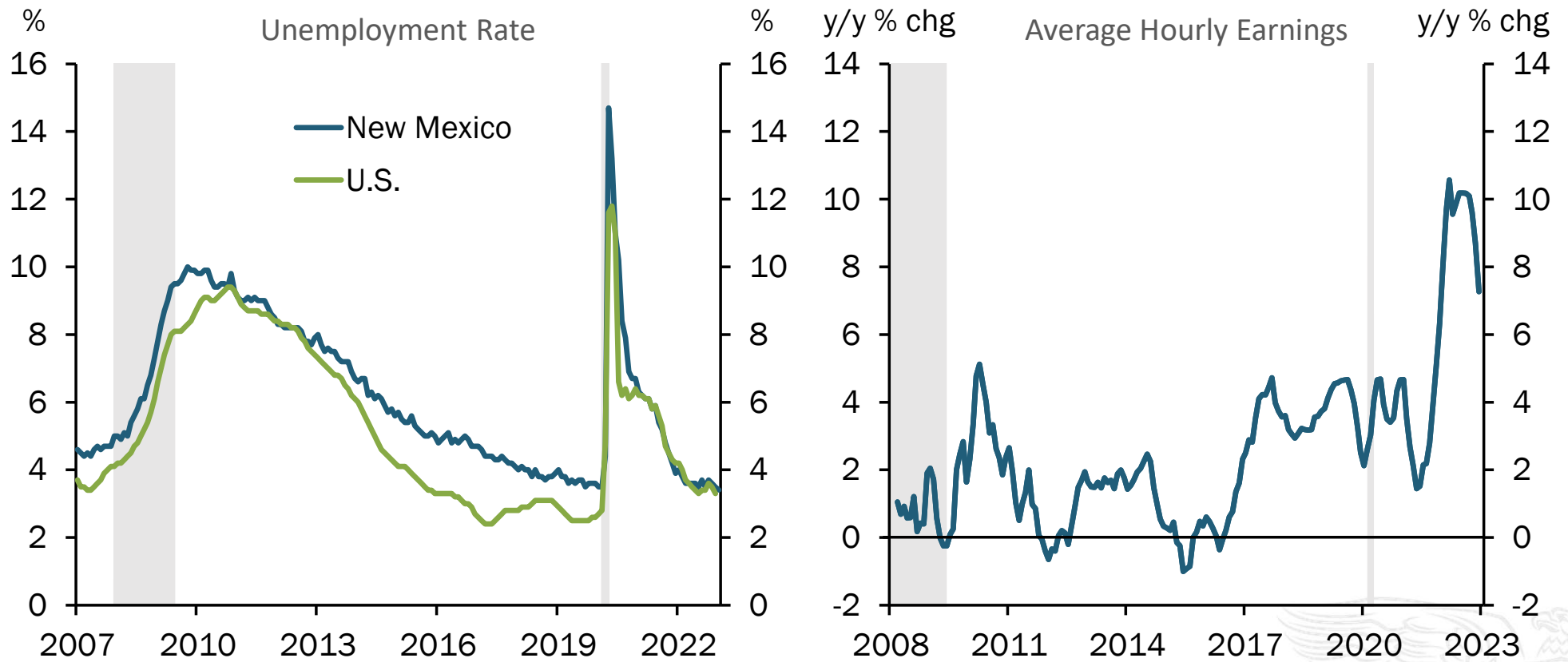


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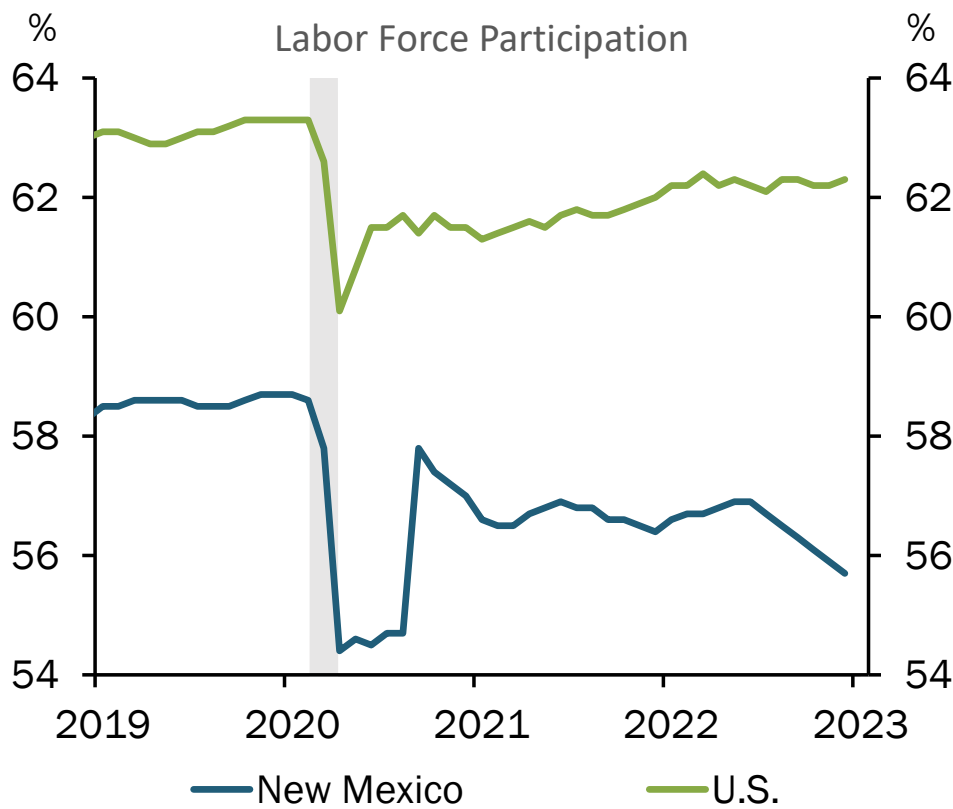
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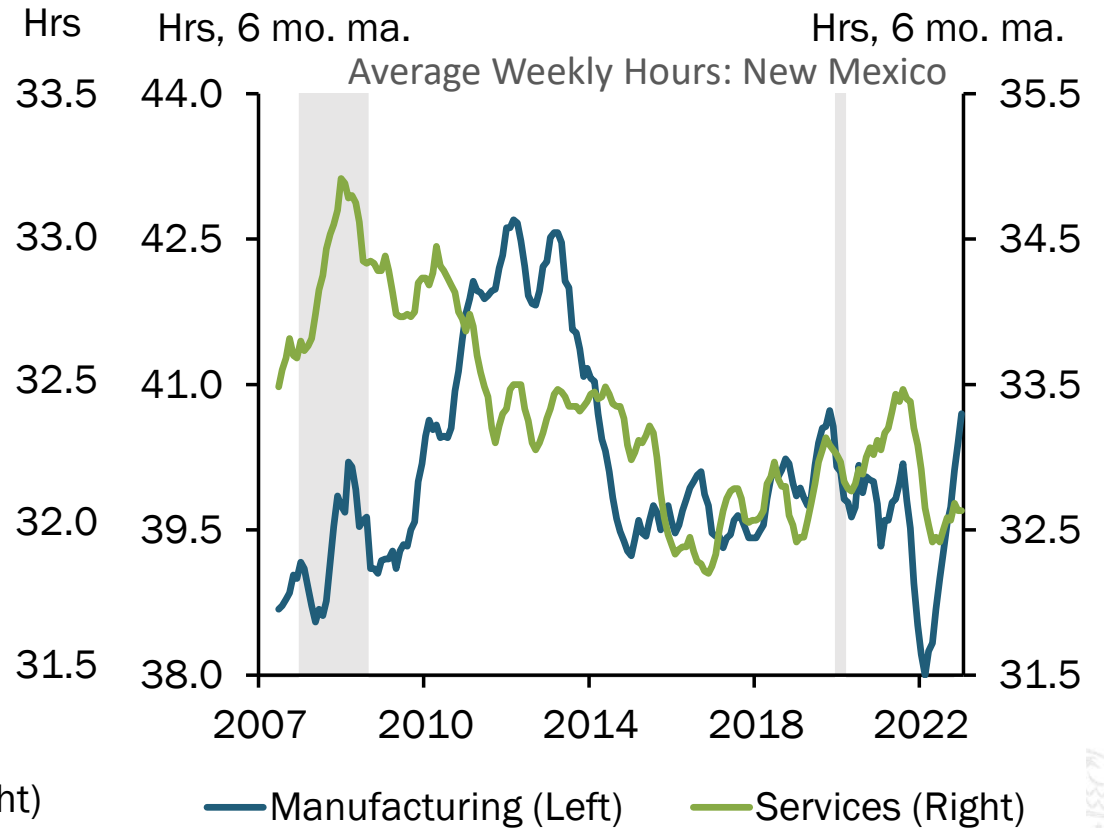
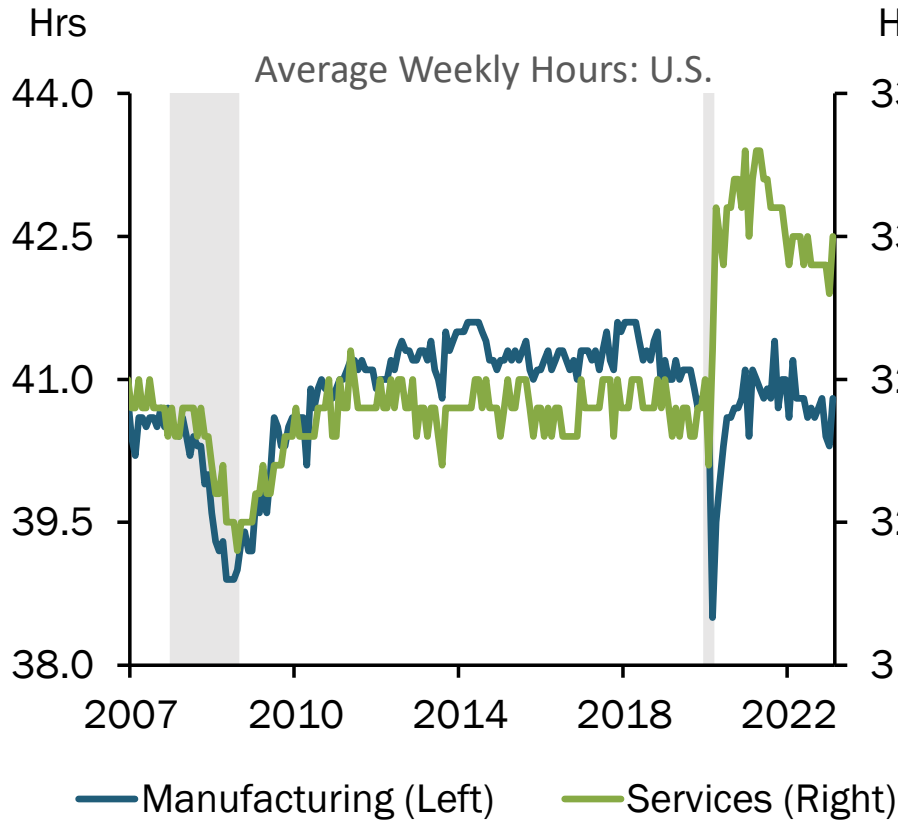
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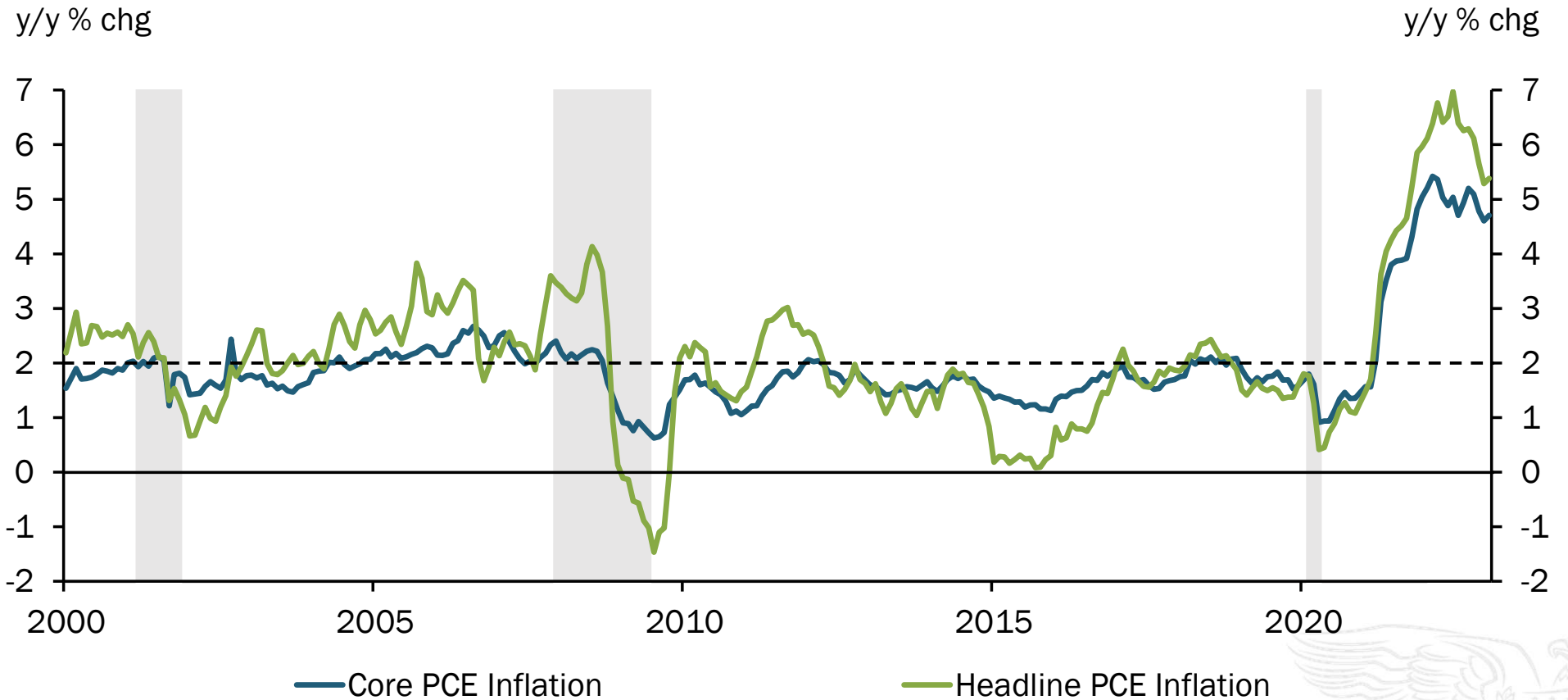


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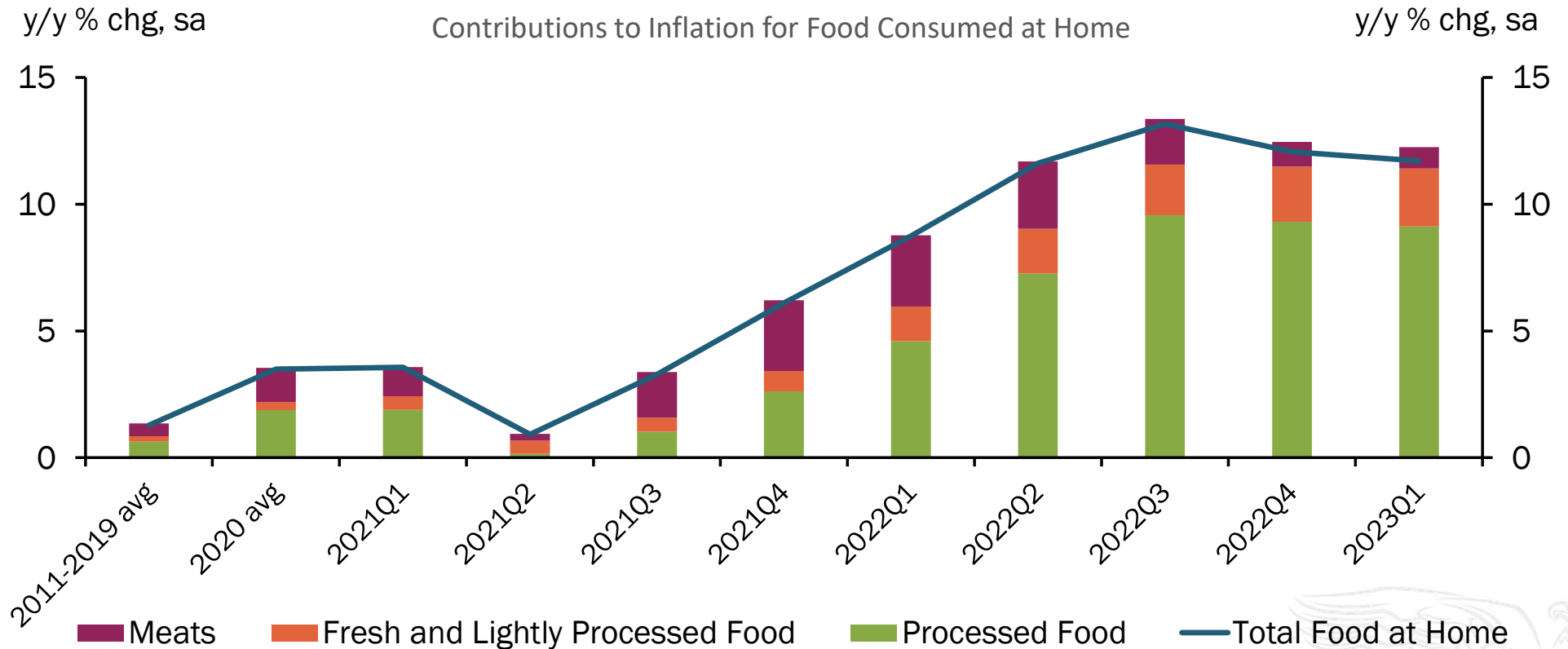


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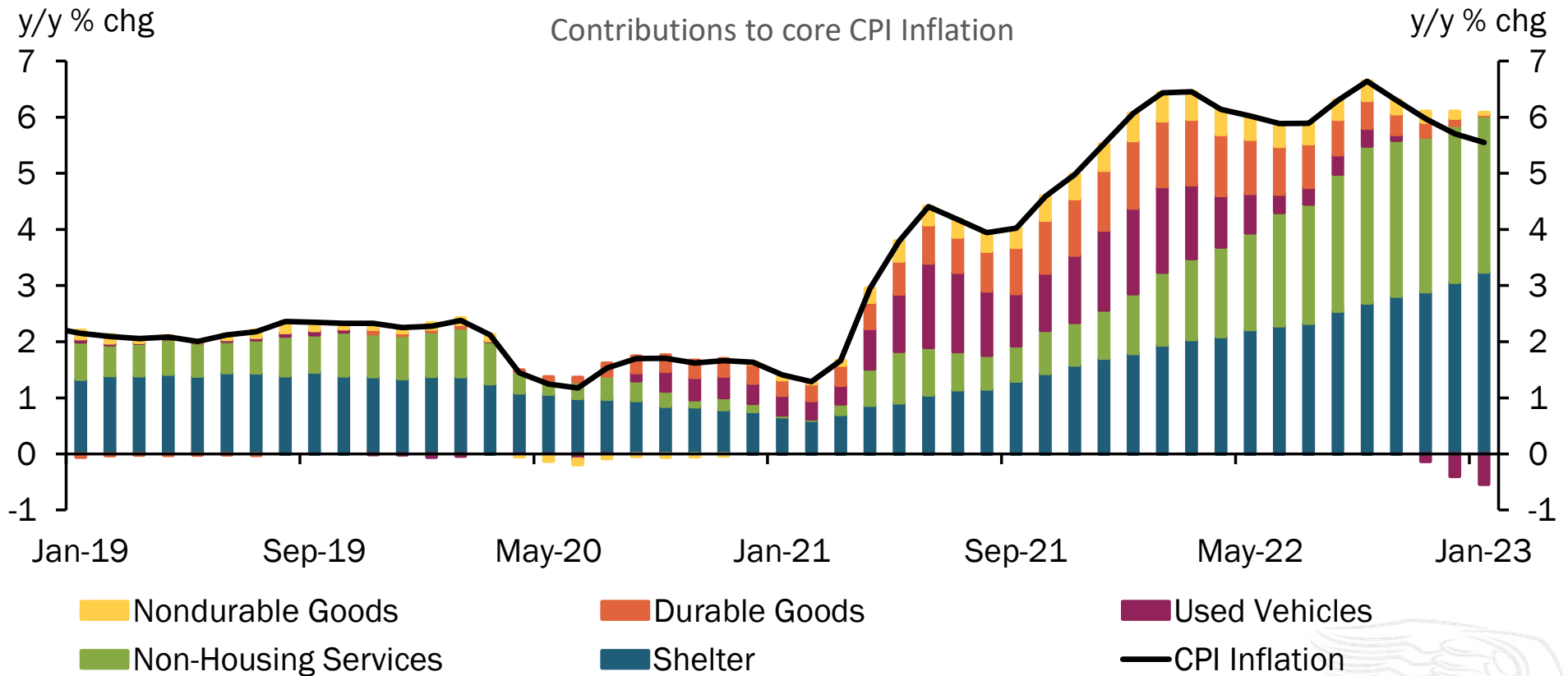
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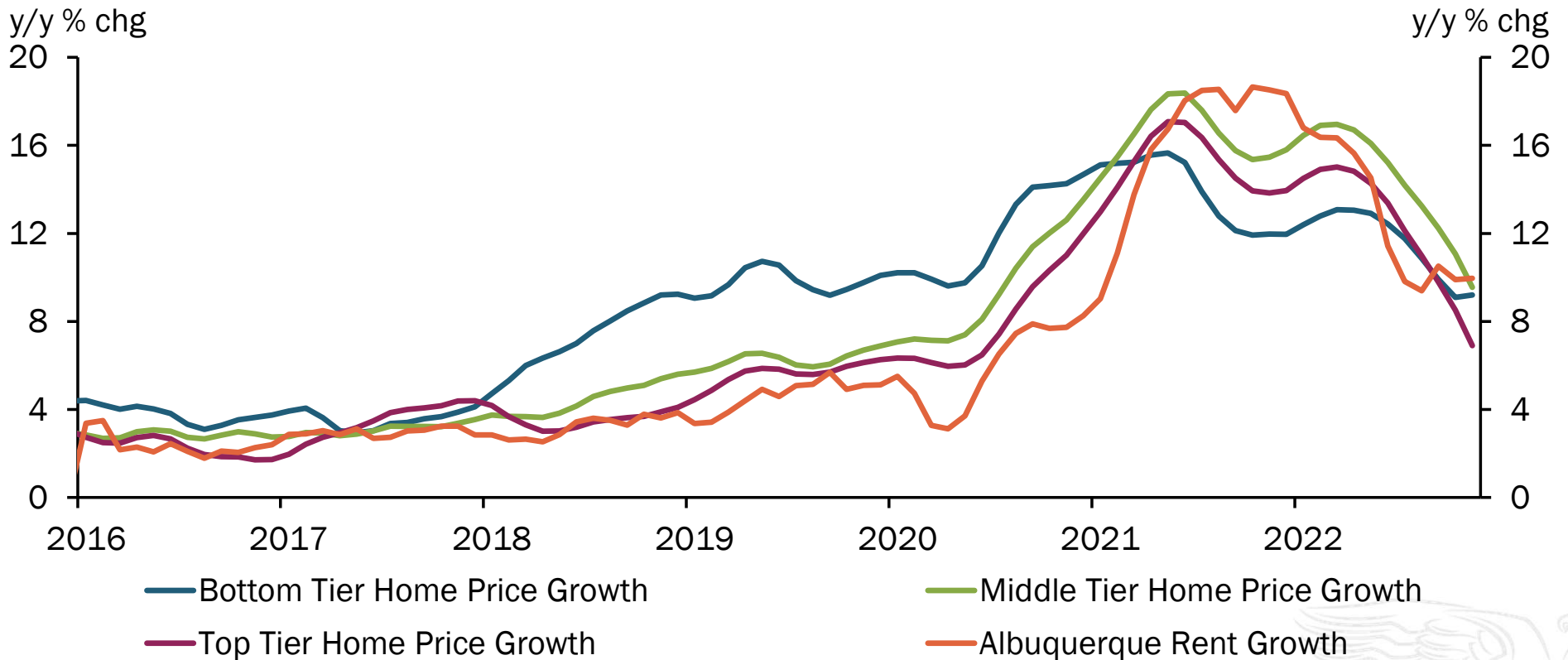
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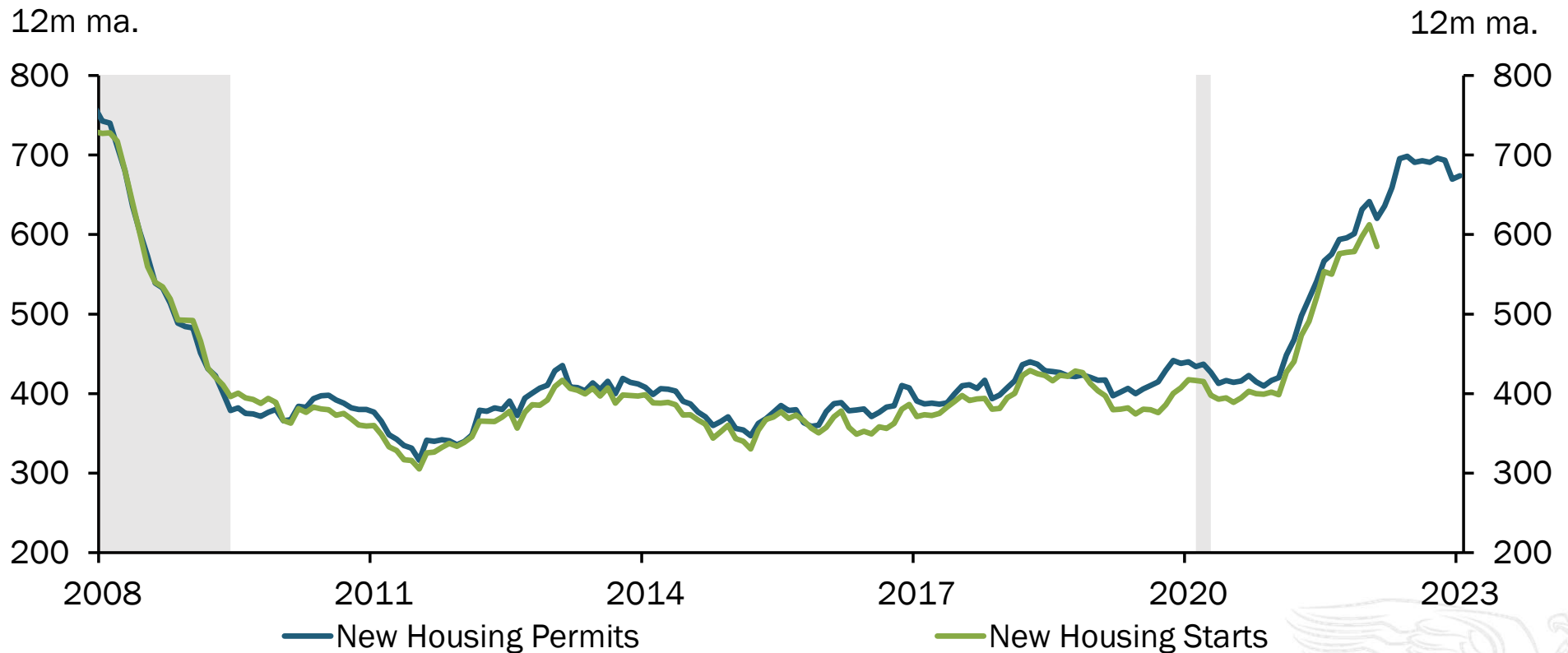
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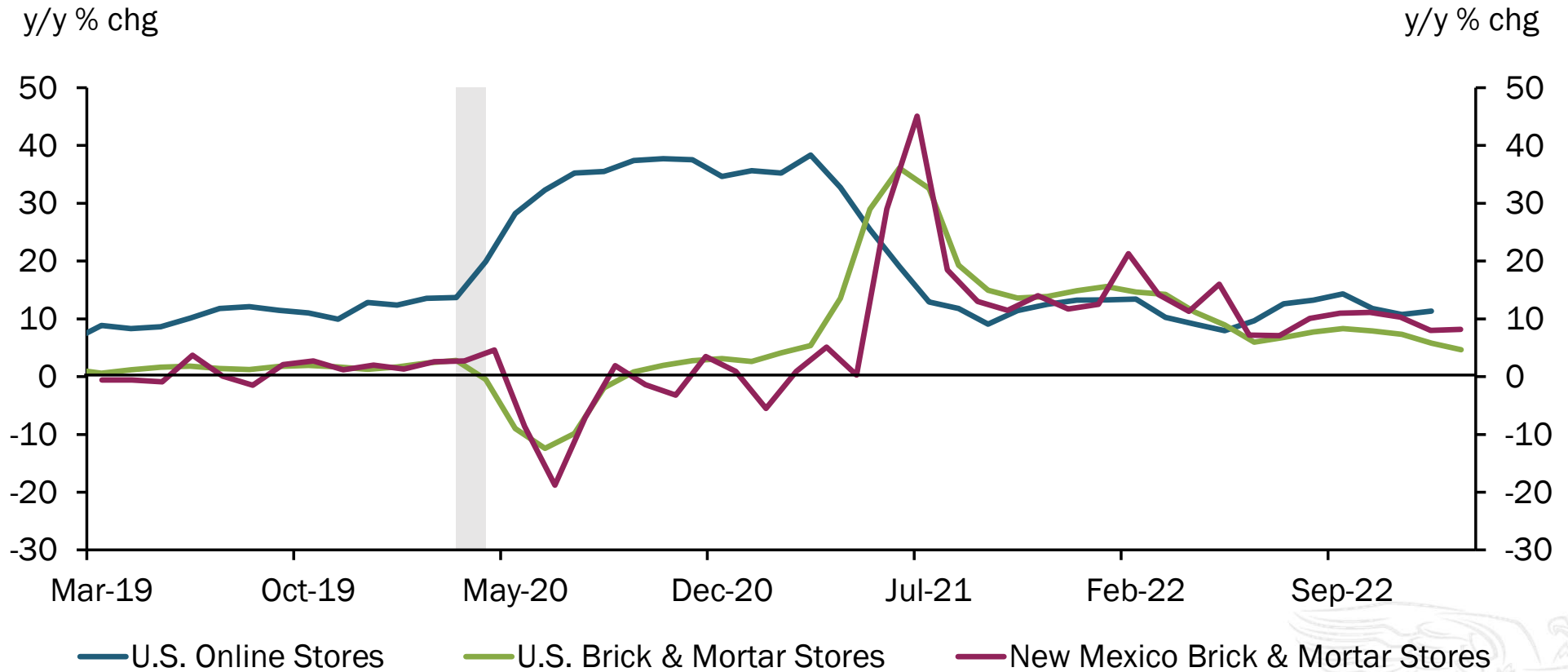
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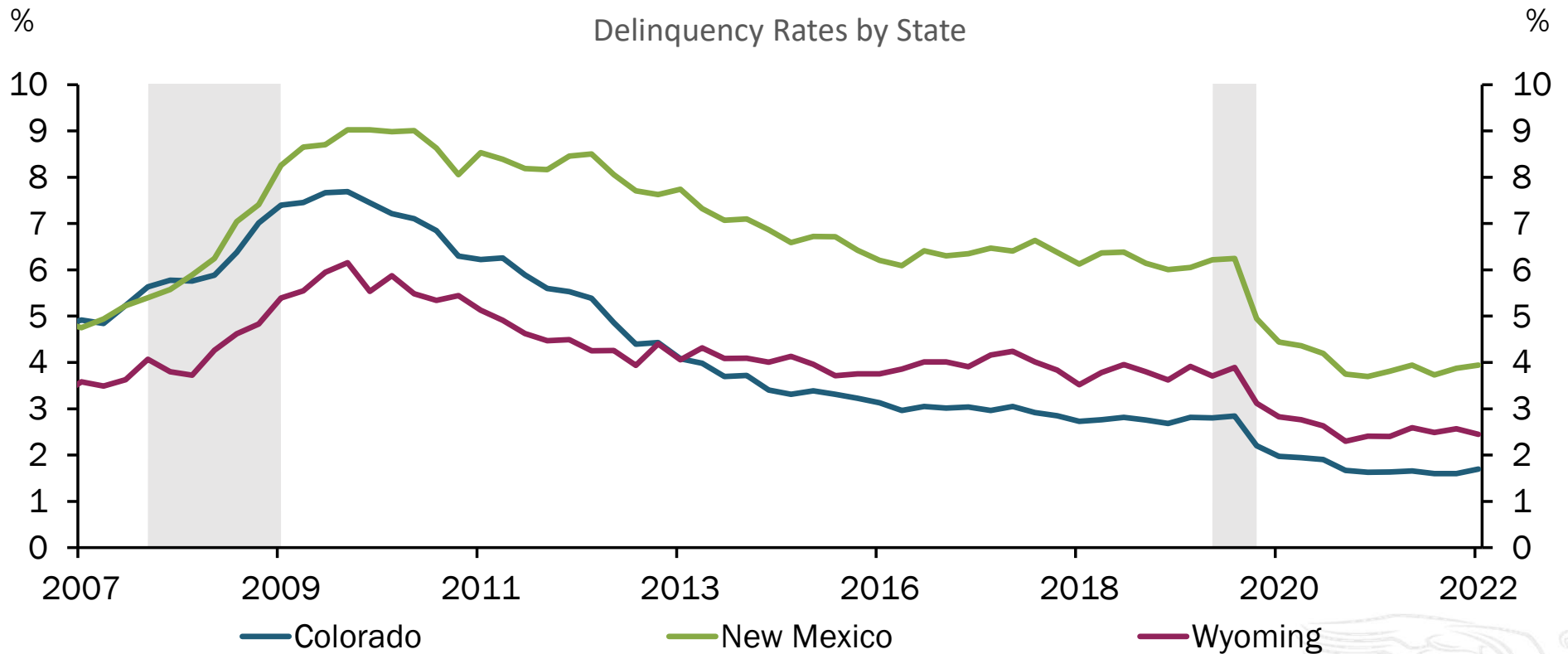
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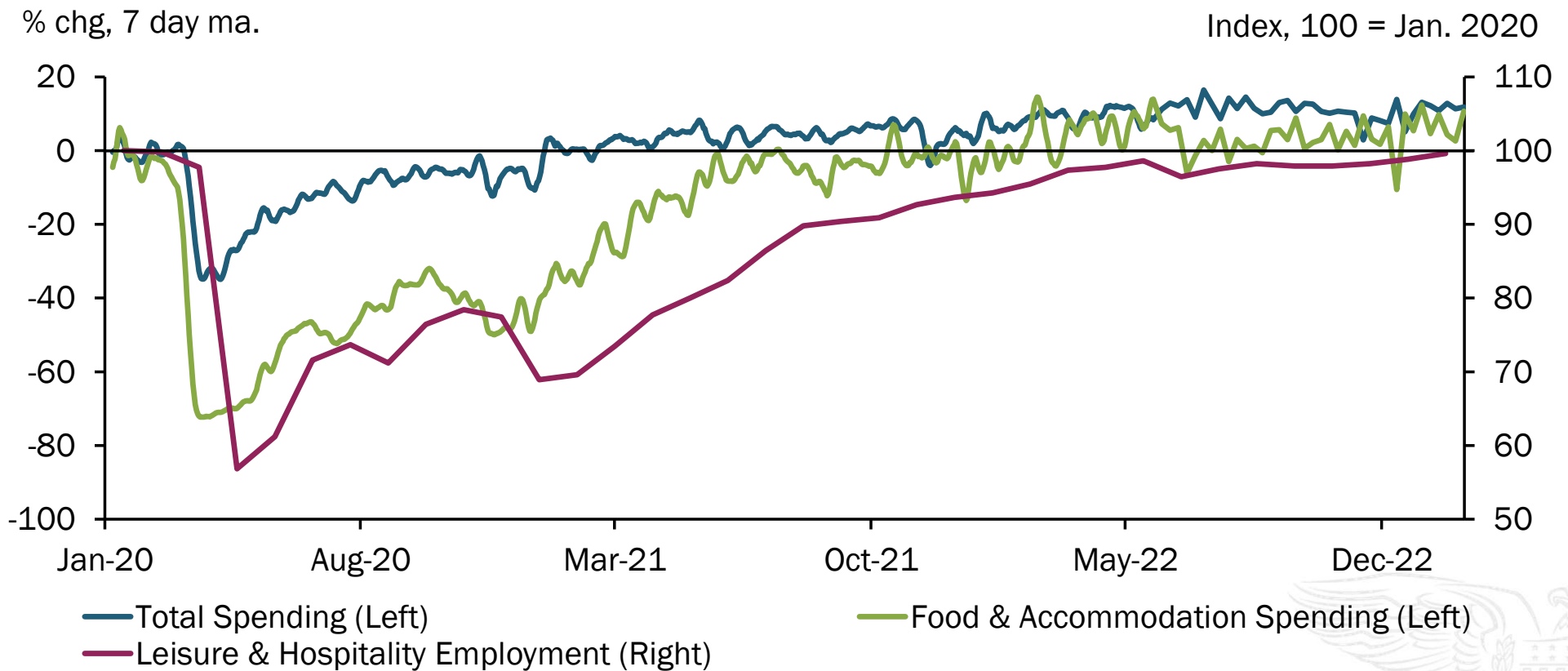


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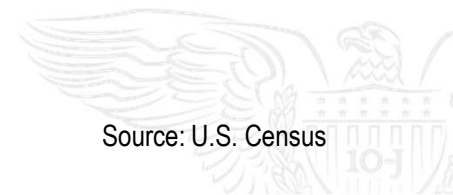
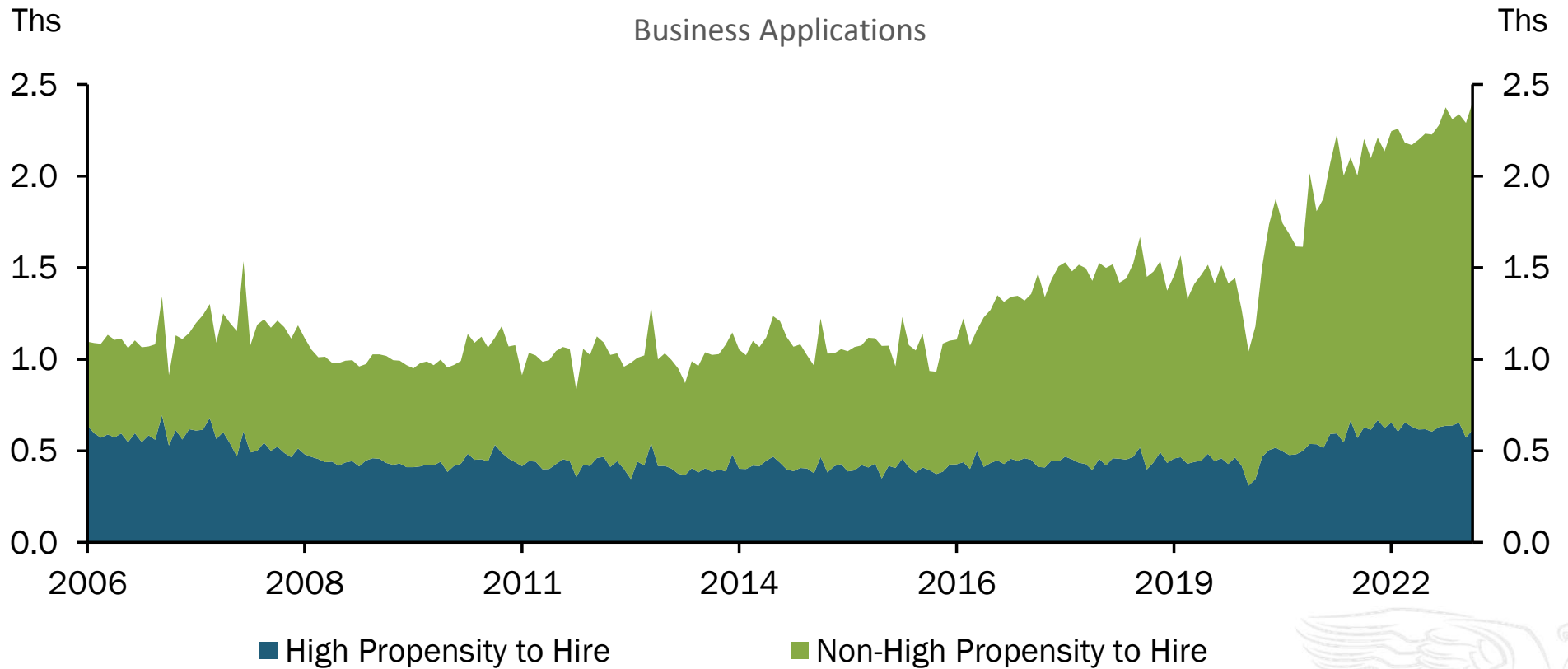


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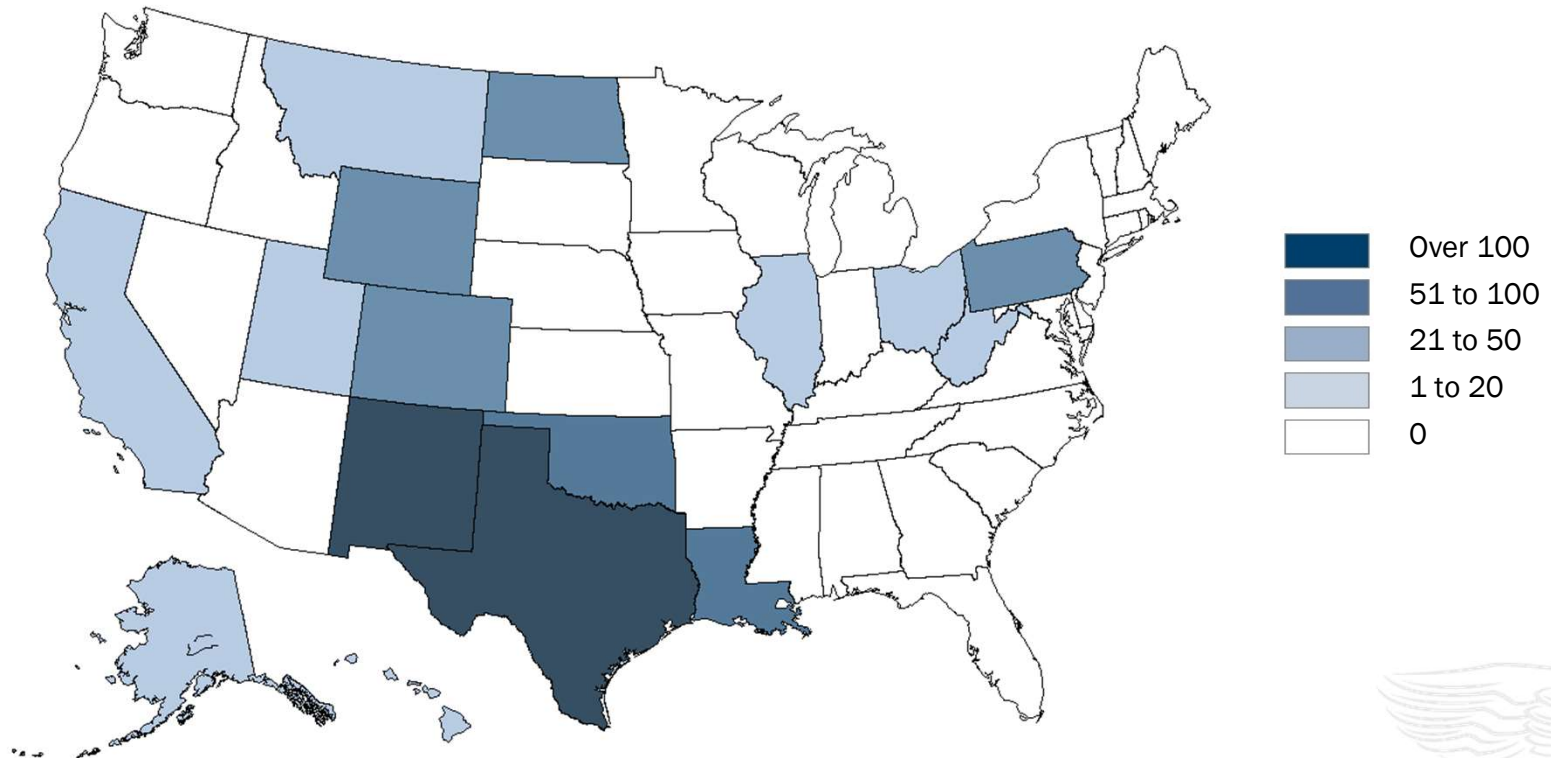


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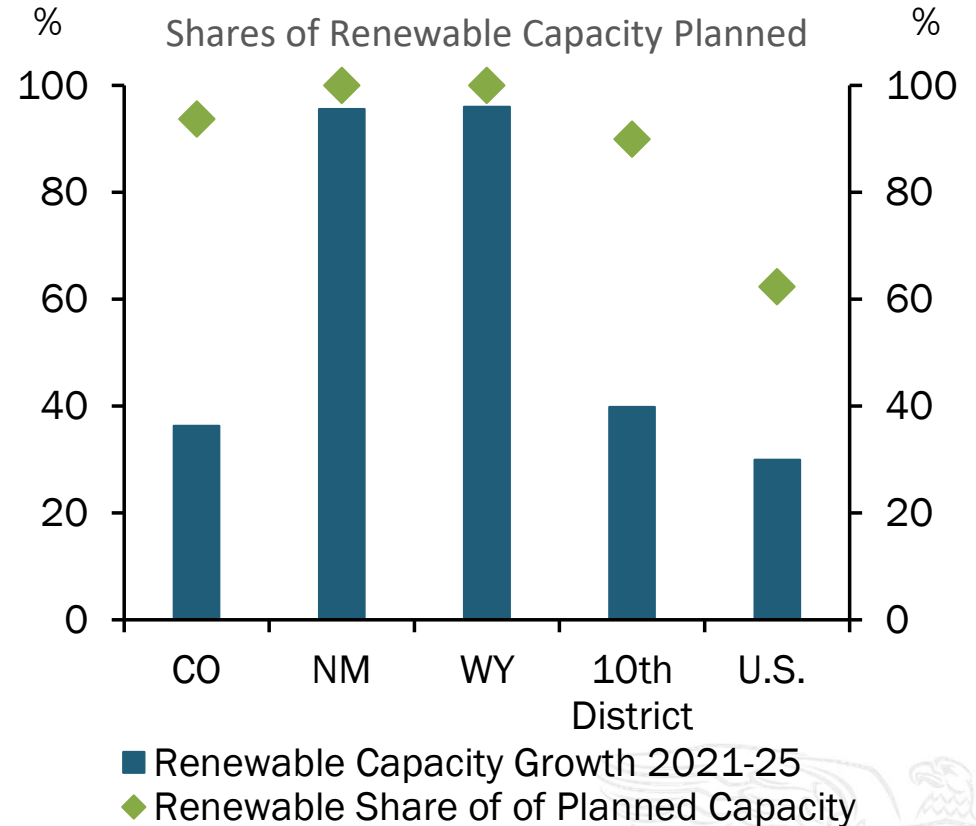
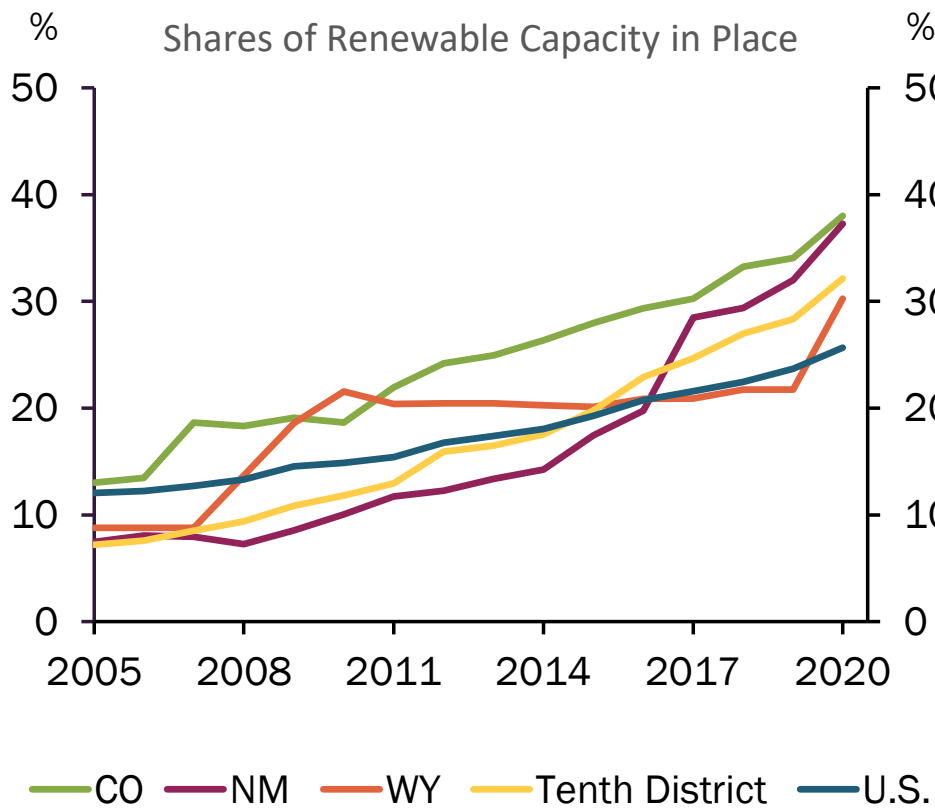


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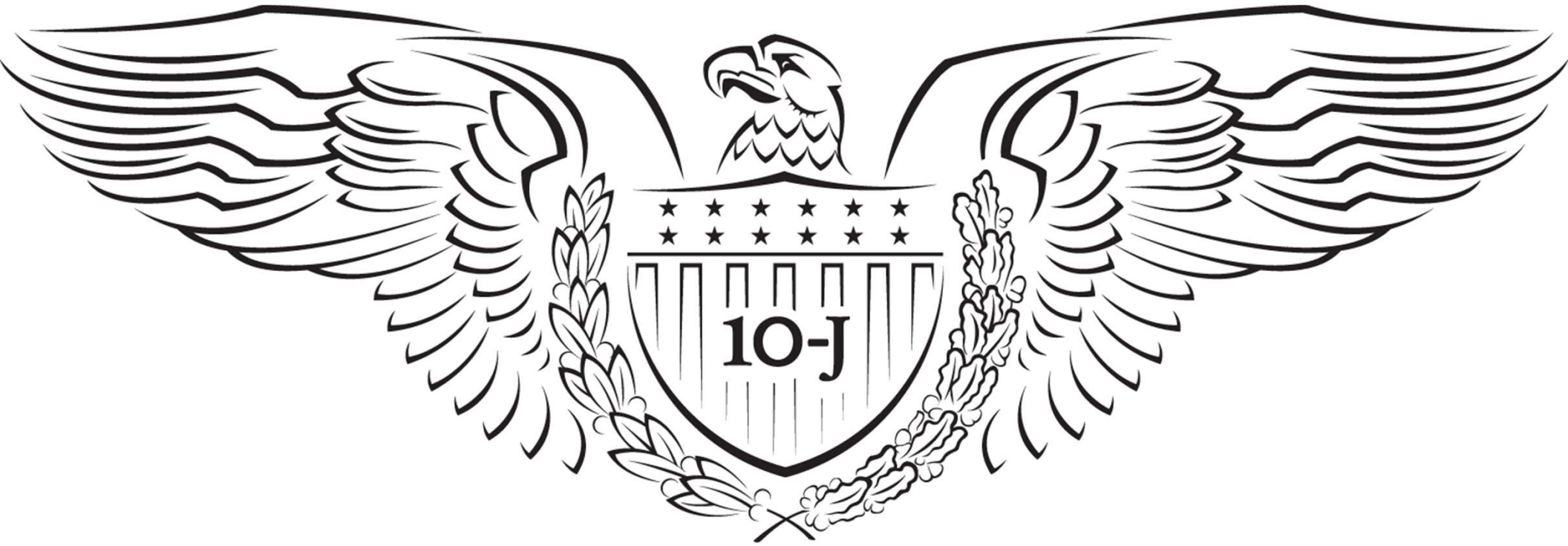


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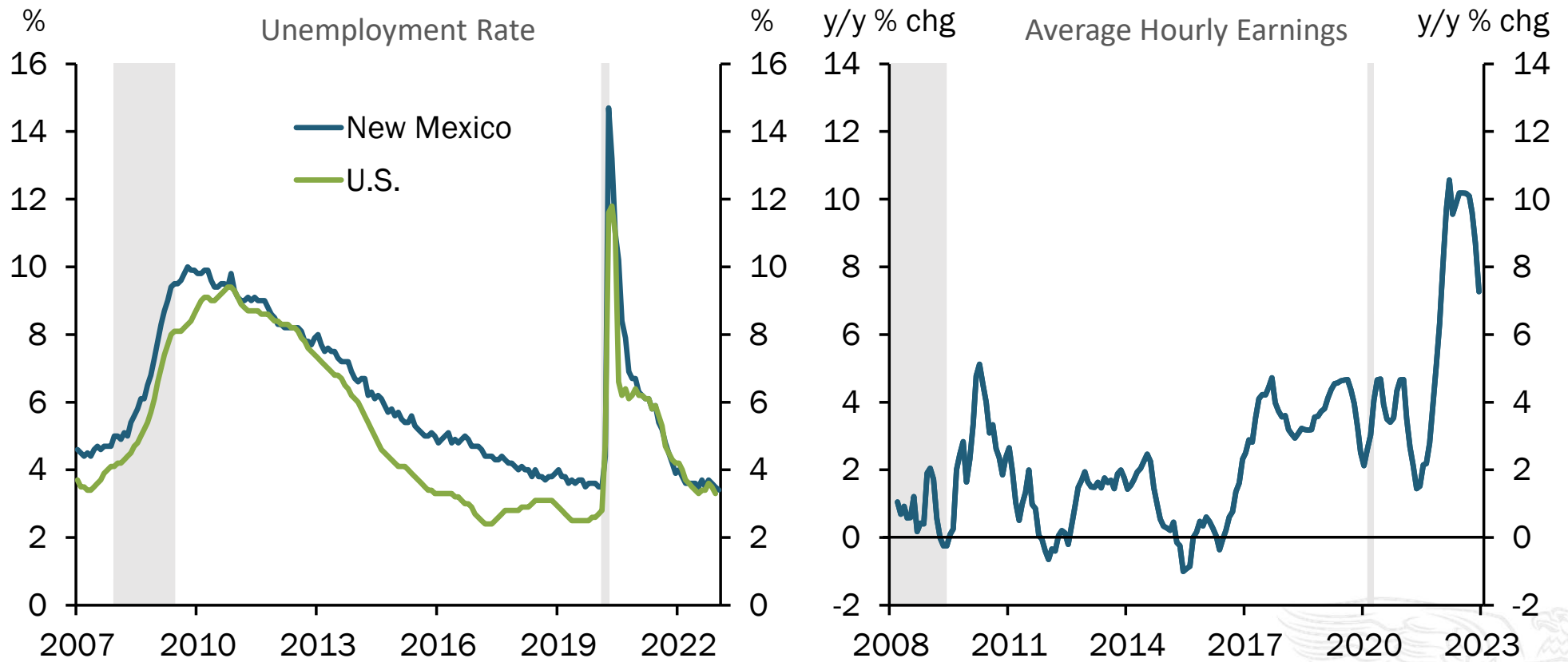


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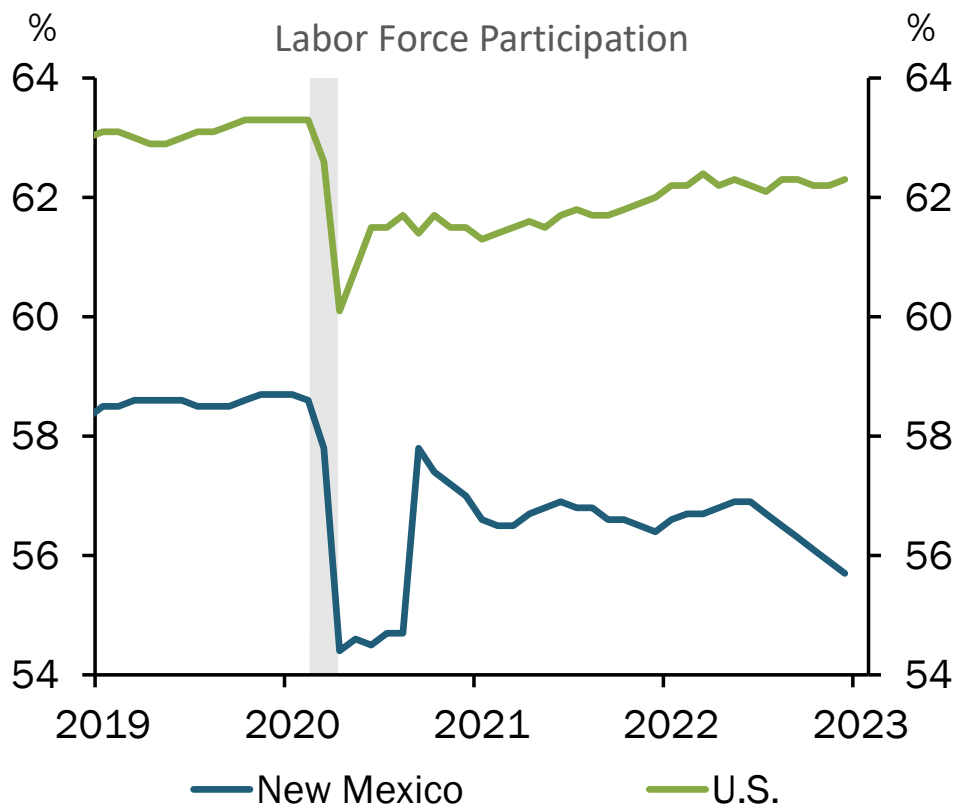
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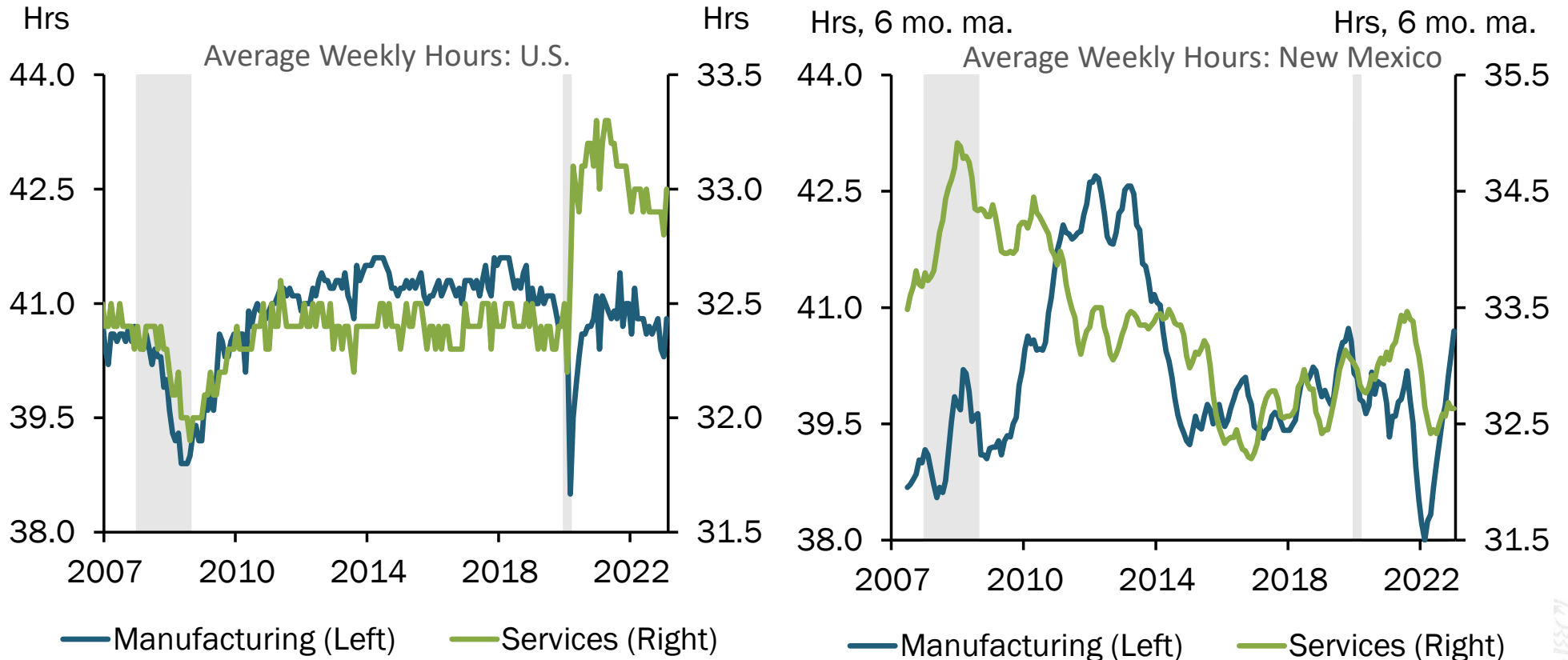
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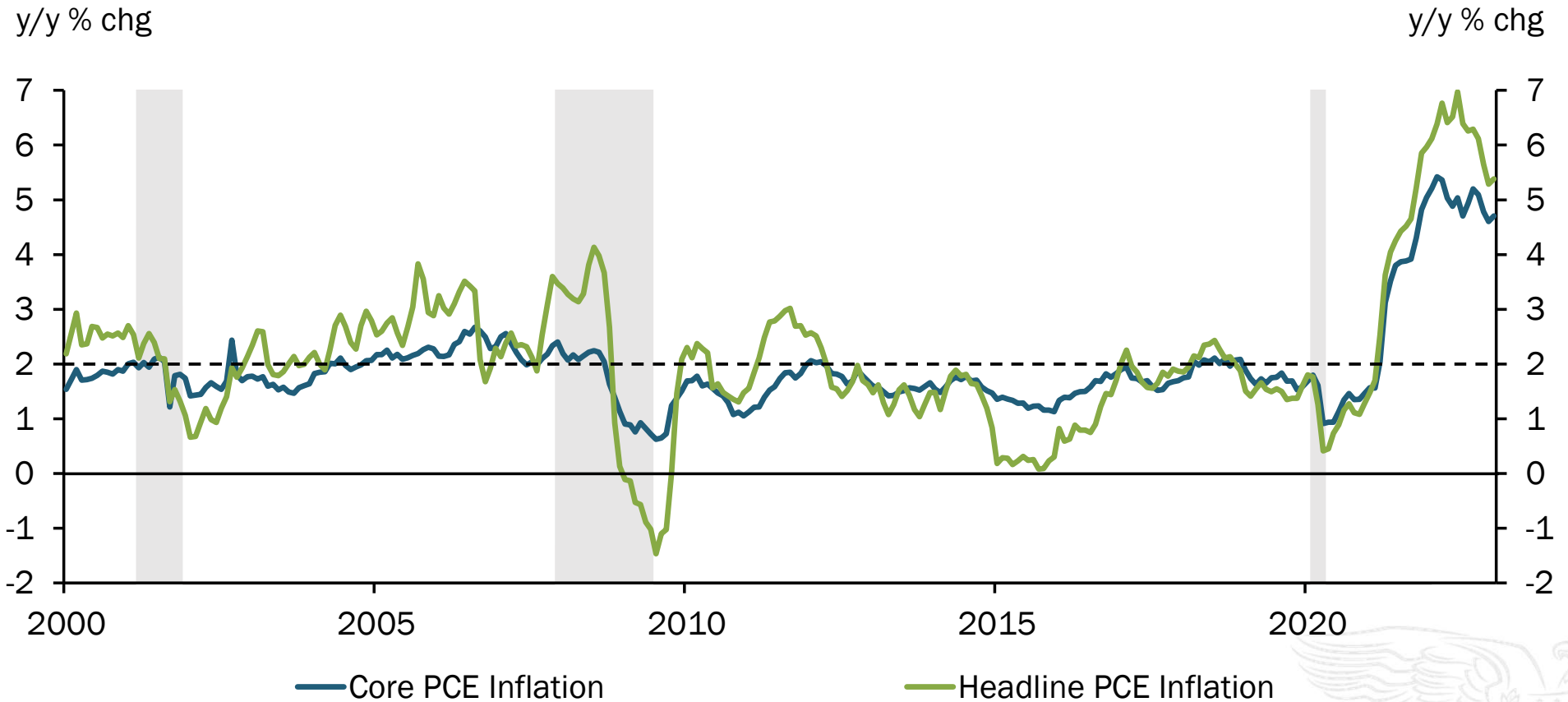


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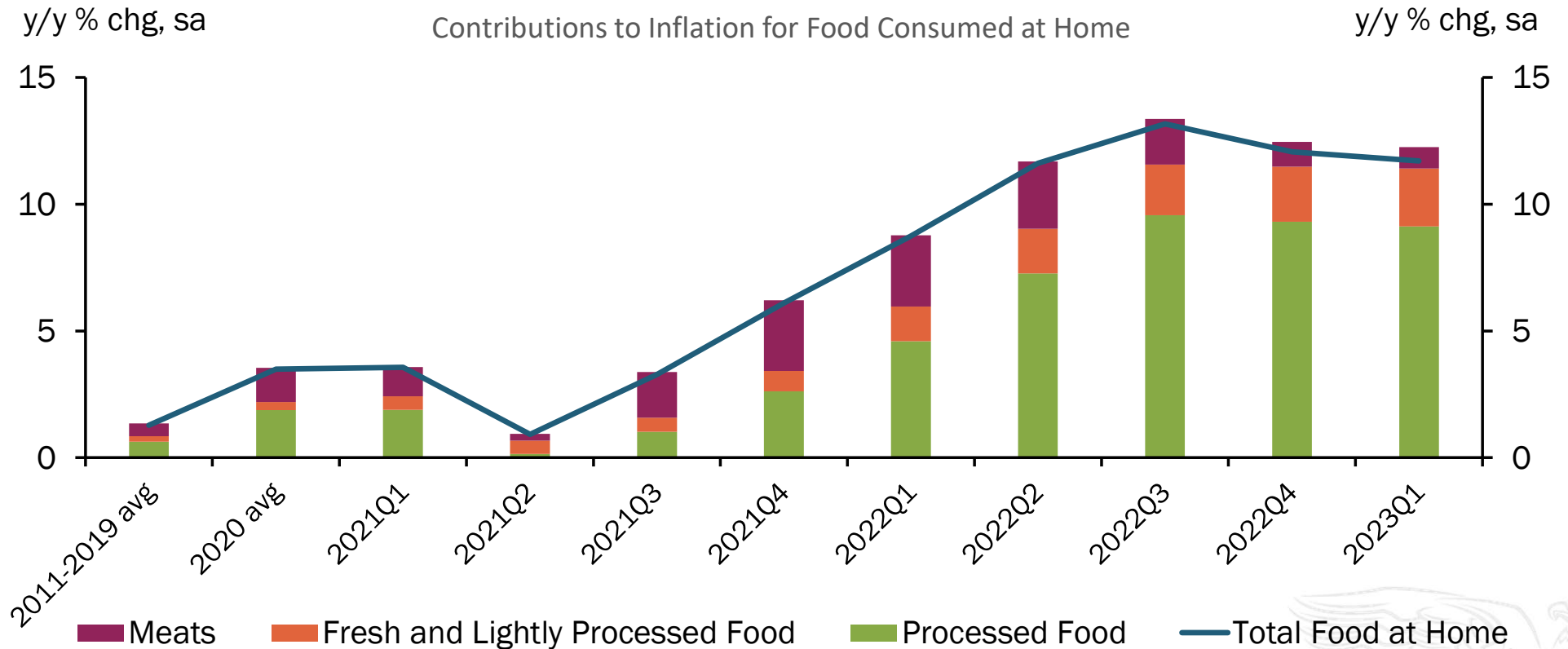


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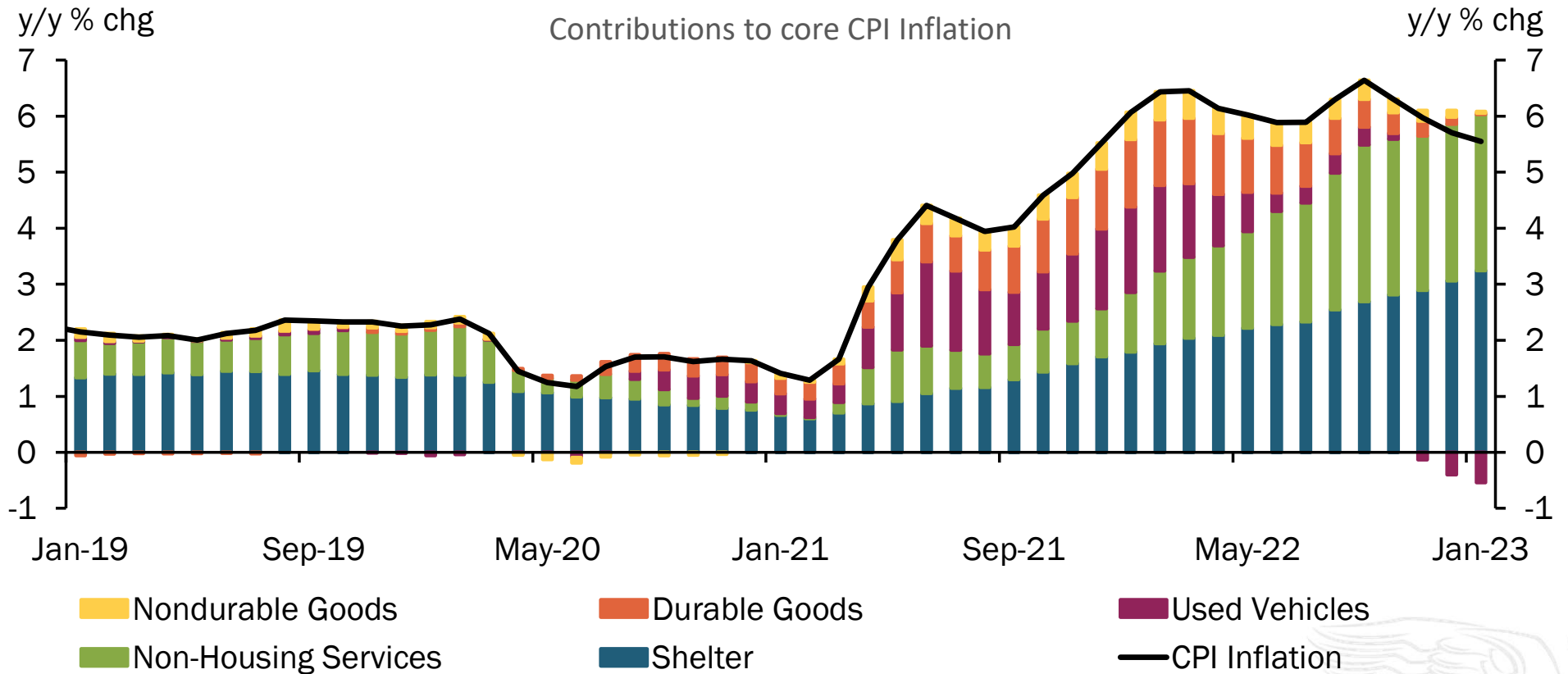
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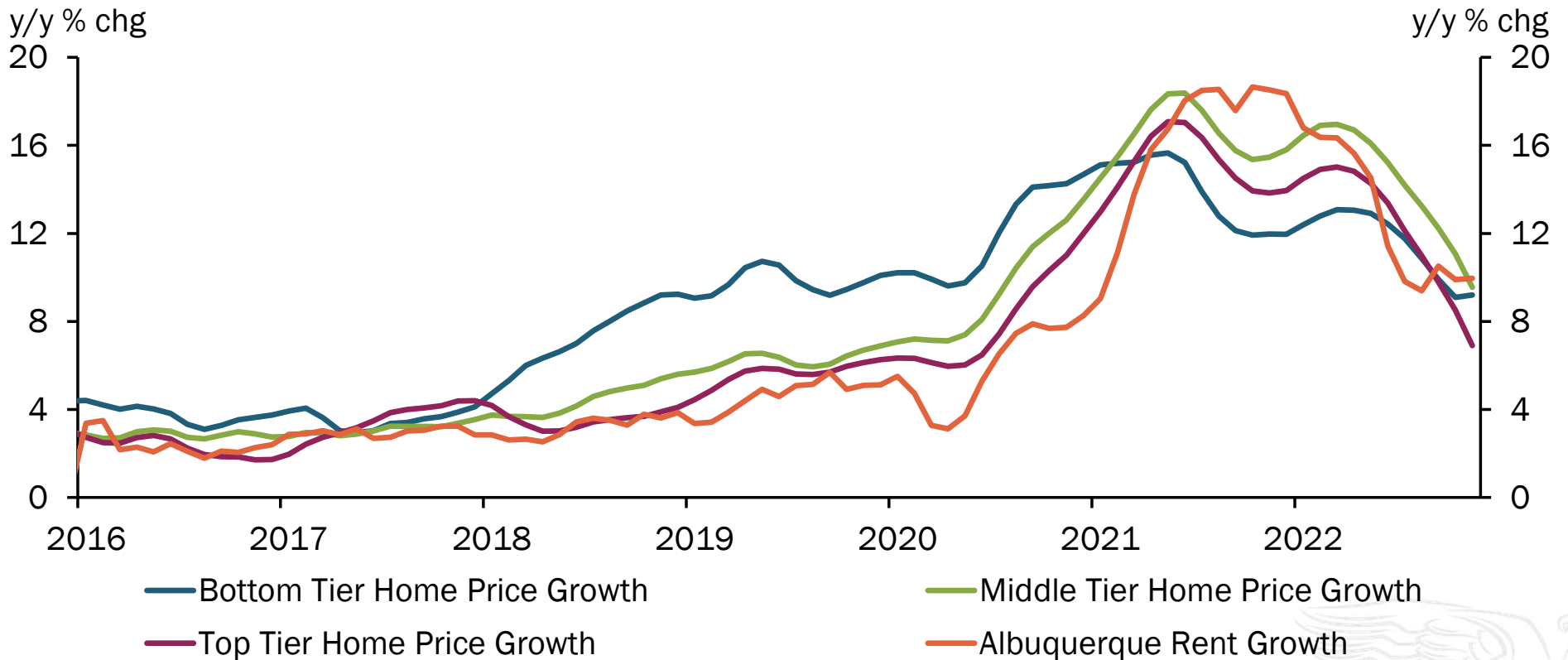
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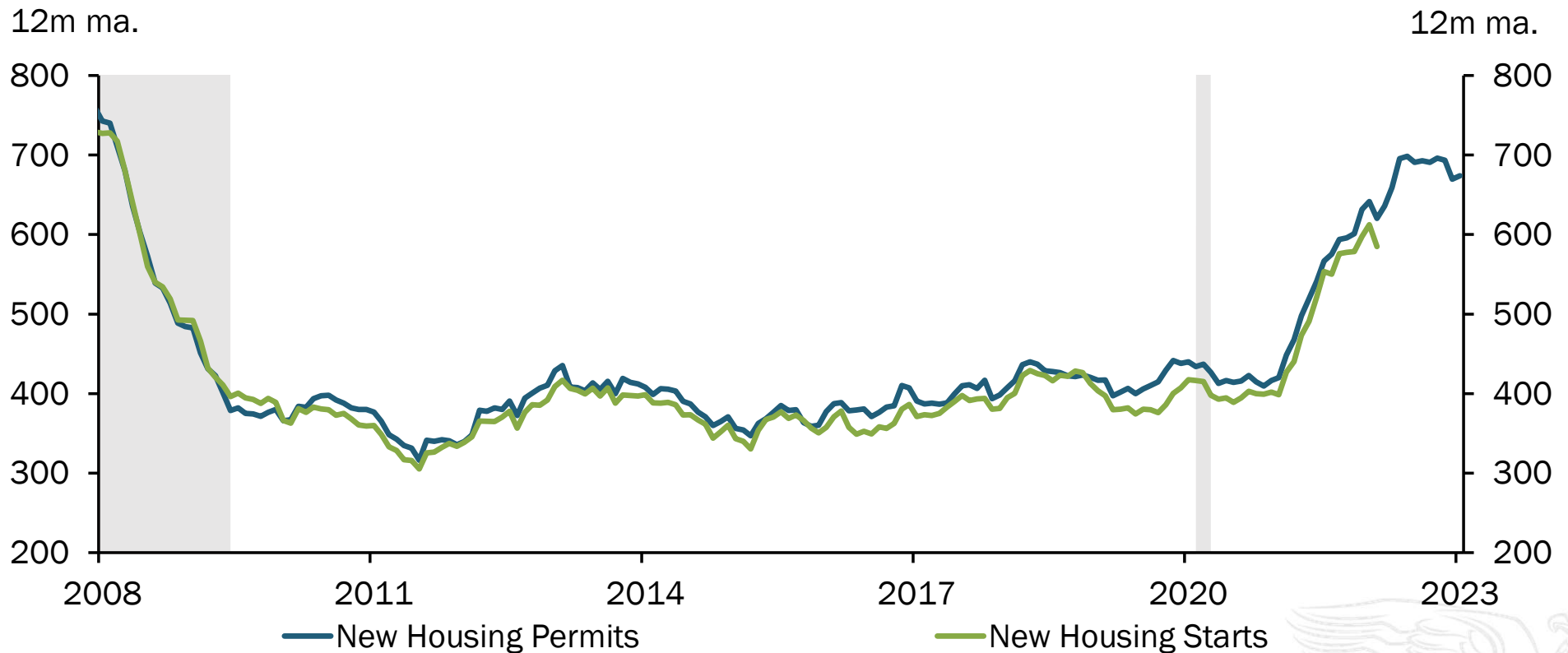
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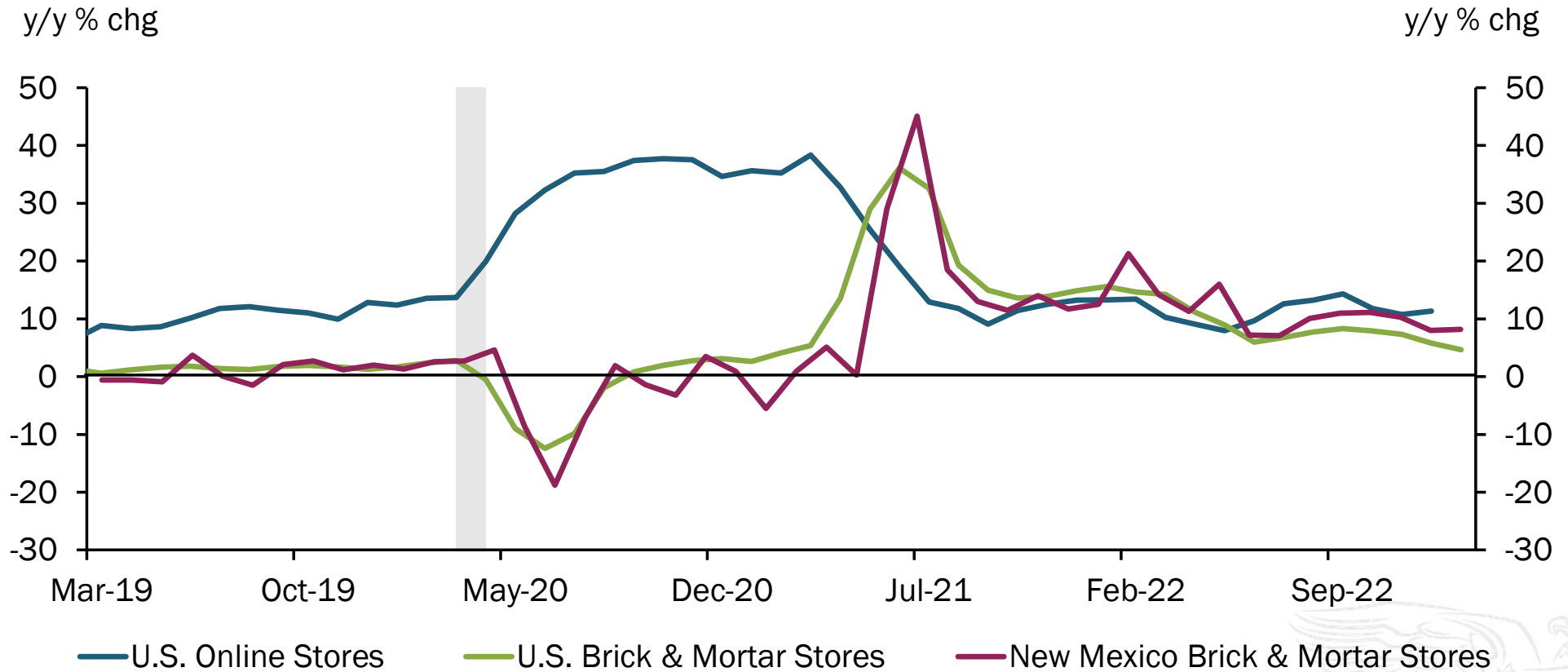
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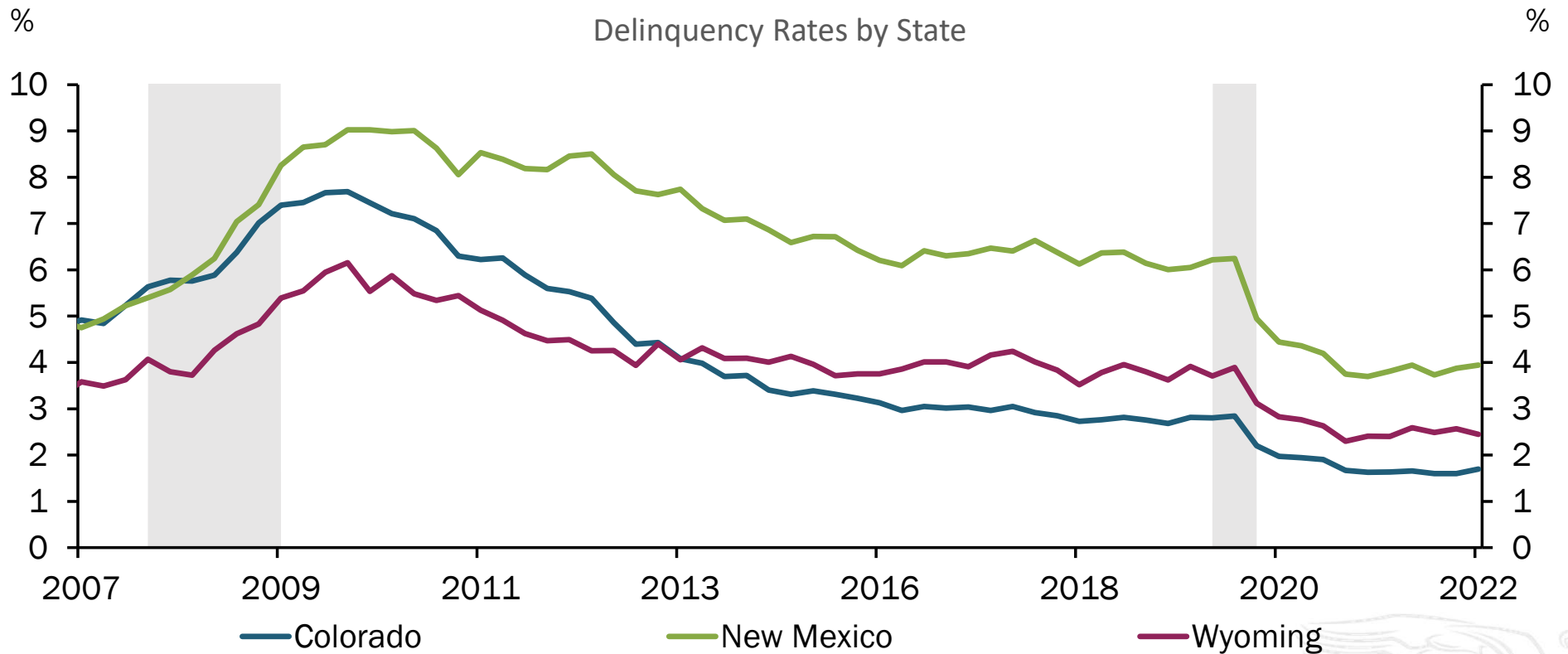
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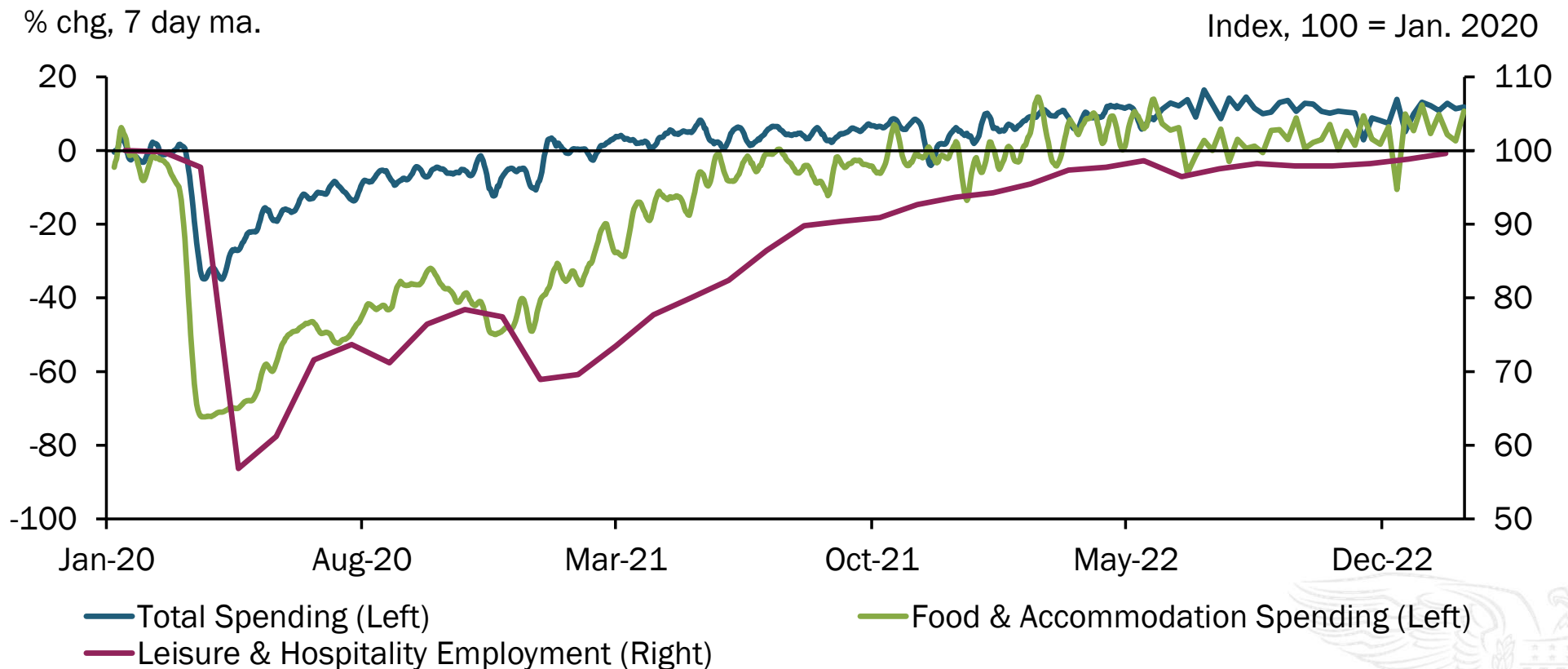


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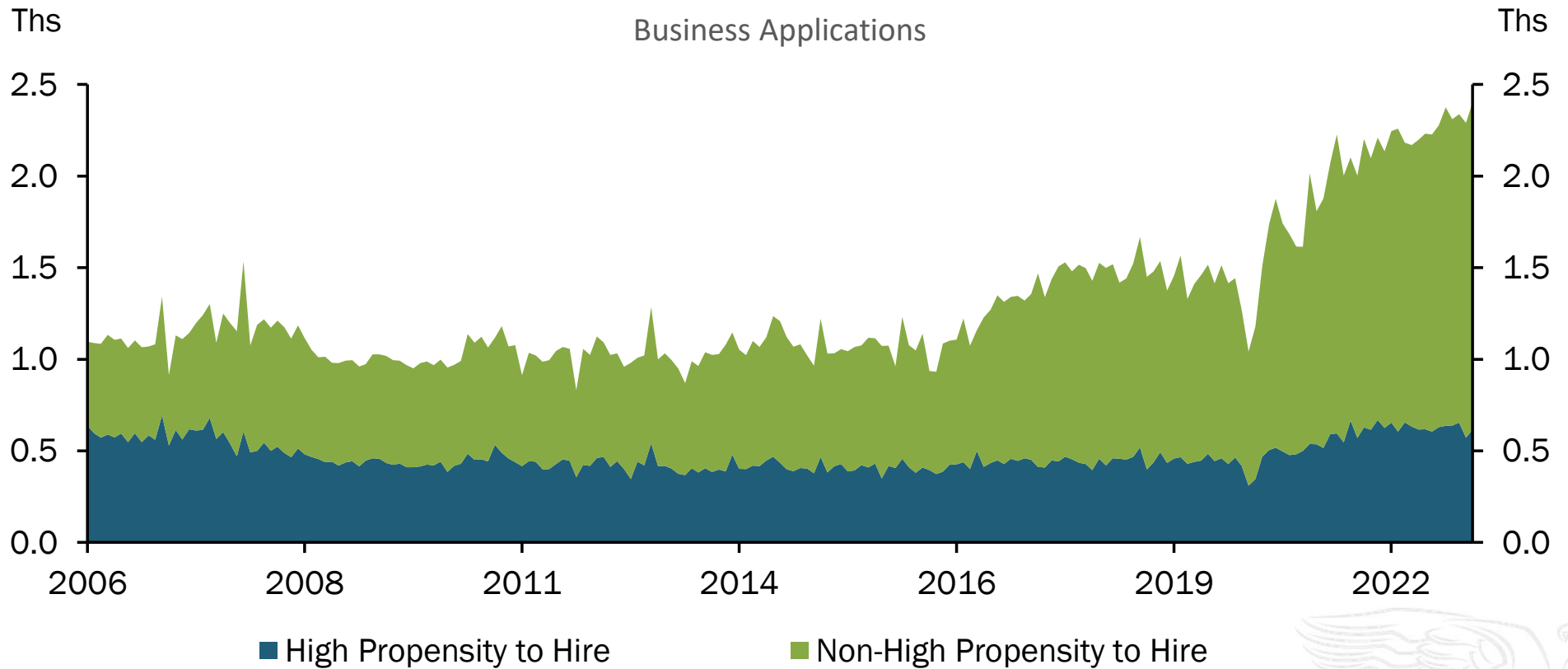


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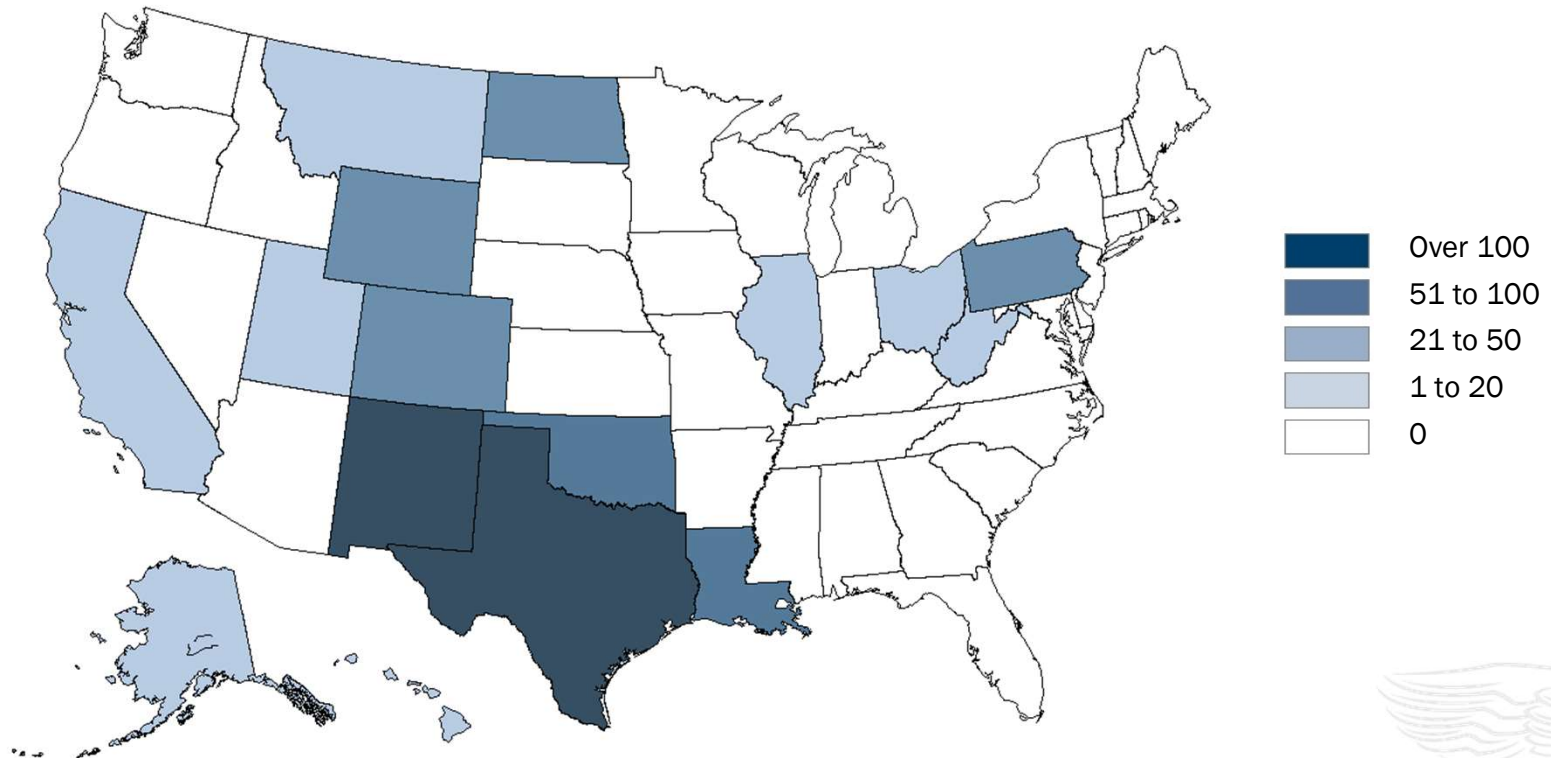


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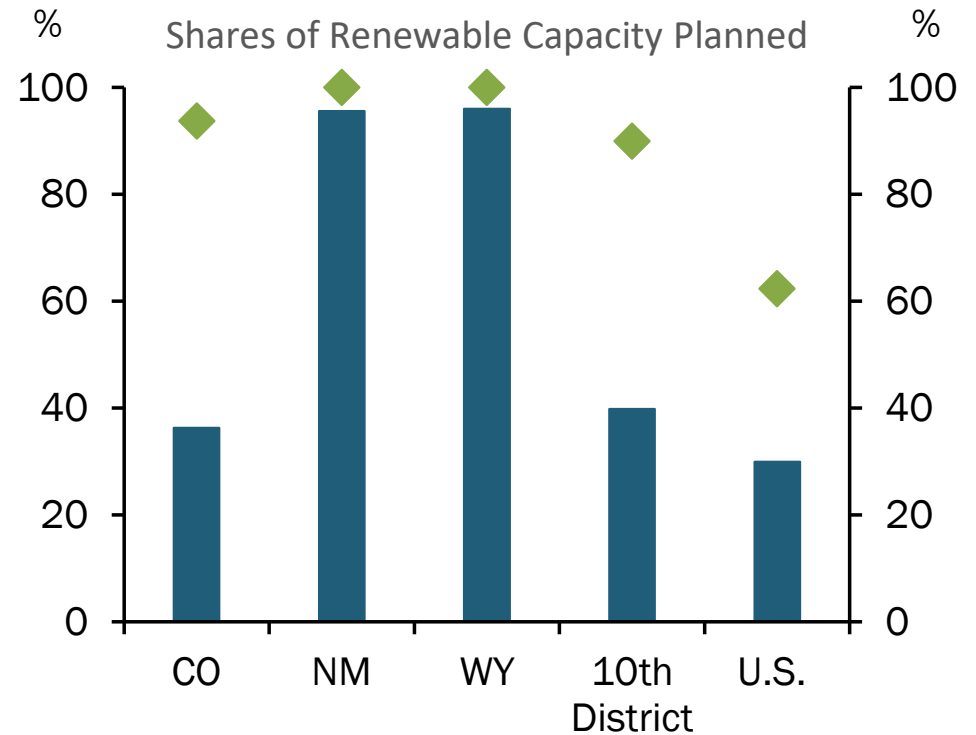
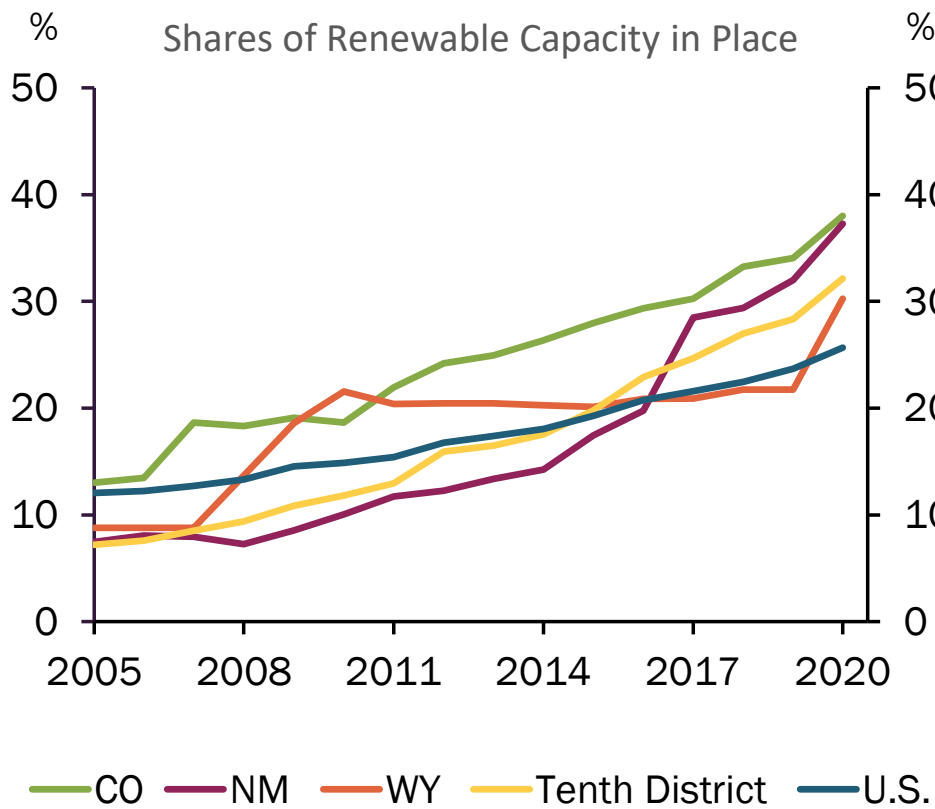


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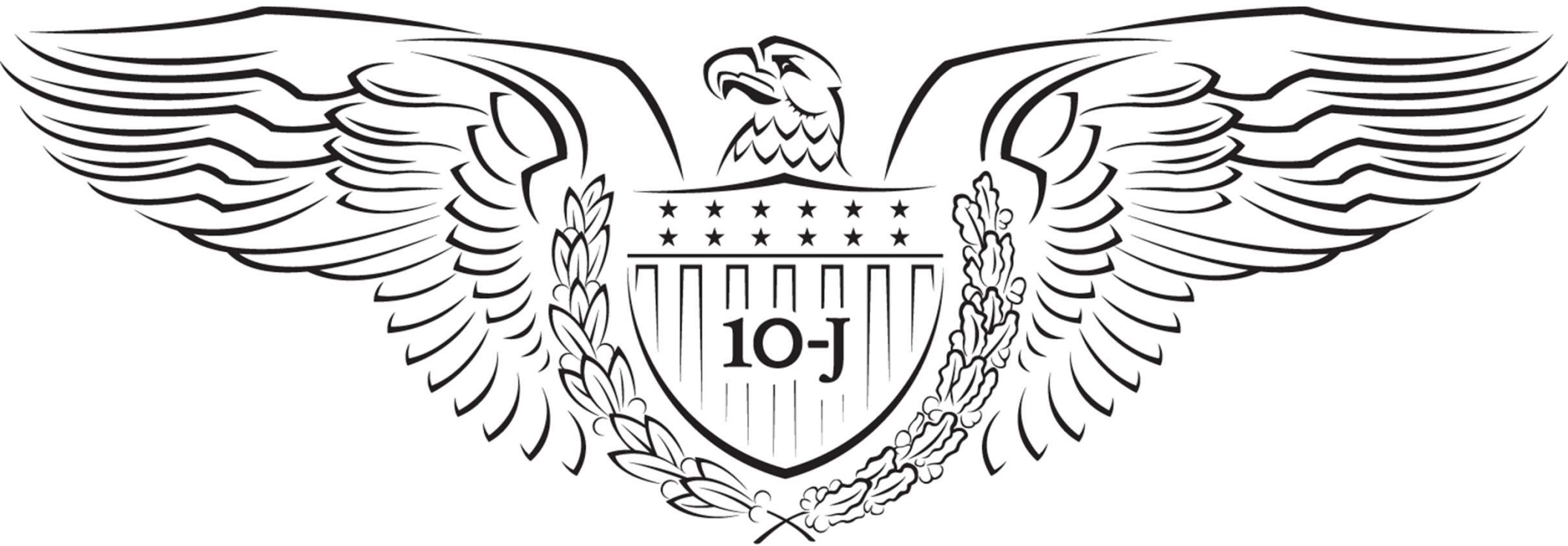
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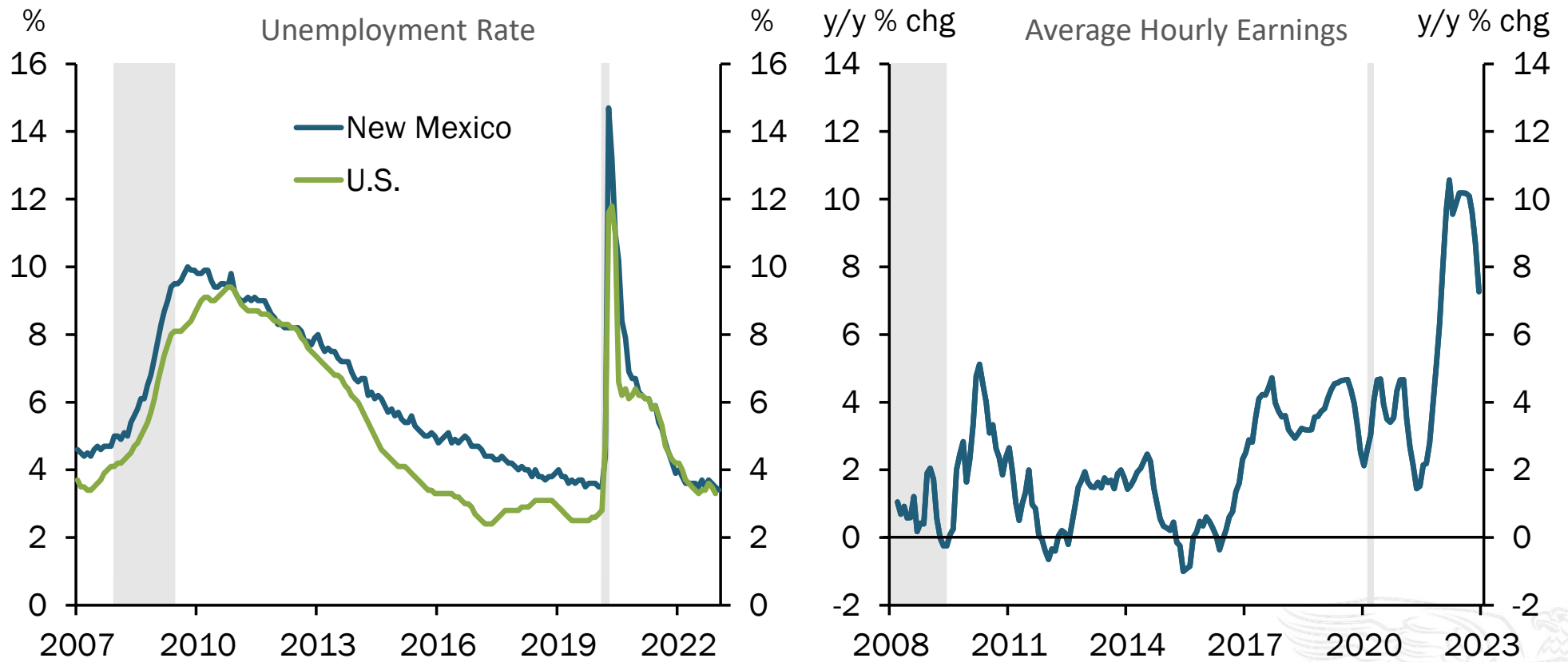


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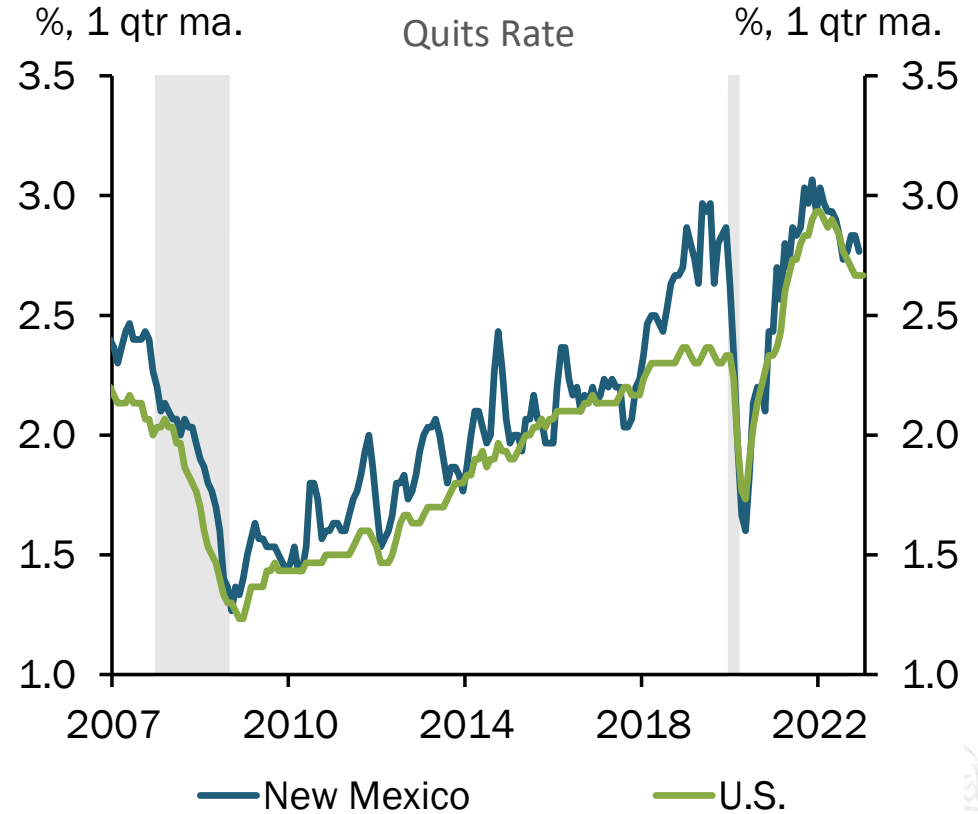
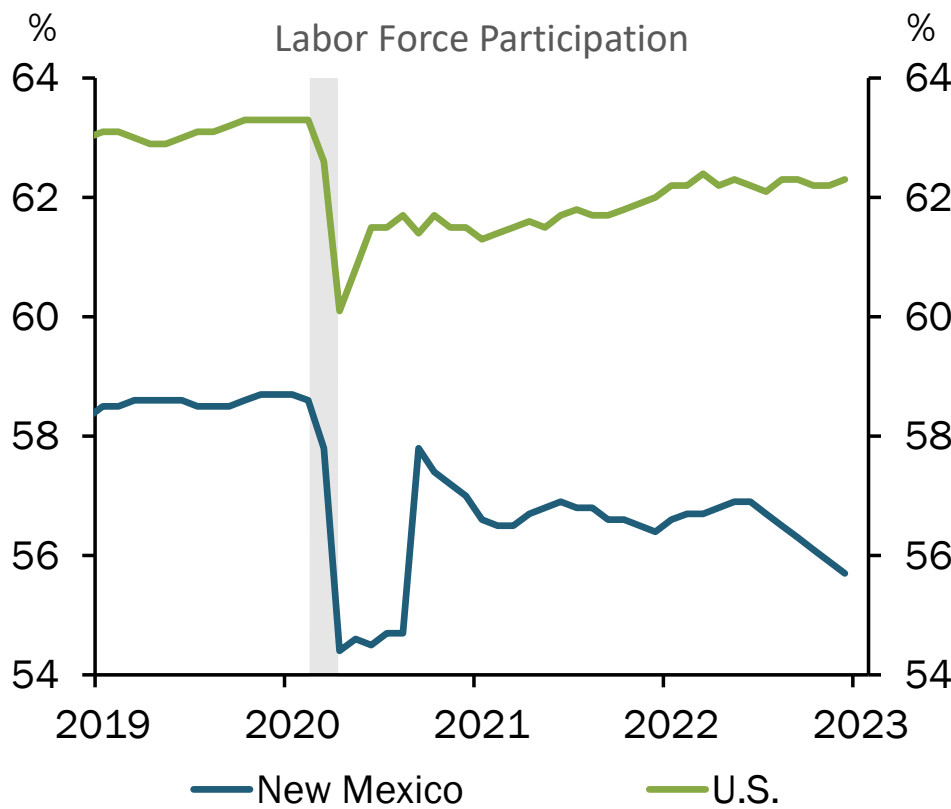
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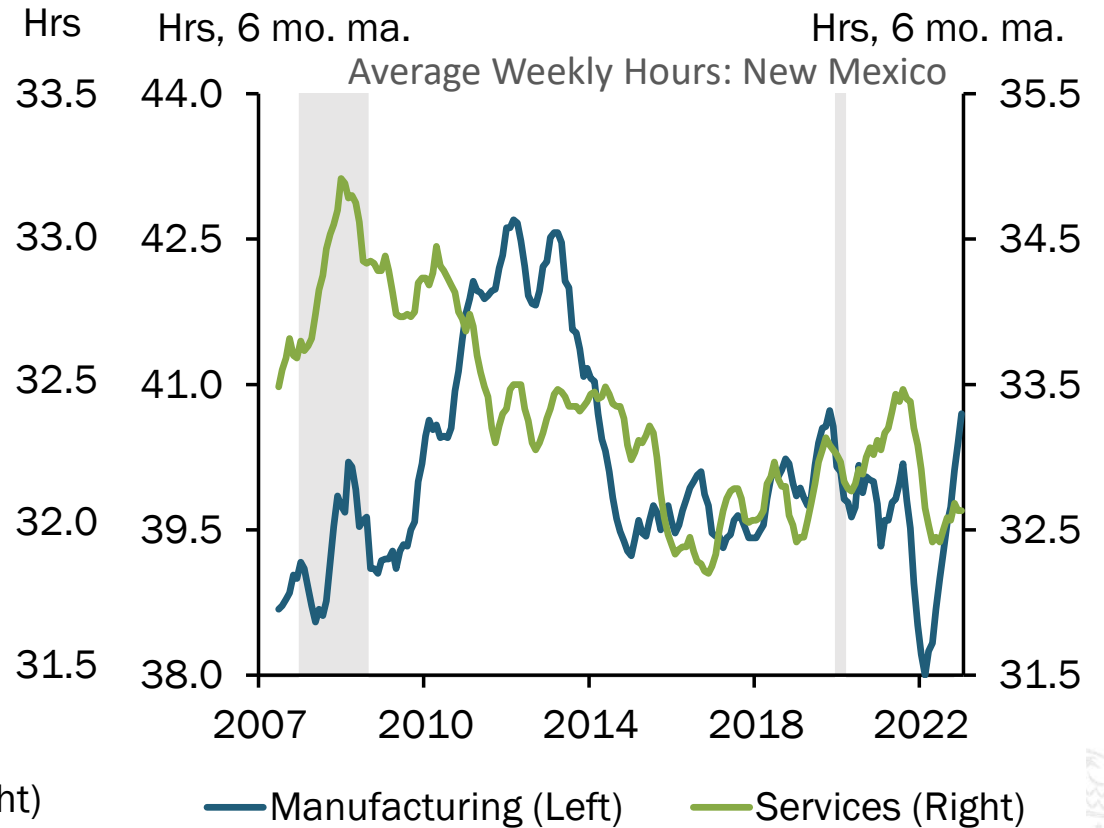
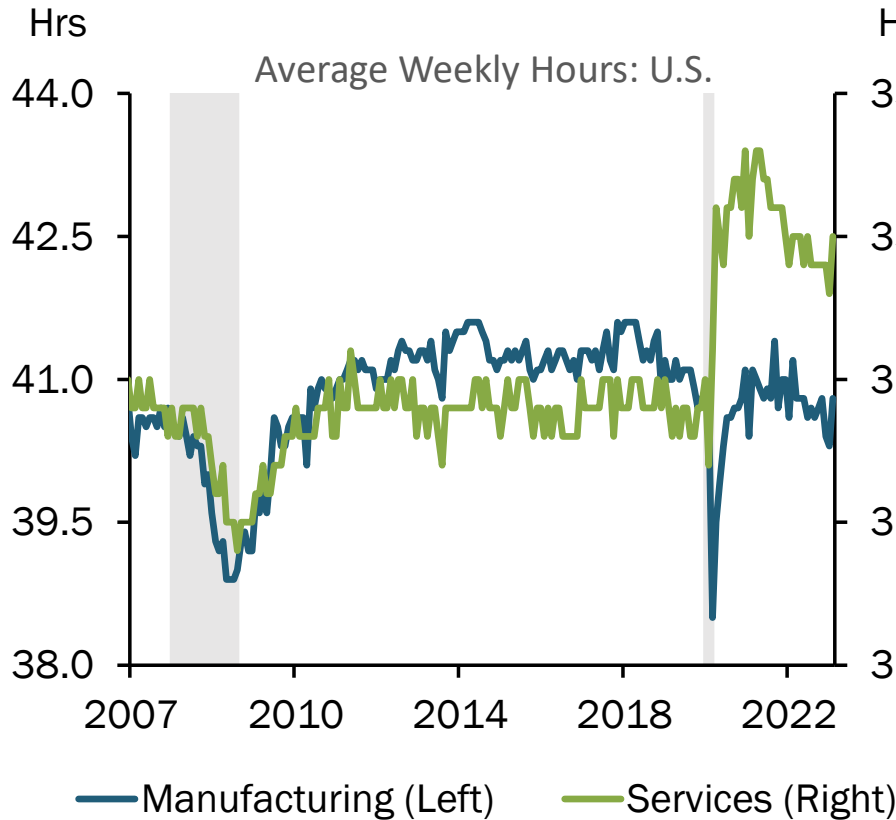
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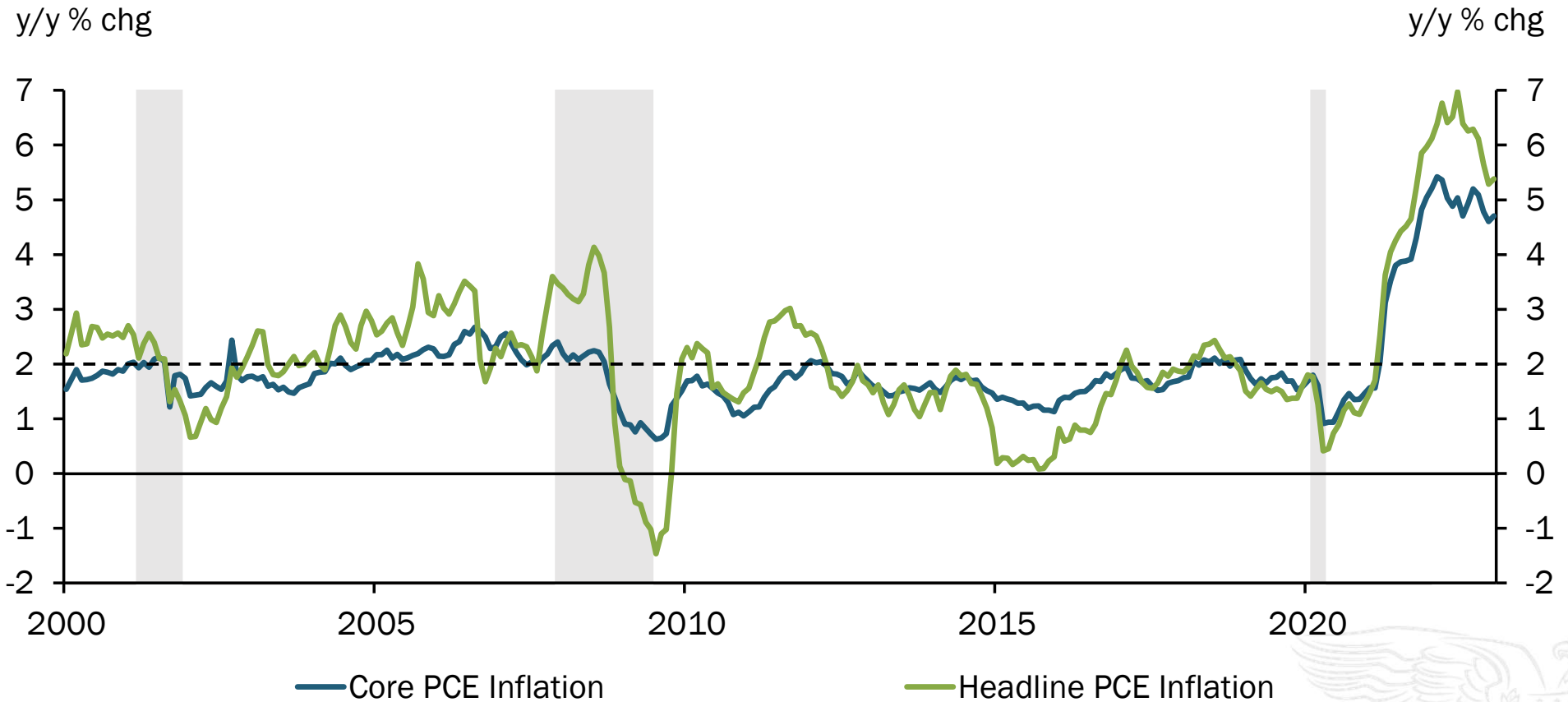


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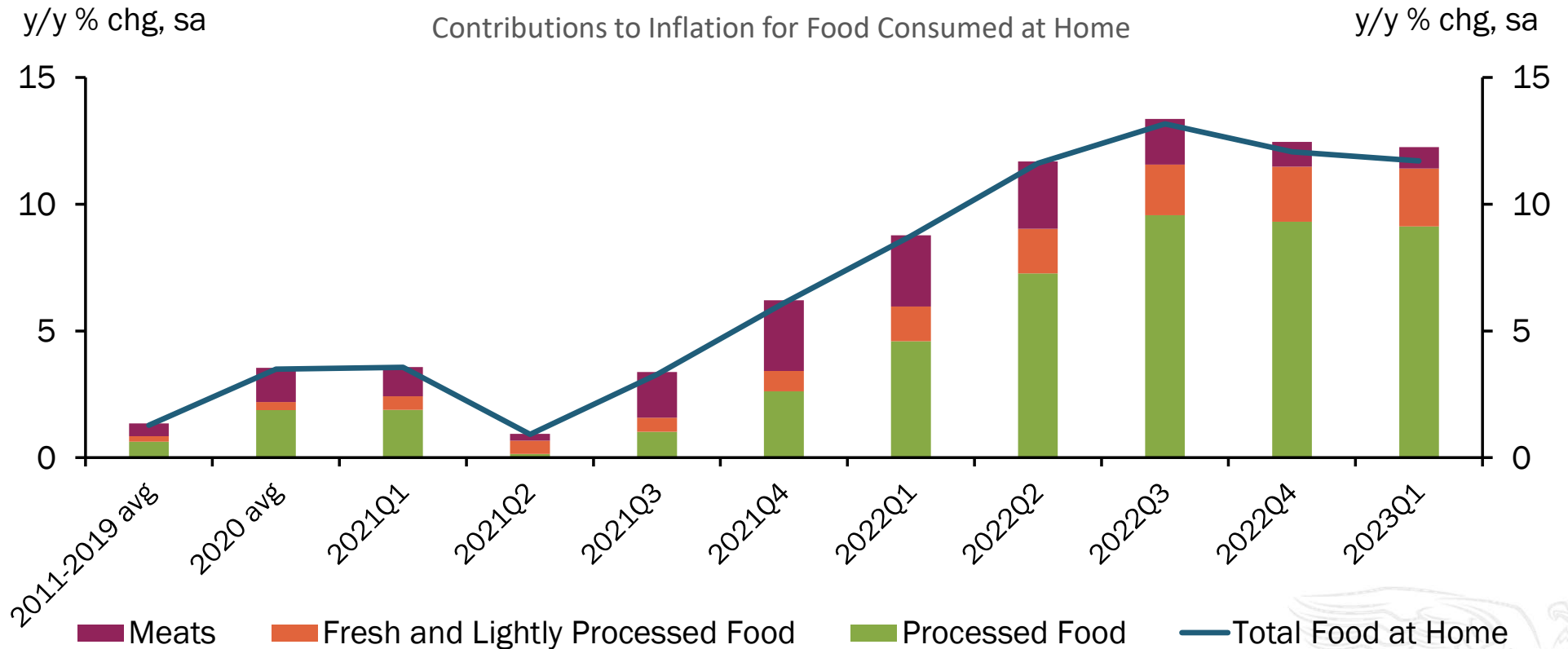


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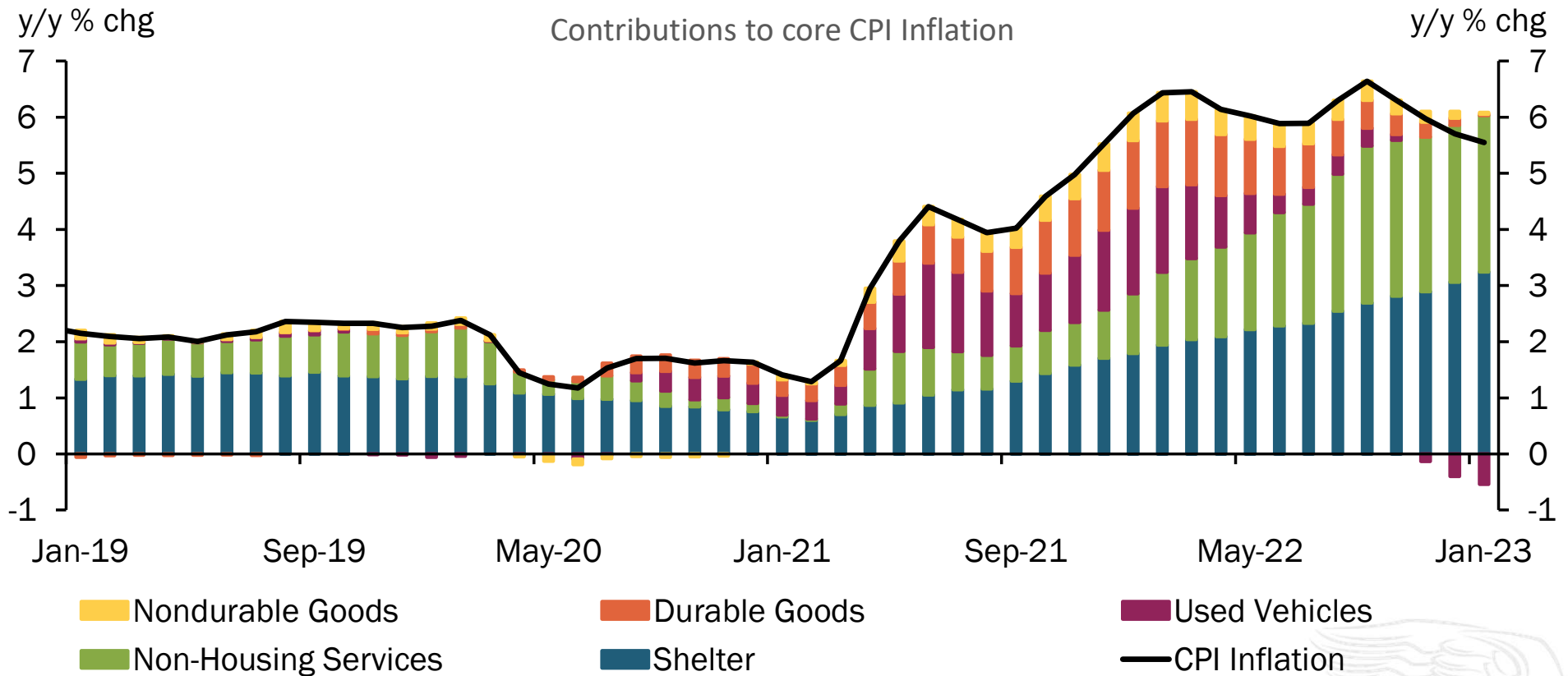
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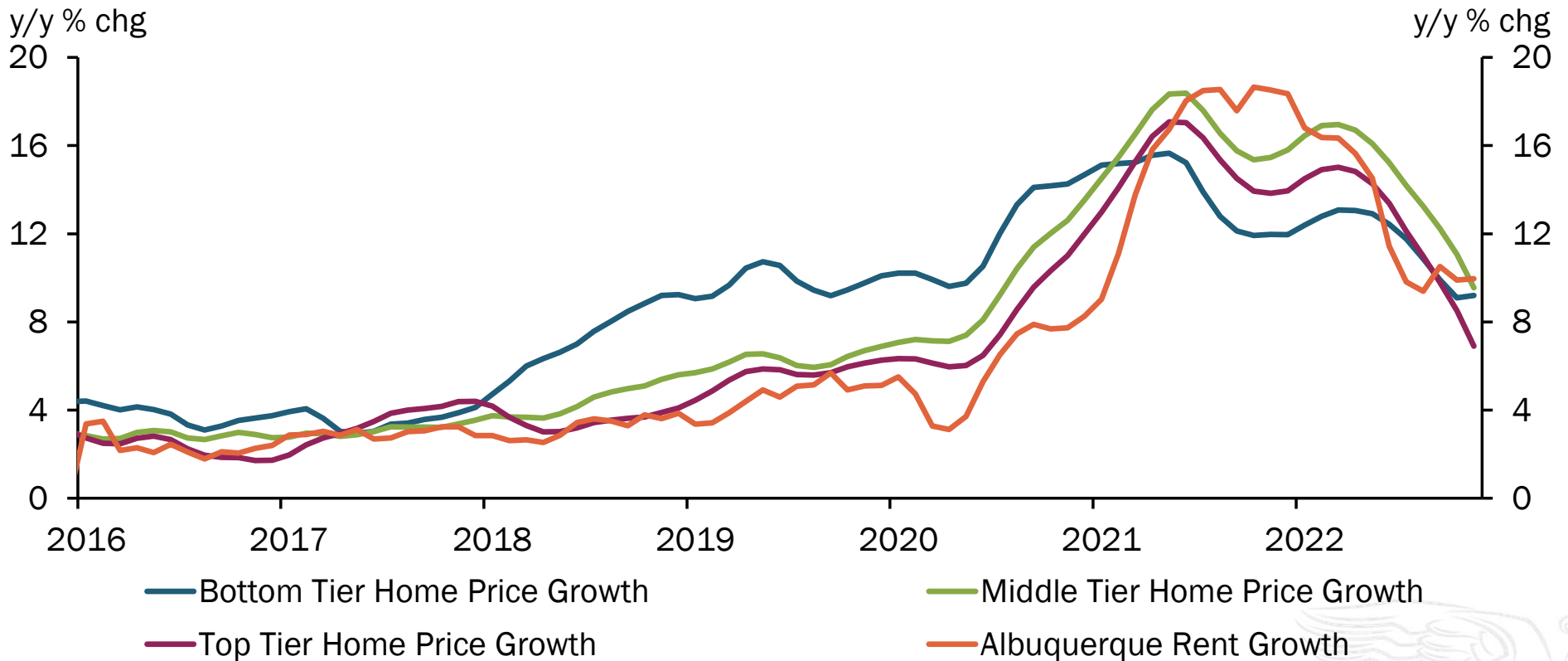
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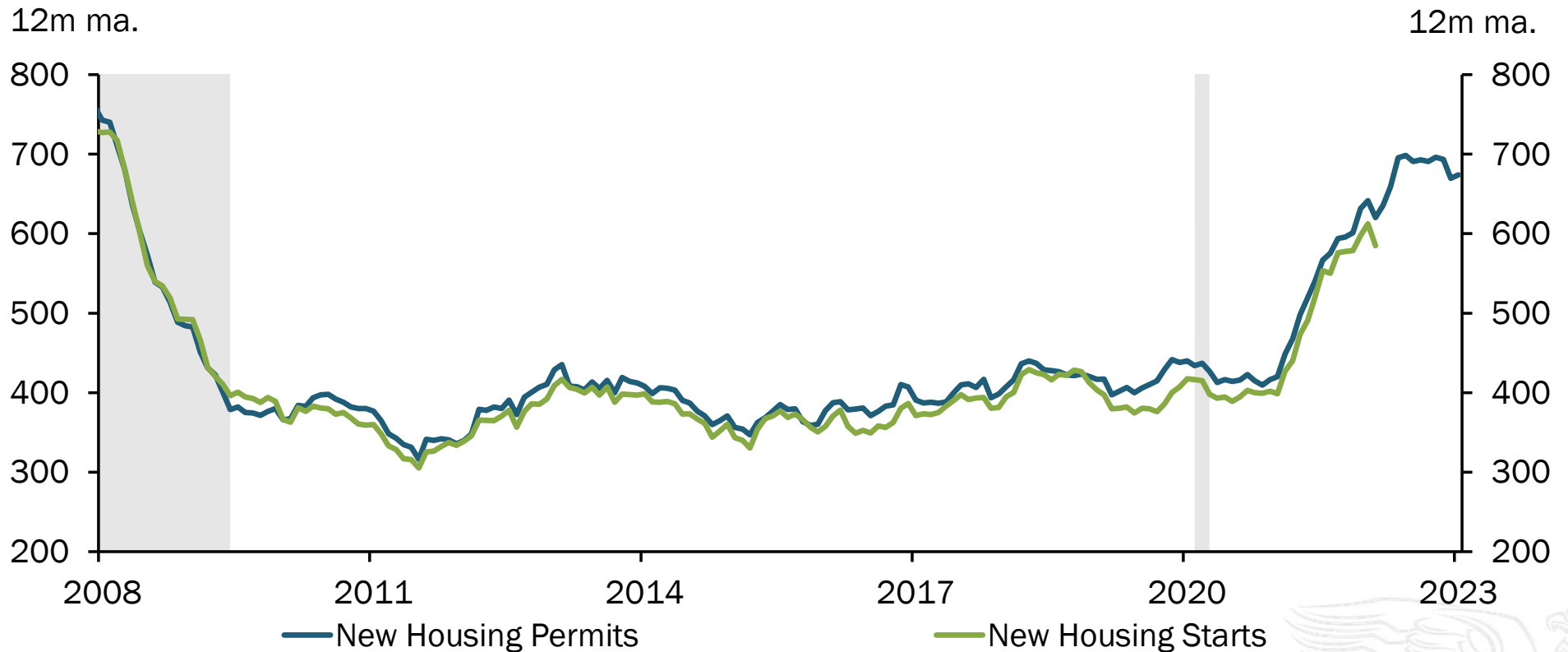
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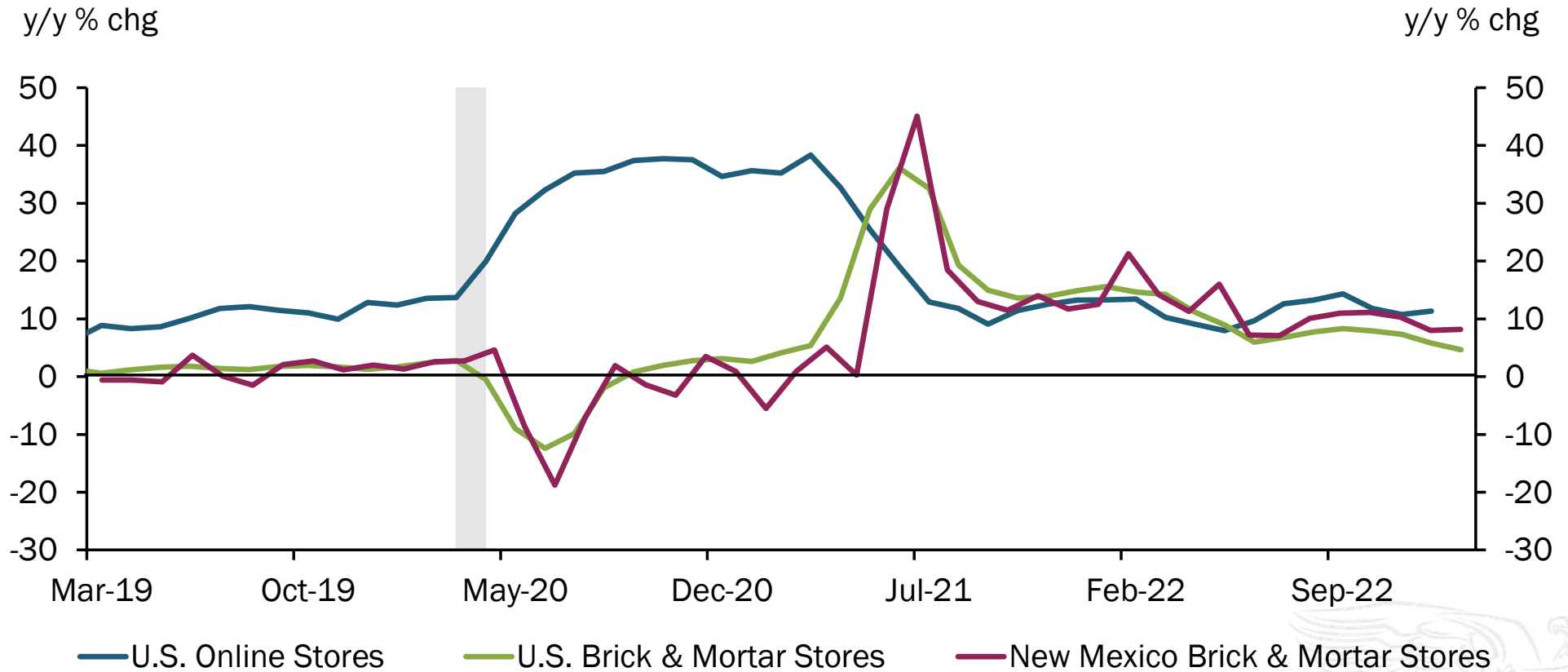
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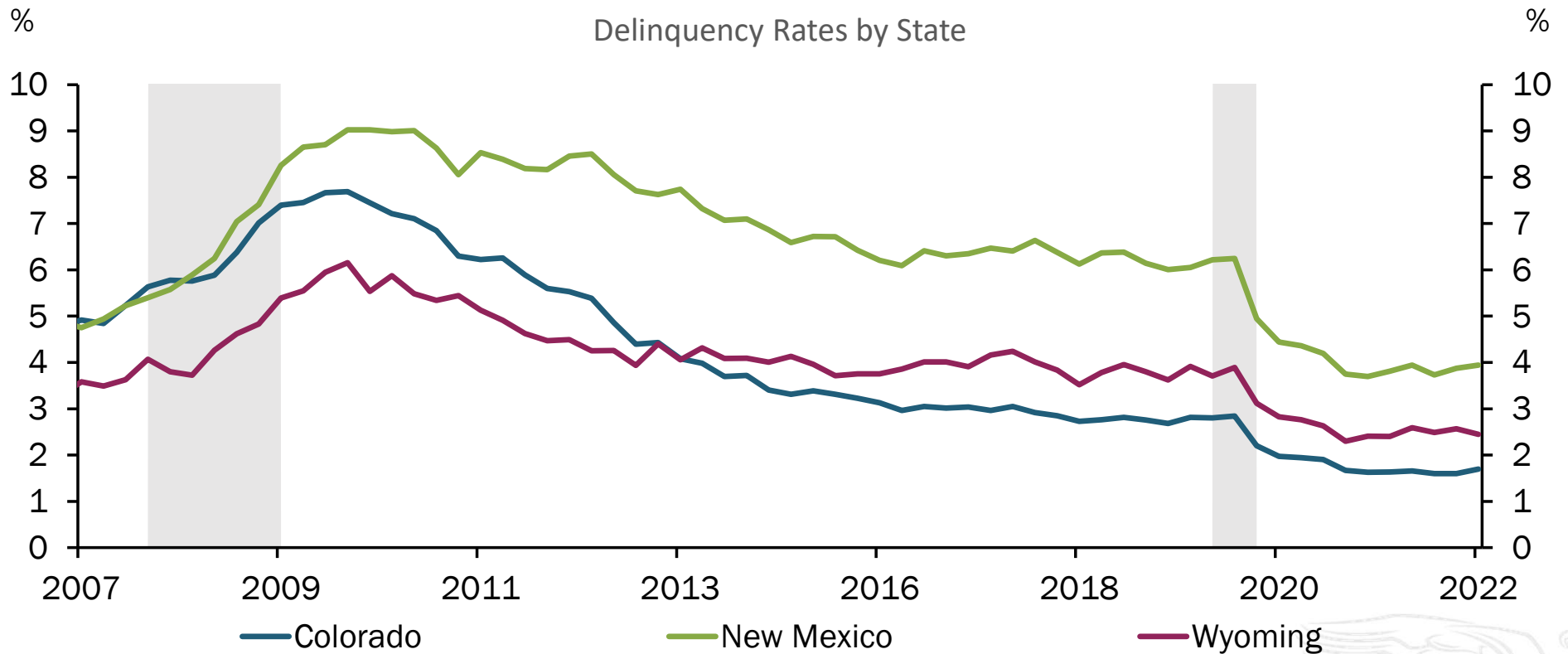
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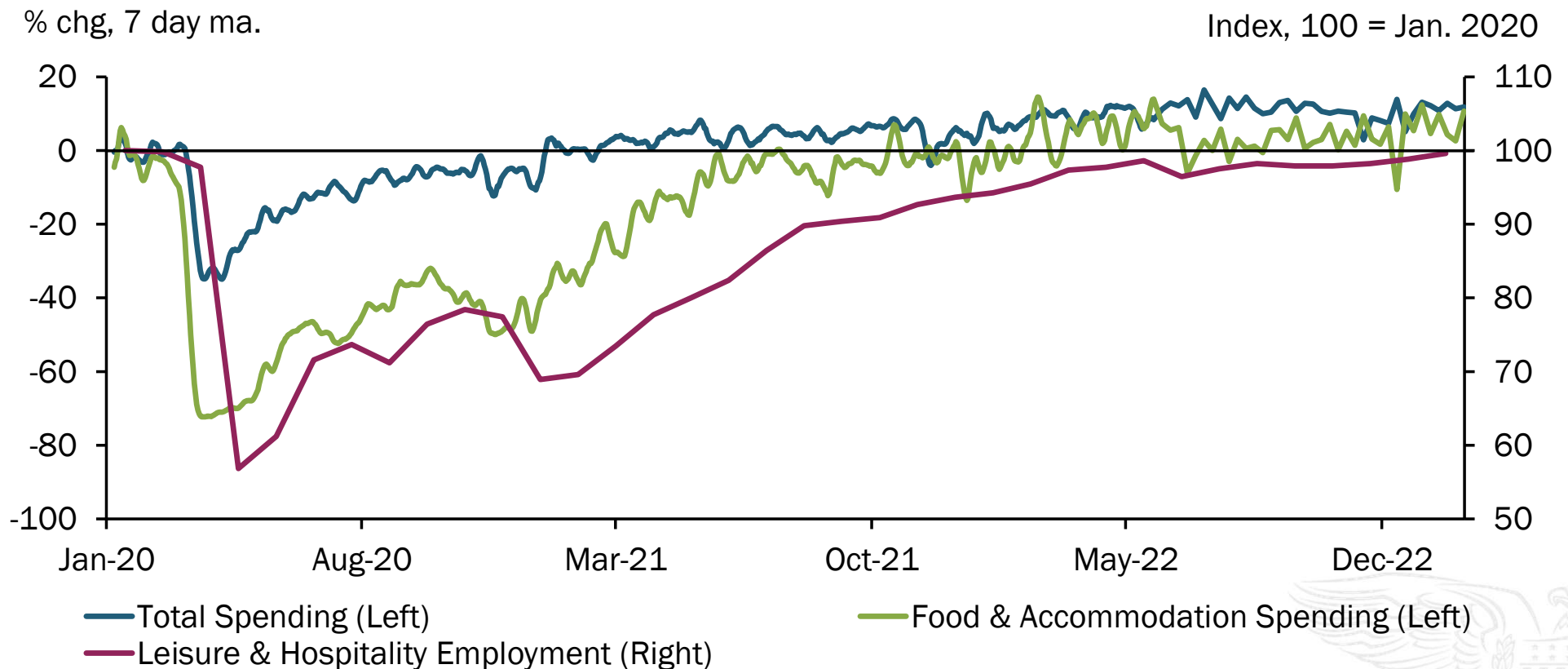


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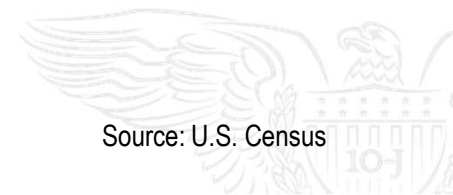
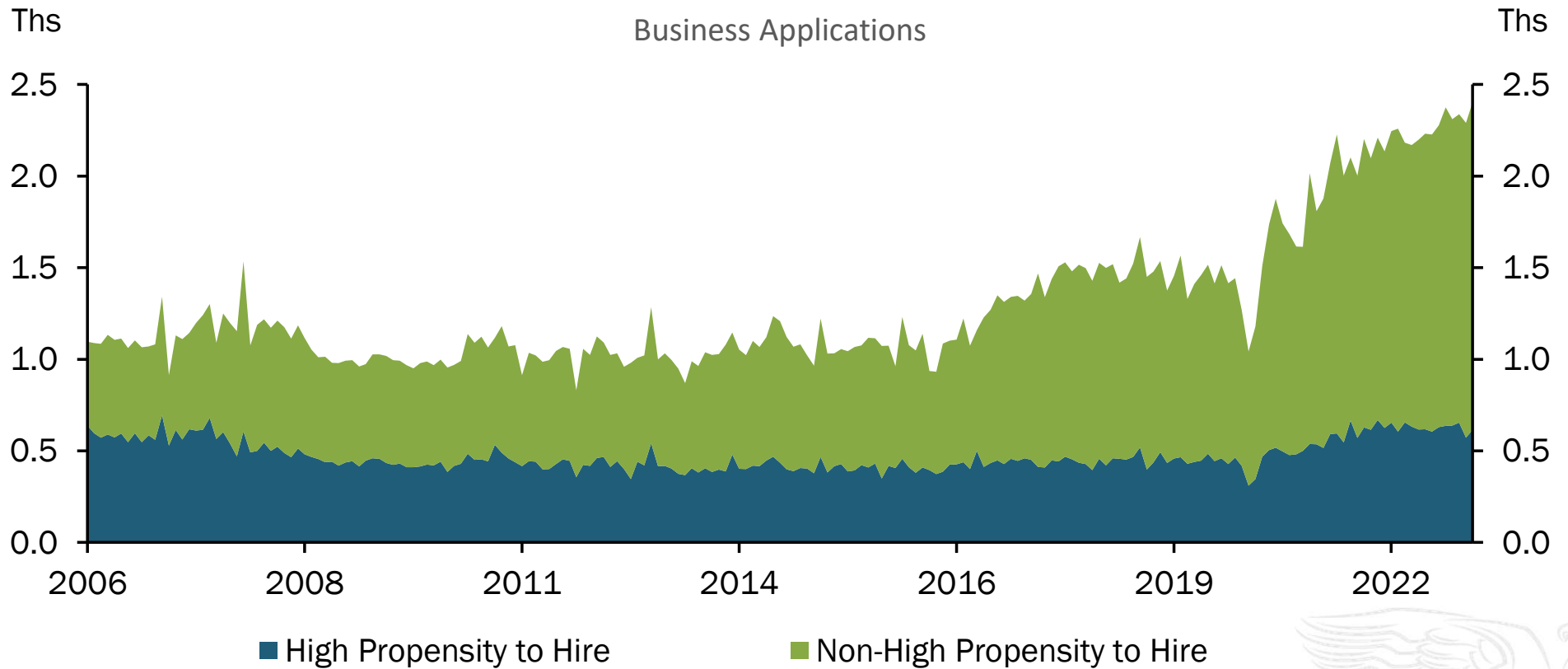


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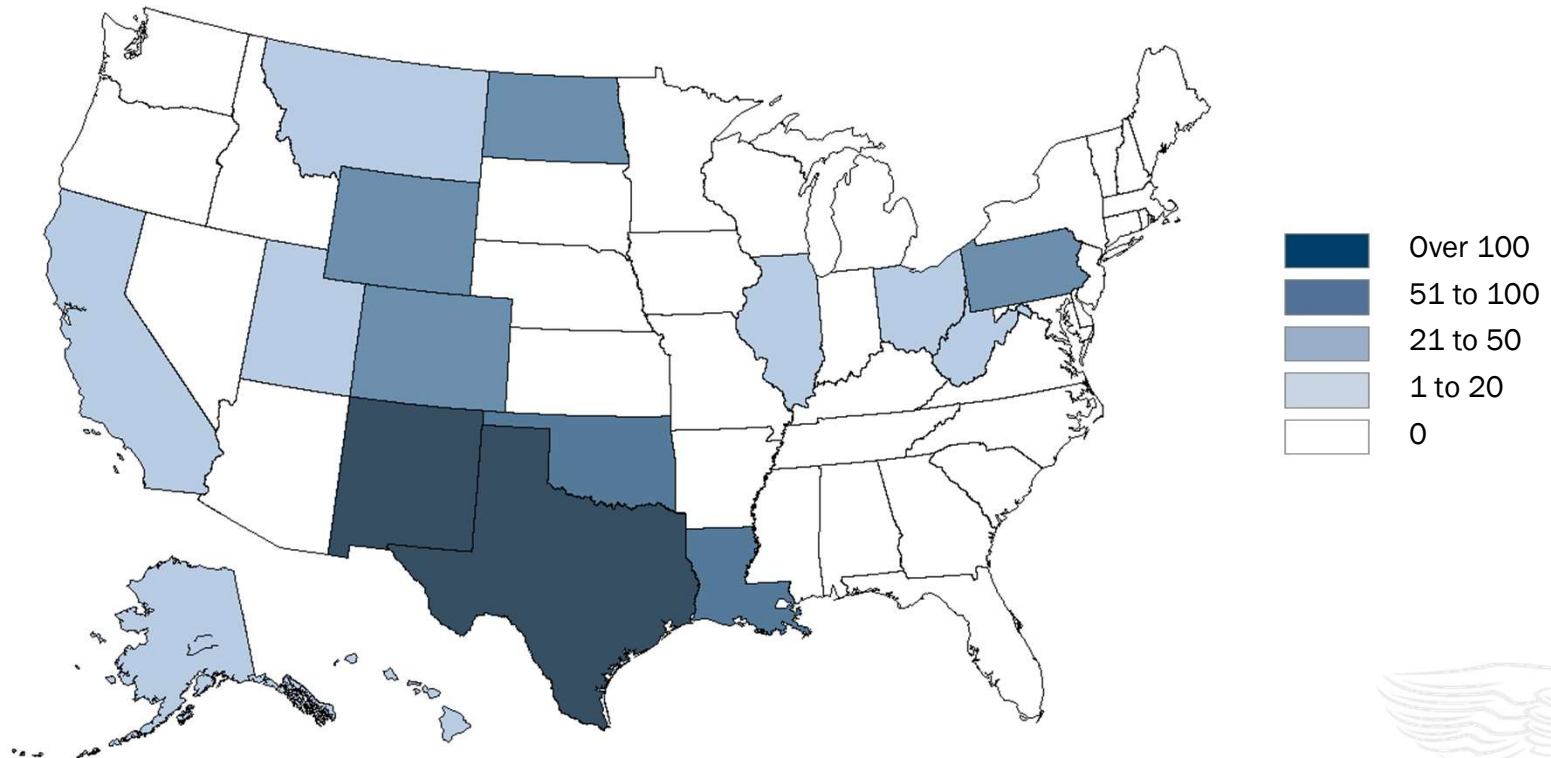


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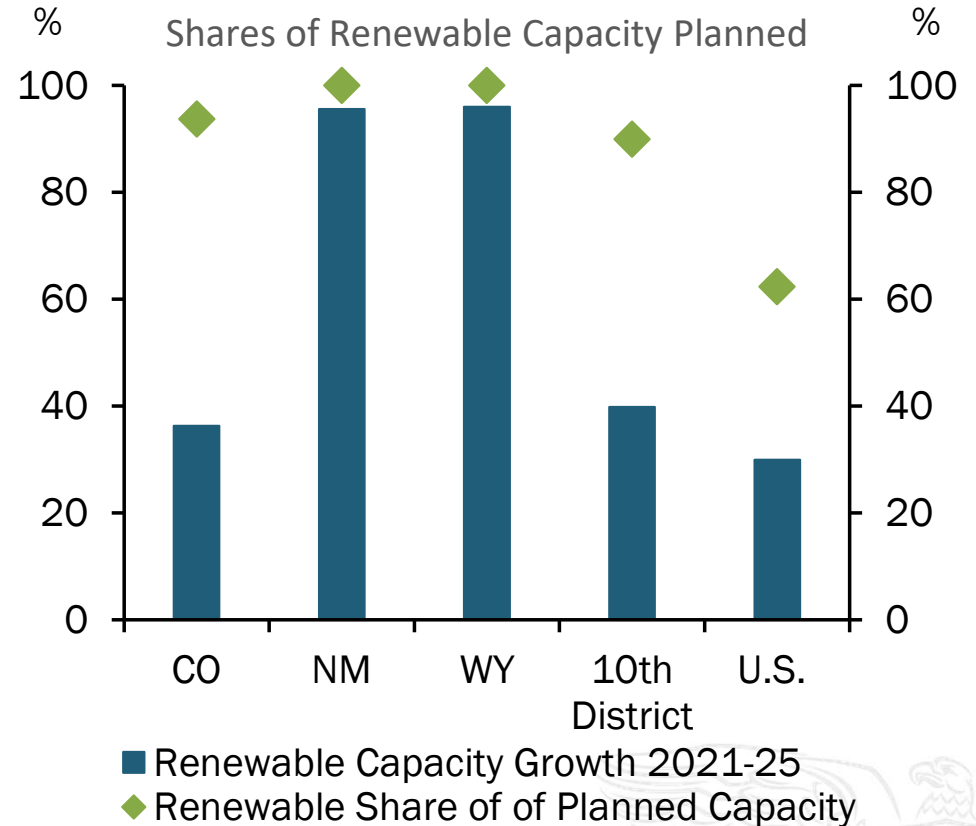
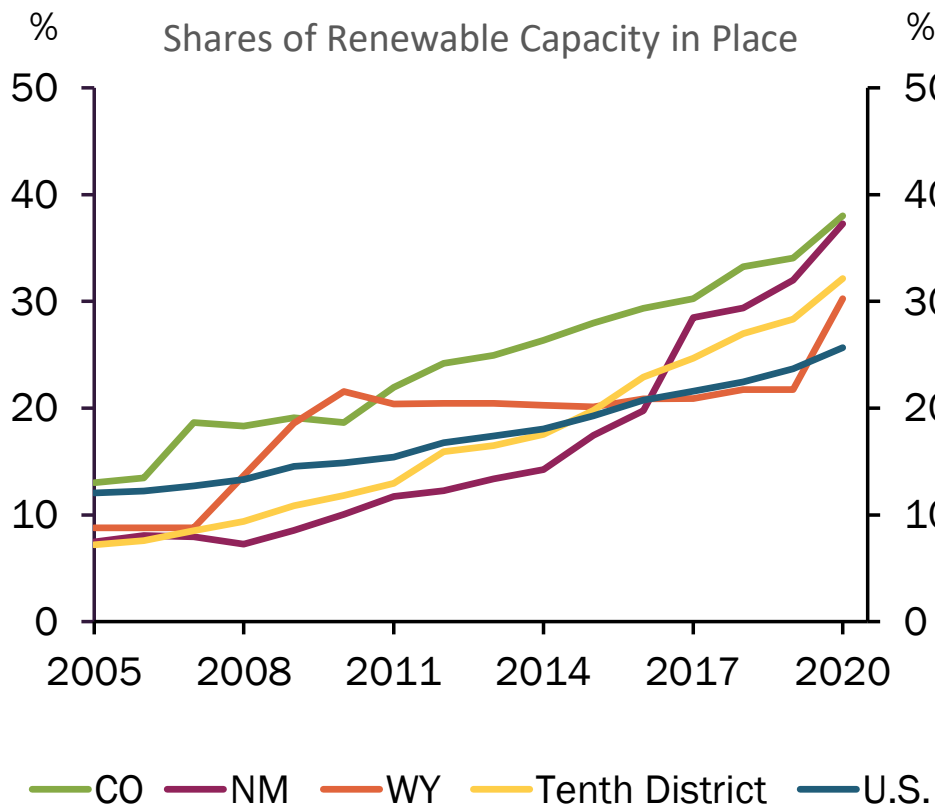


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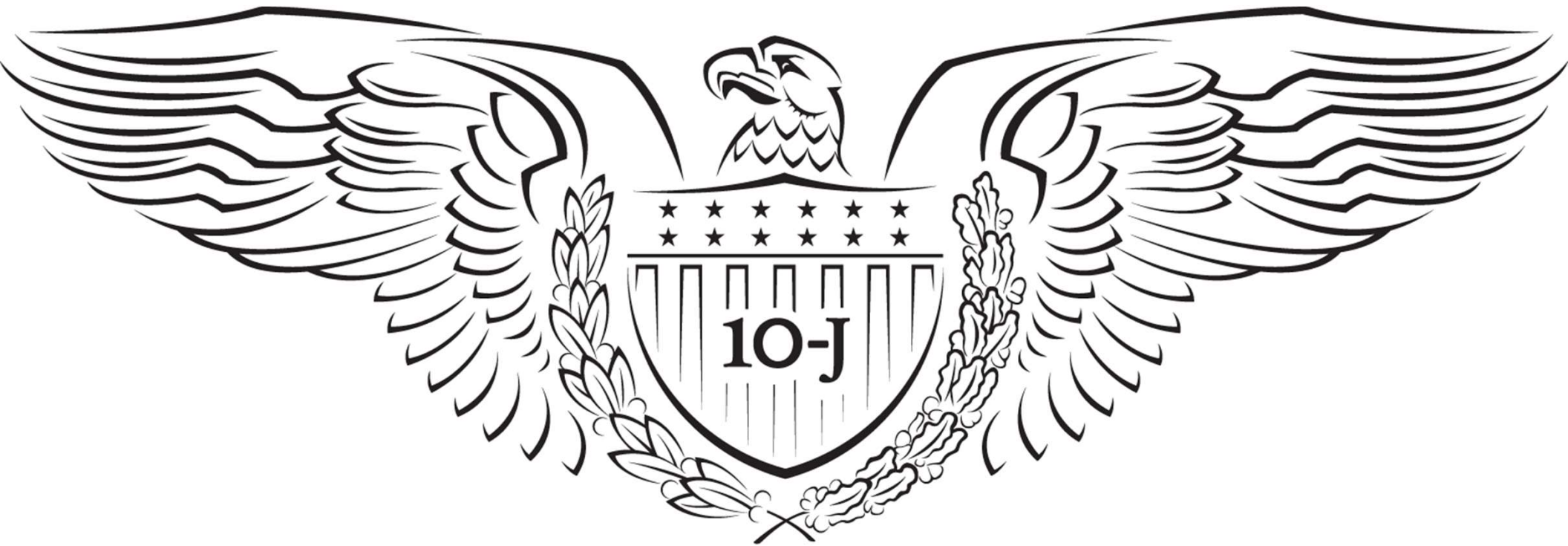


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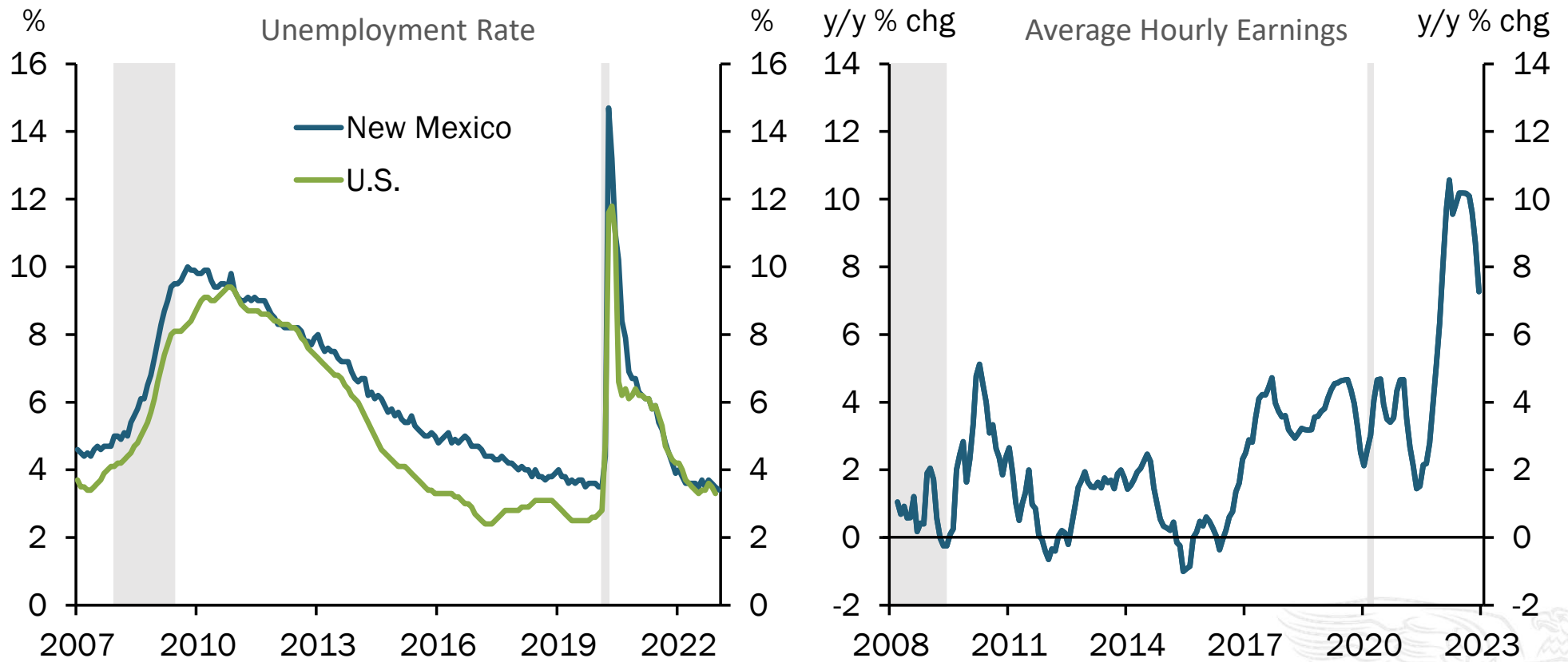


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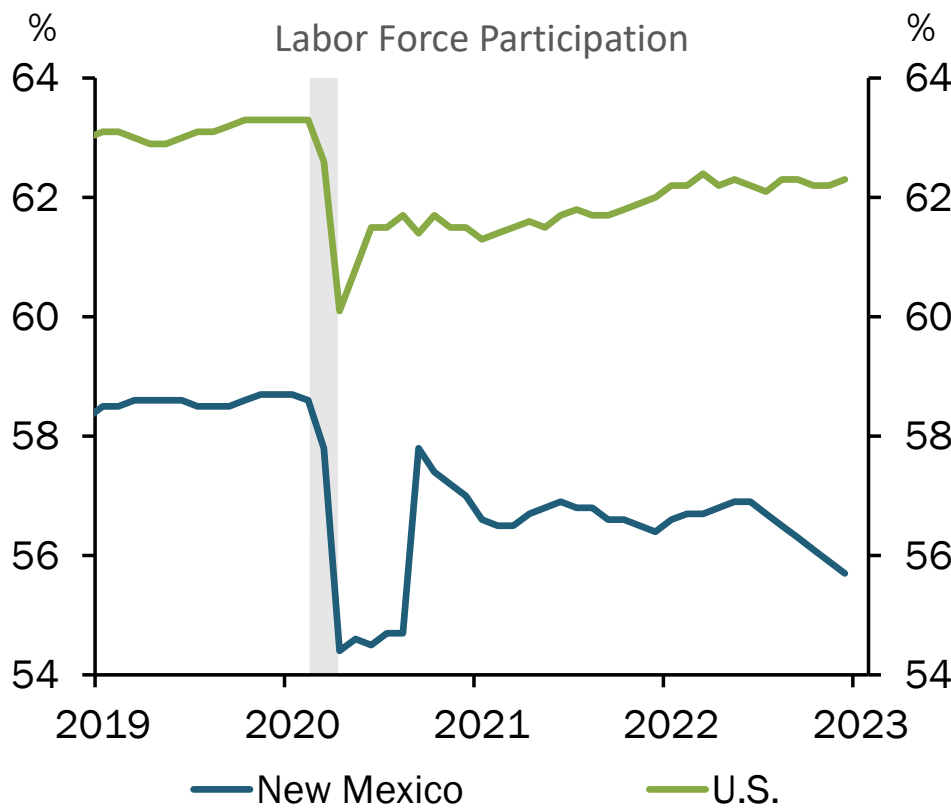
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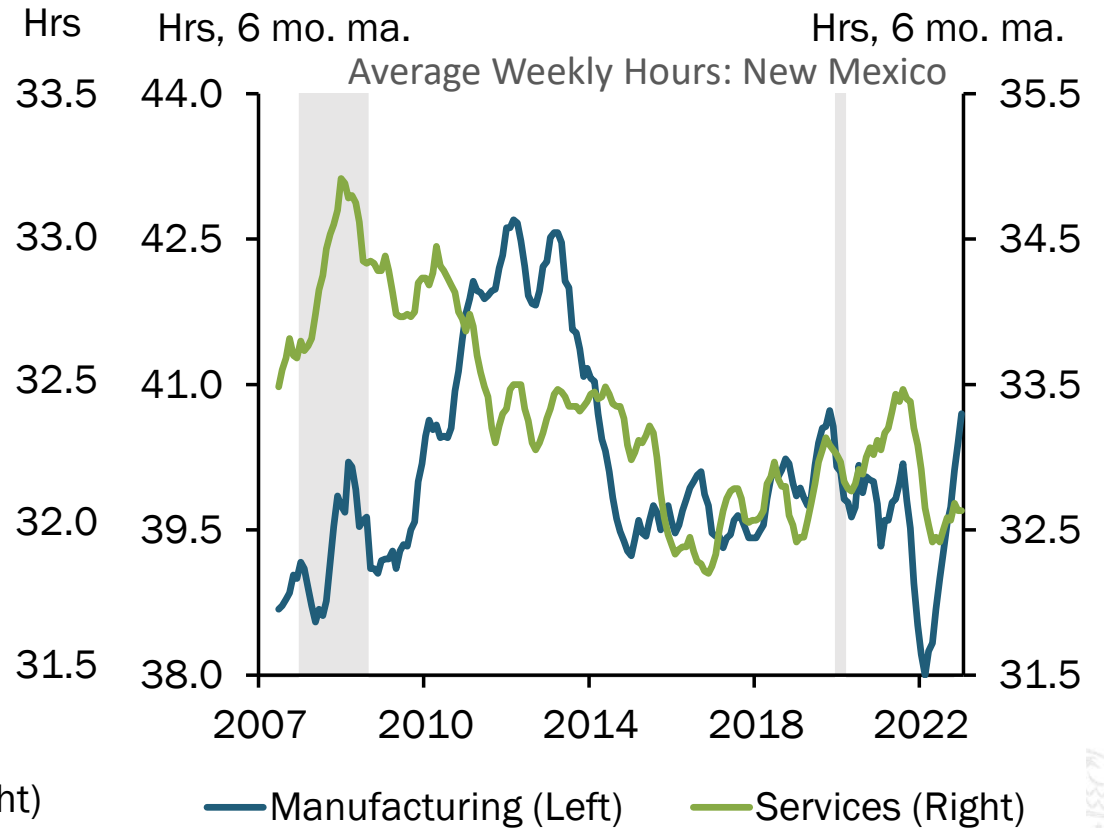
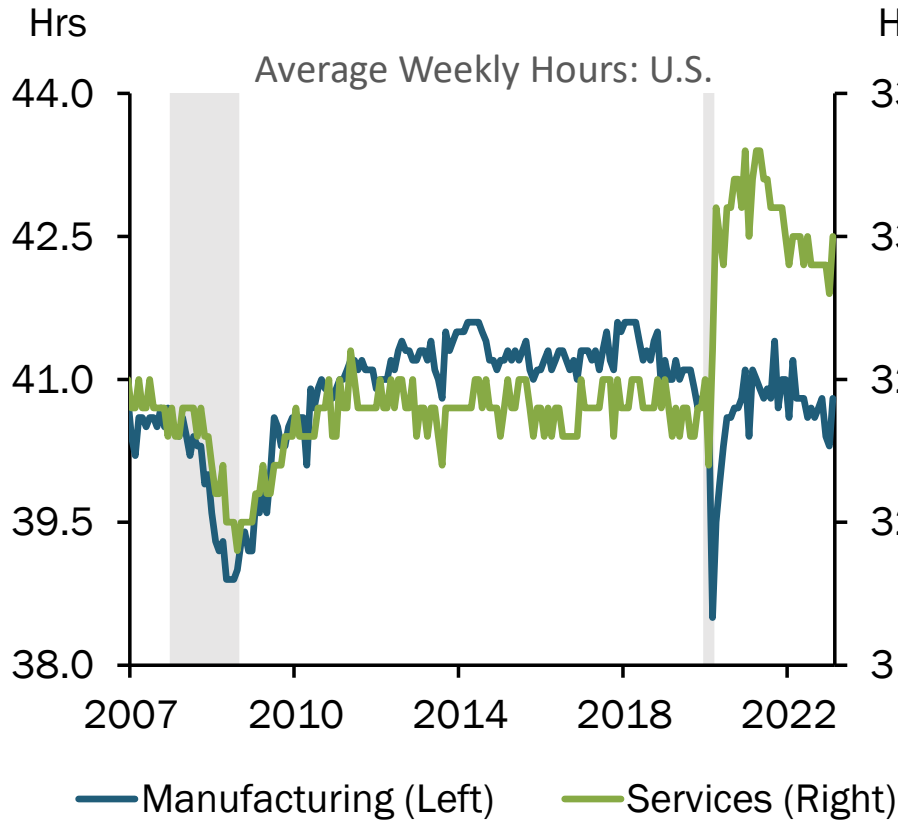
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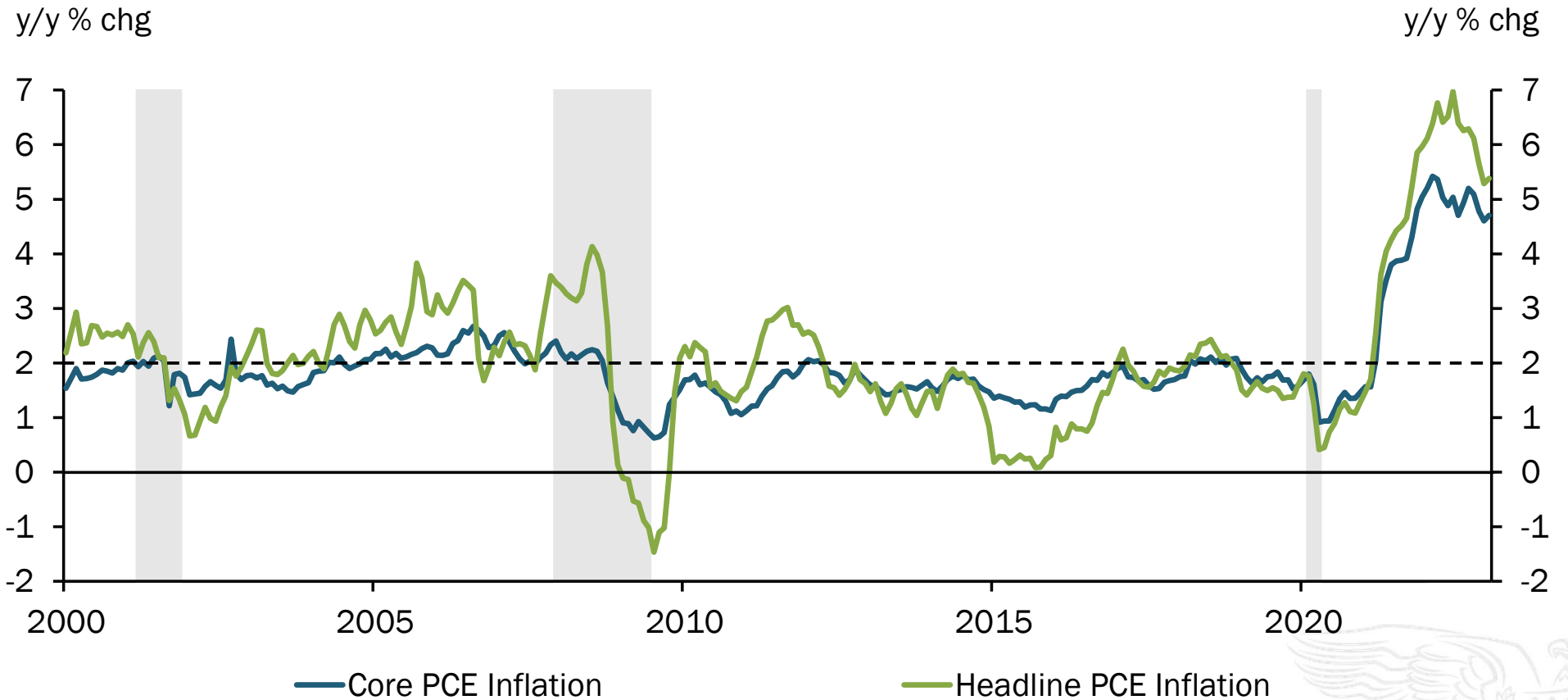


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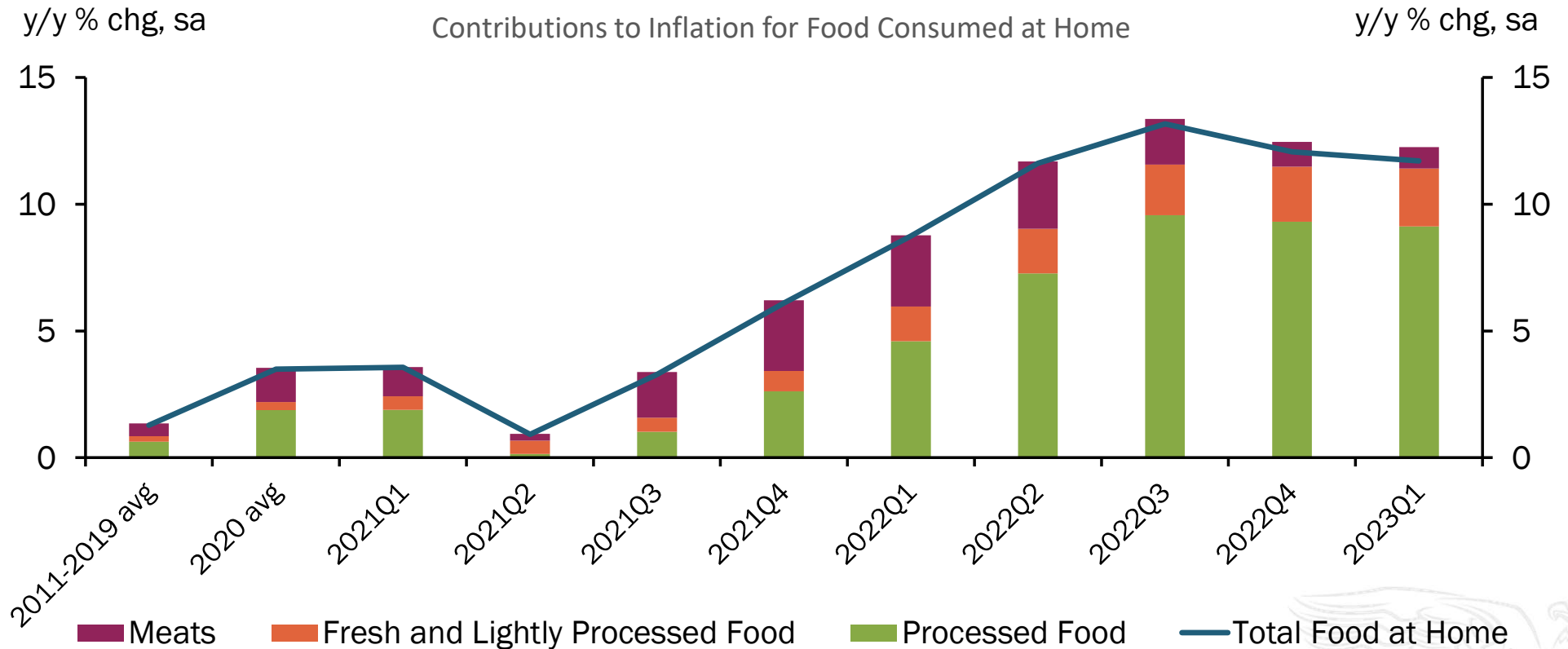


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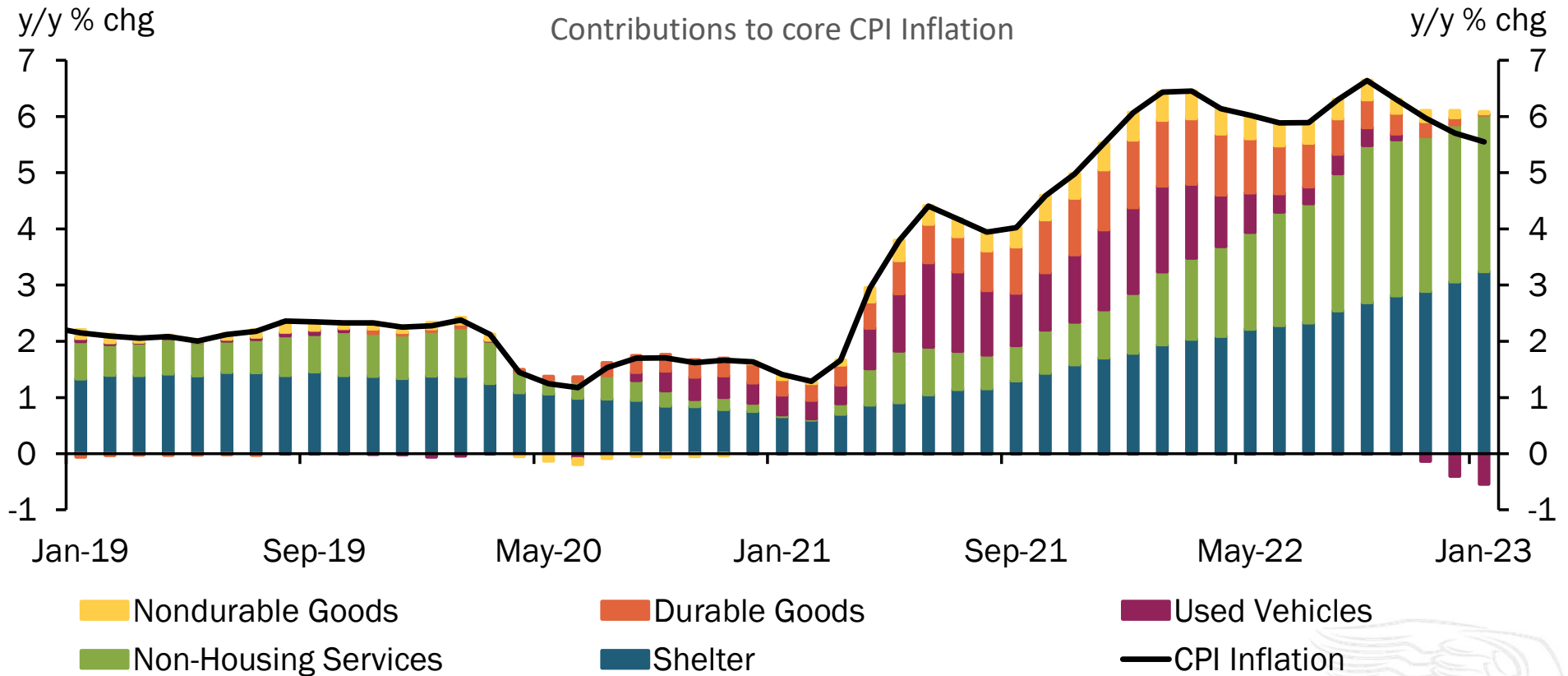
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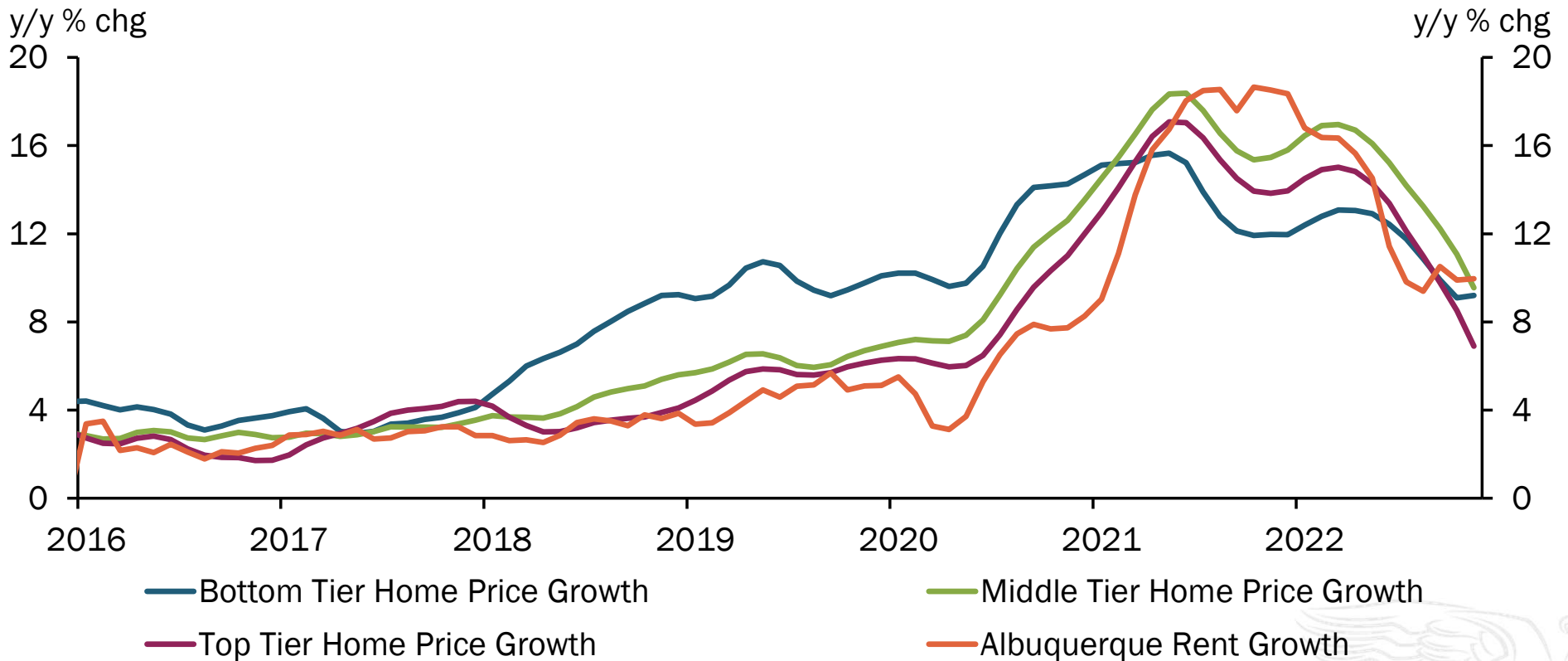
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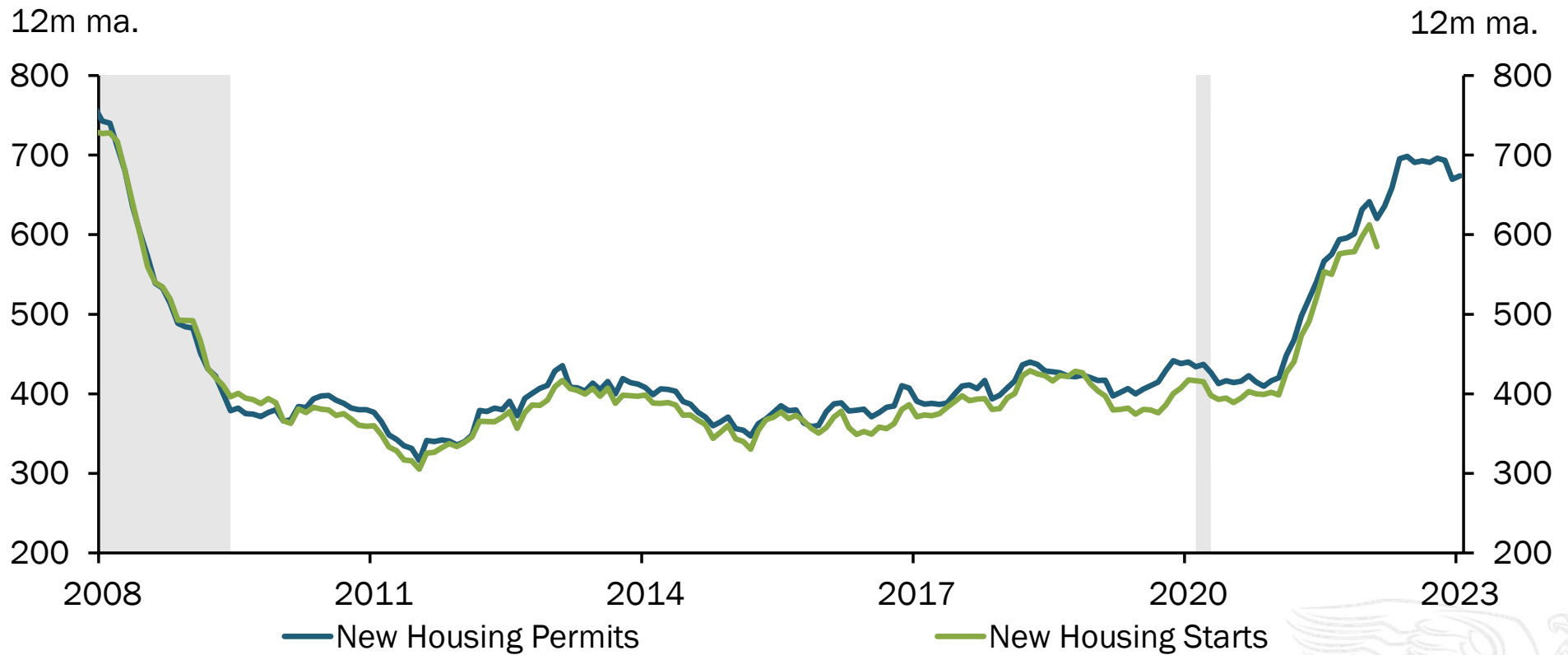
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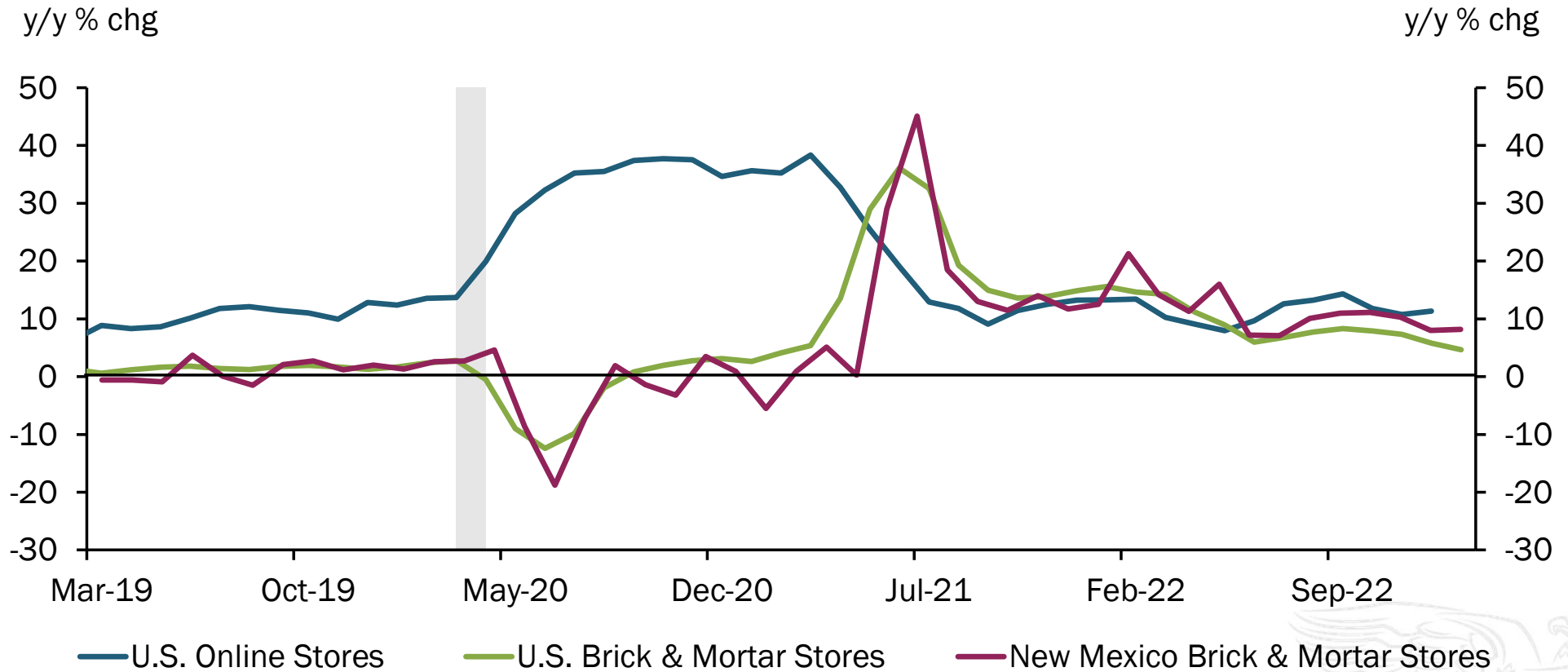
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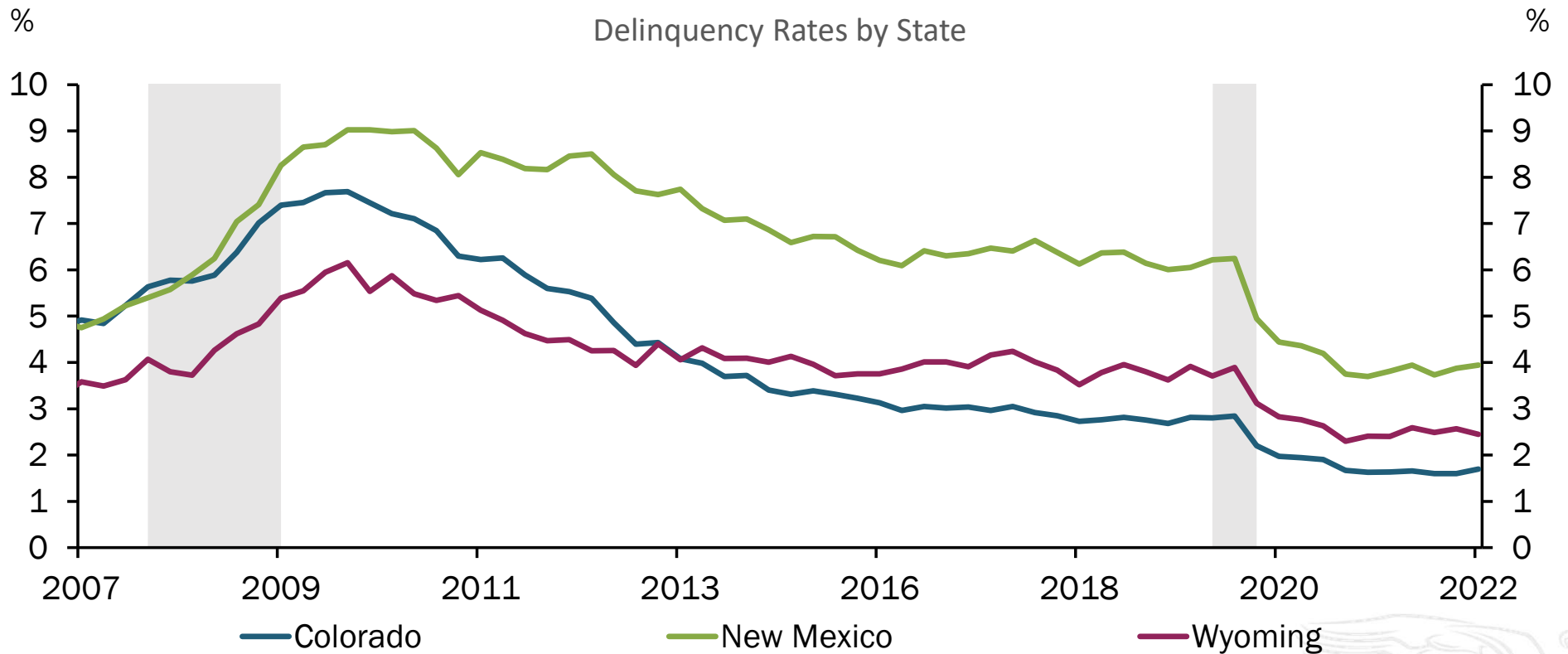
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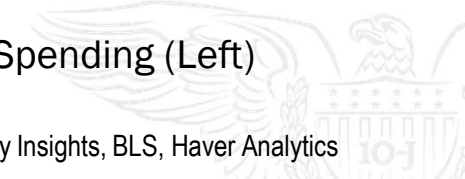
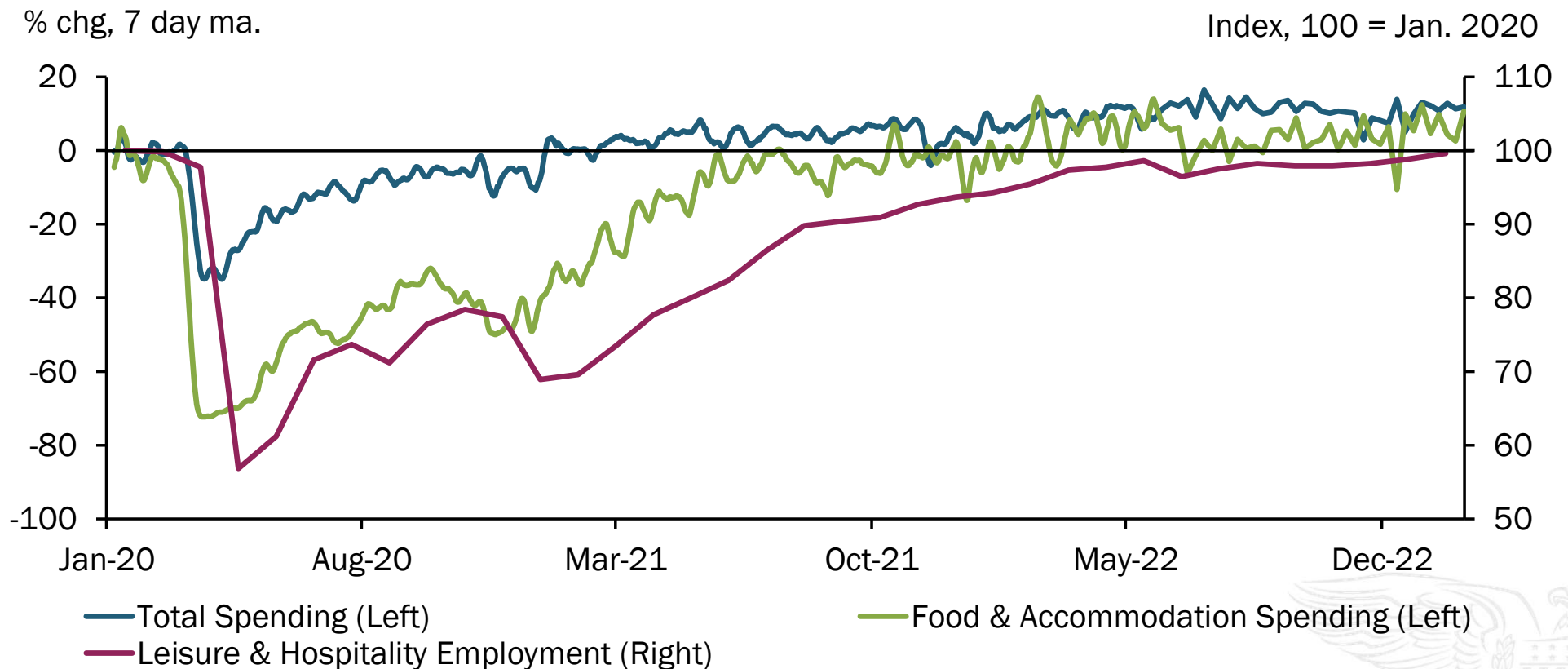


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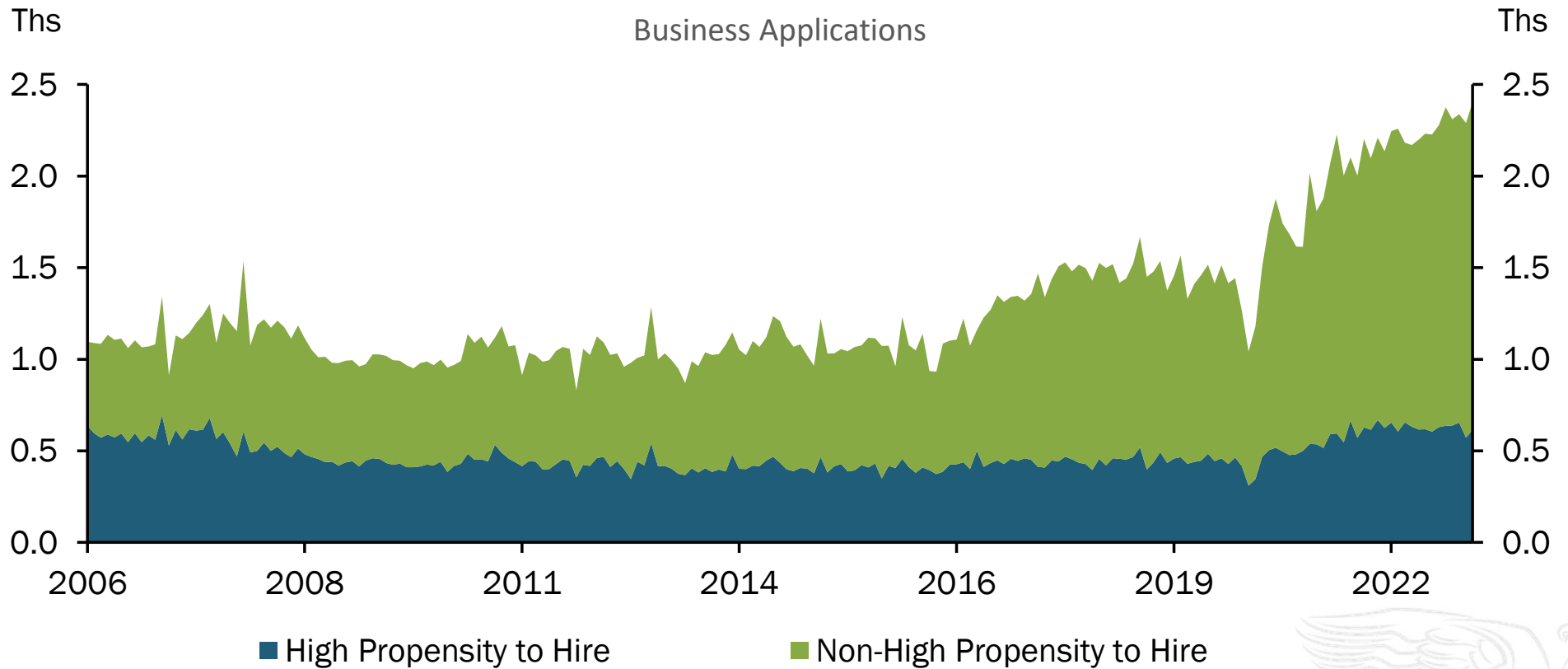


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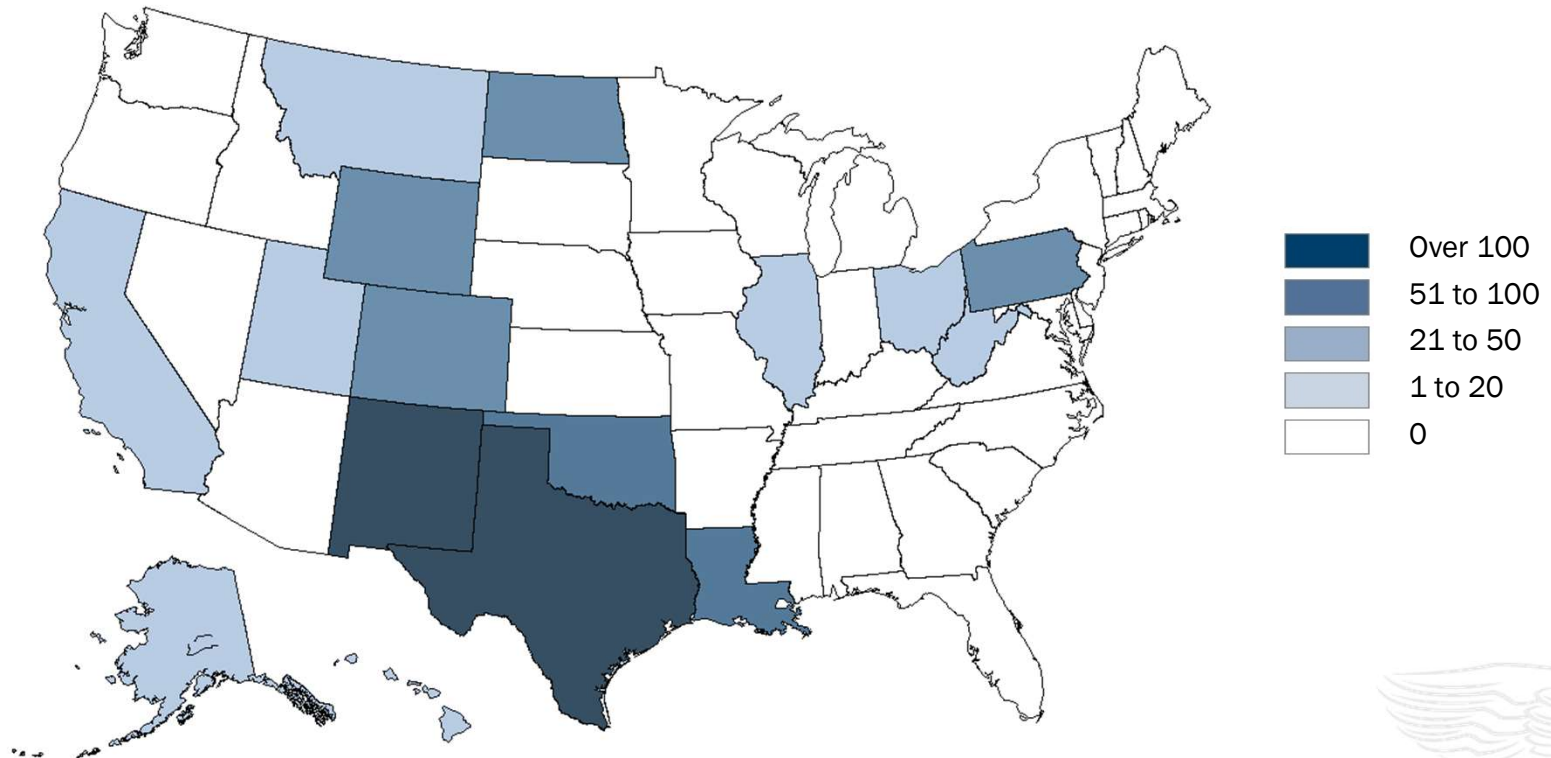


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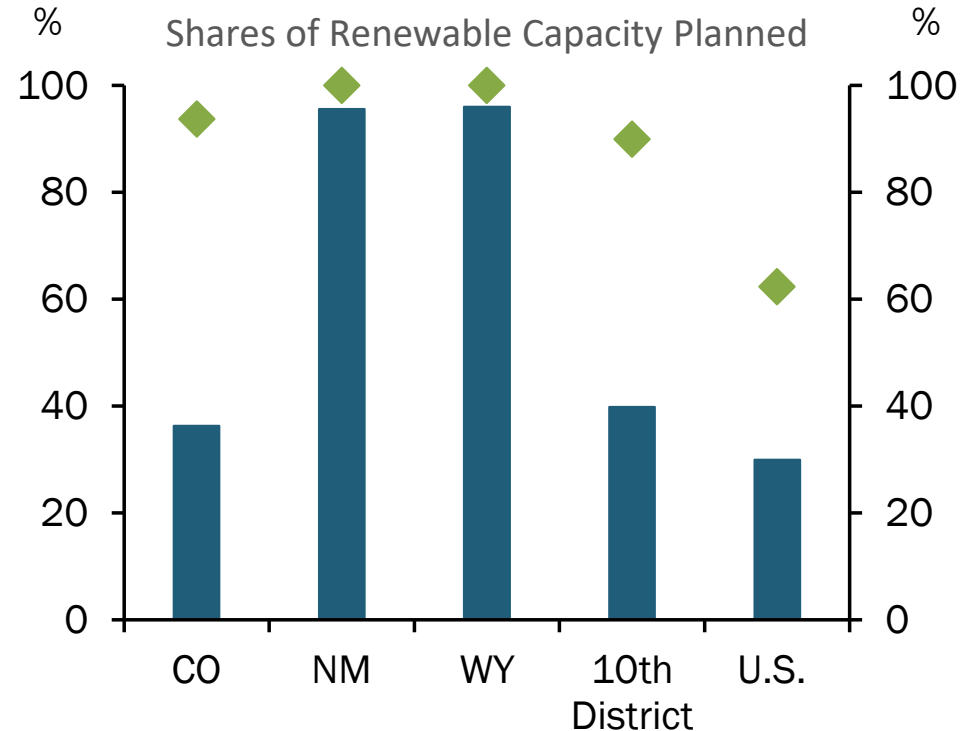
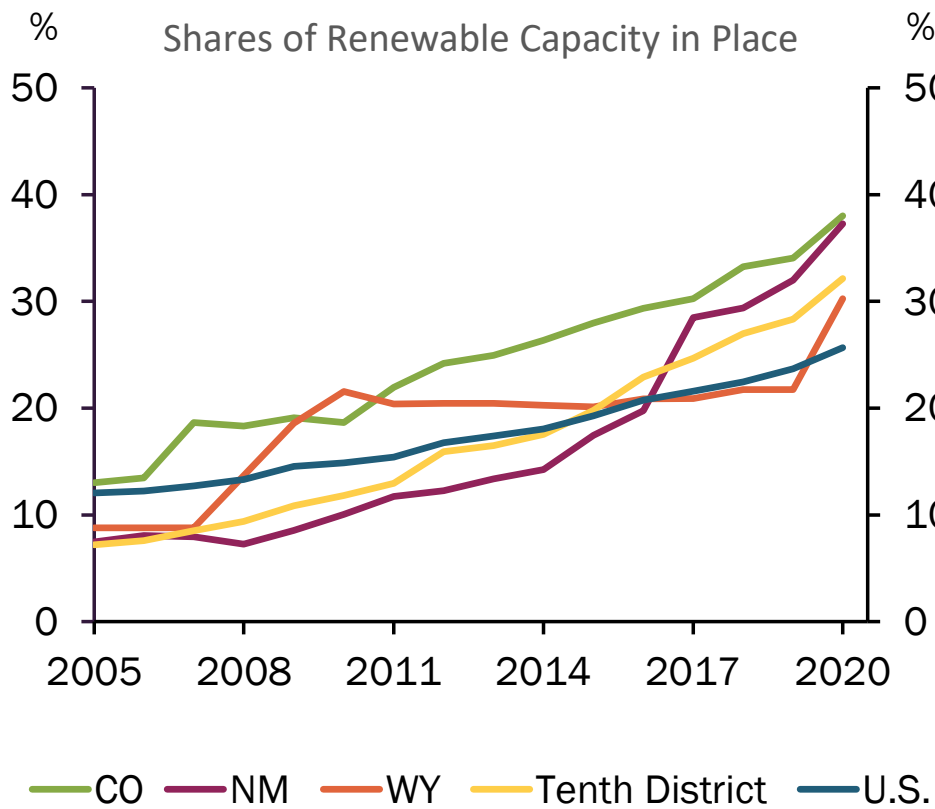


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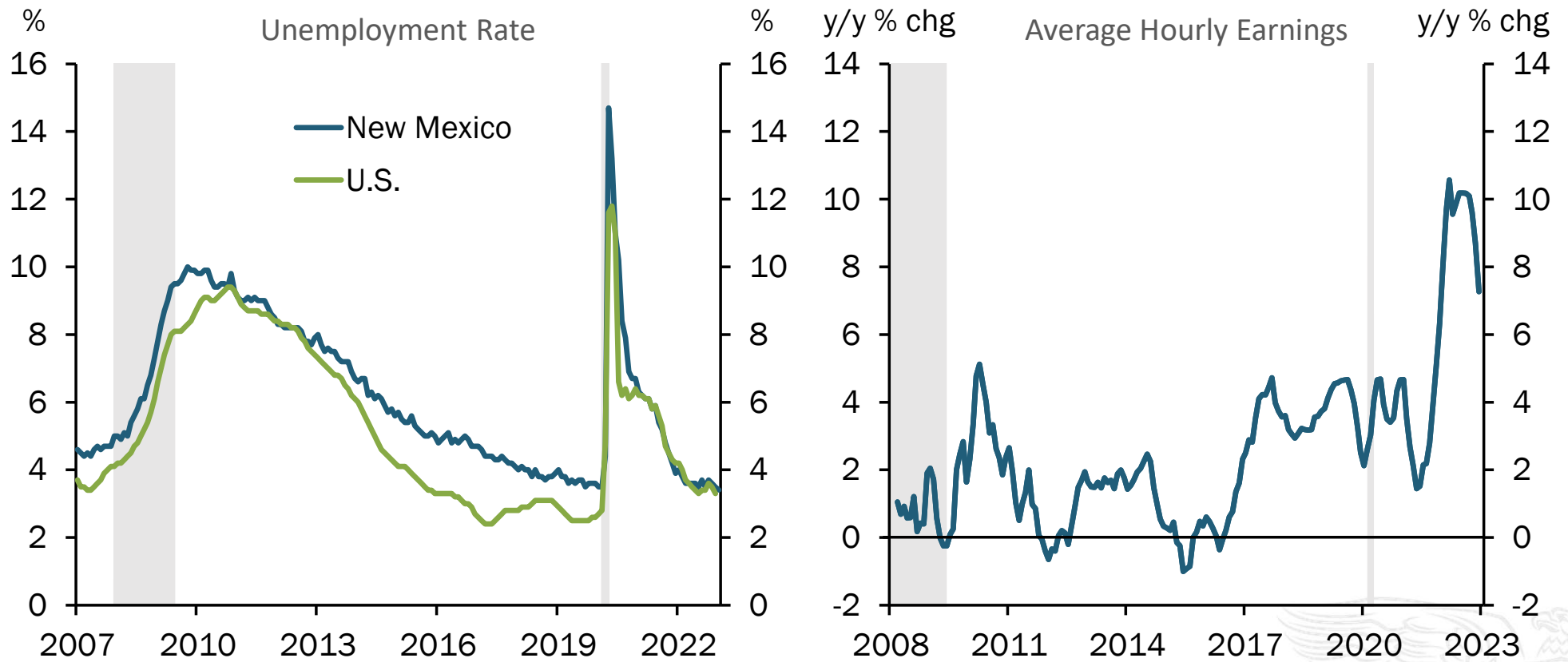


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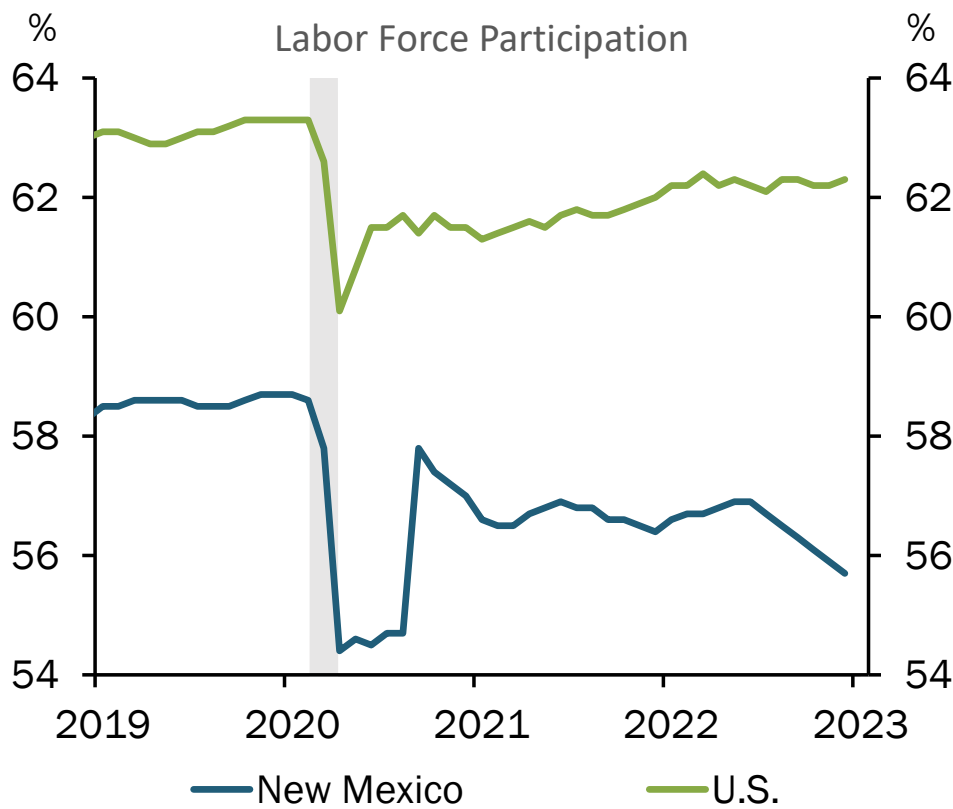
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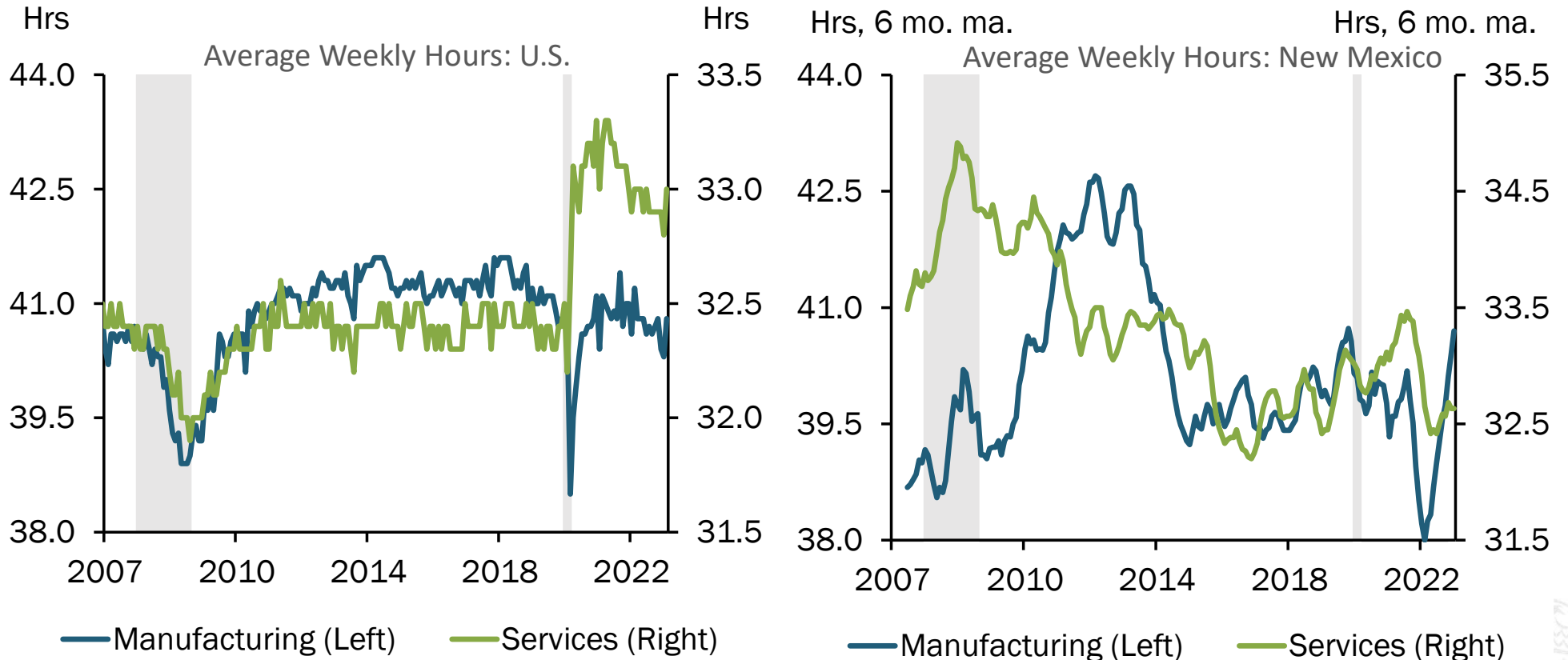
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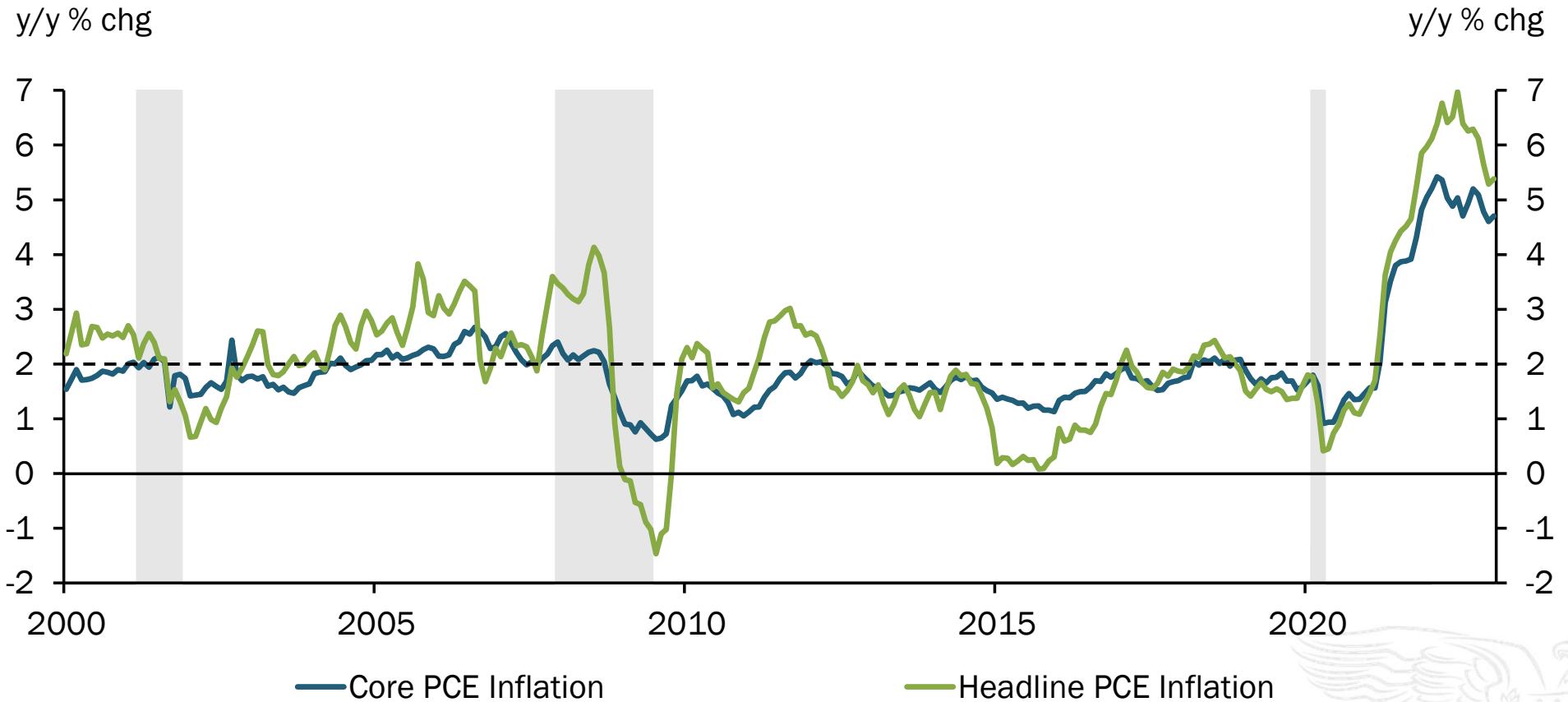


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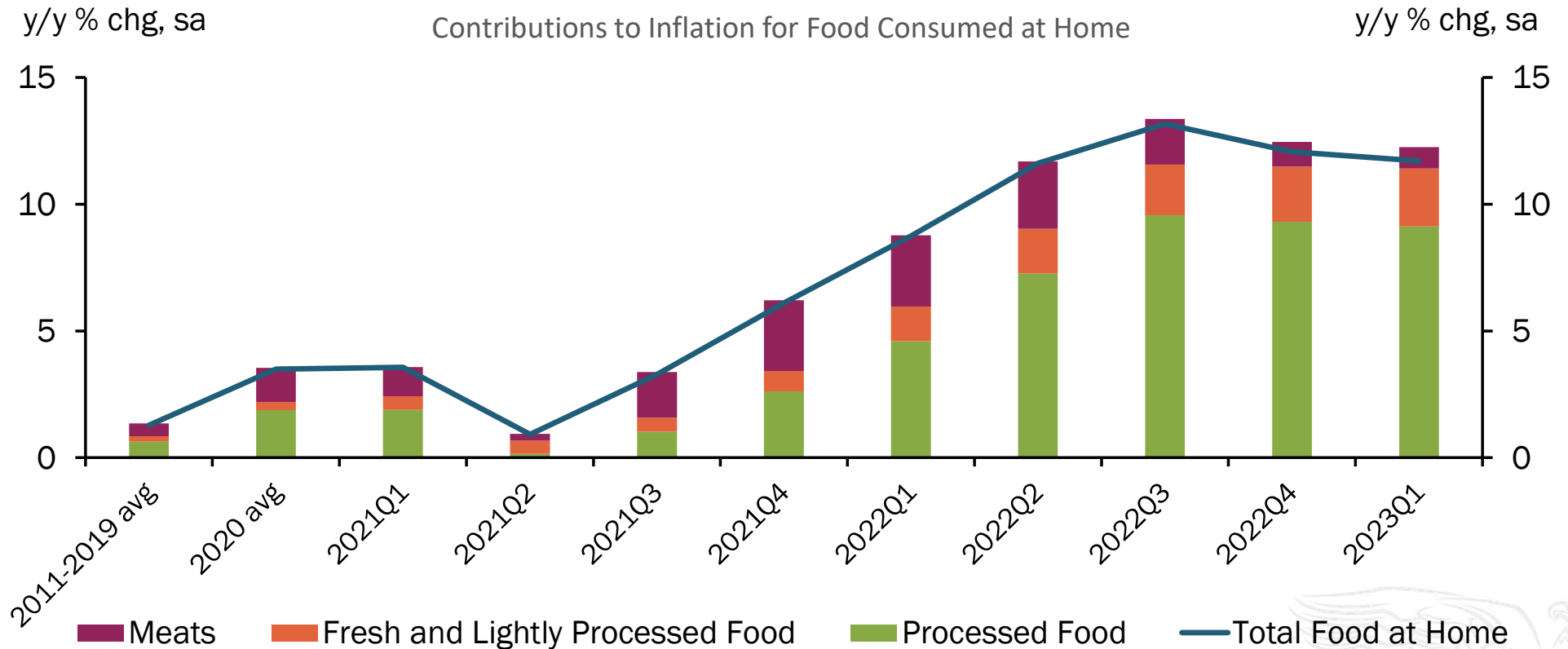


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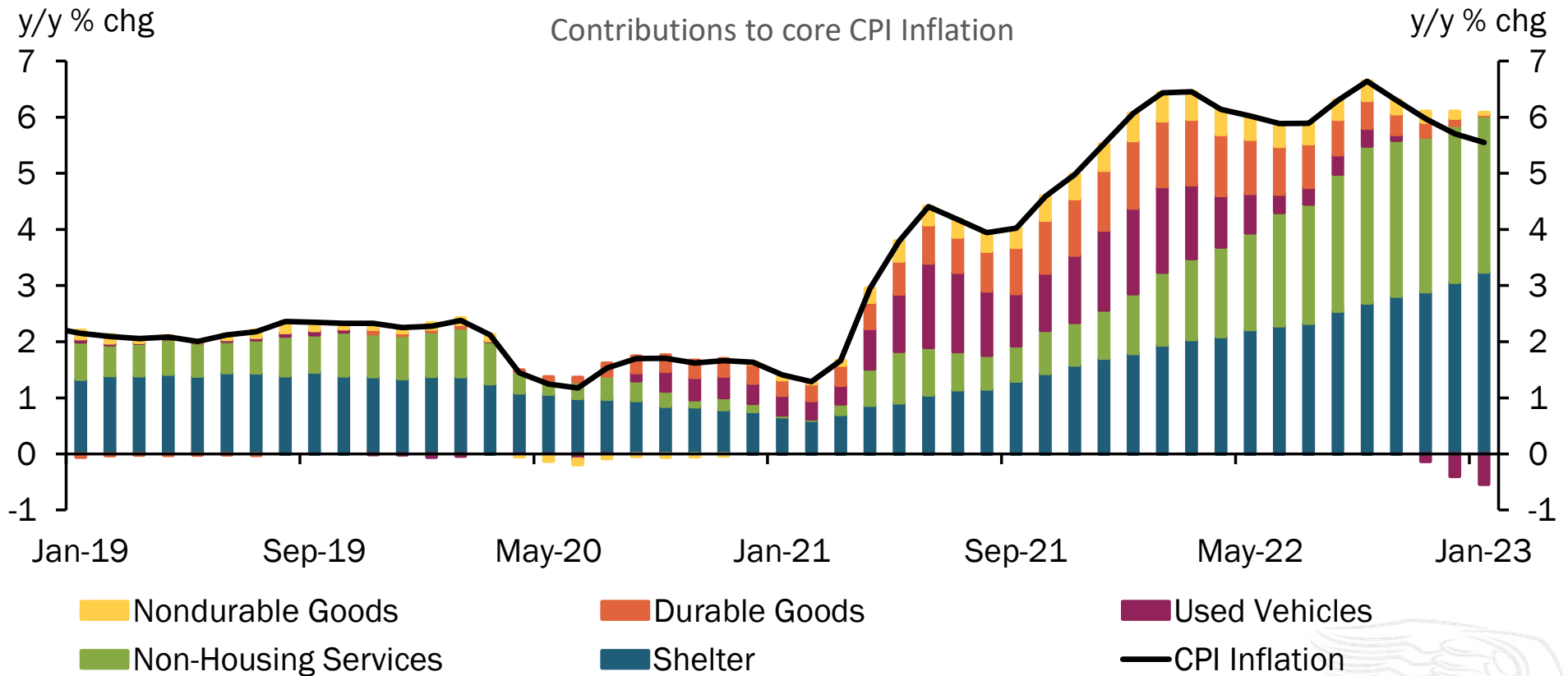
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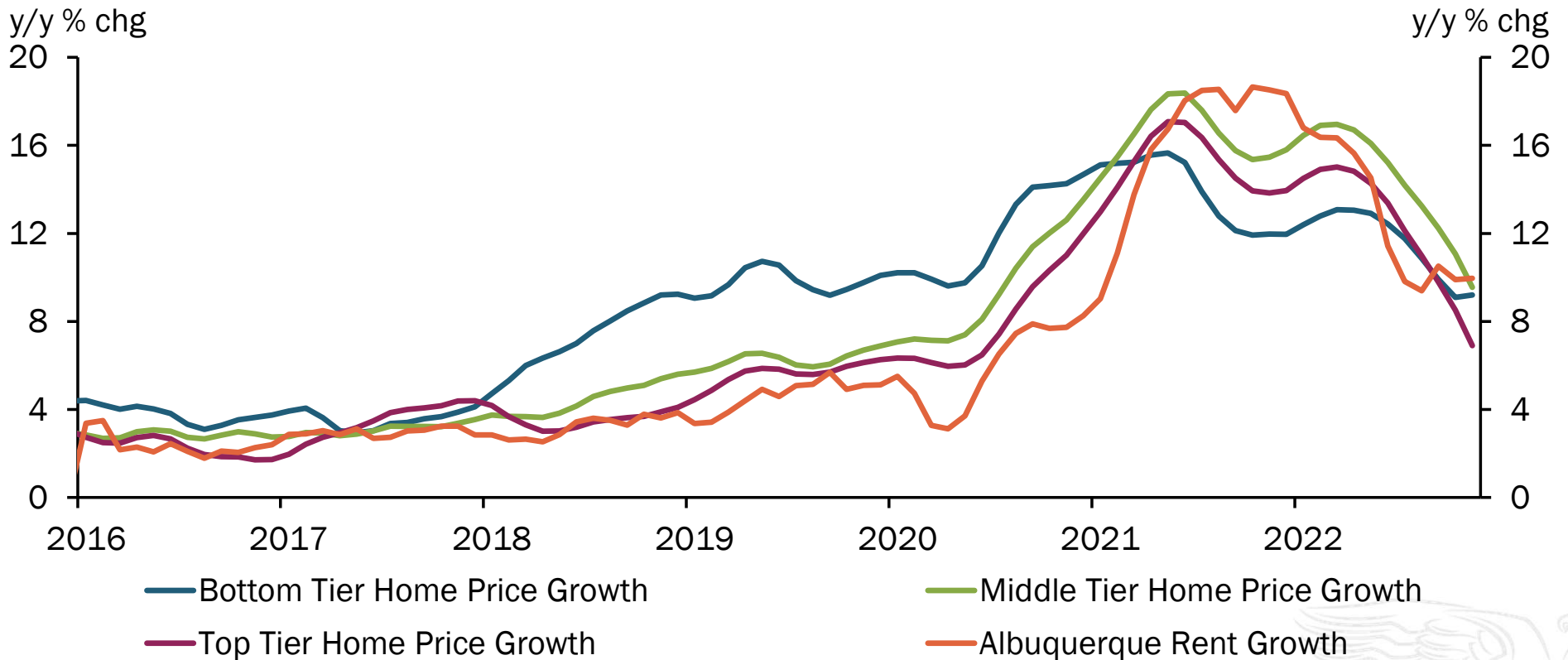
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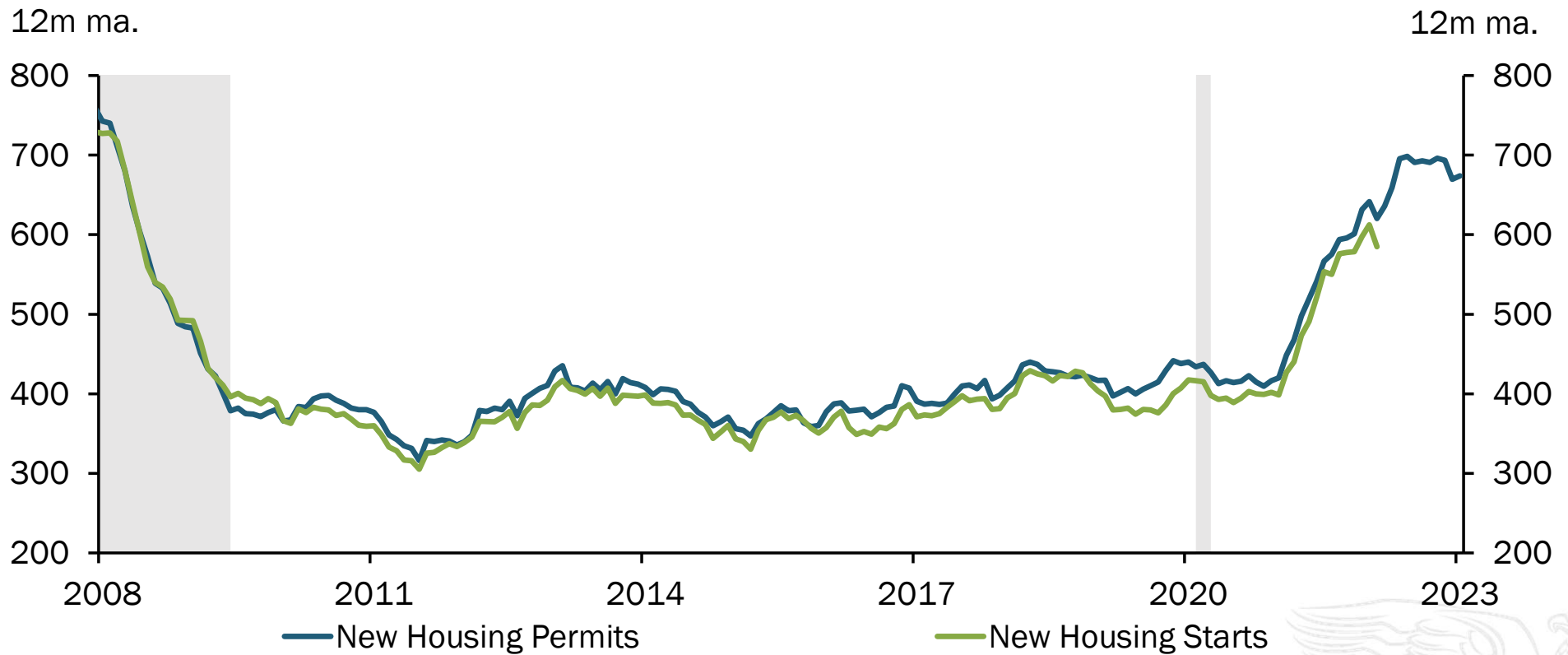
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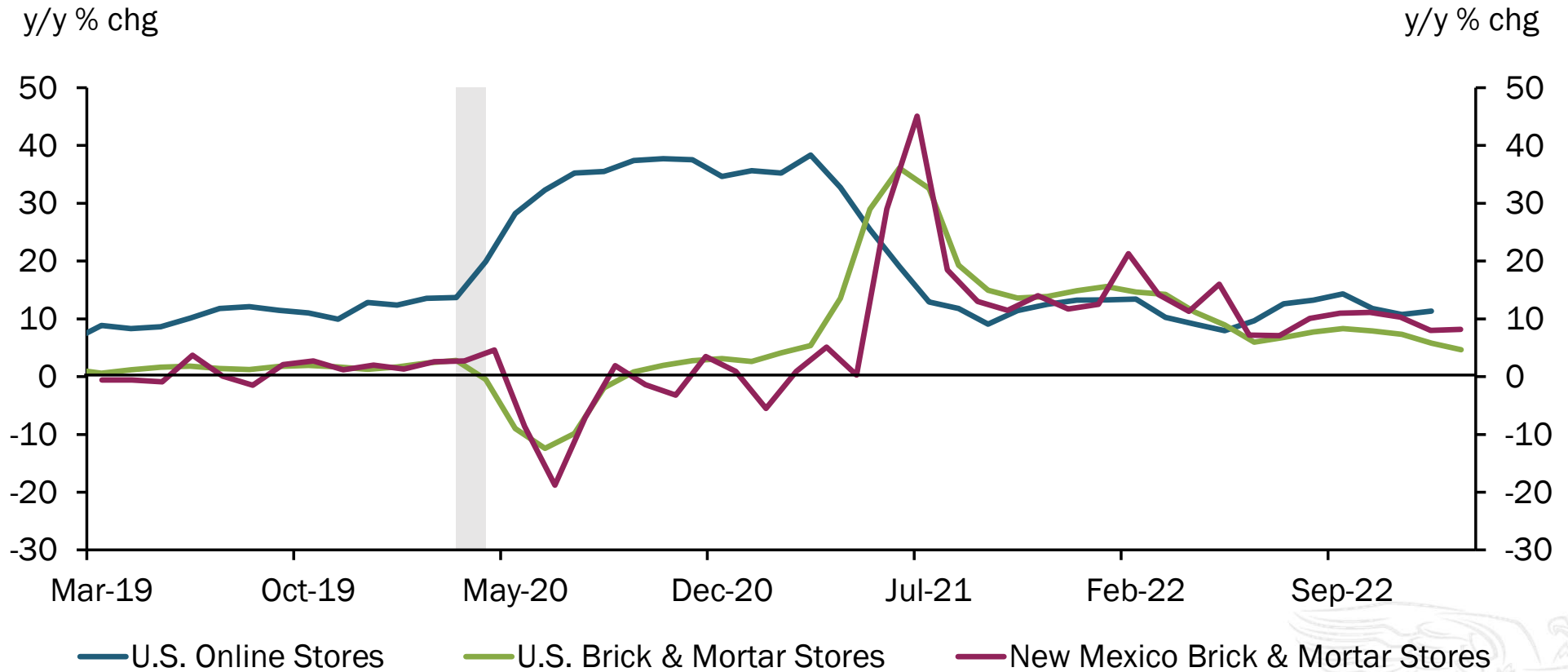
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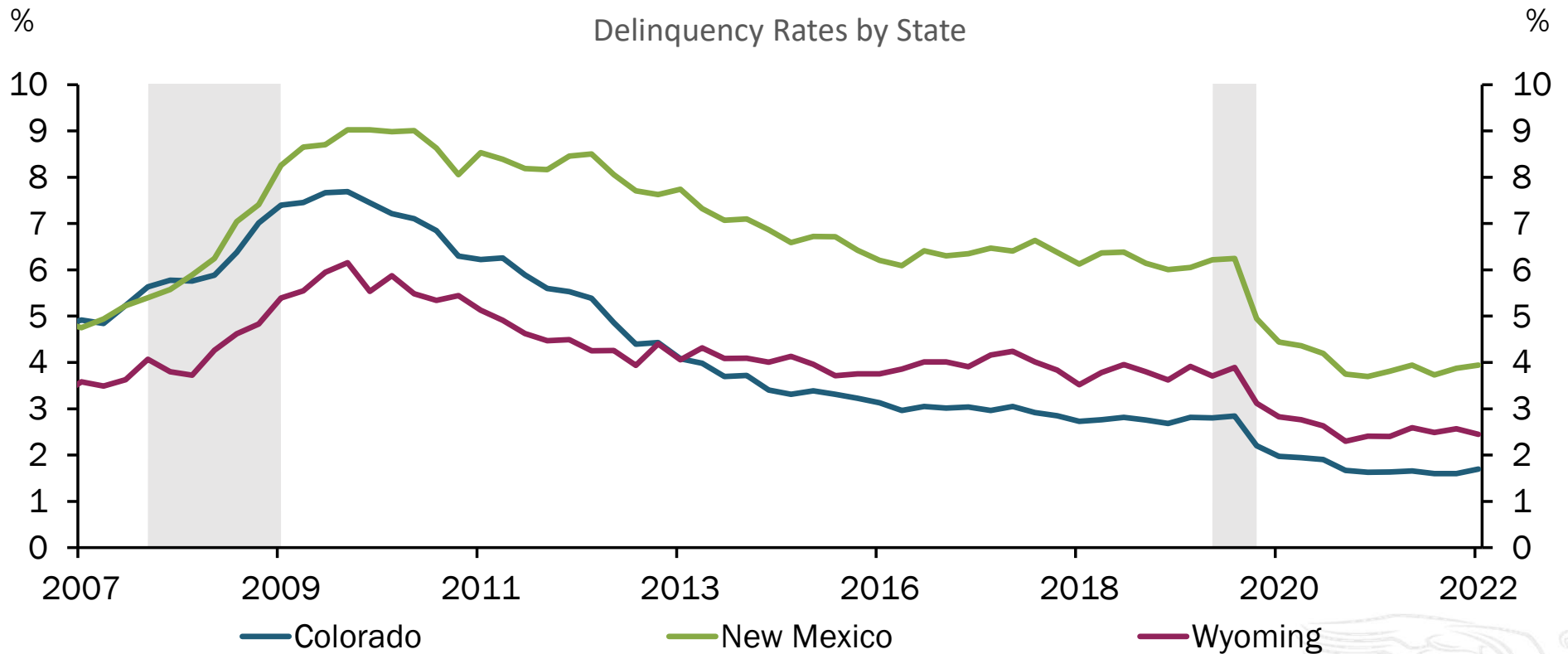
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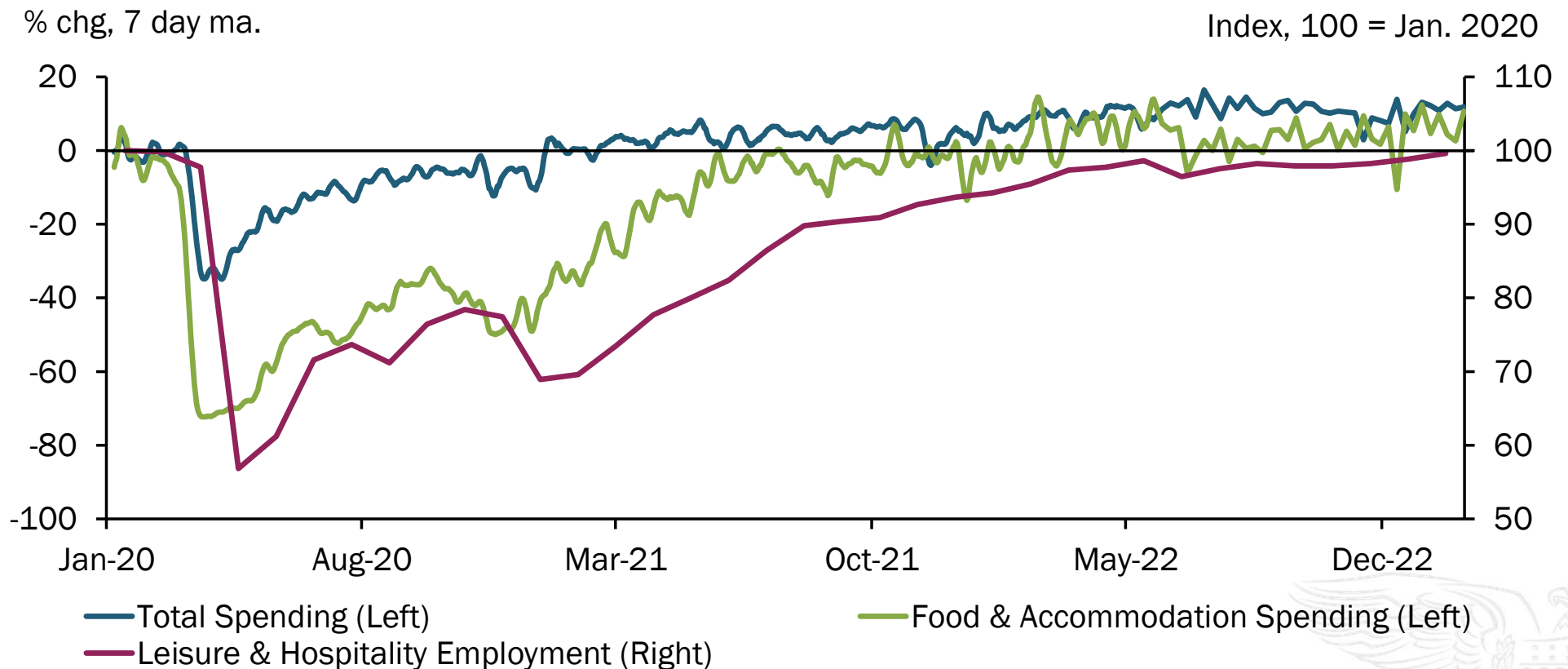


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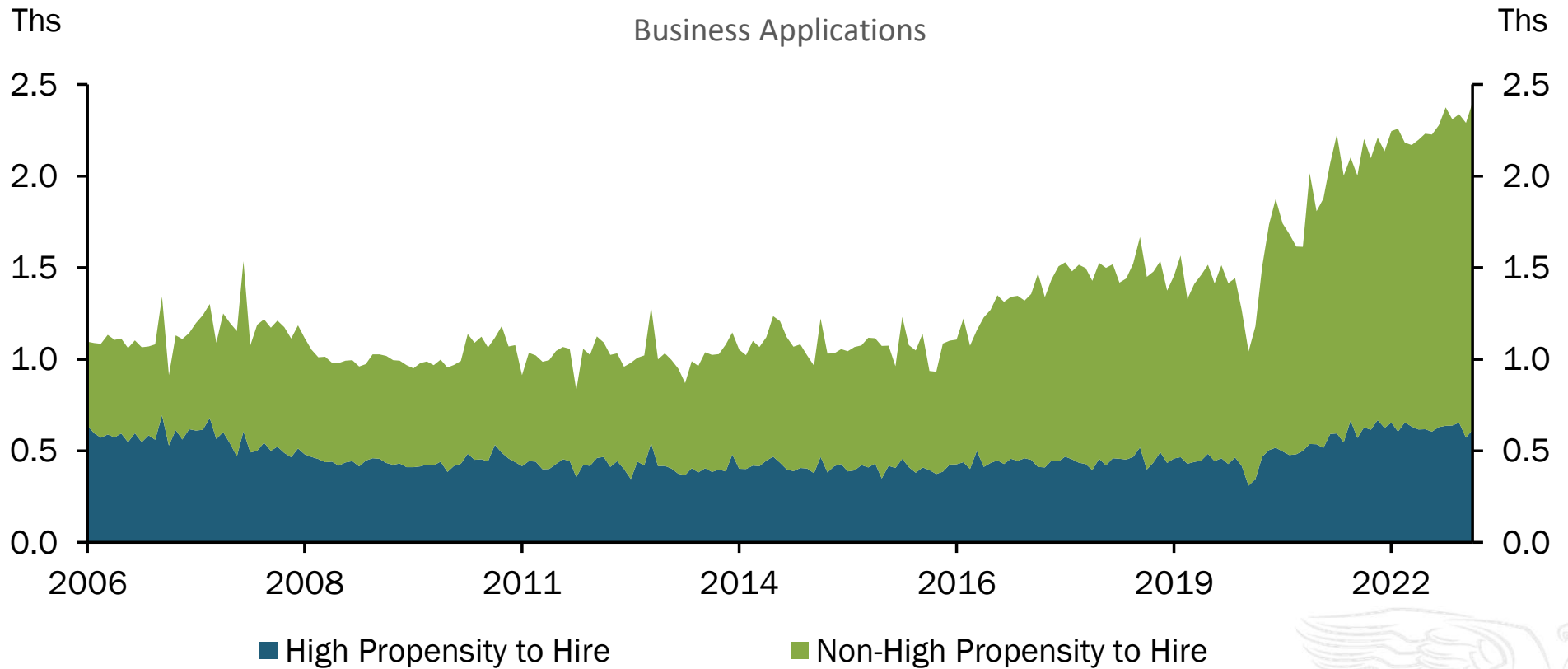


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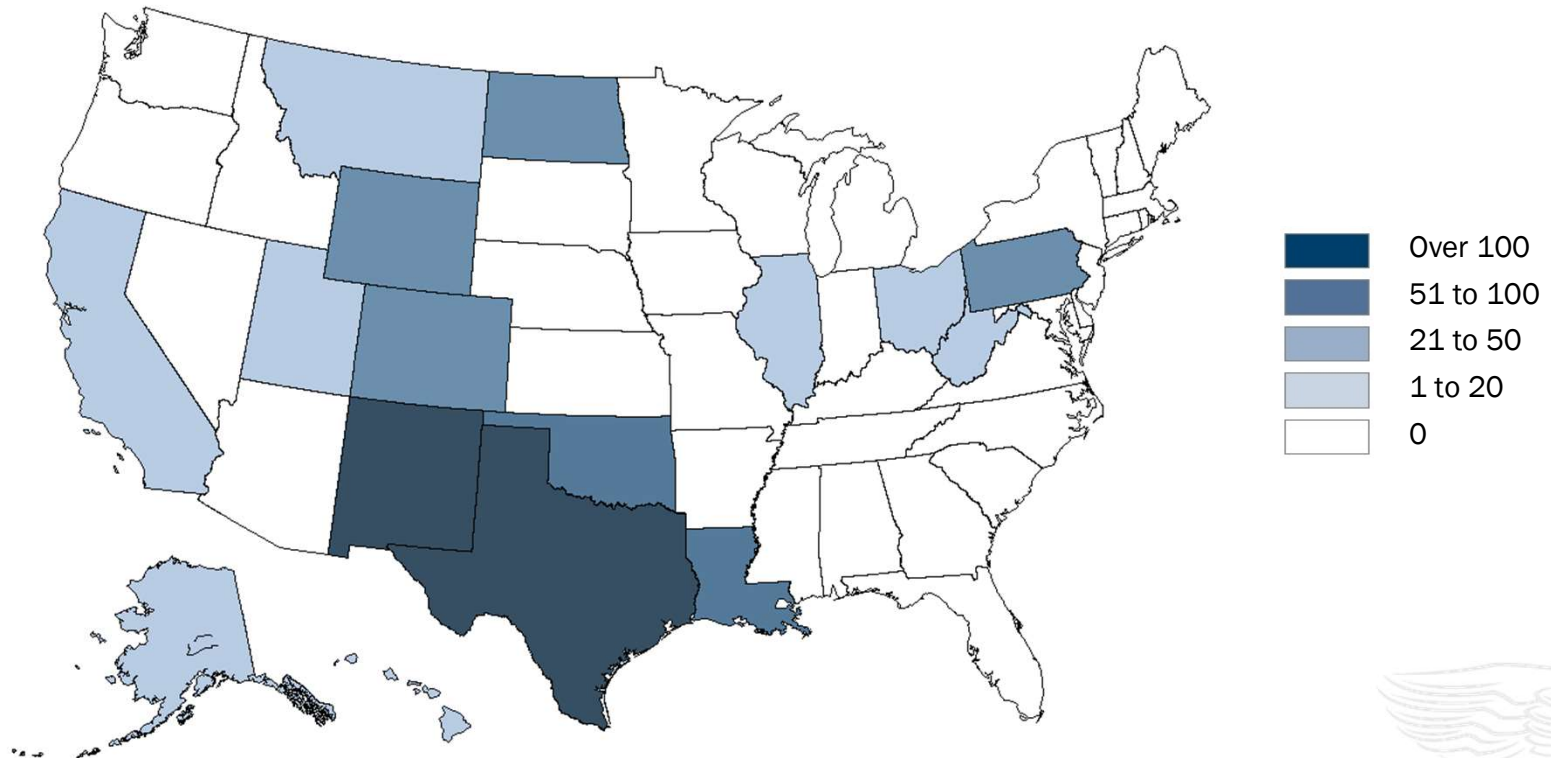


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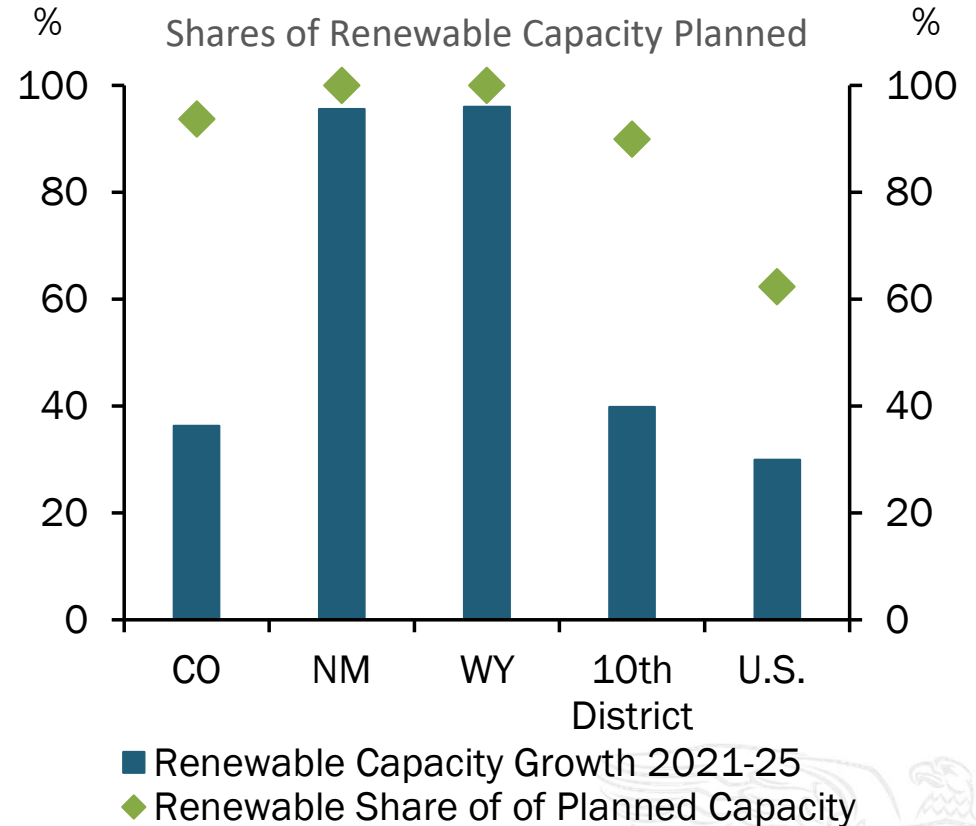
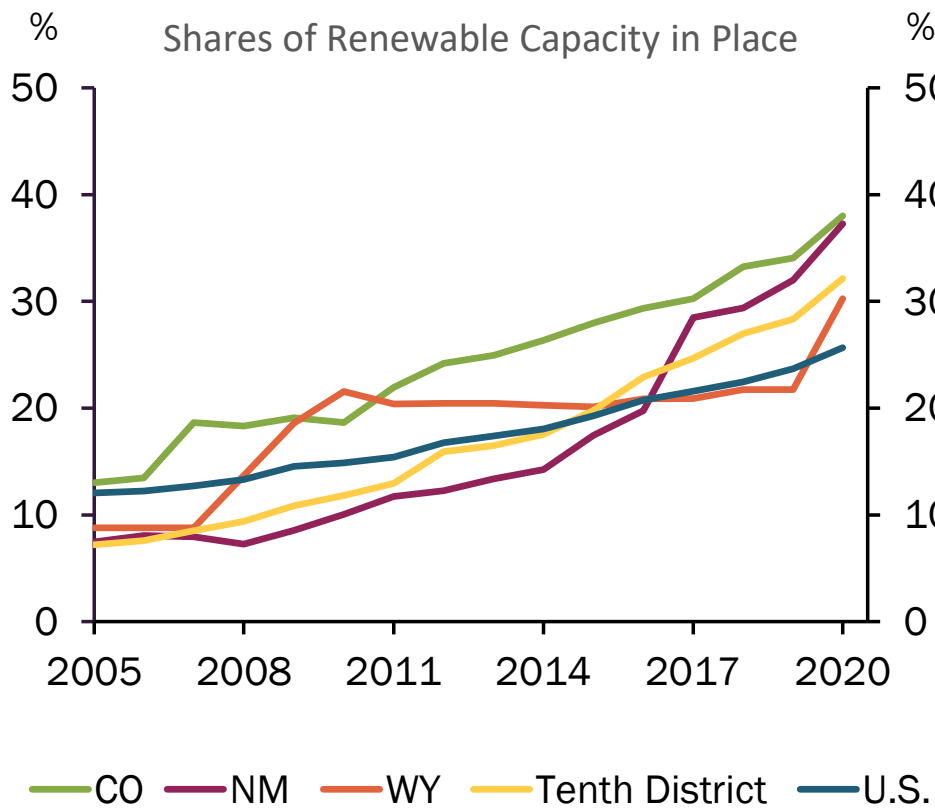


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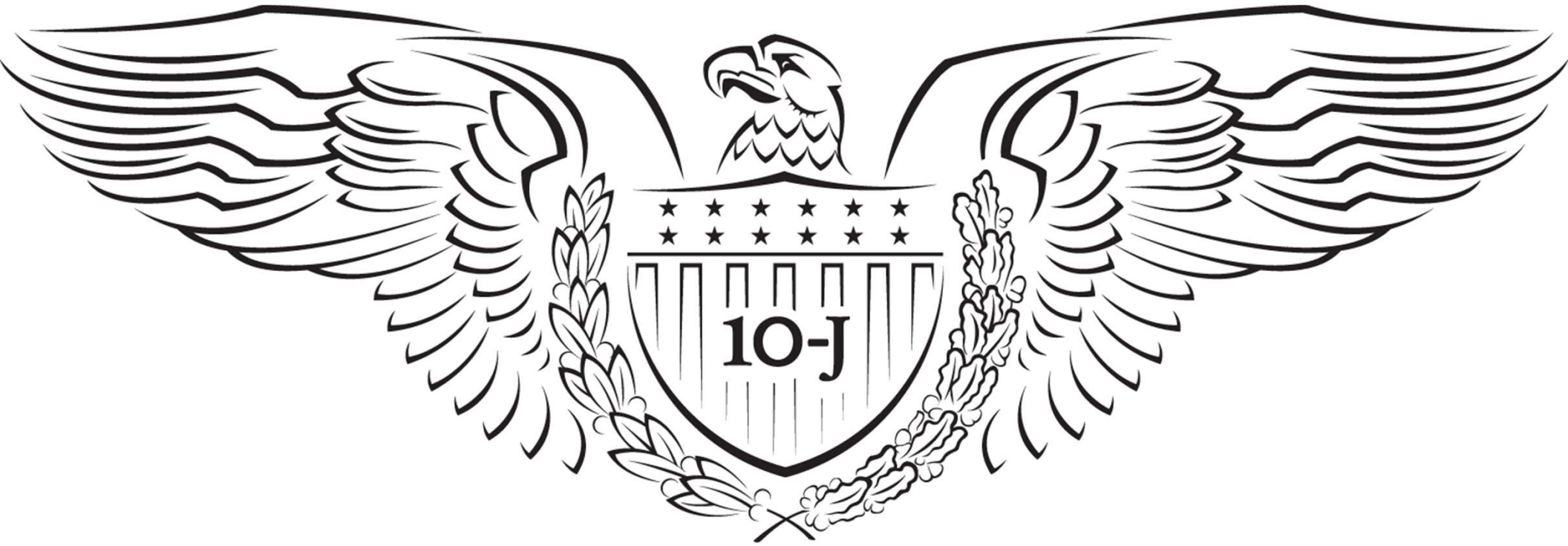


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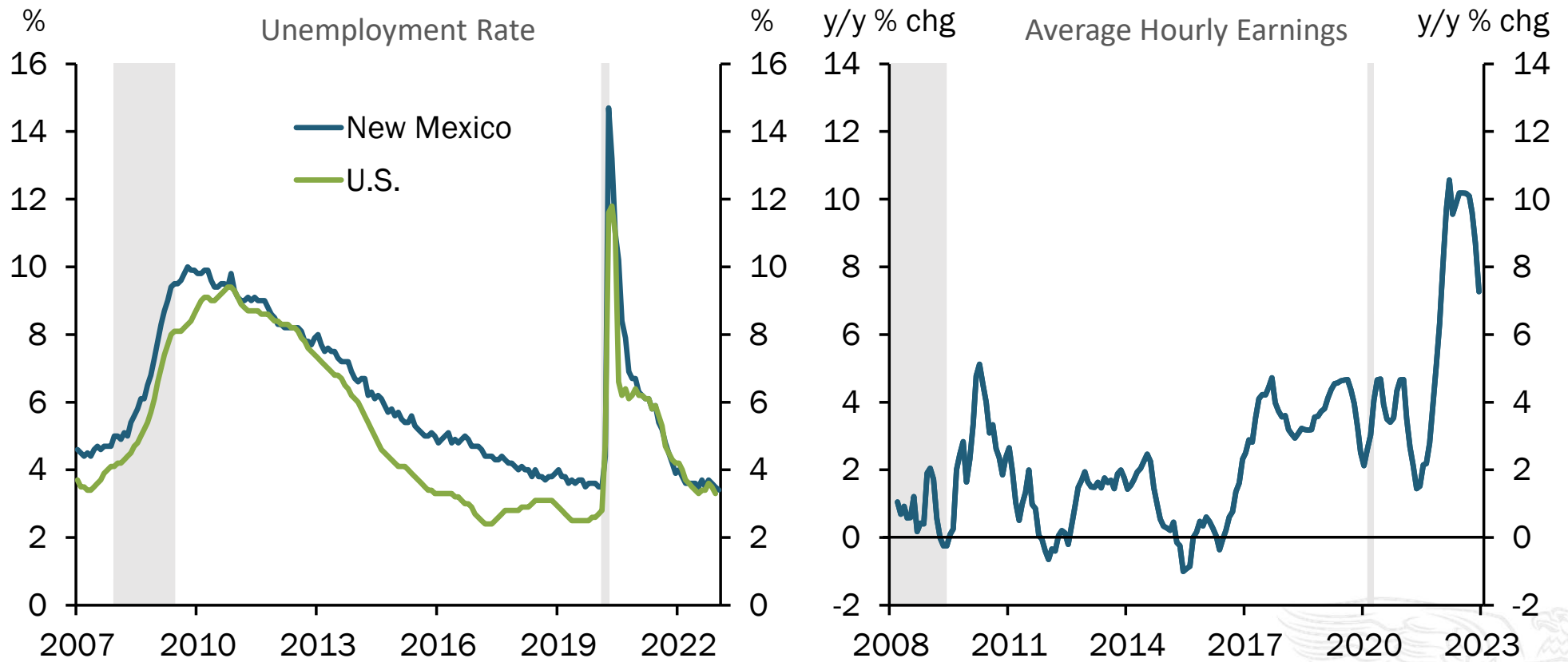


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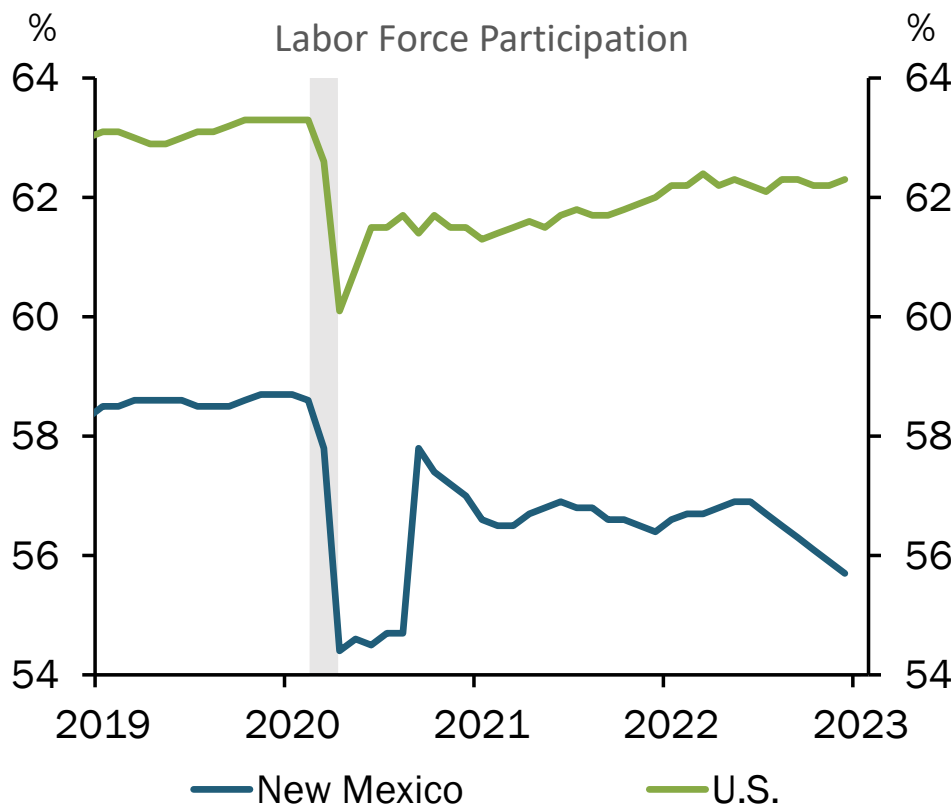
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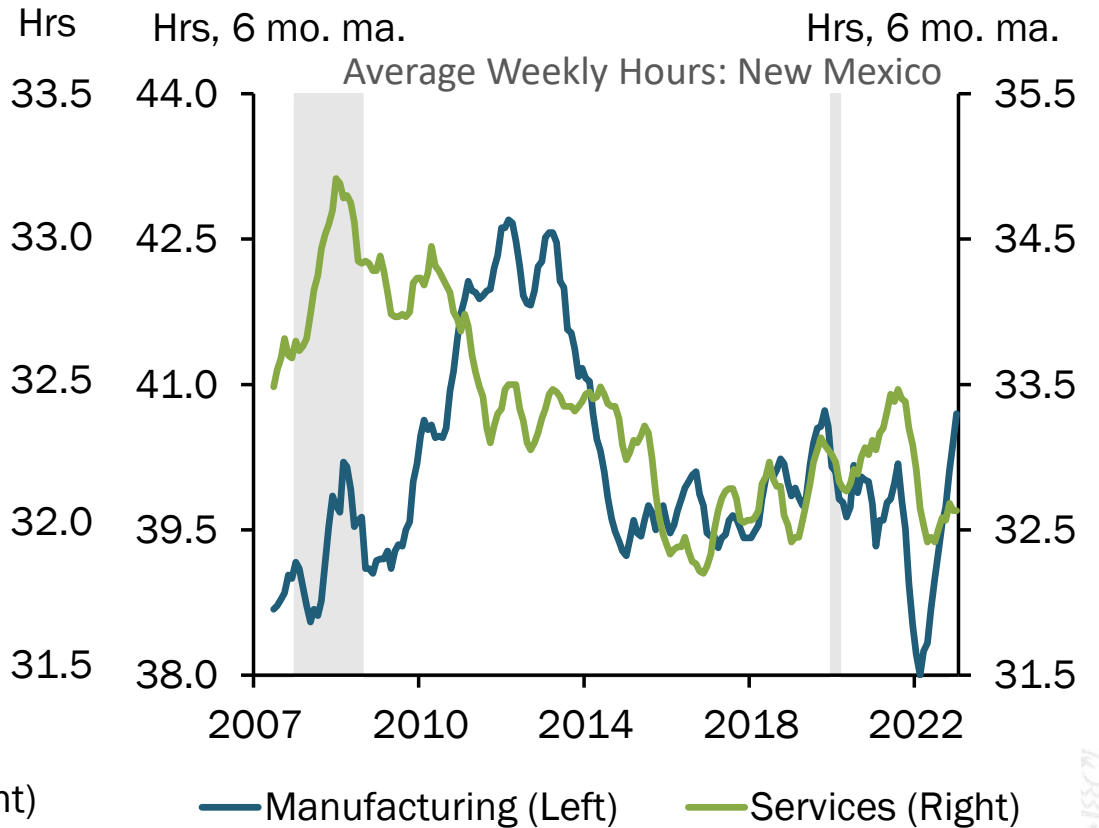
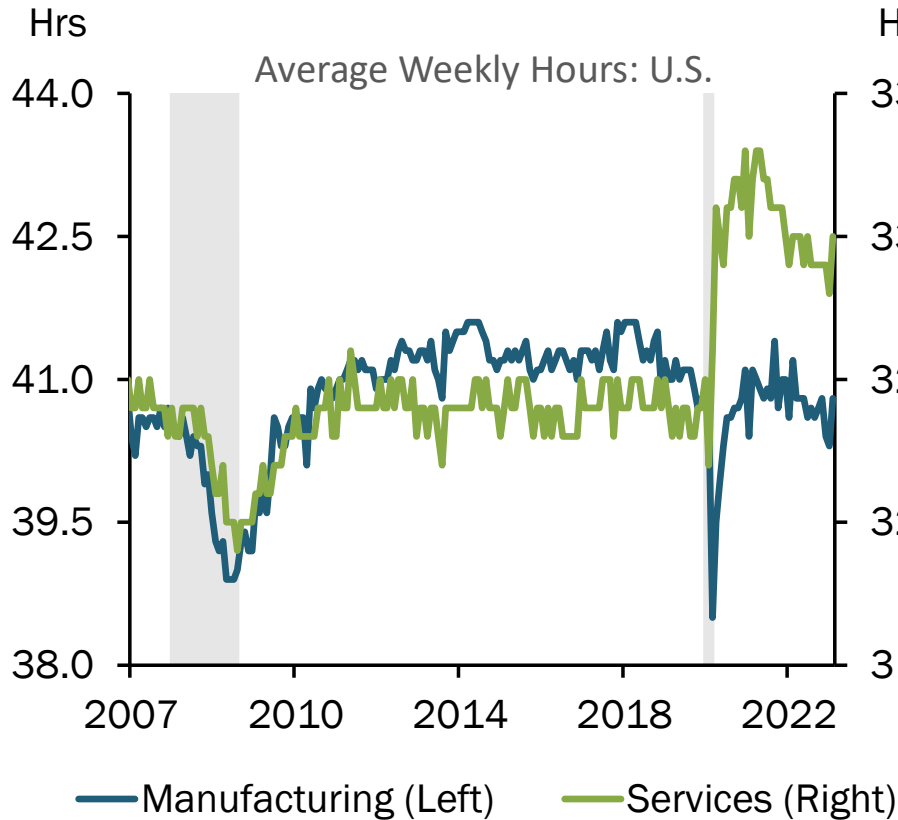
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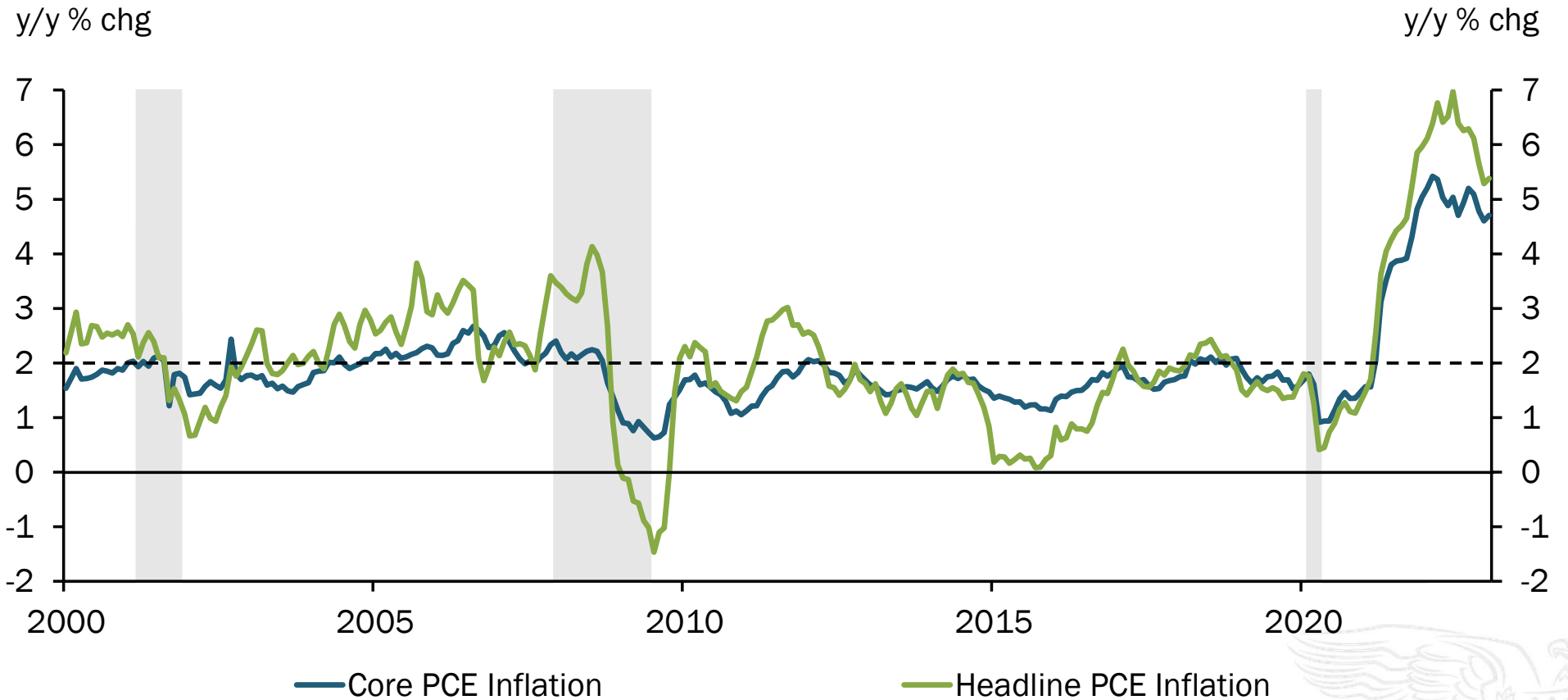


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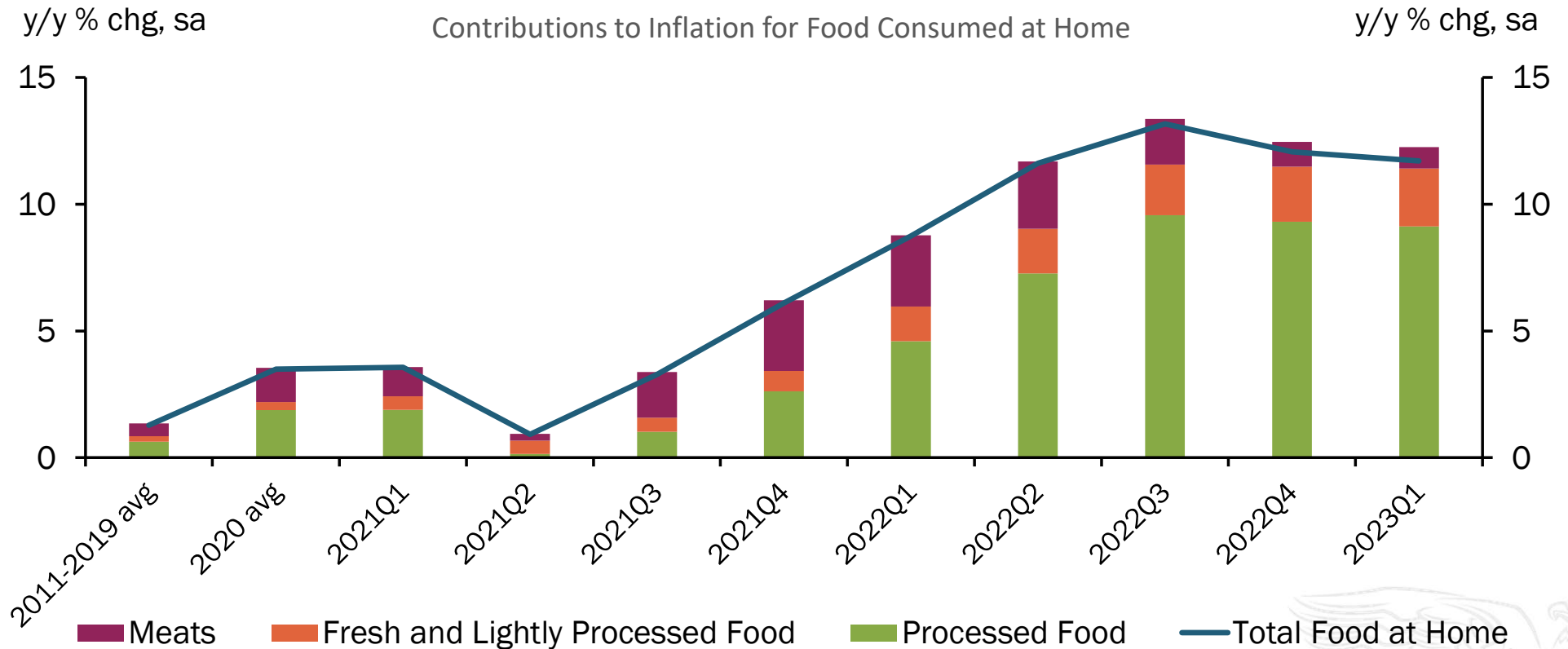


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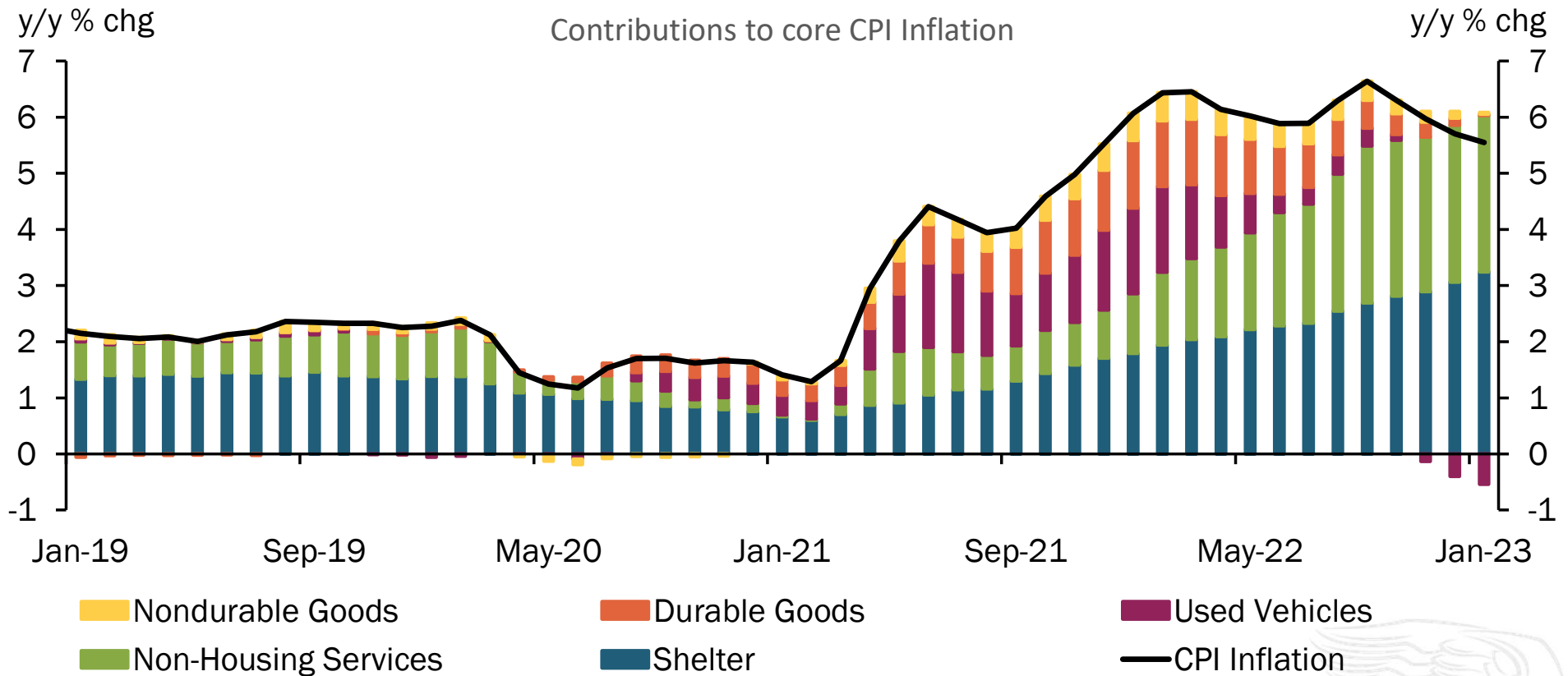
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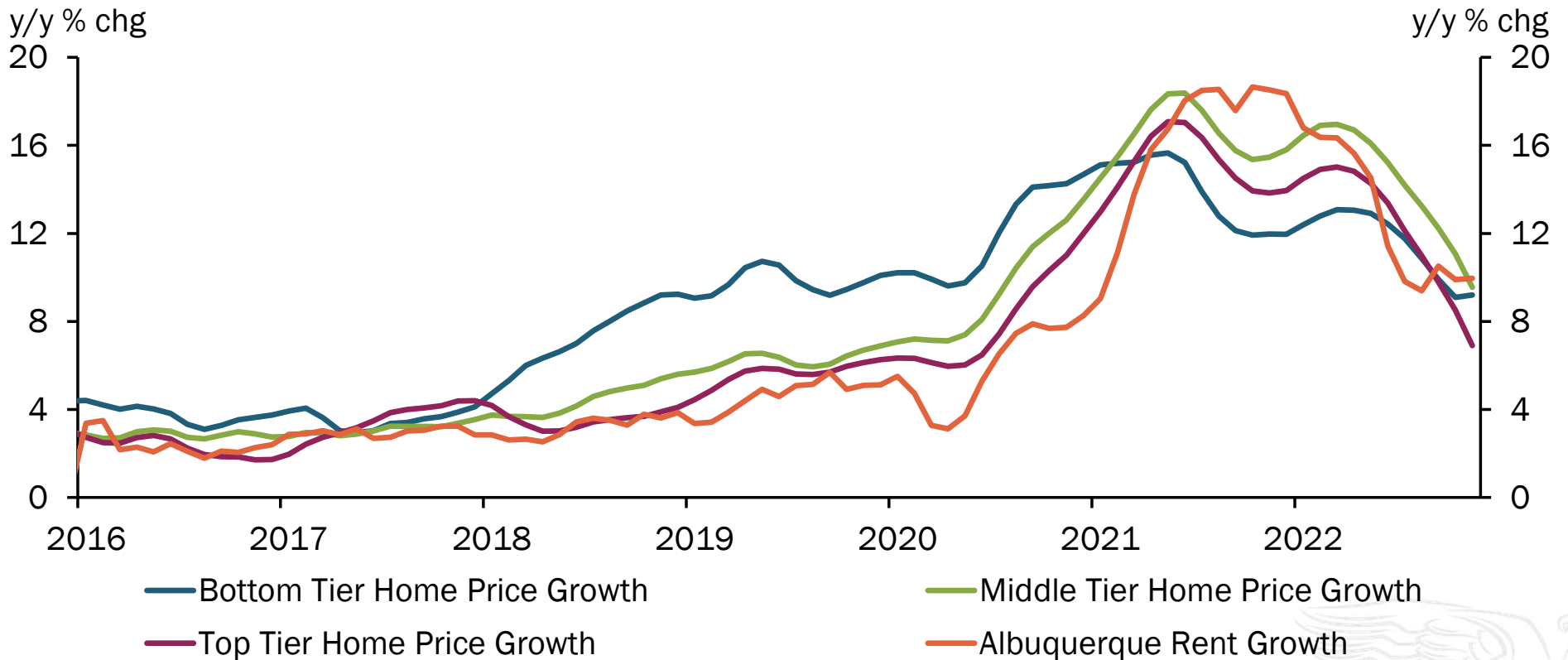
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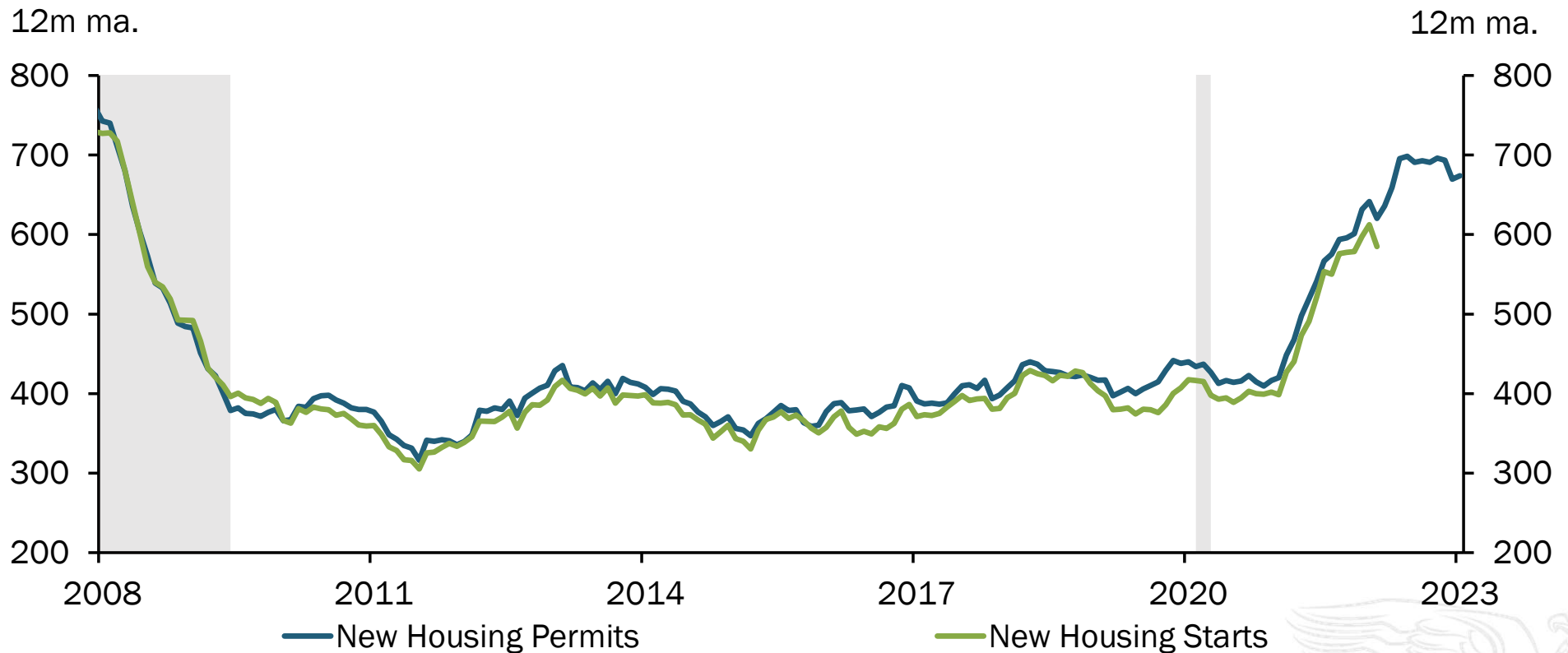
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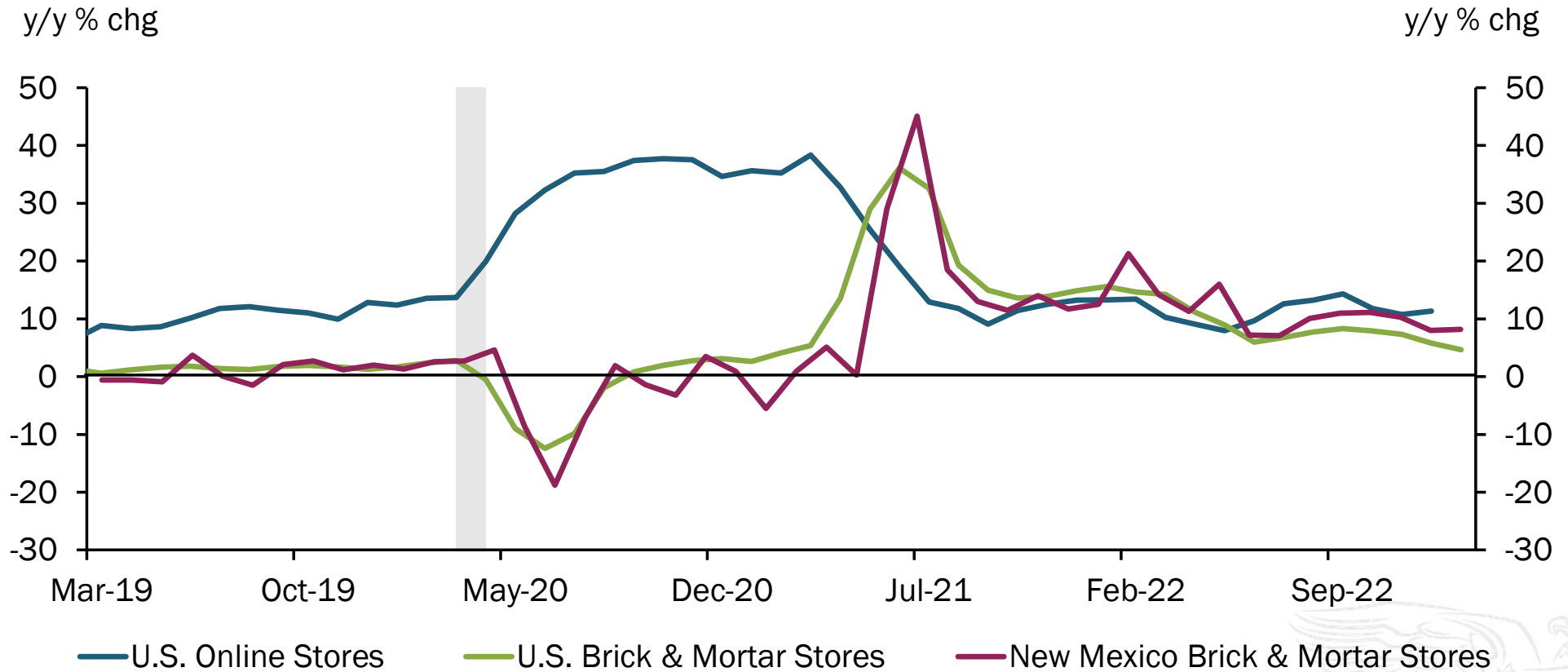
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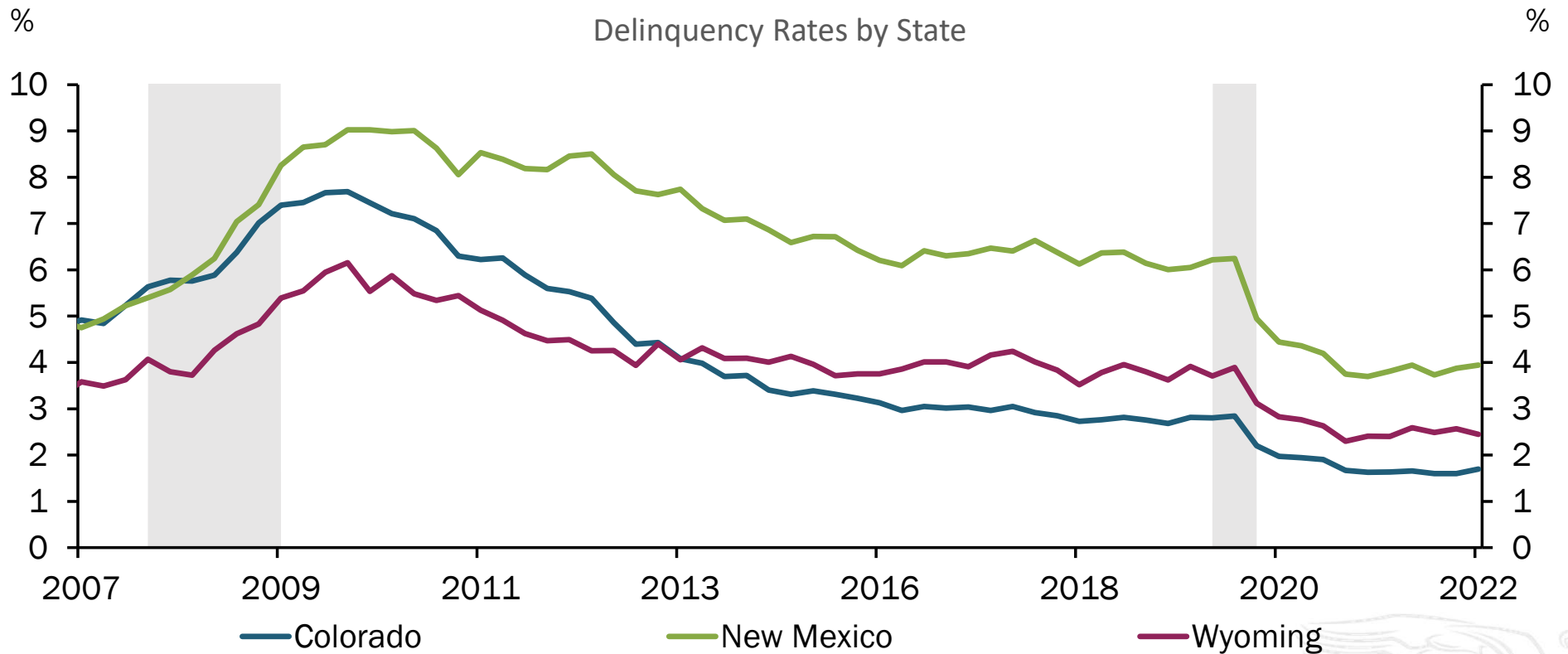
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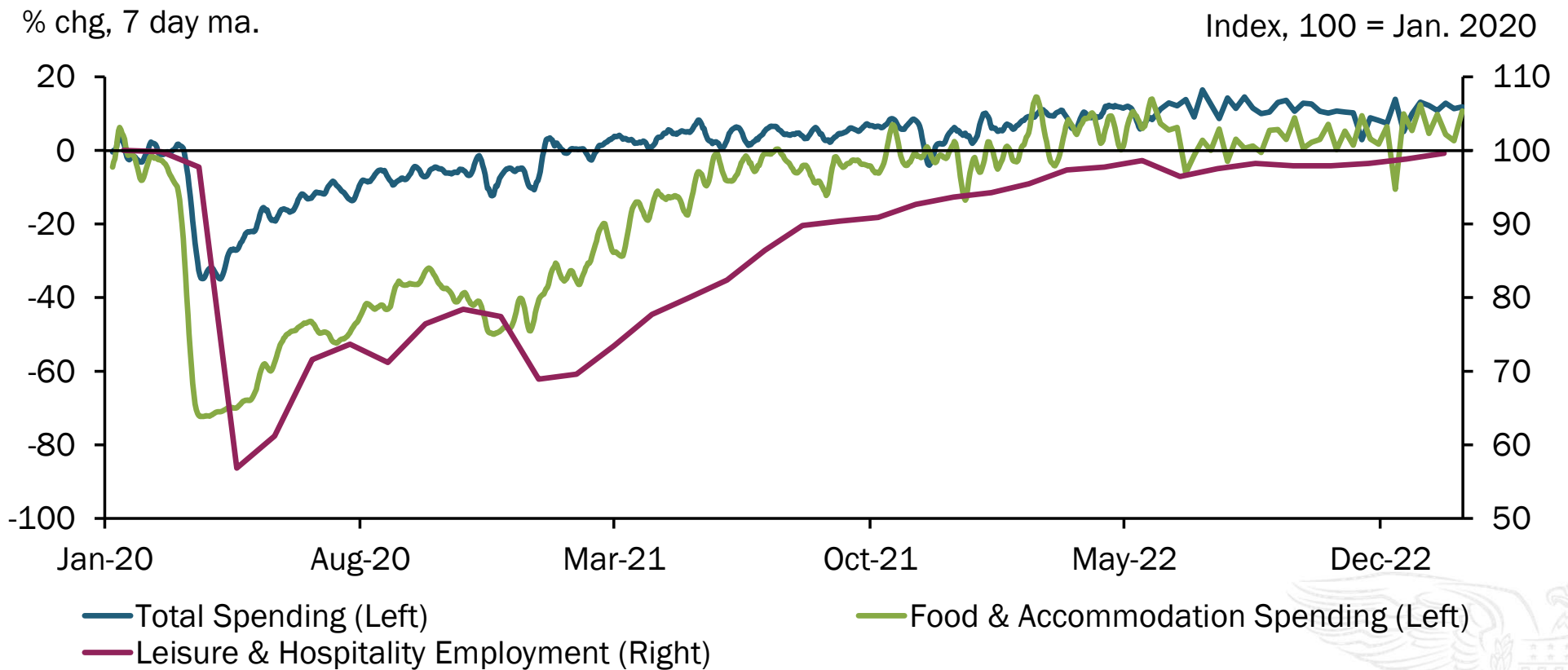


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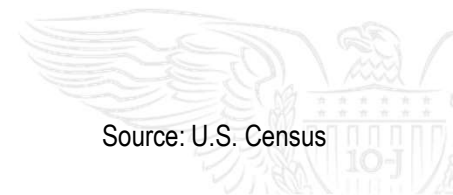
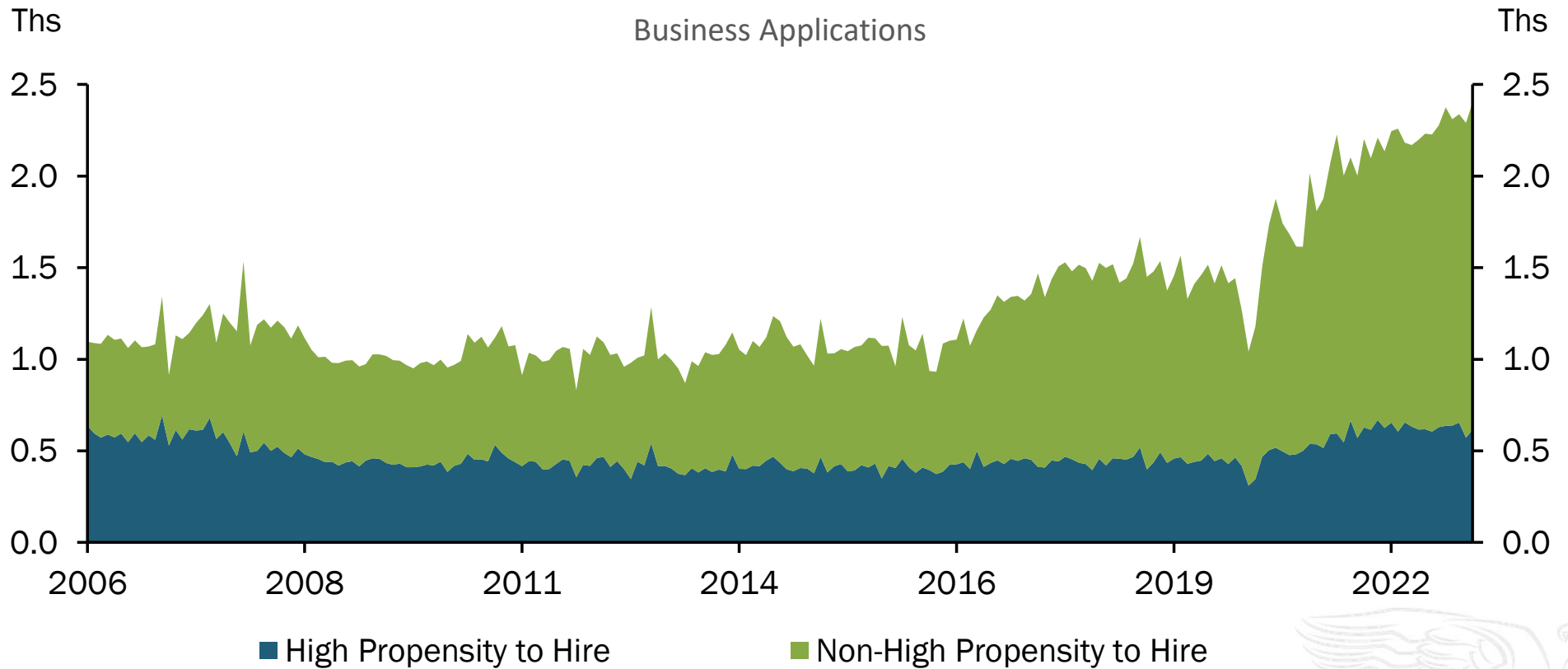


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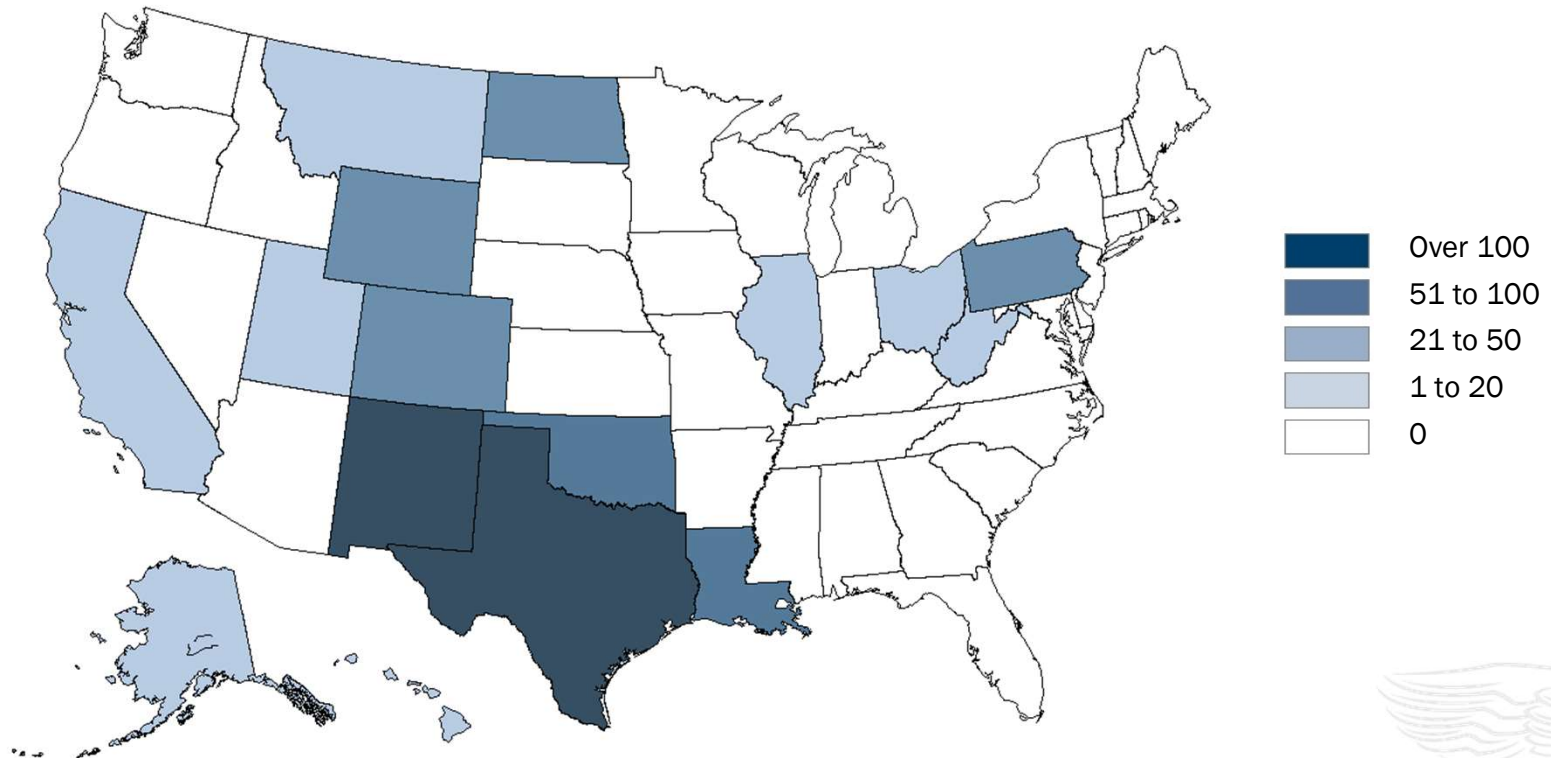


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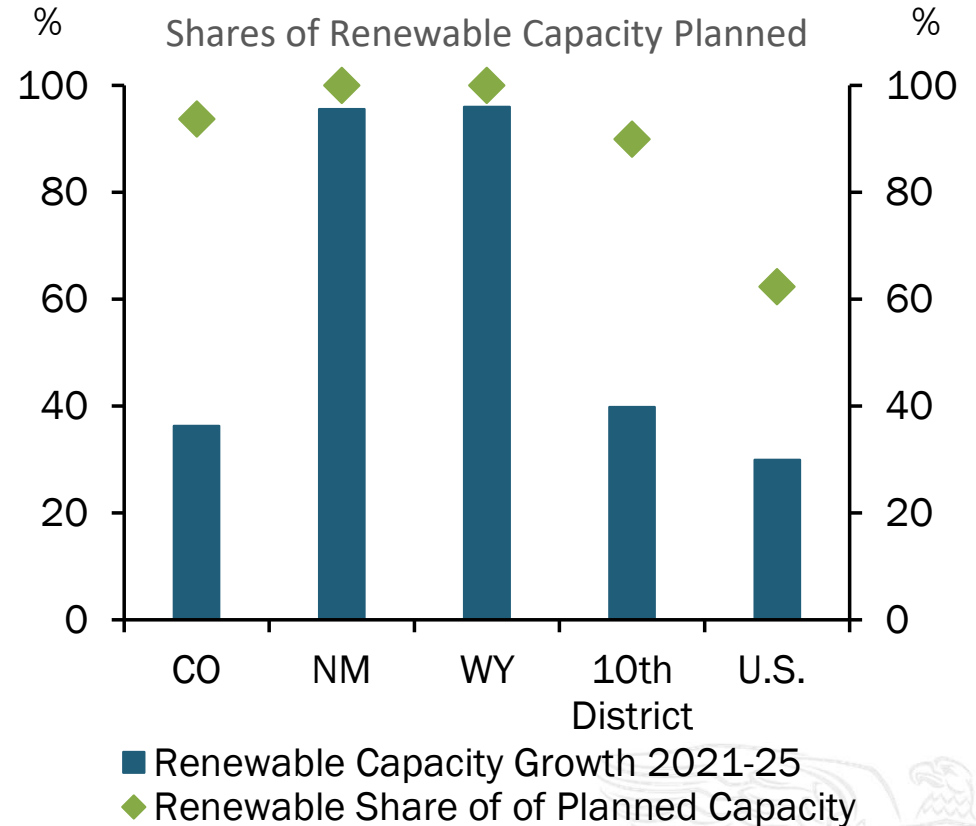
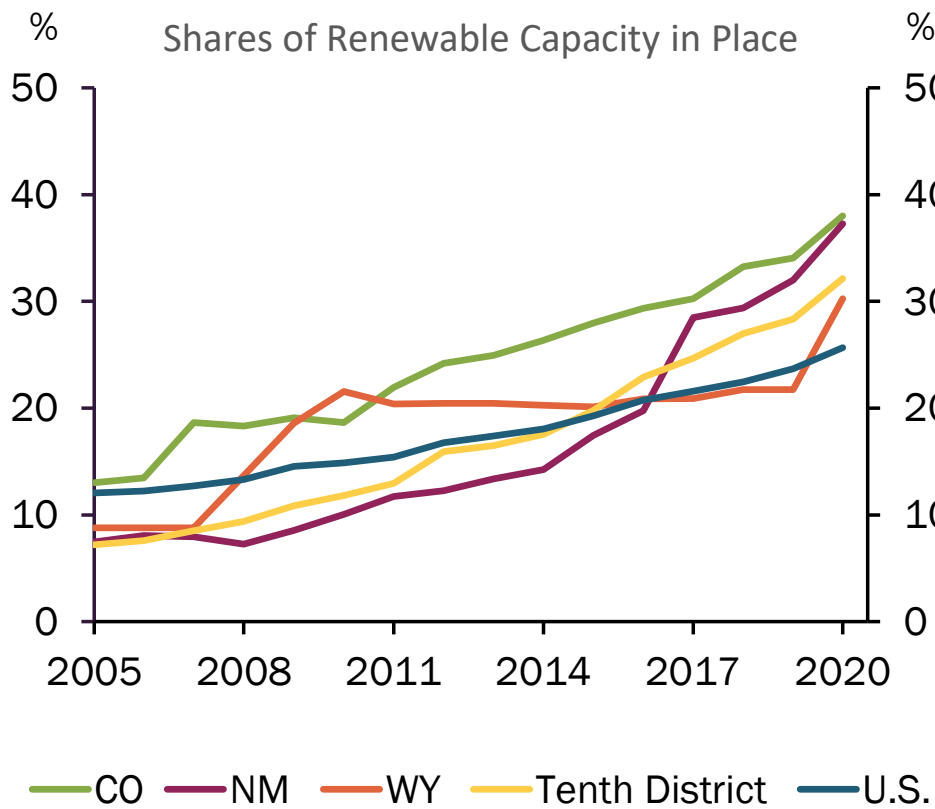


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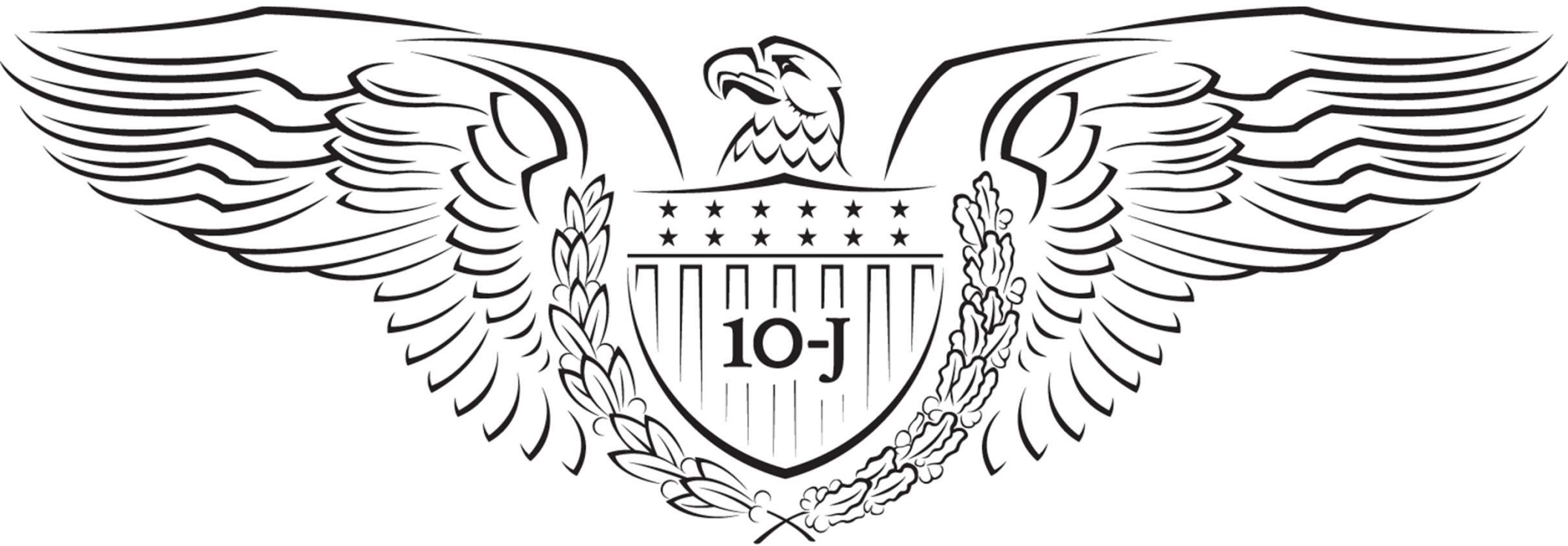


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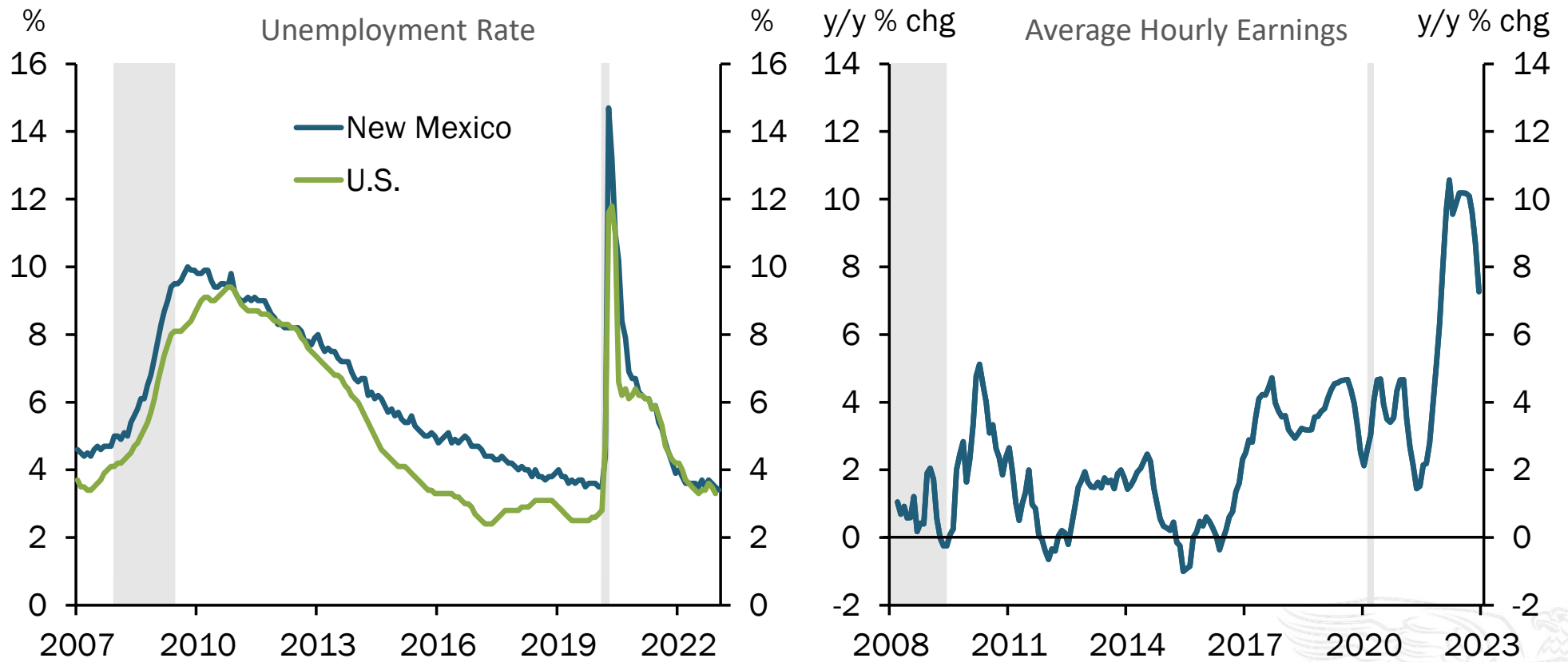


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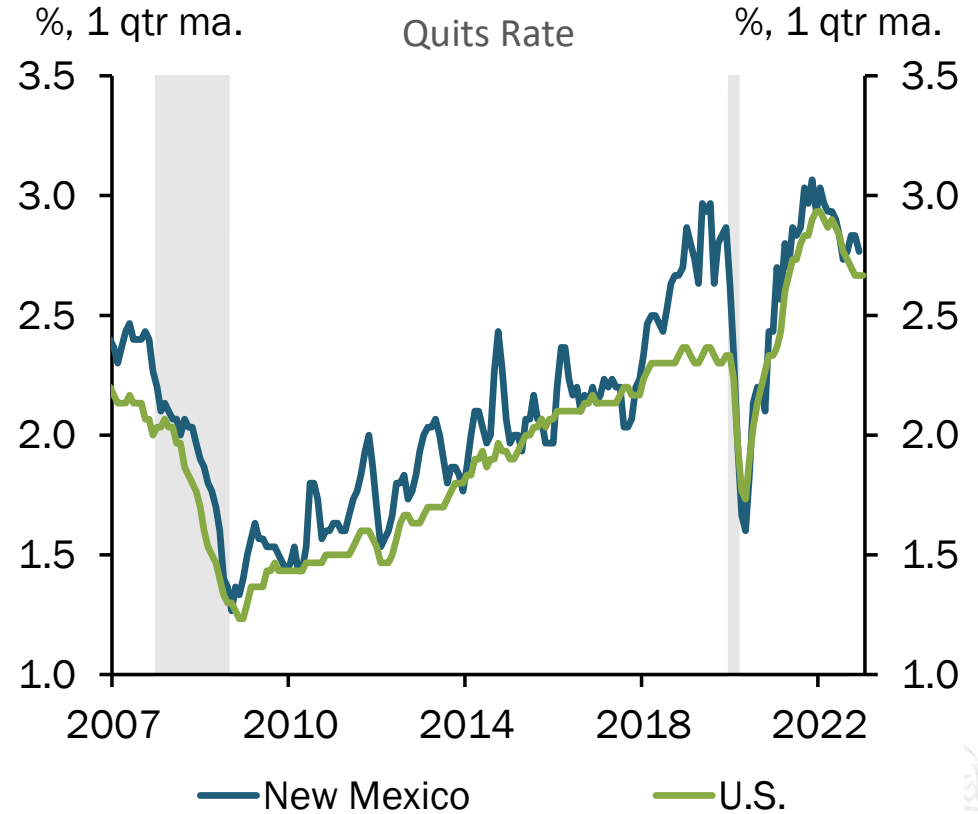
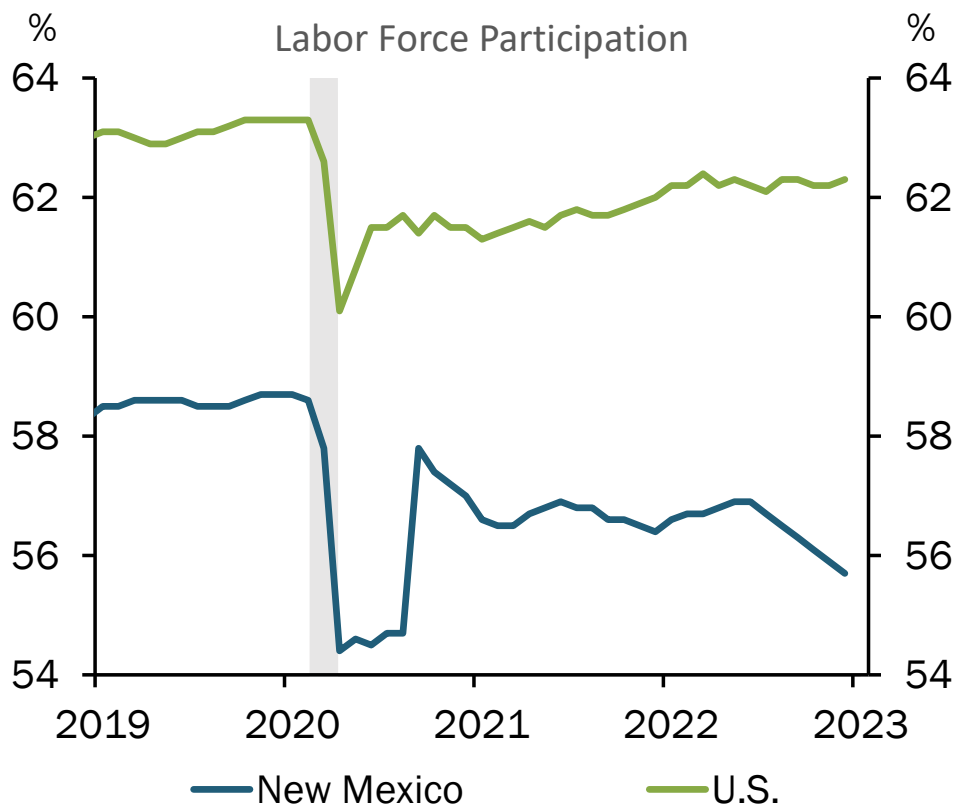
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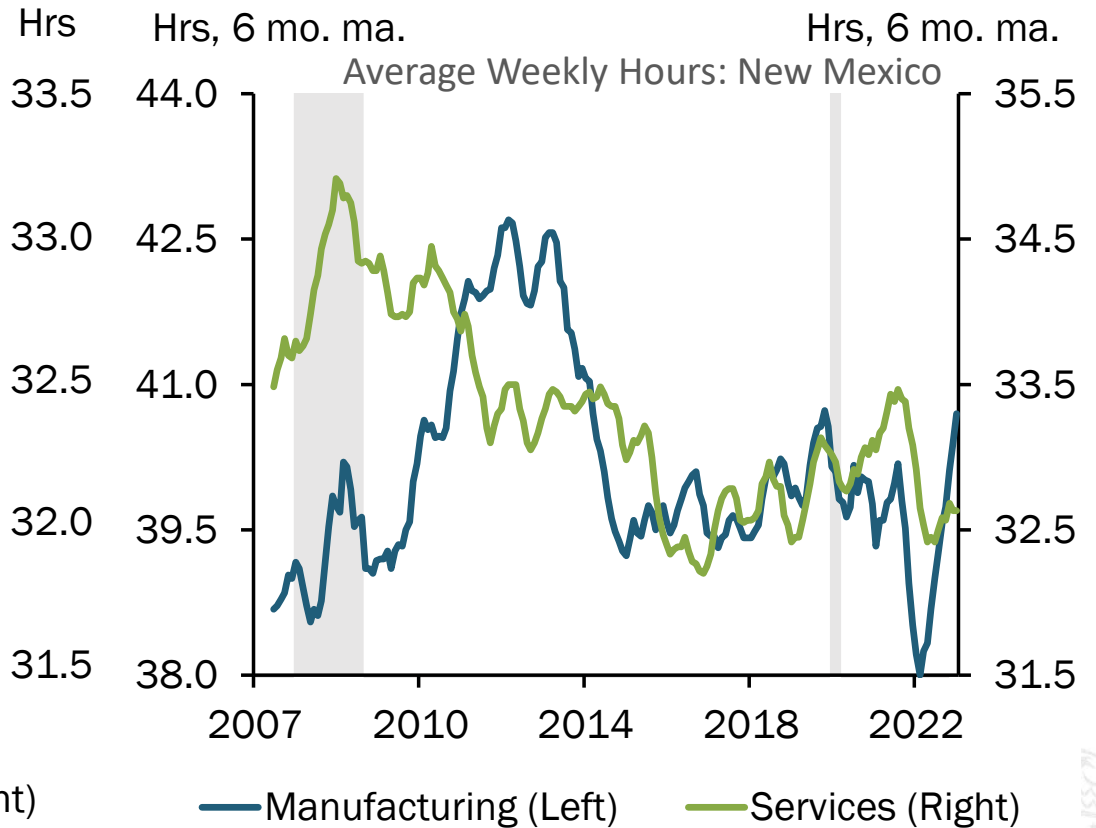
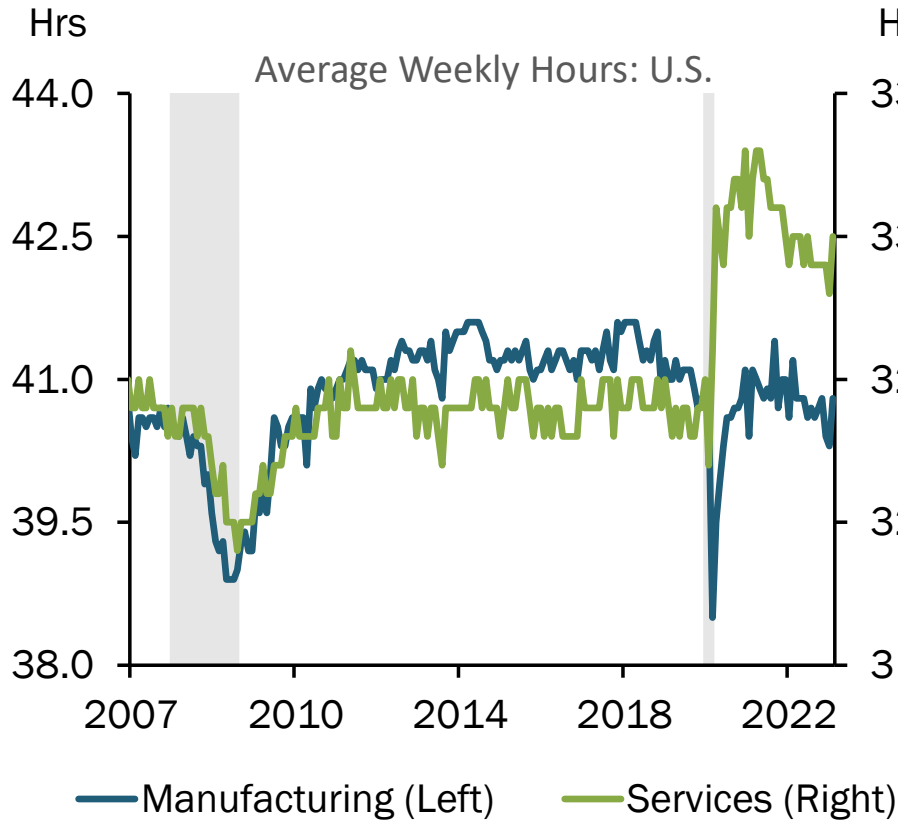
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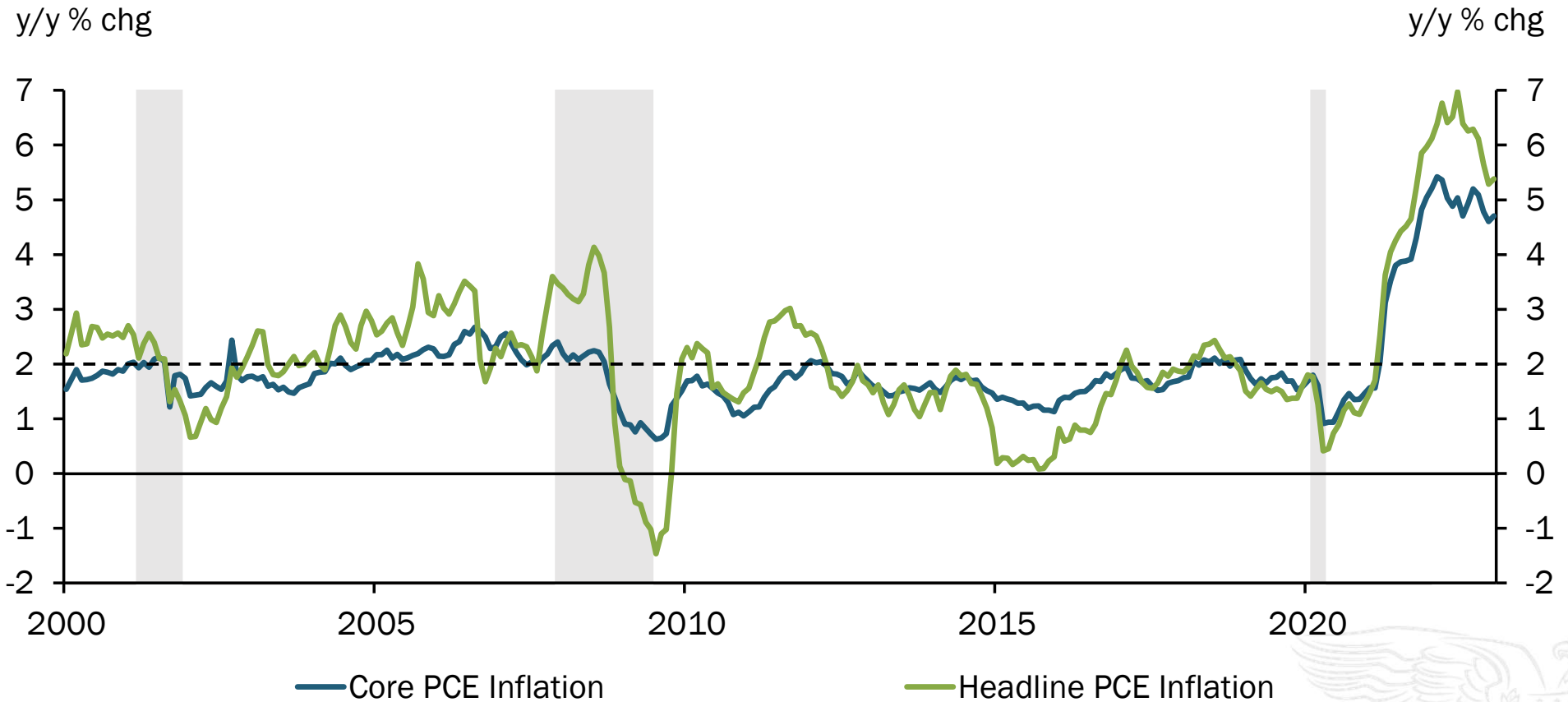


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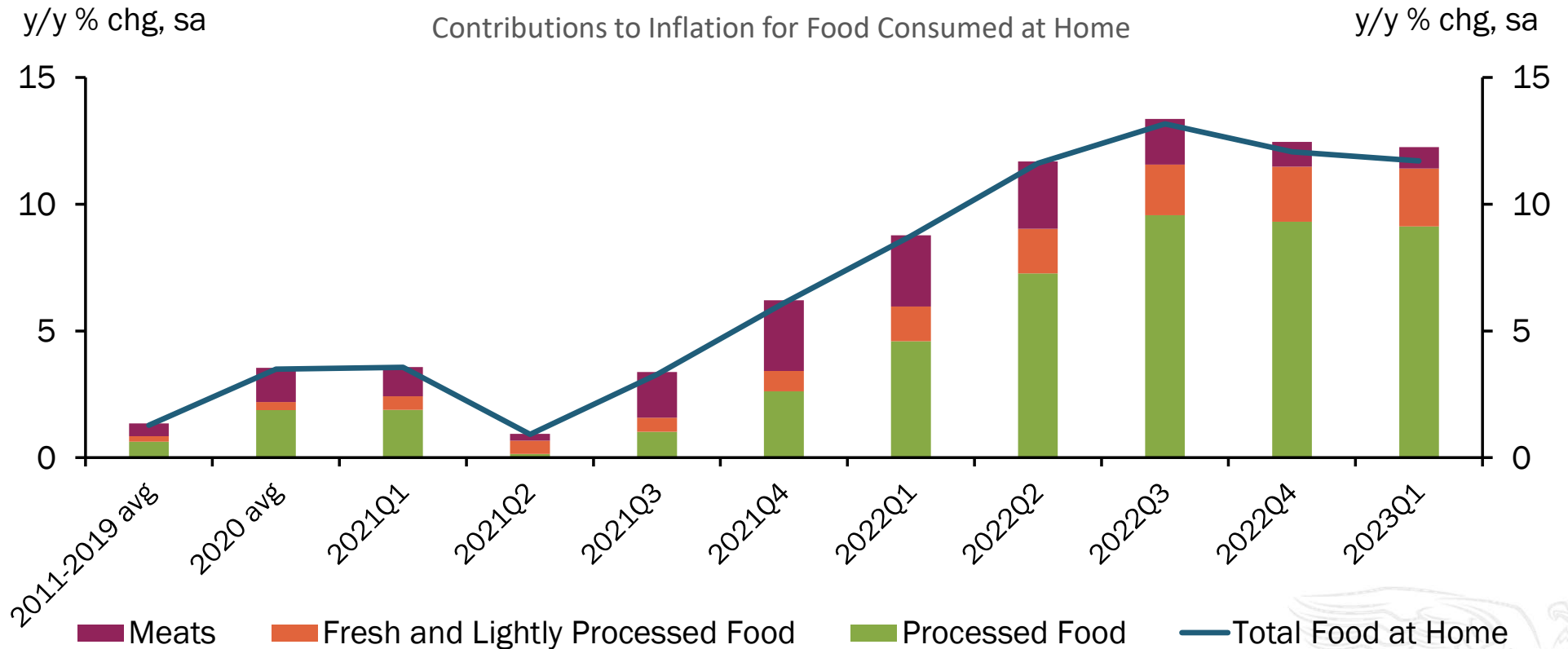


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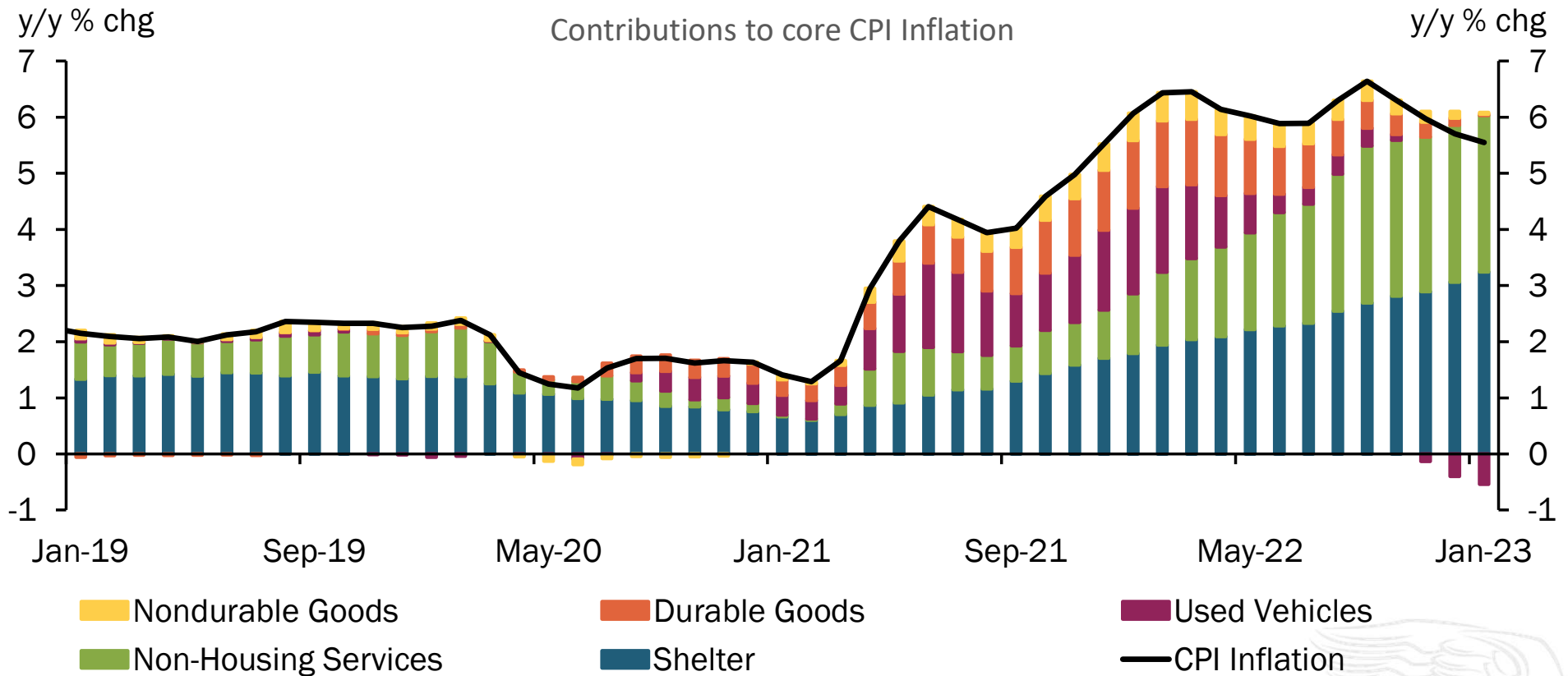
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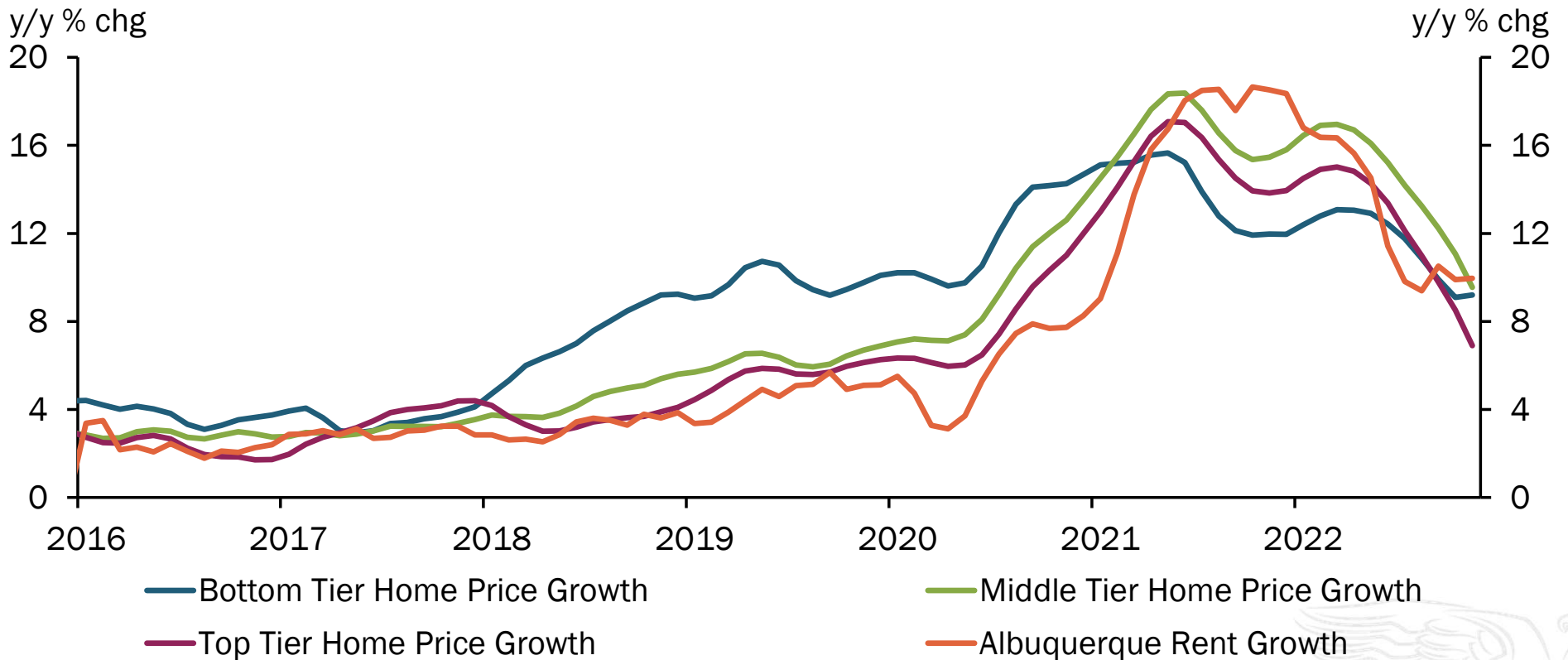
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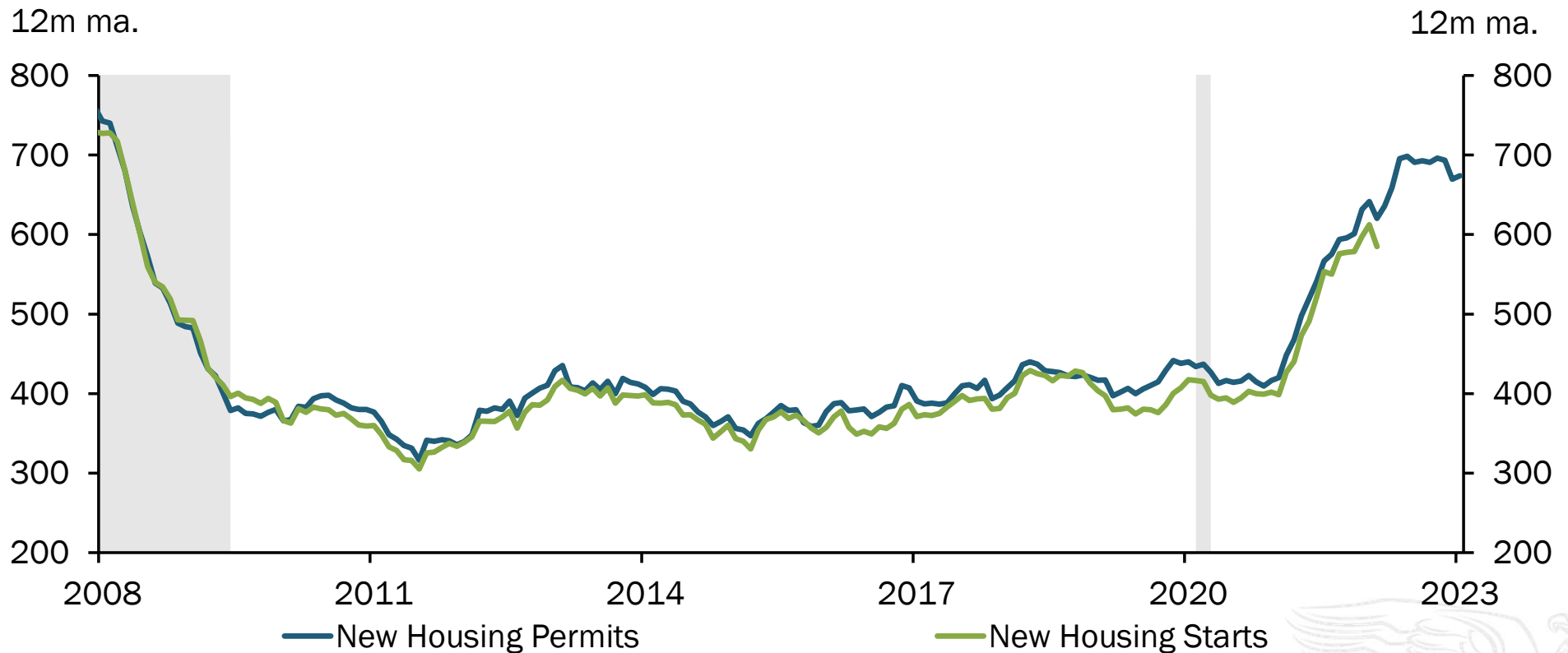
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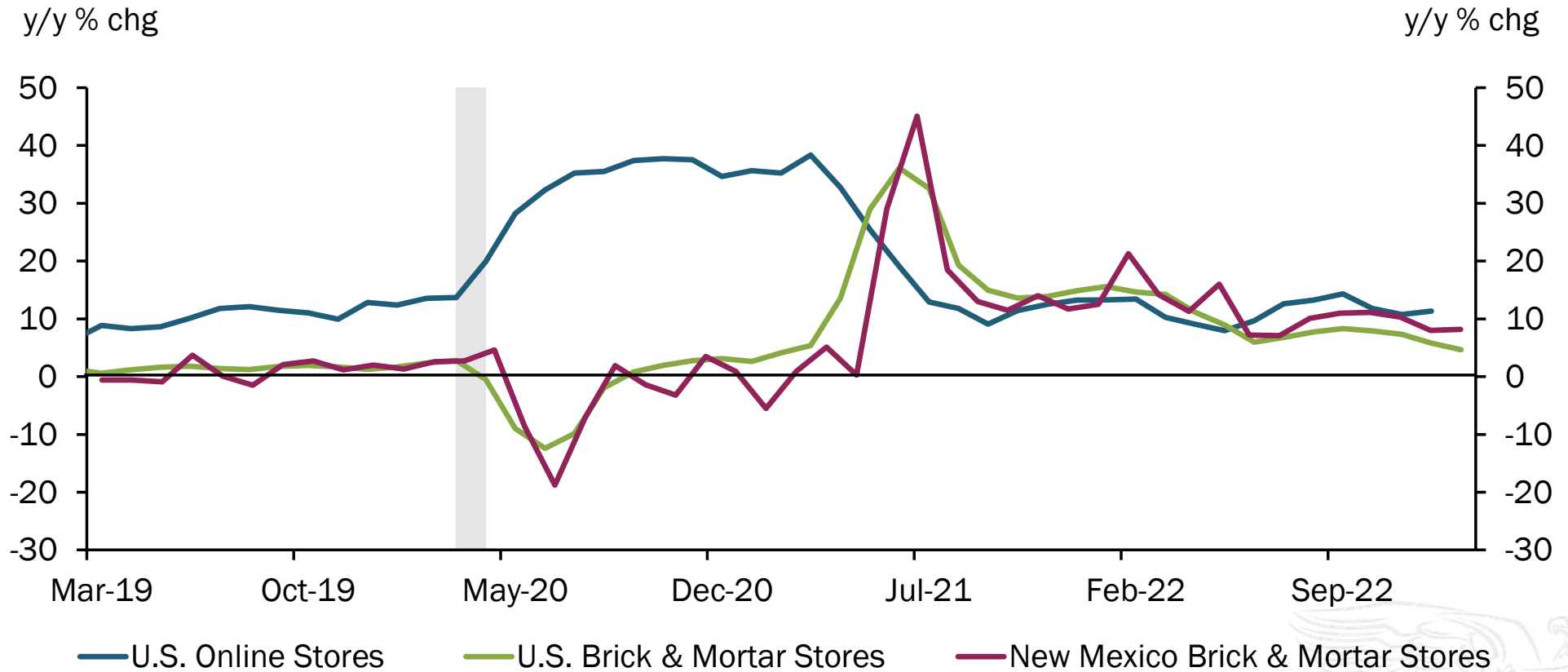
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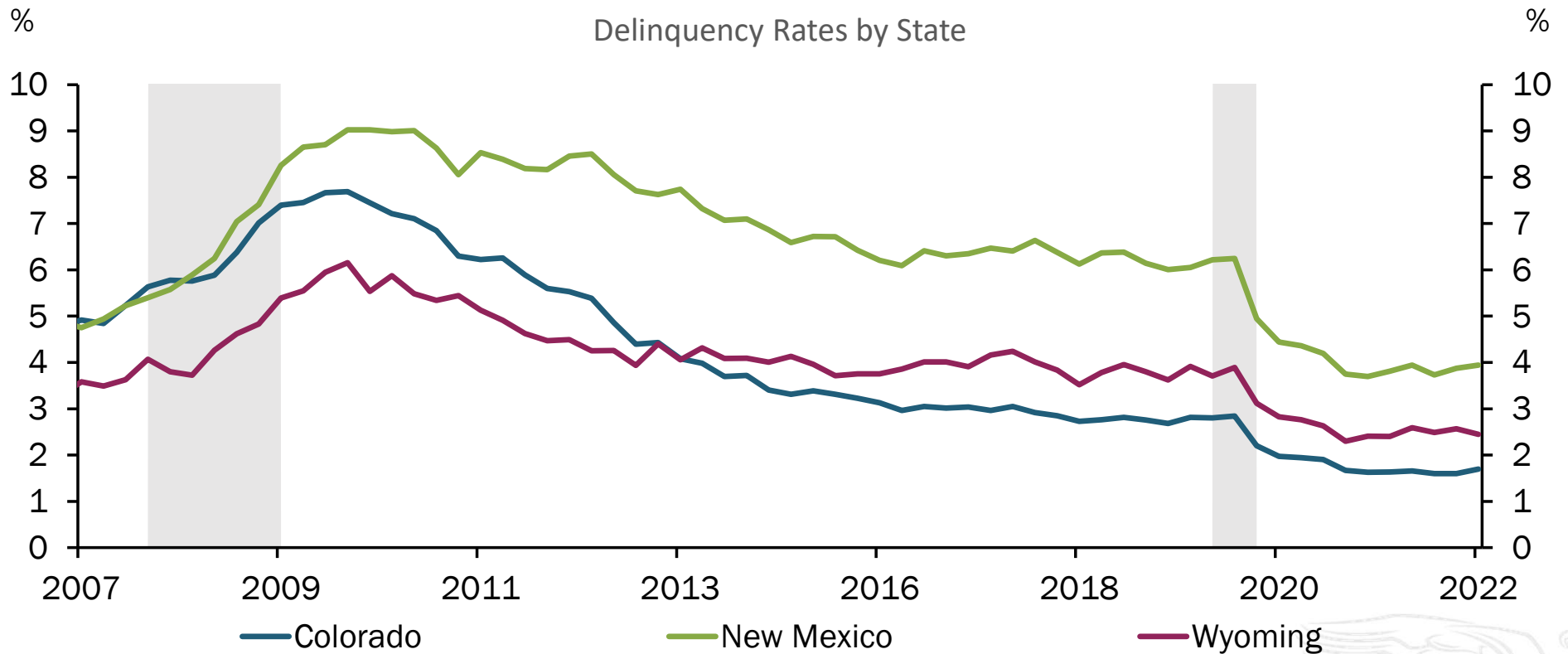
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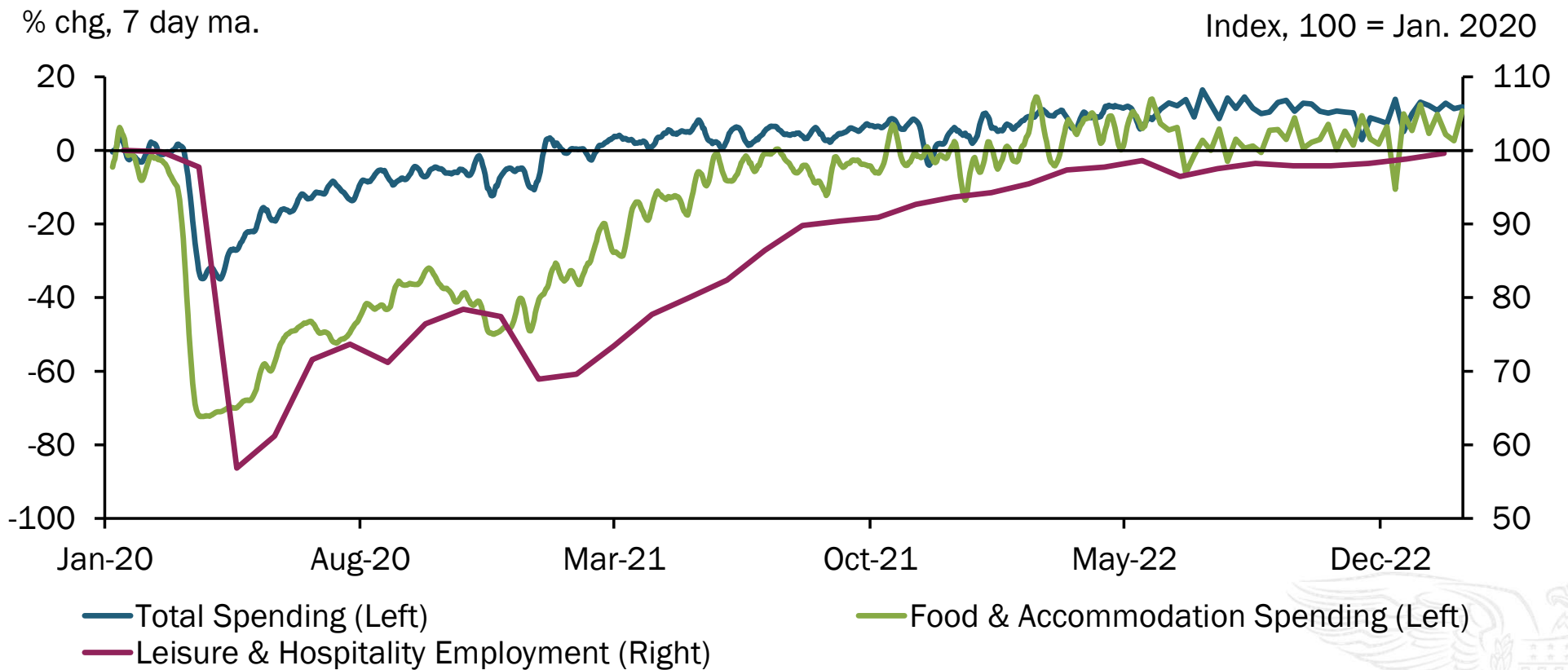


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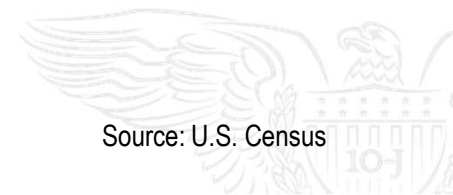
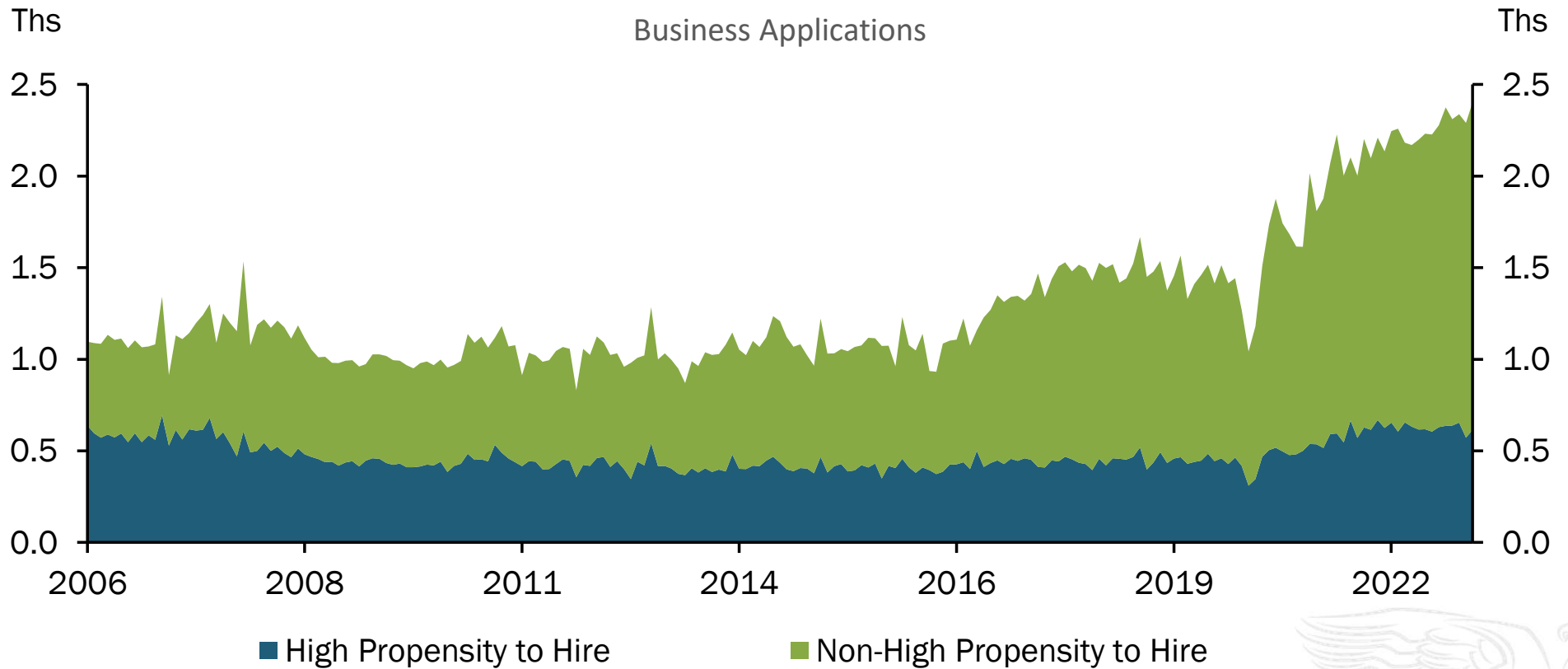


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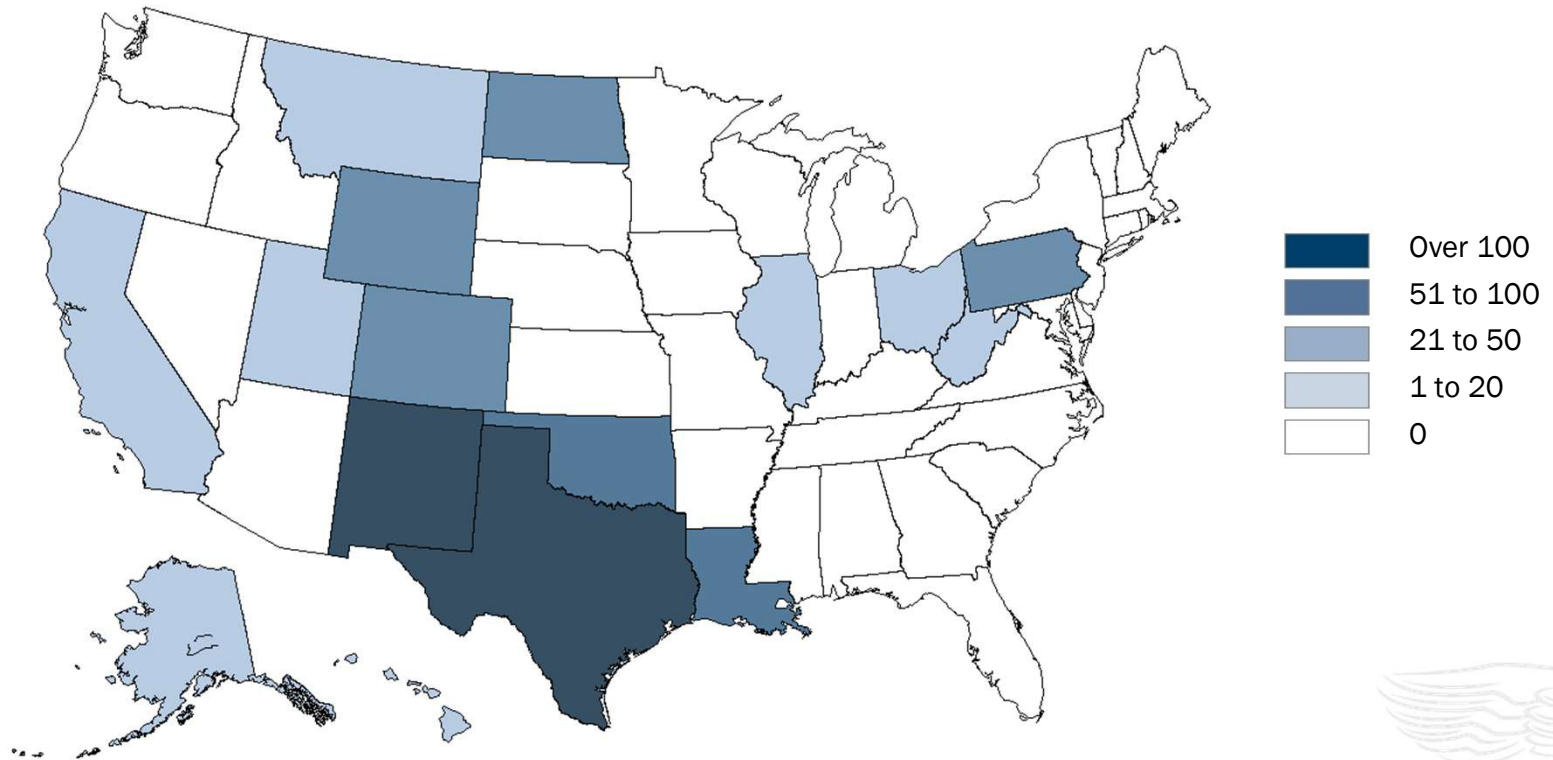


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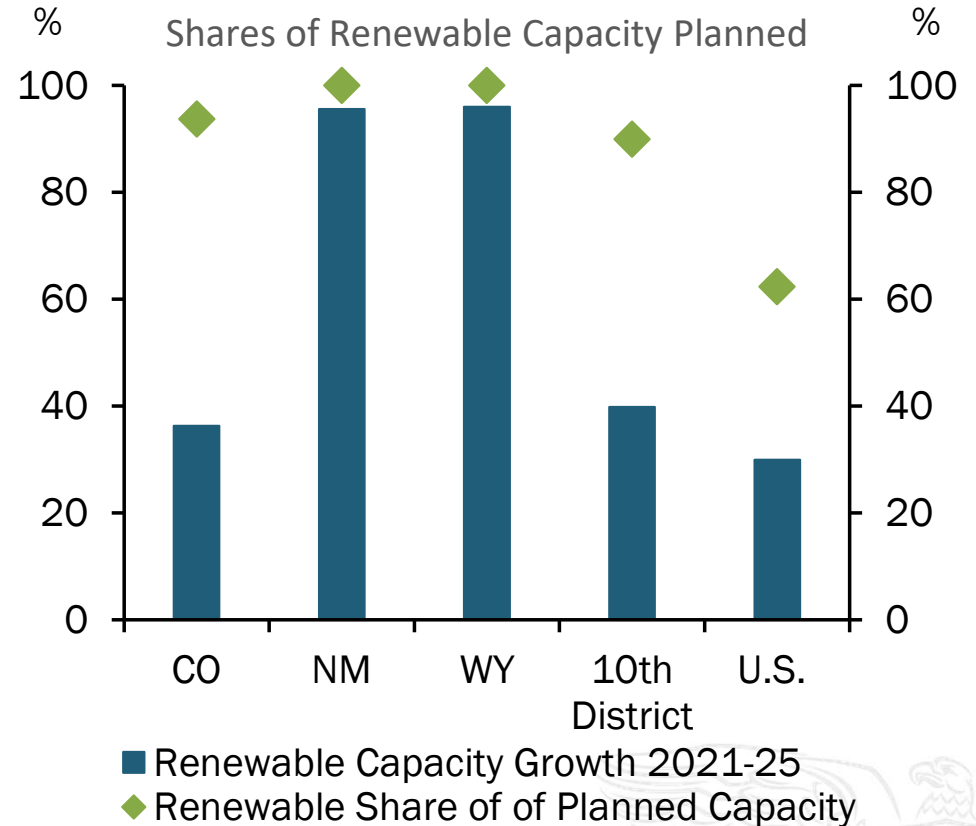
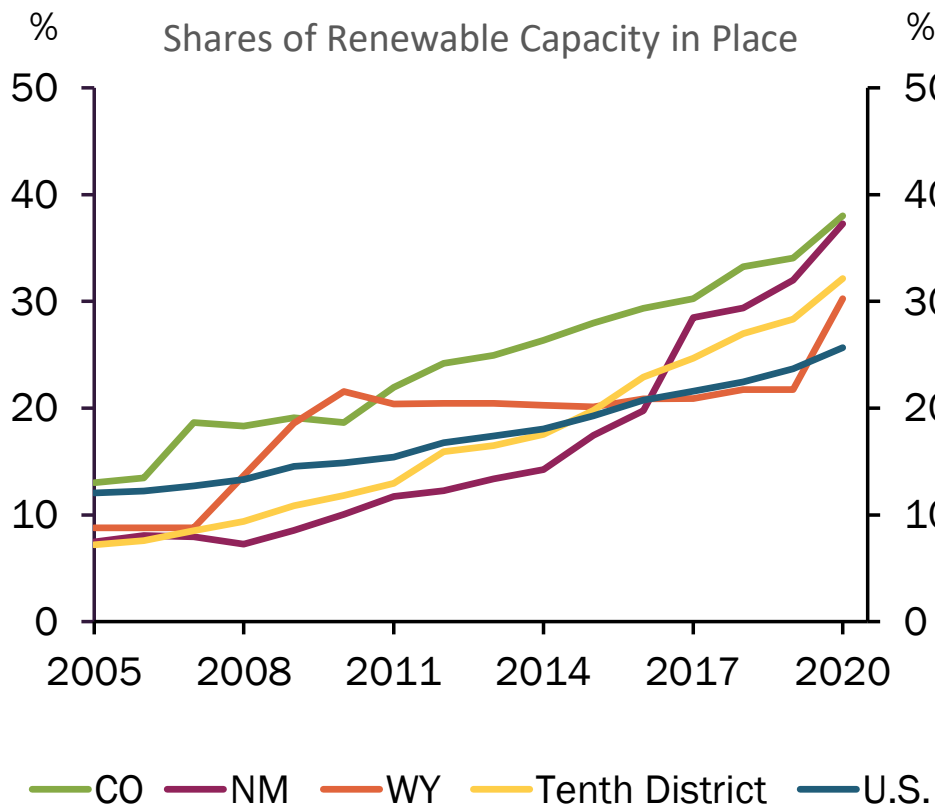


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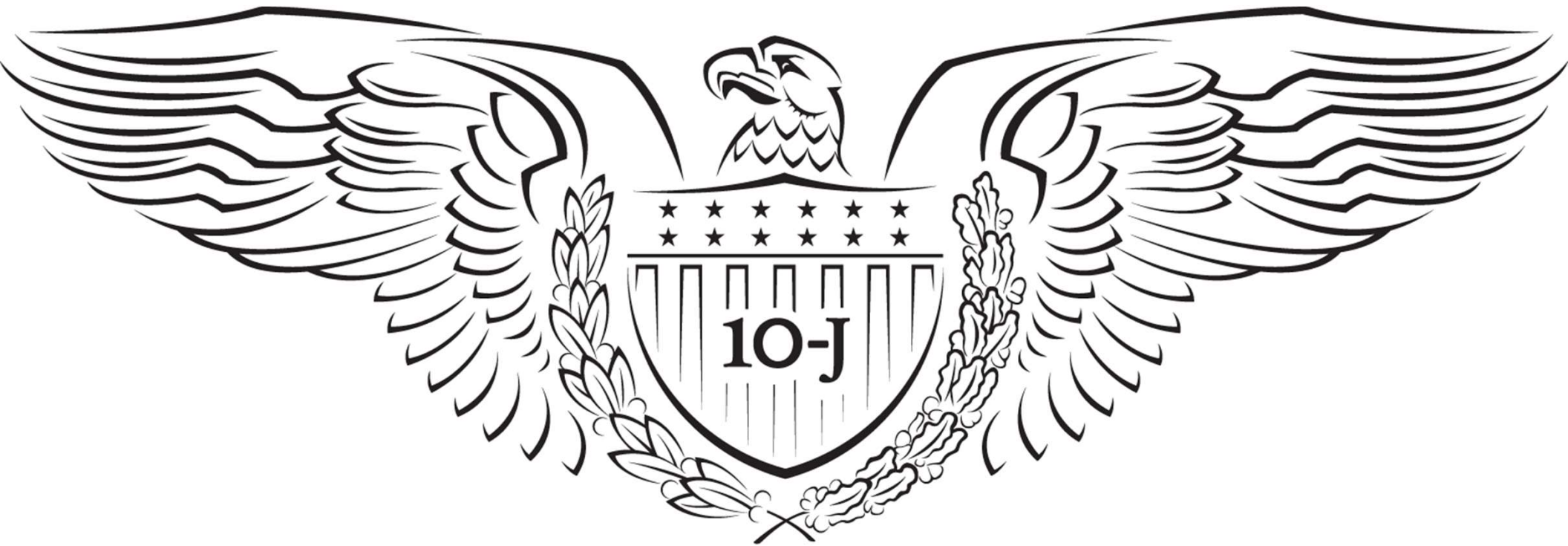


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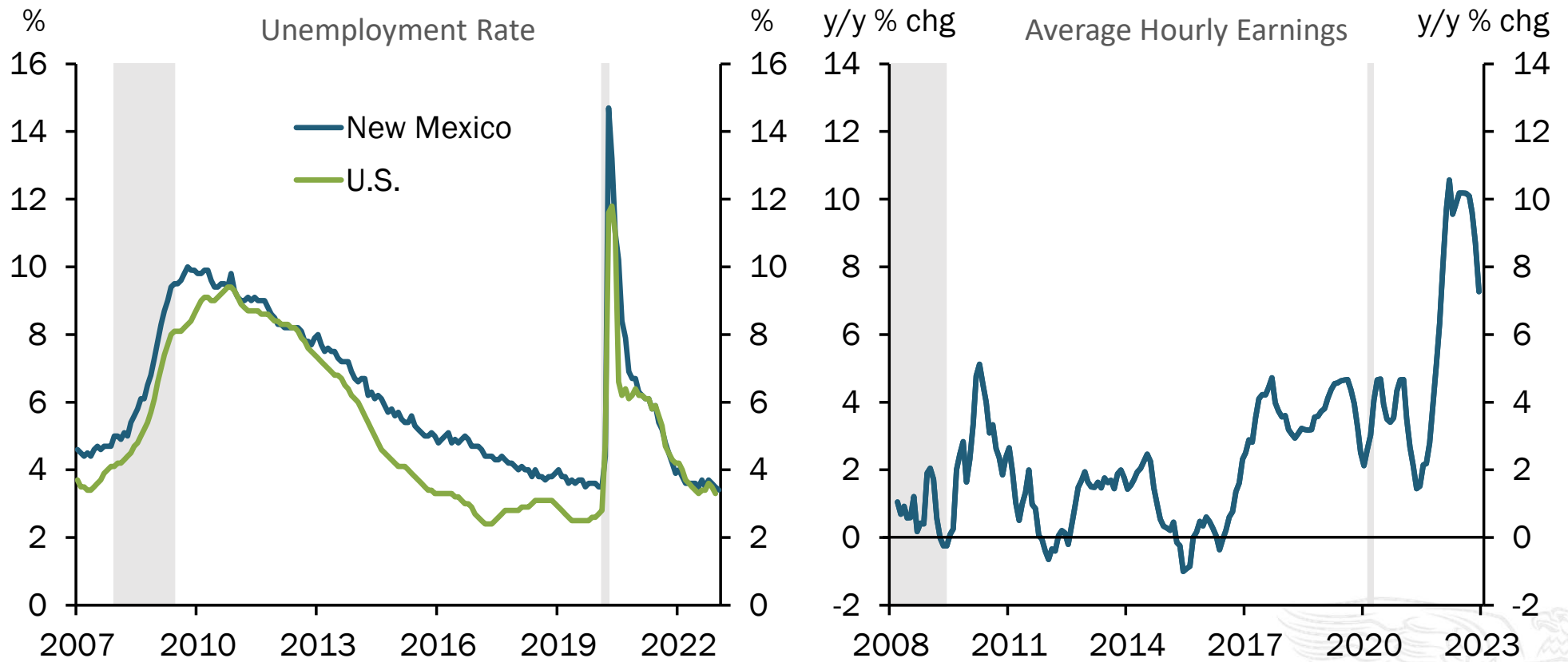


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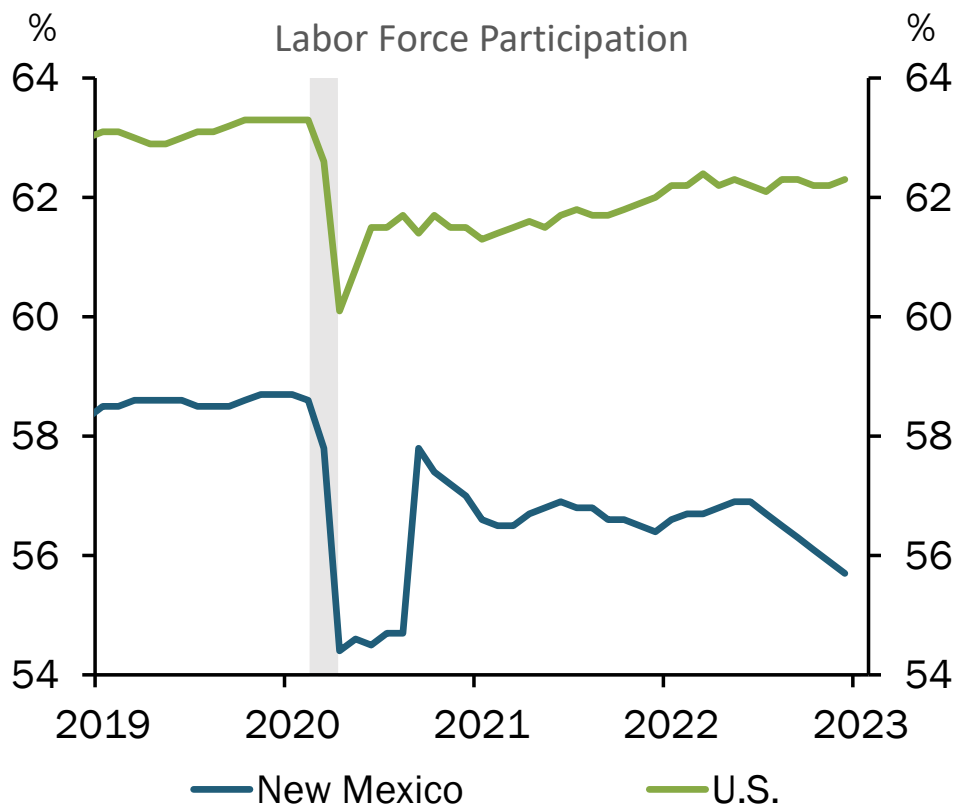
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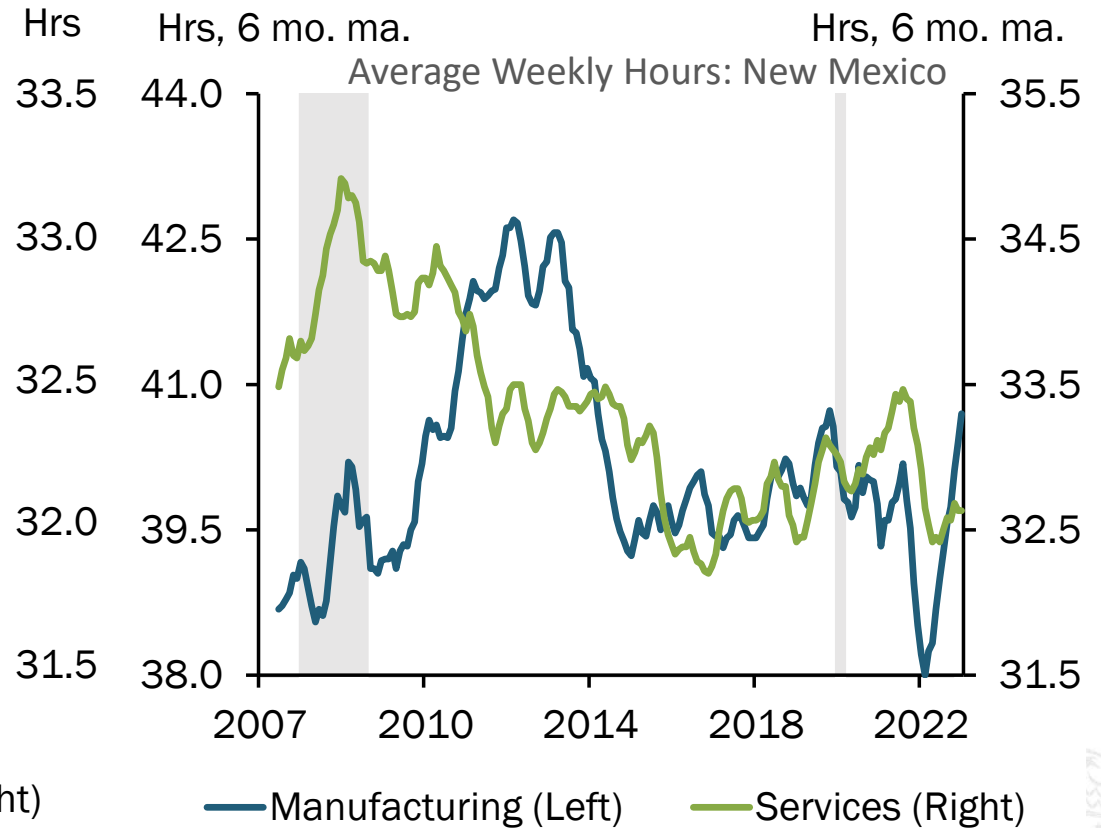
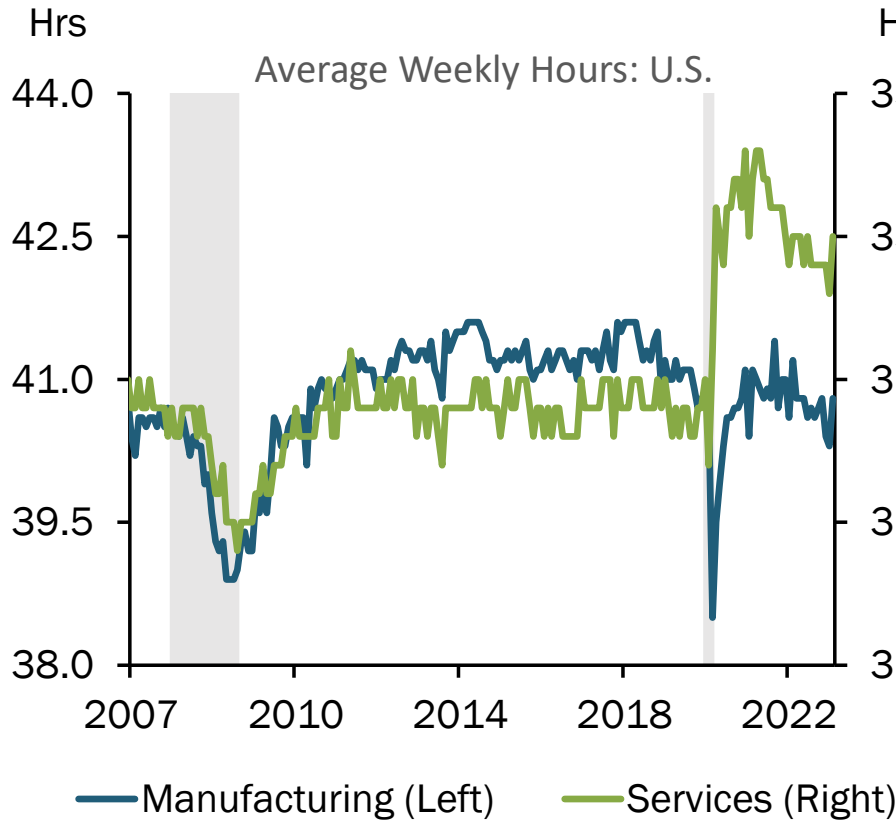
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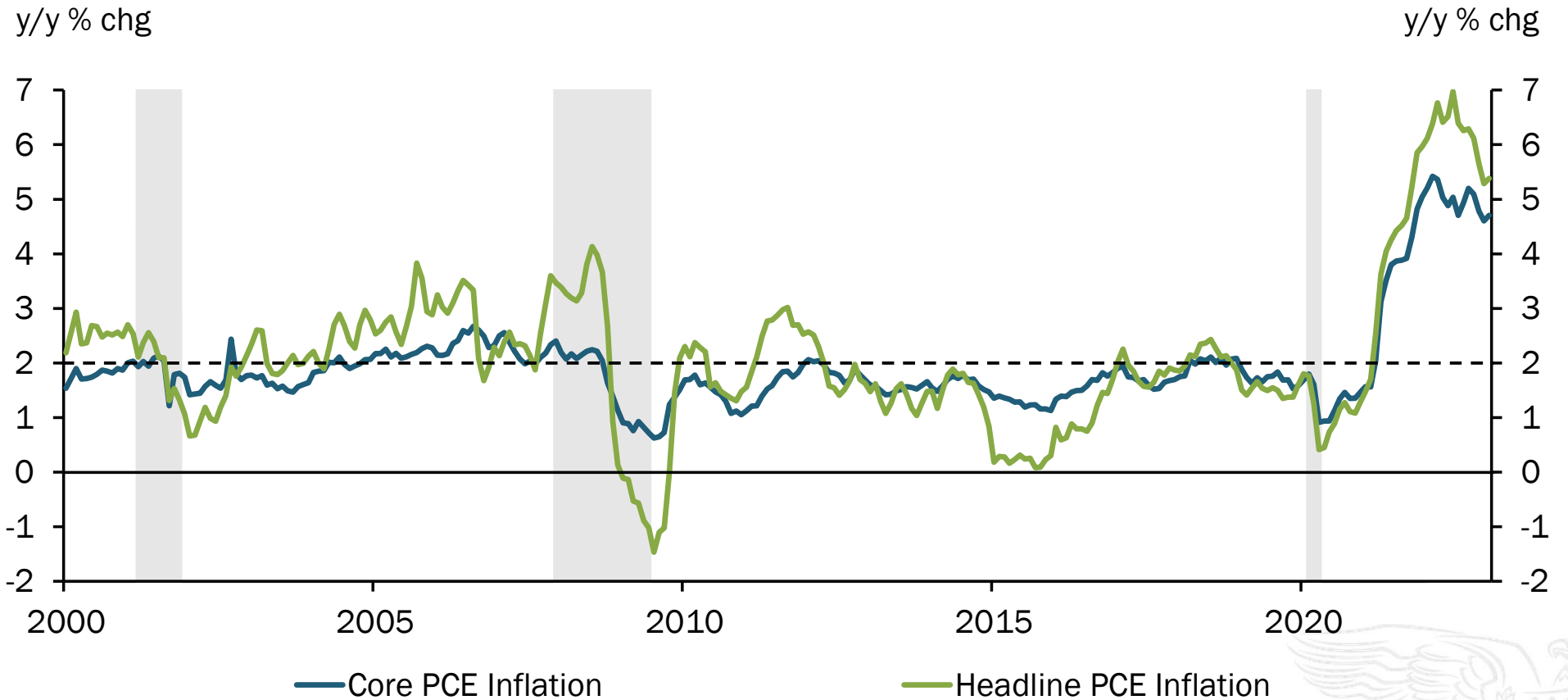


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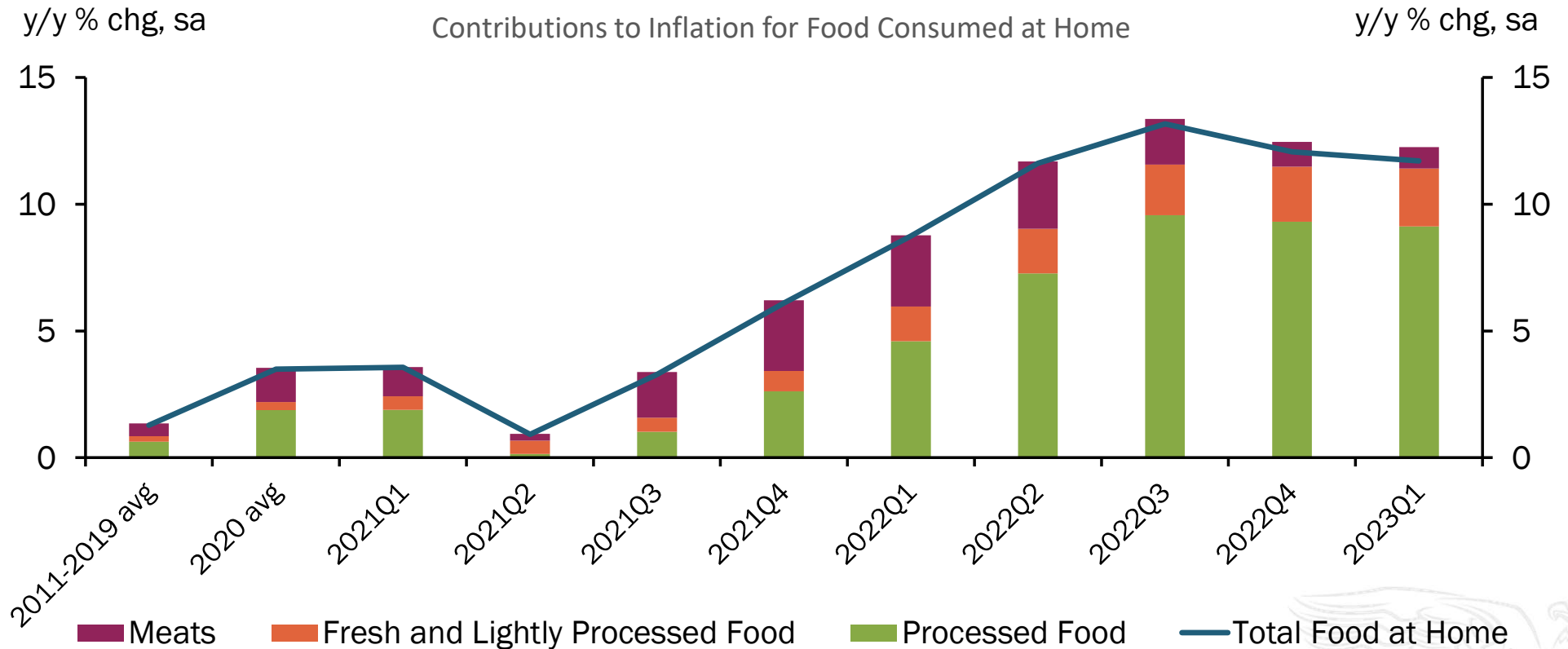


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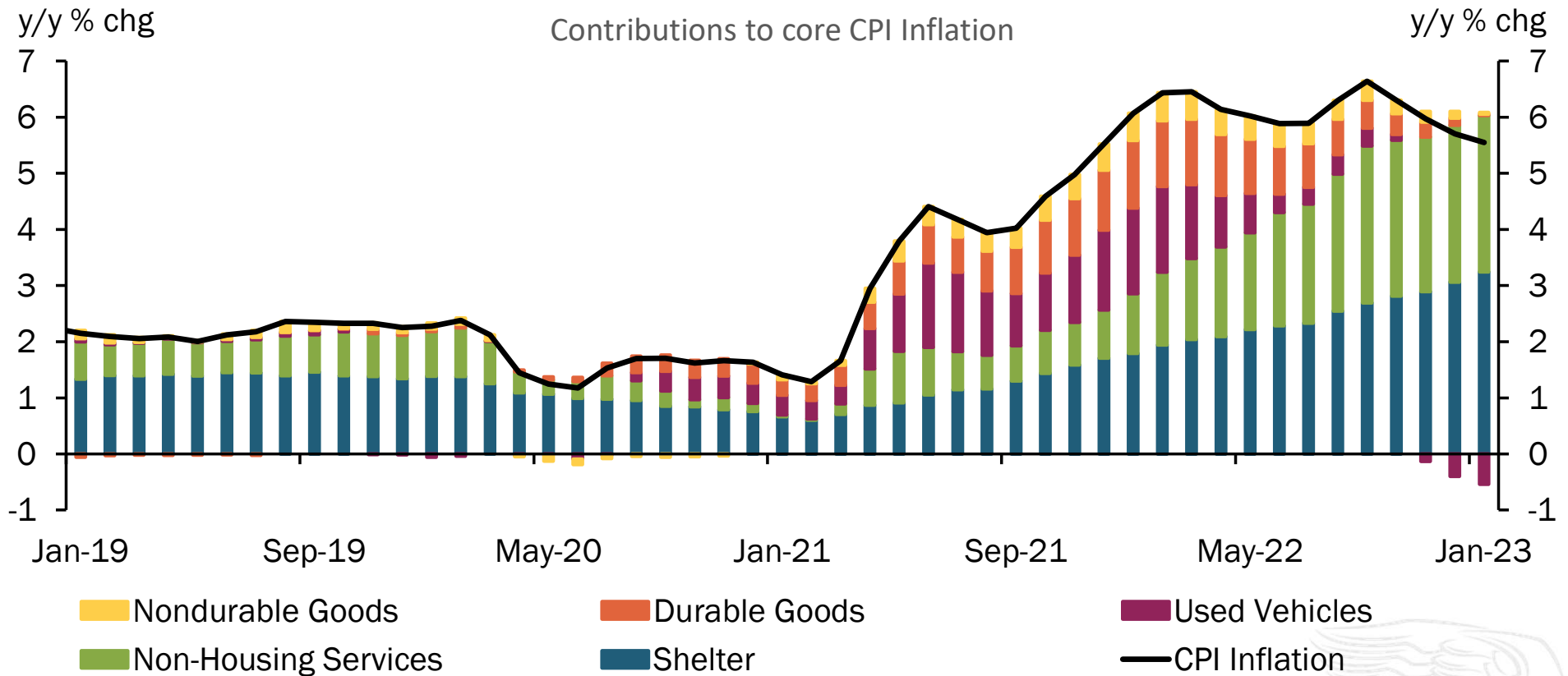
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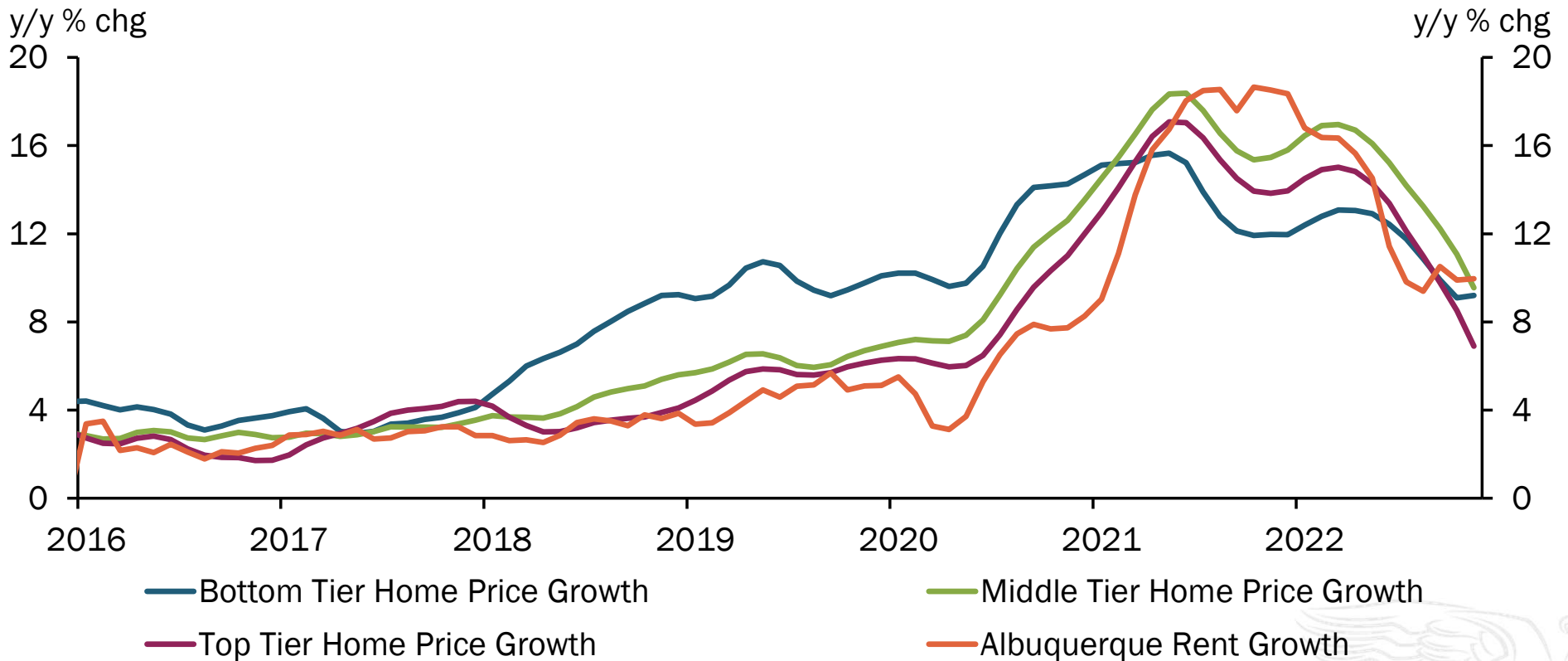
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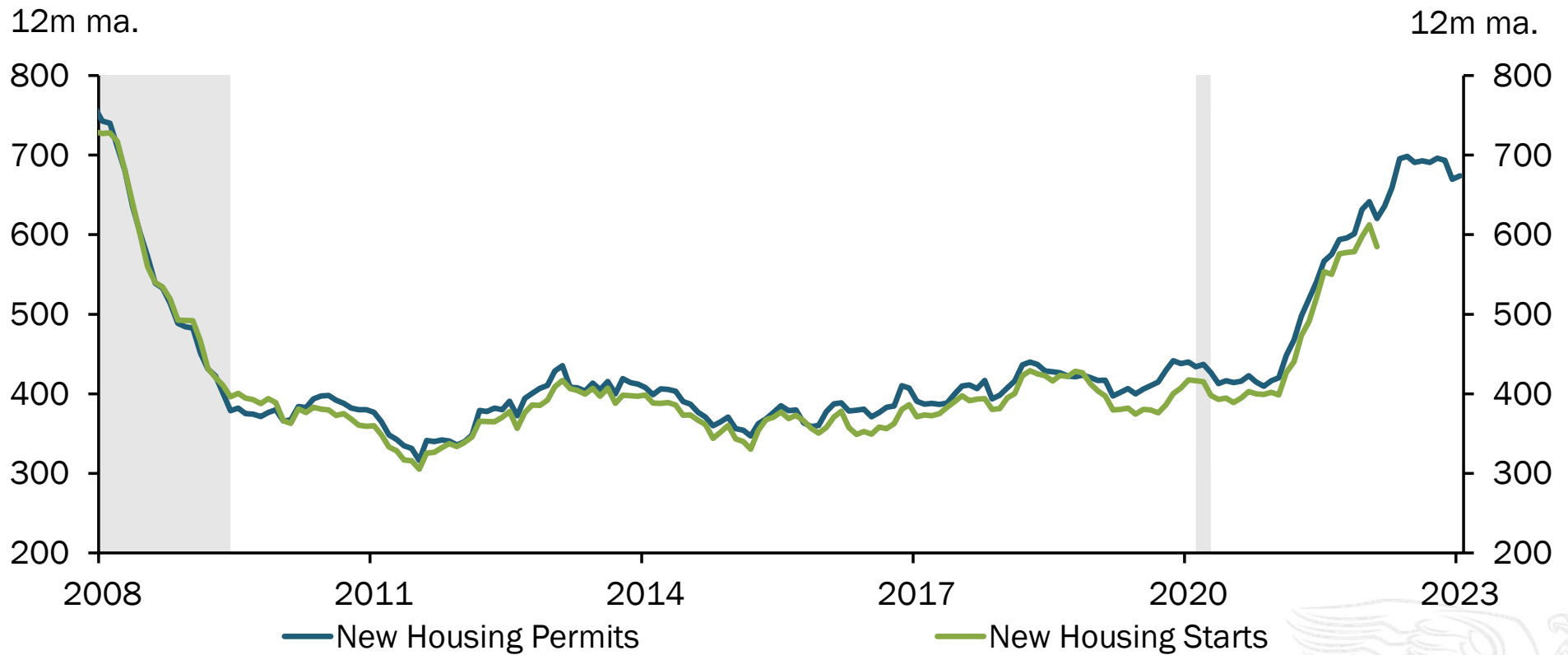
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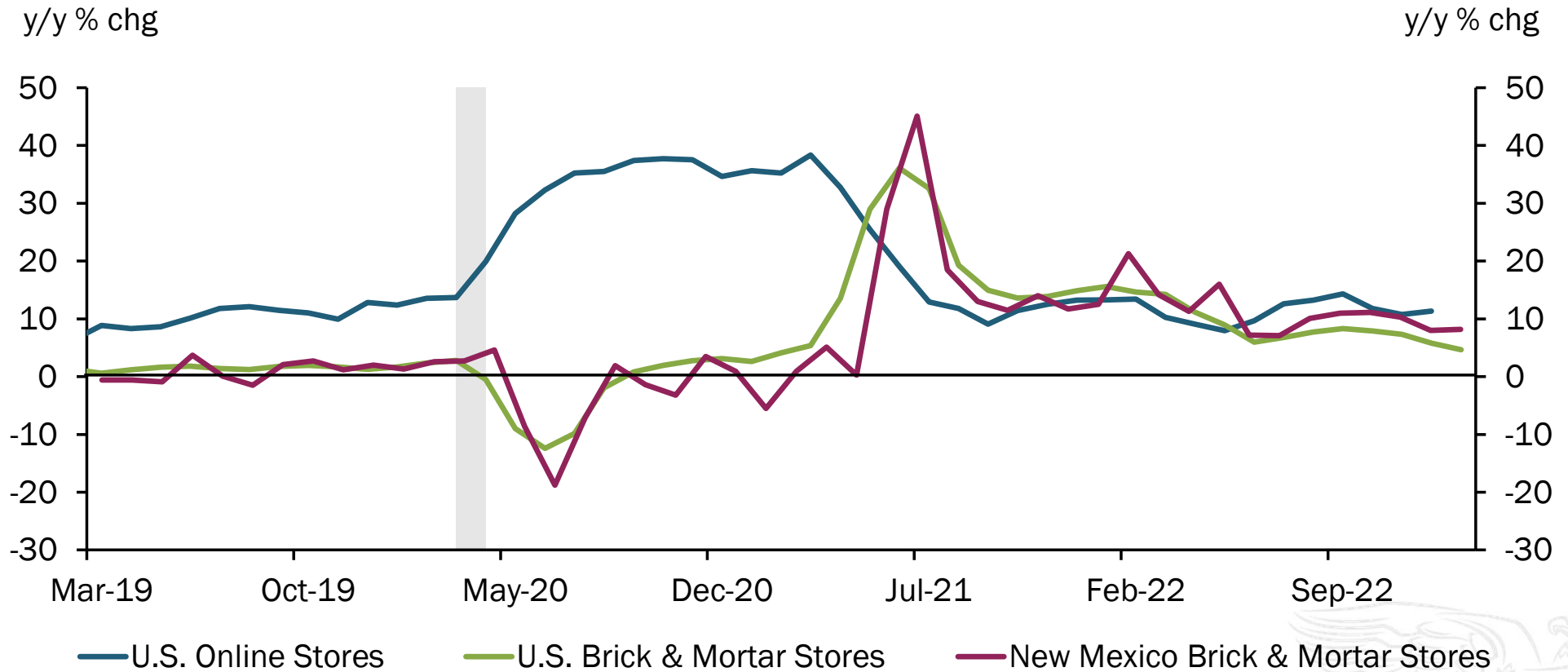
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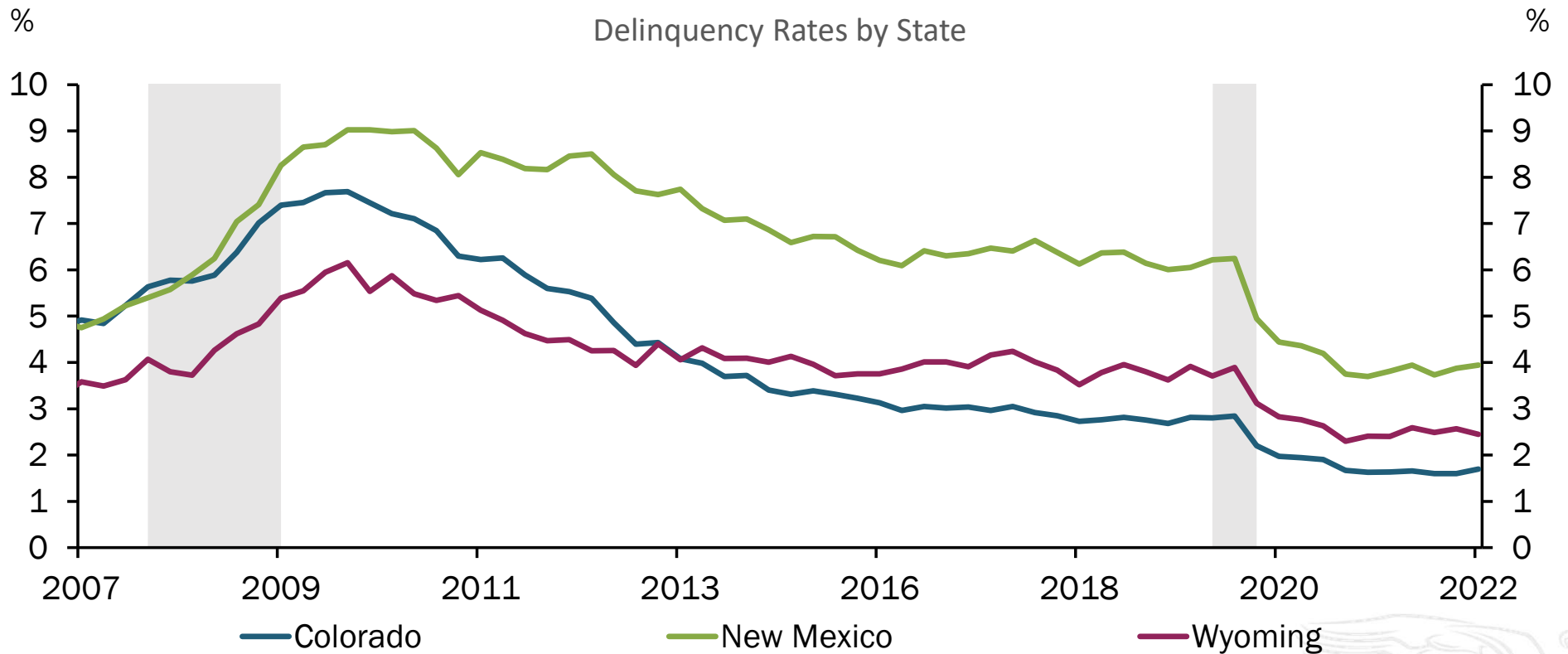
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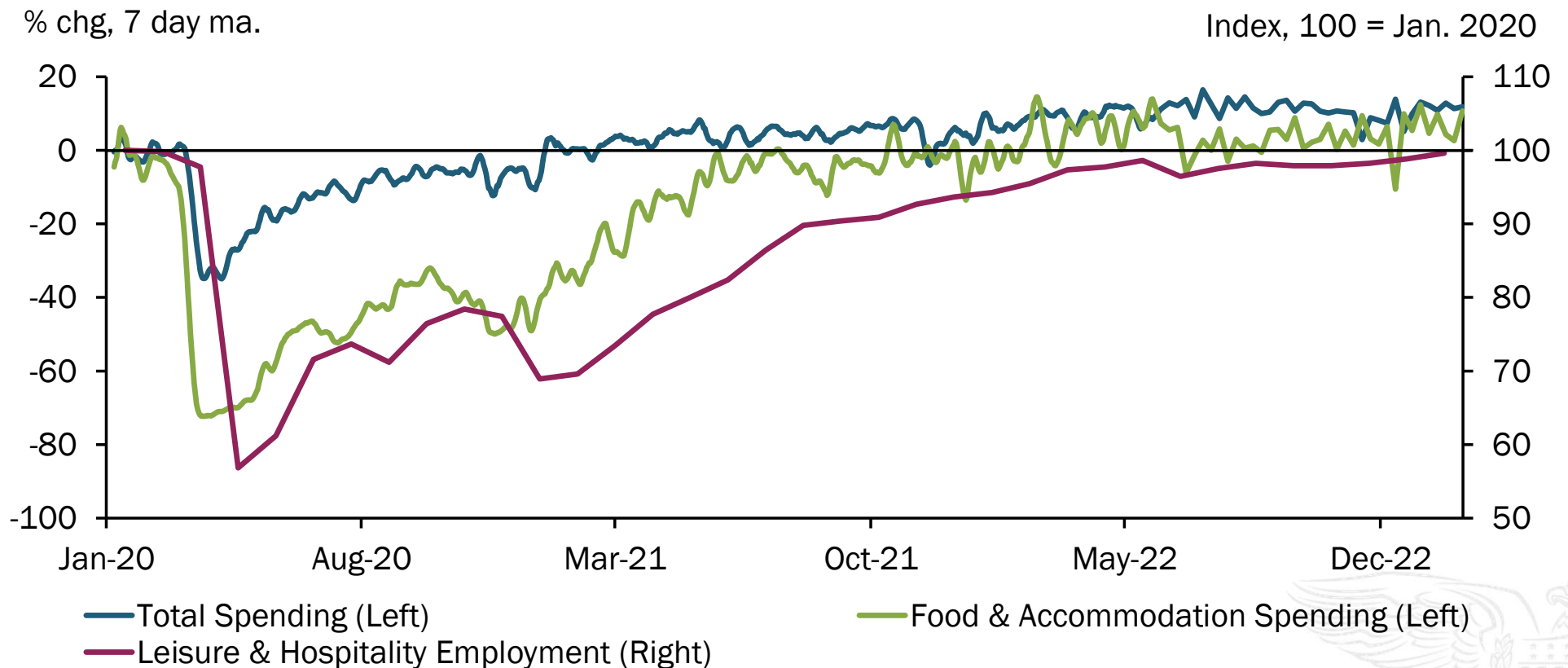


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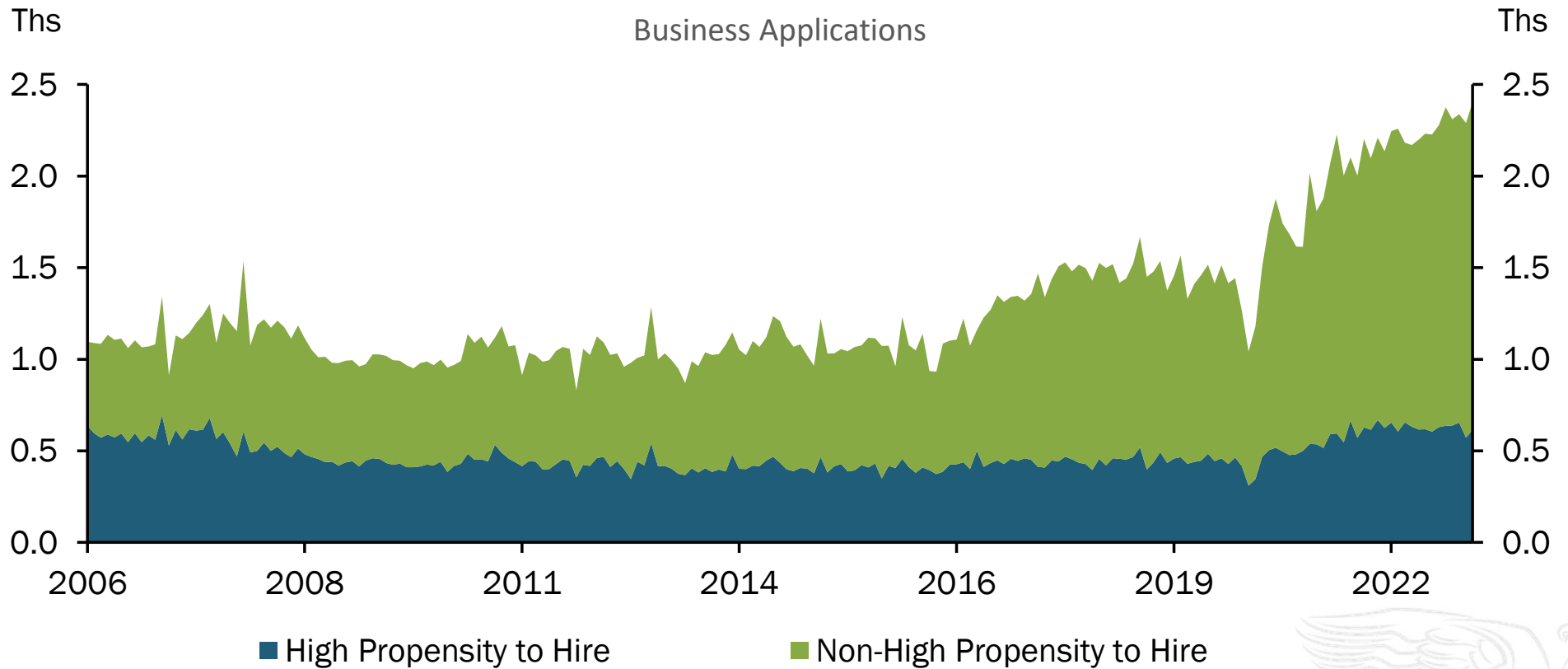


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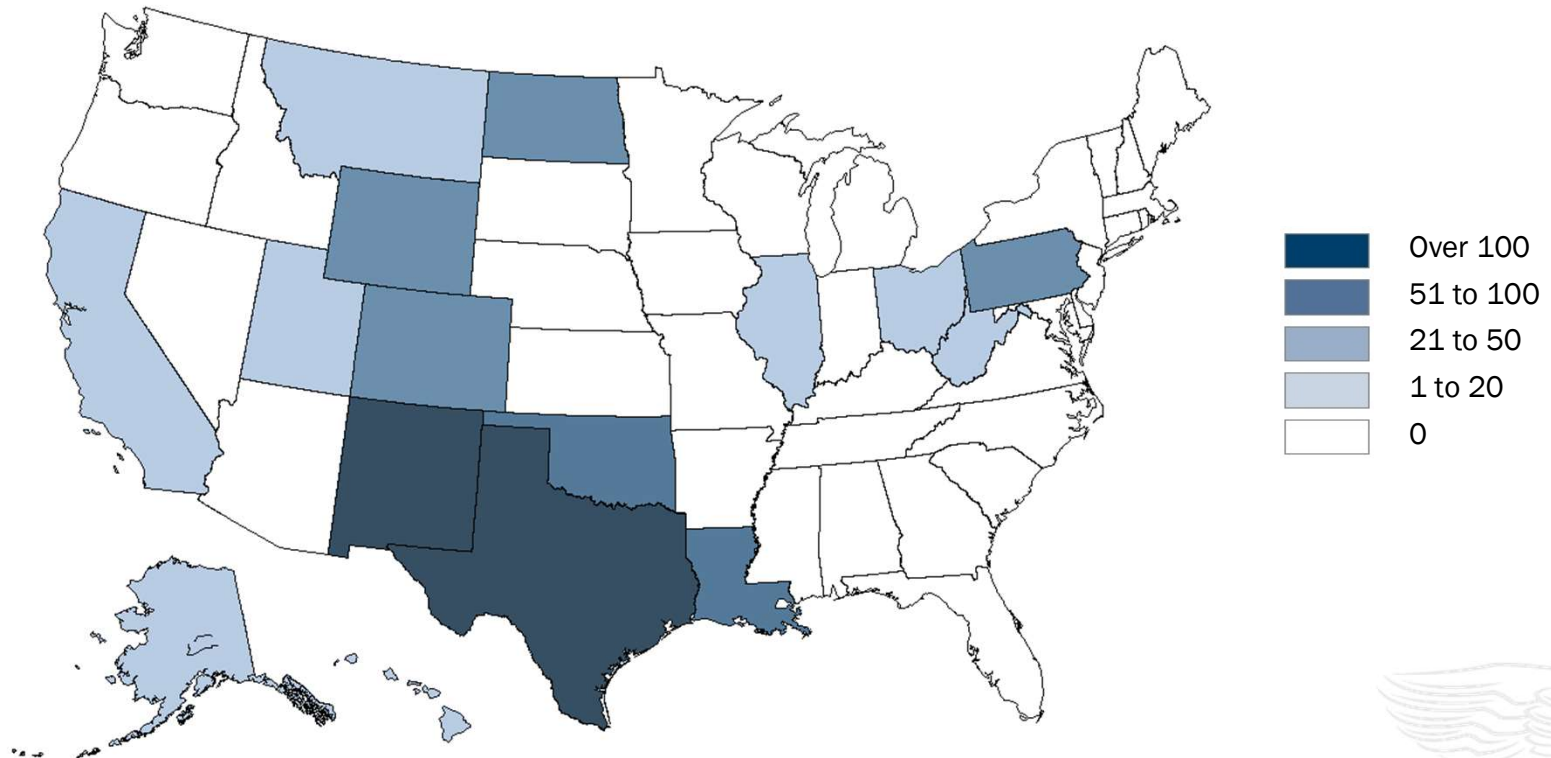


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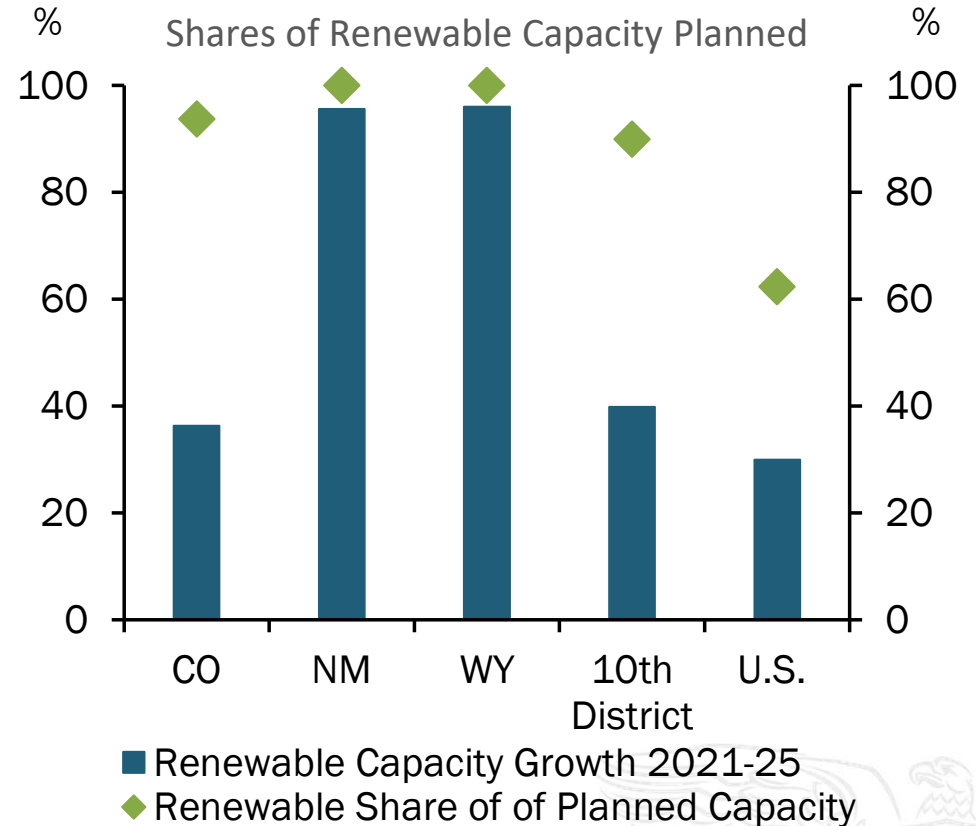
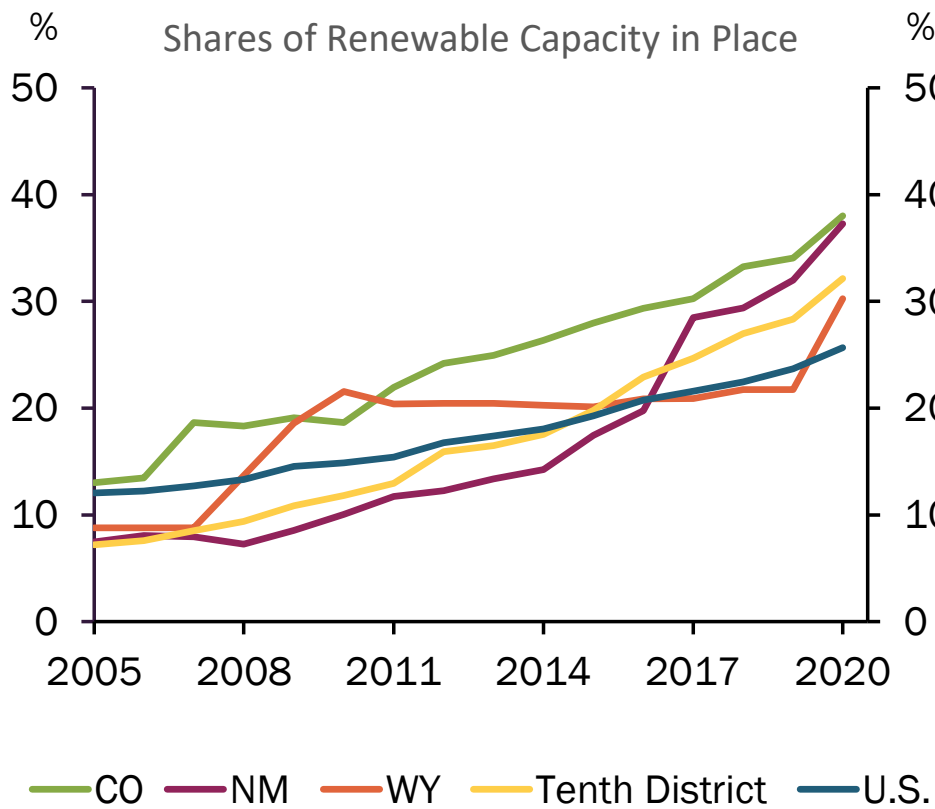


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March 3, 2023 – New Mexico State Senate Finance Committee

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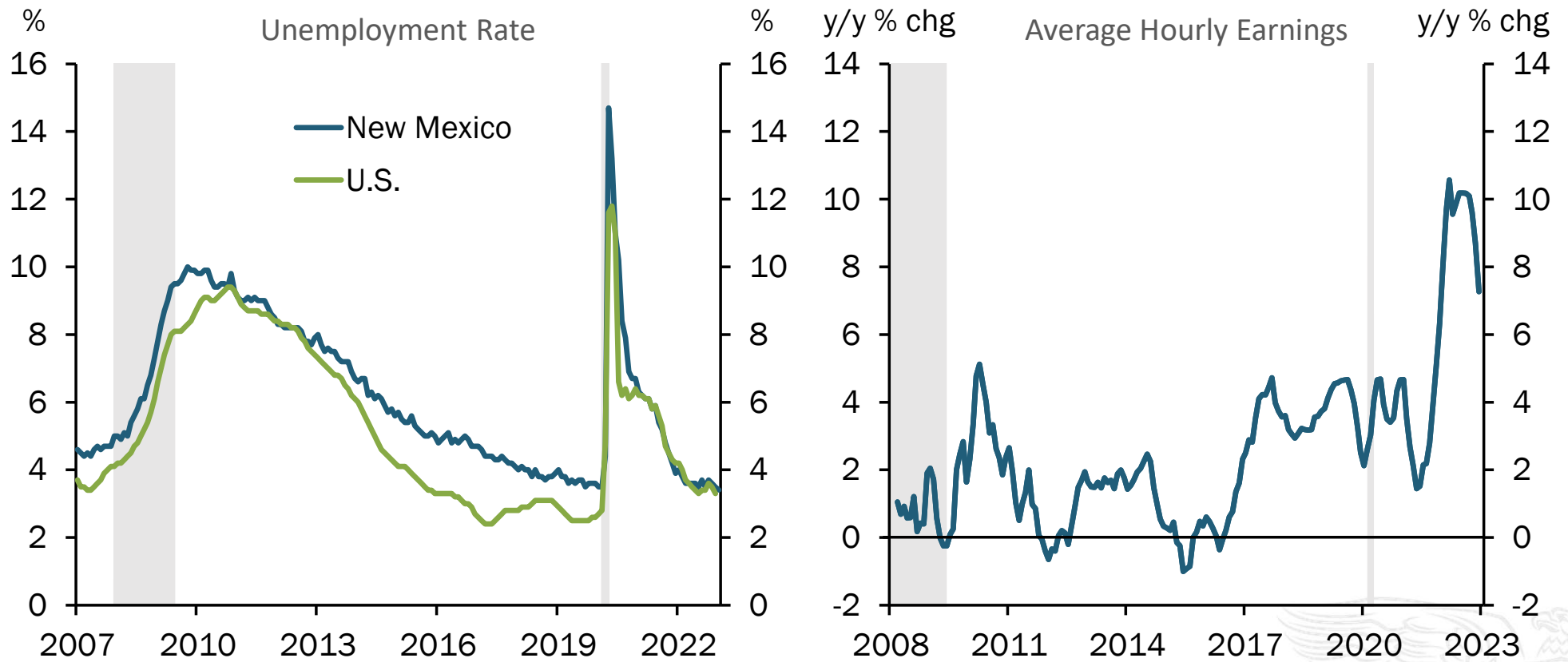


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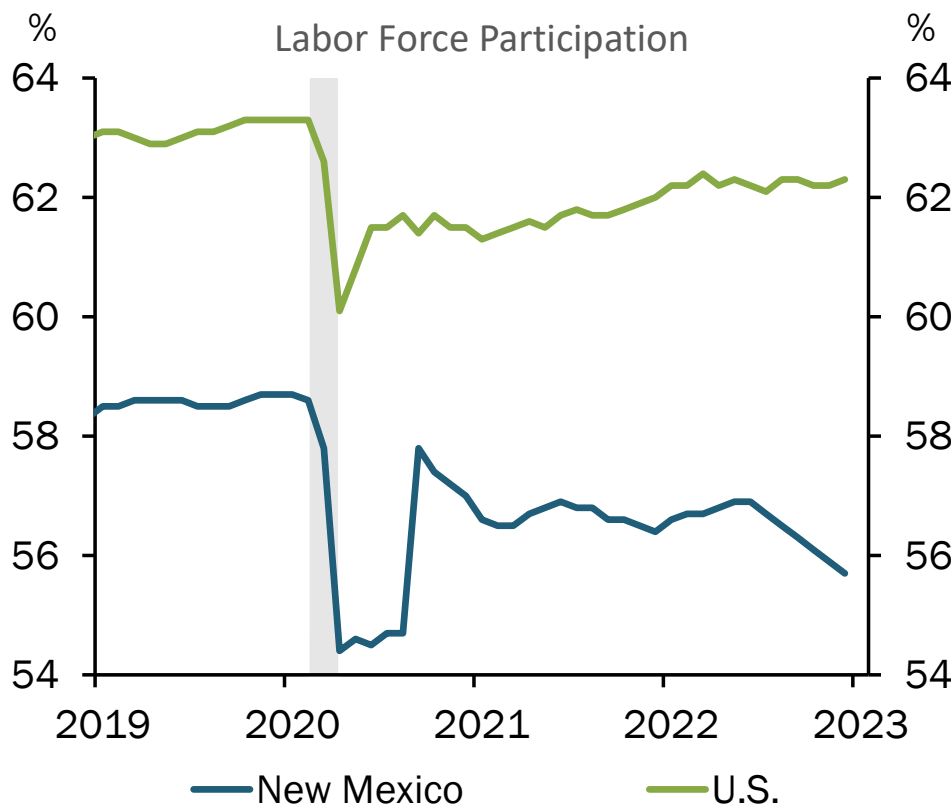
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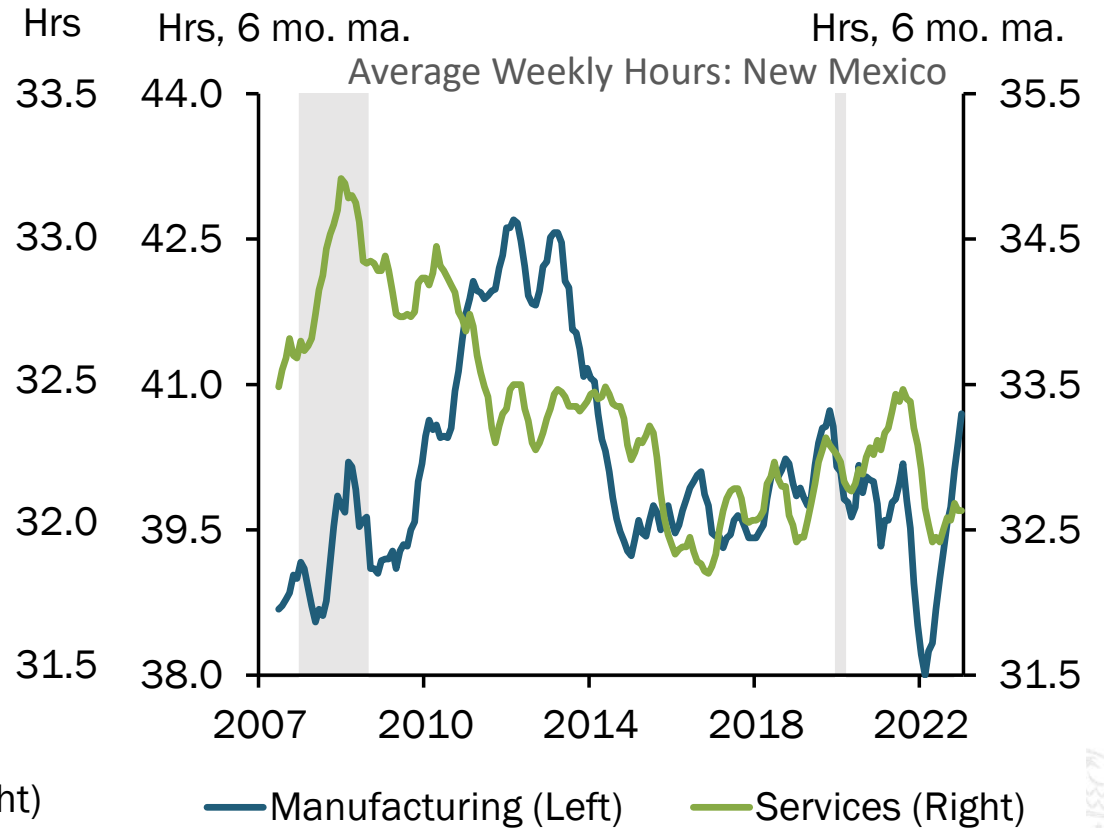
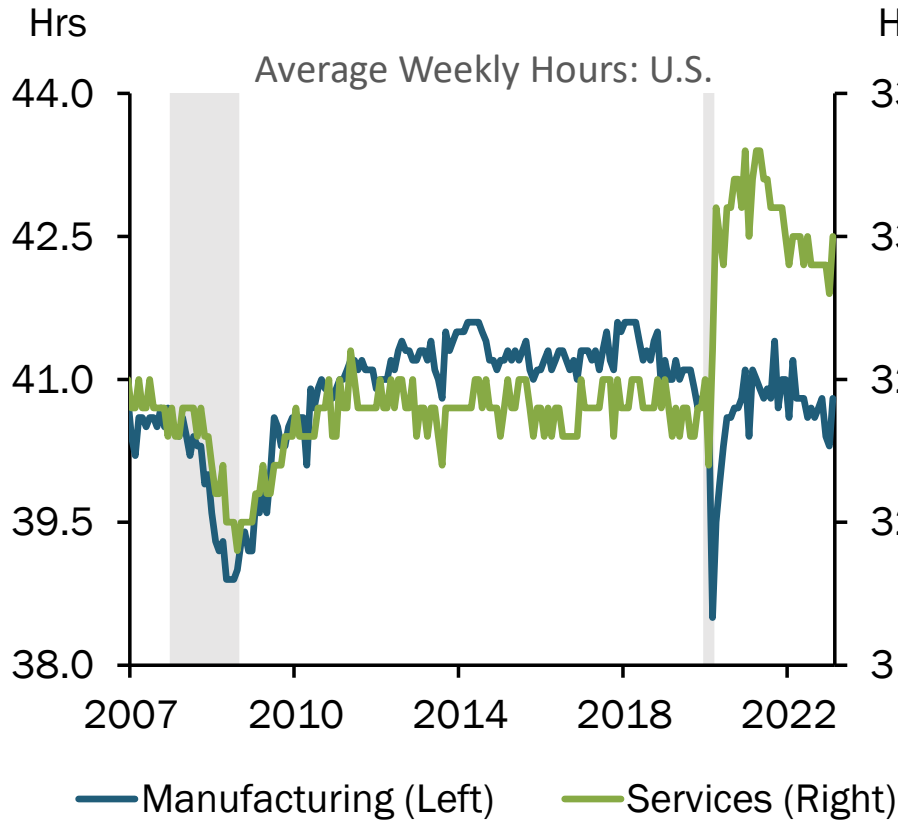
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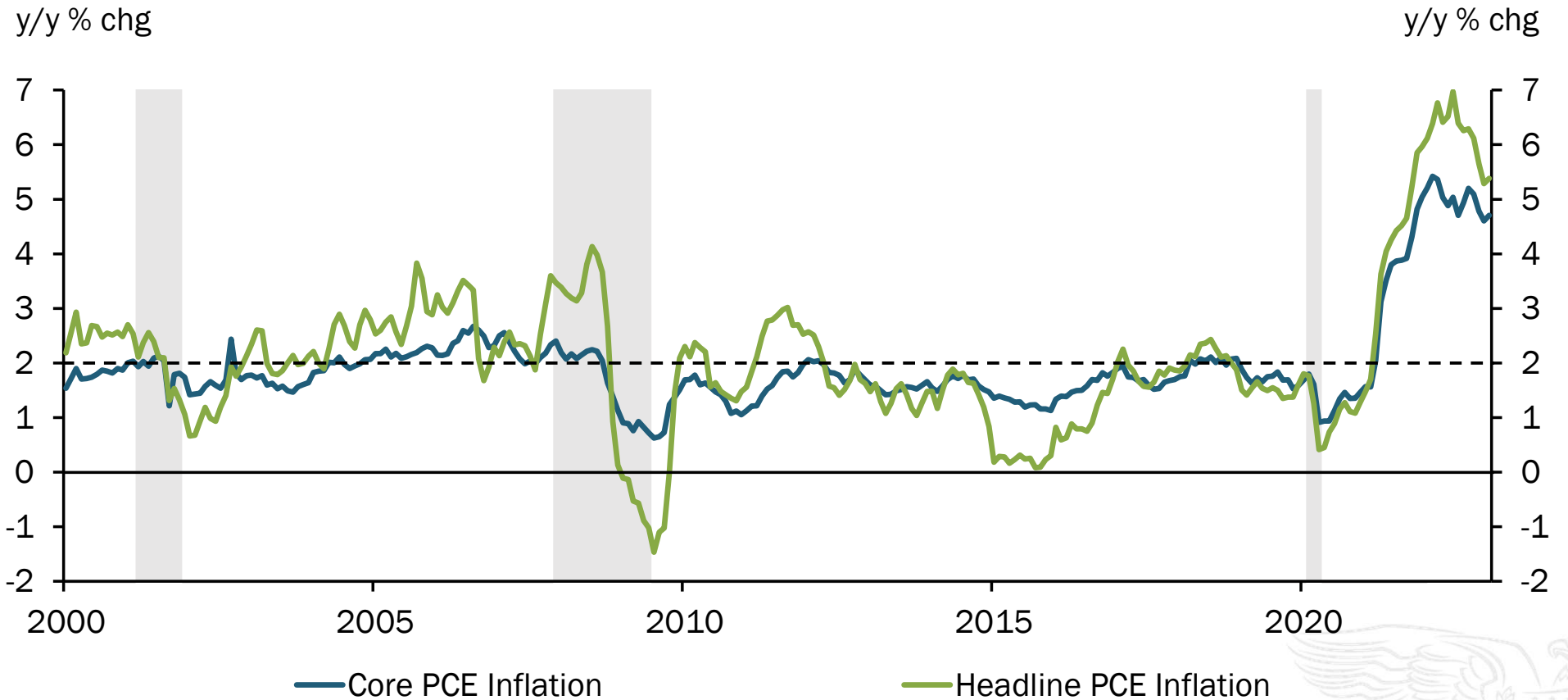


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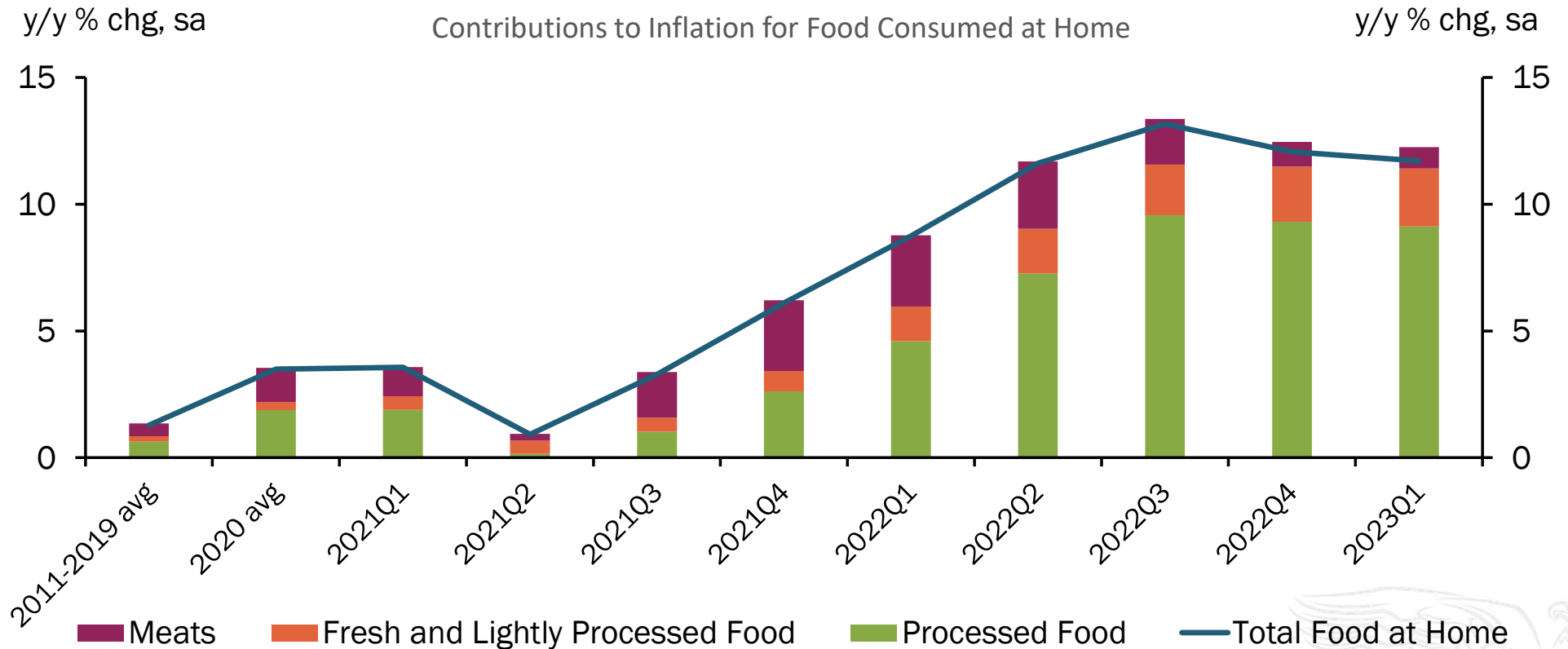


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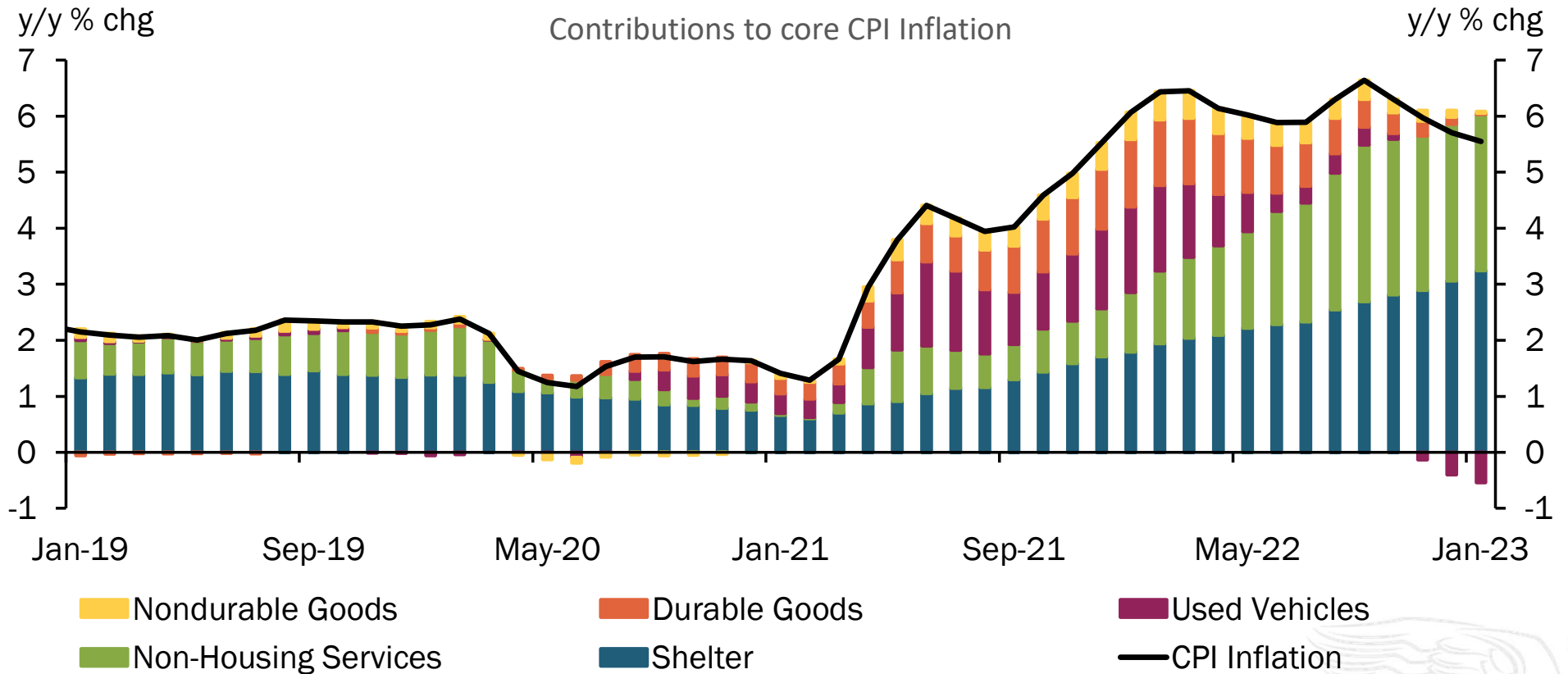
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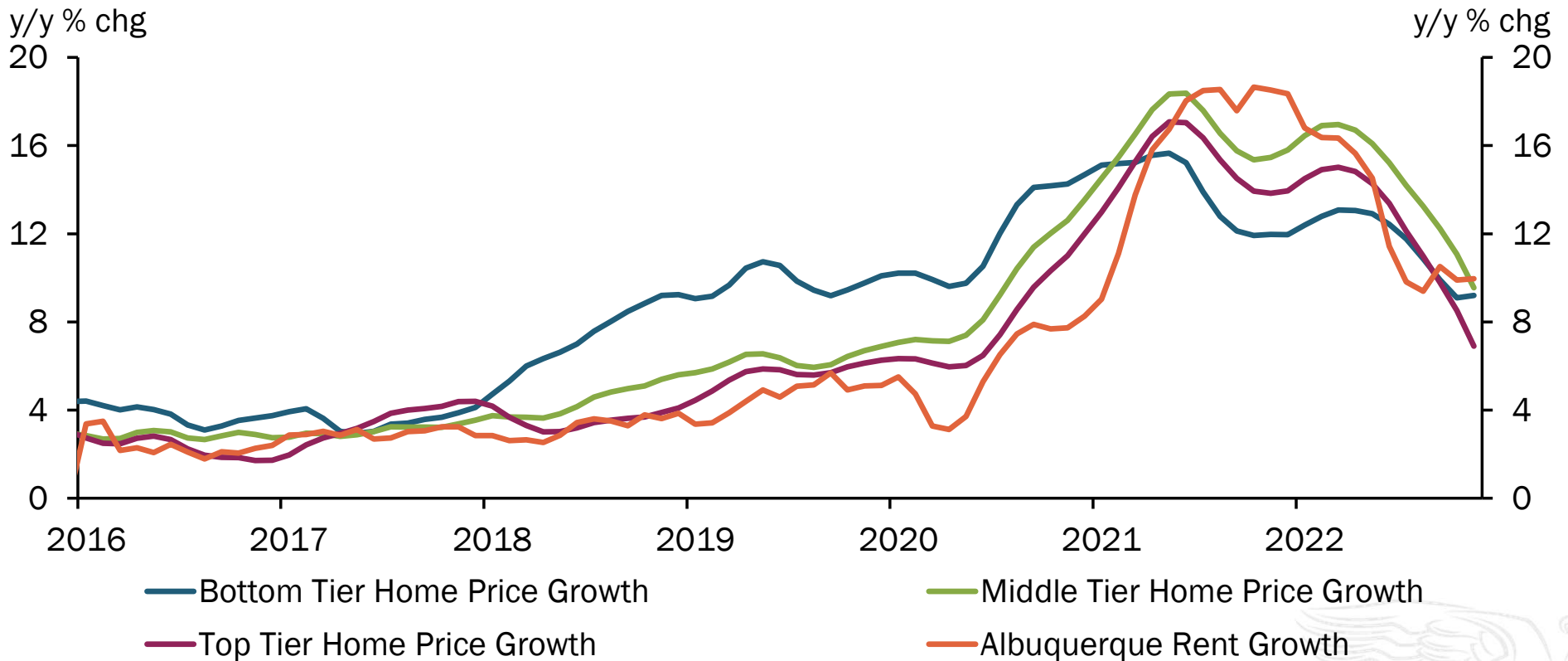
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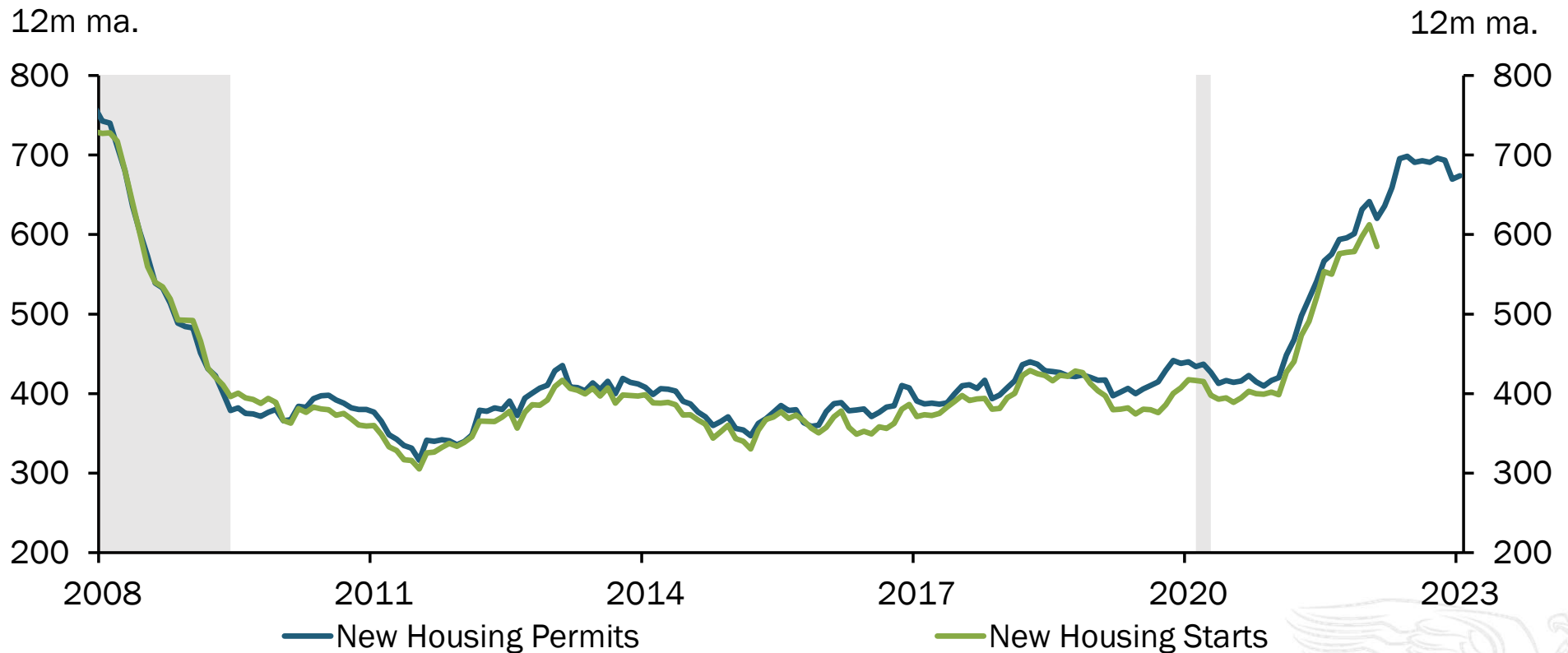
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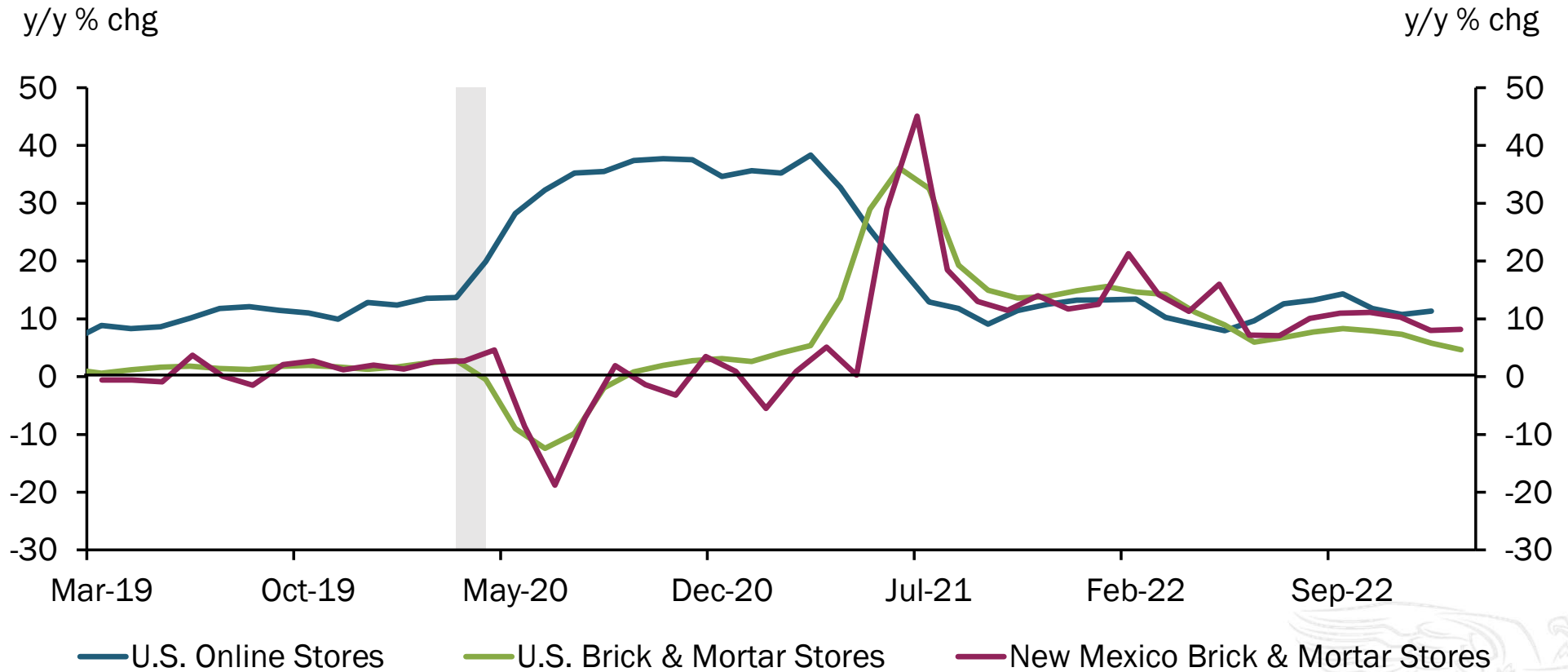
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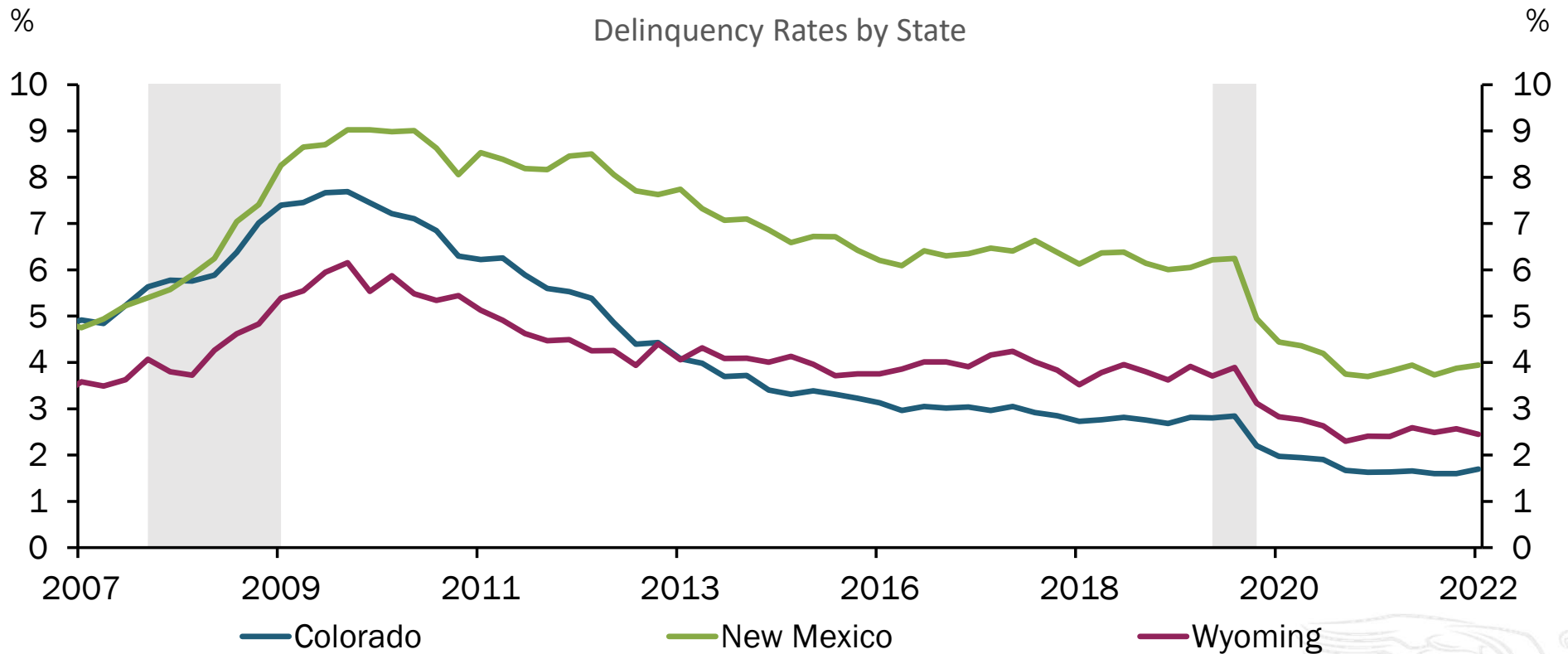
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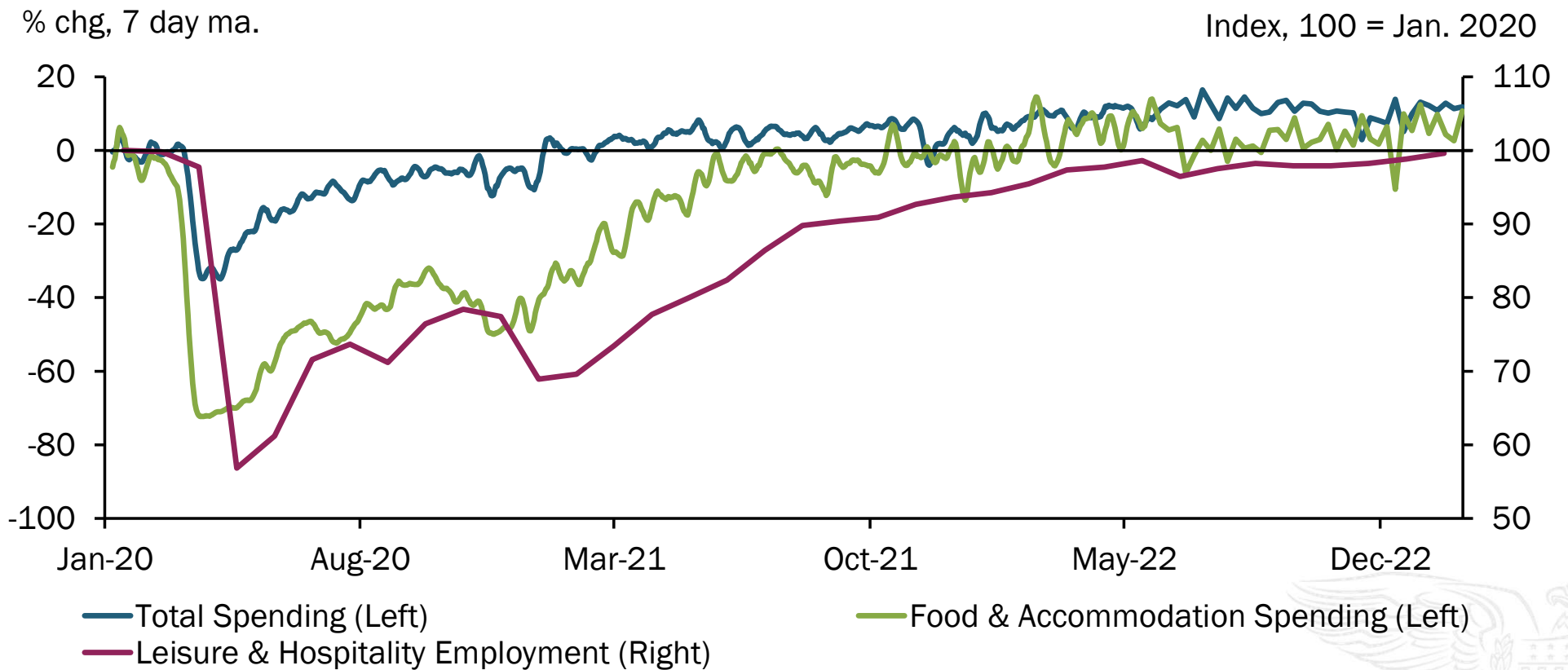


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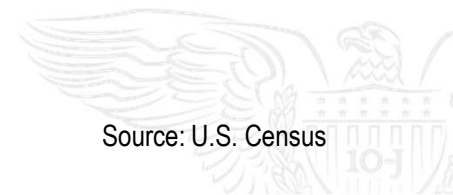
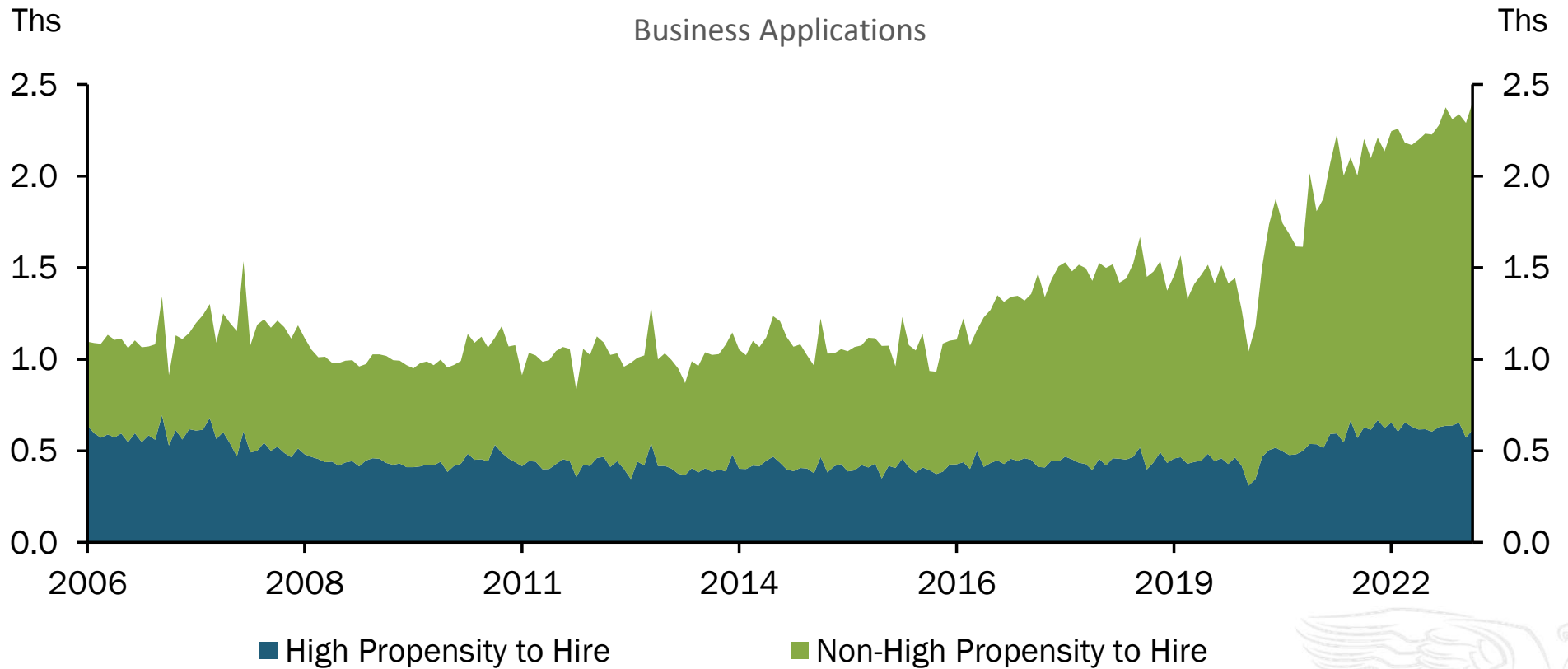


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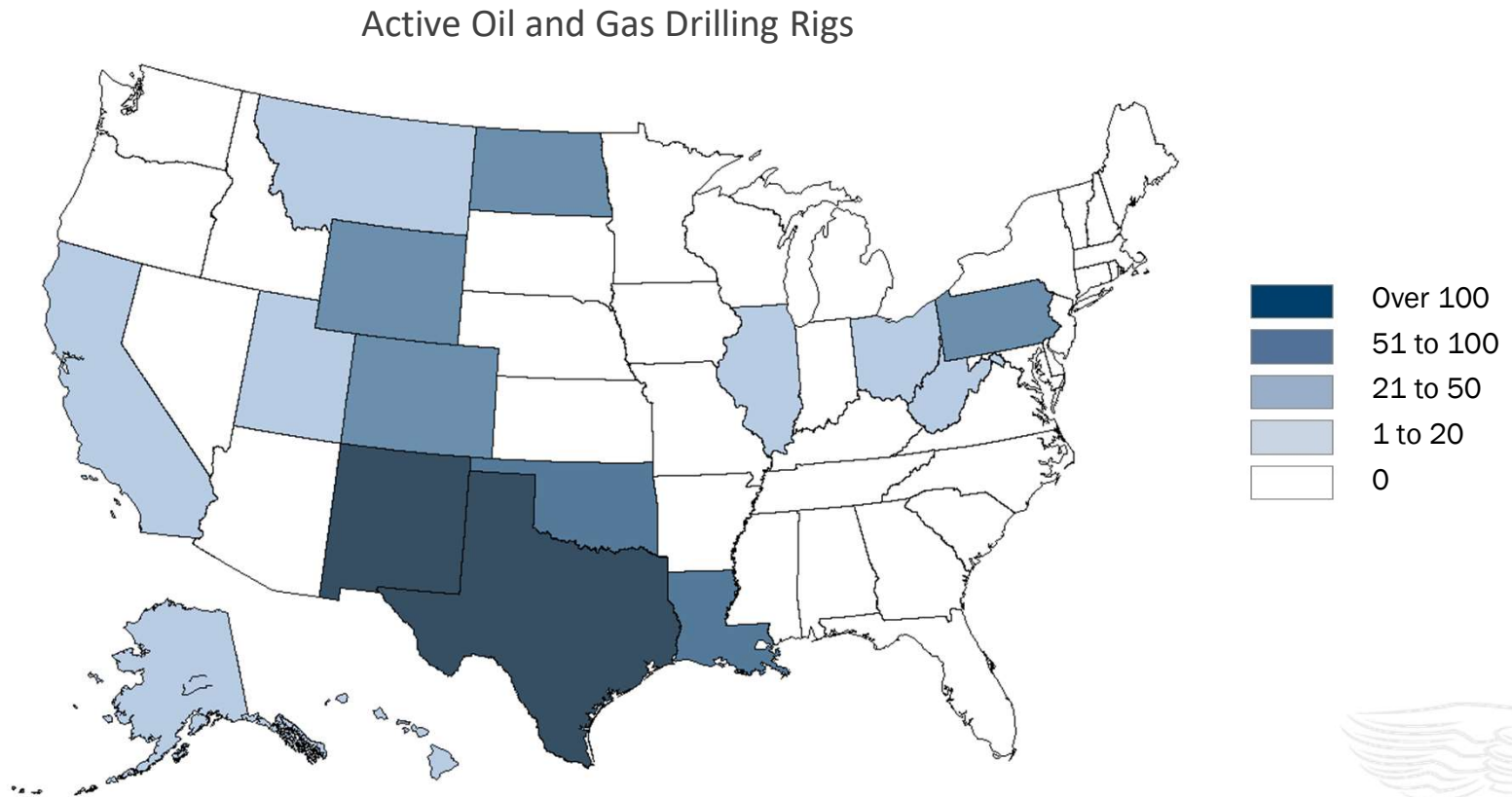
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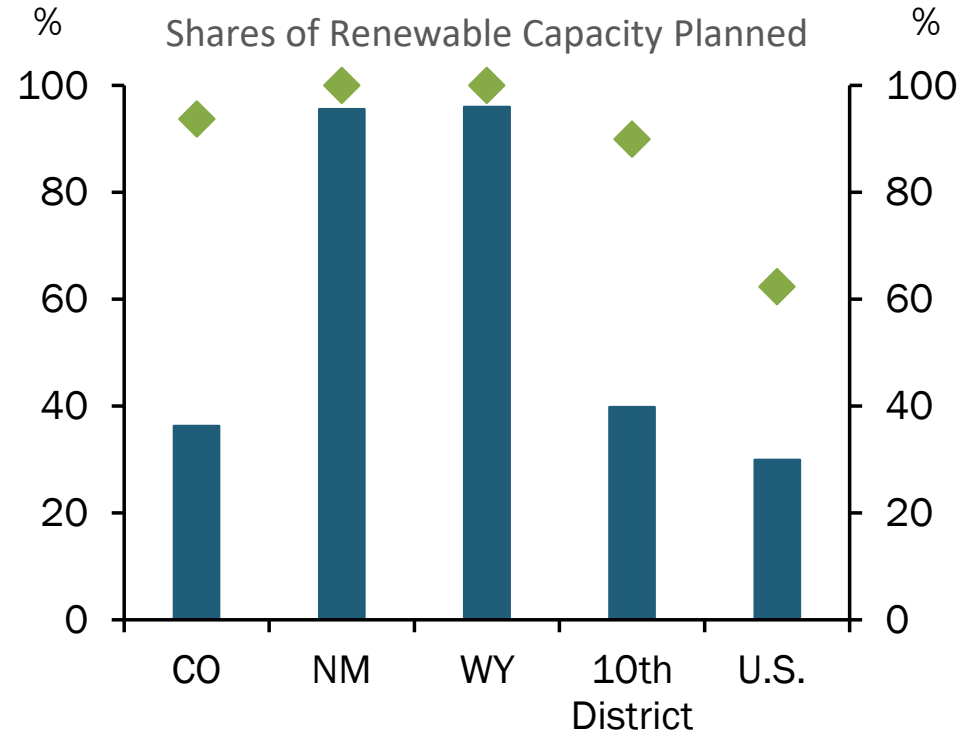
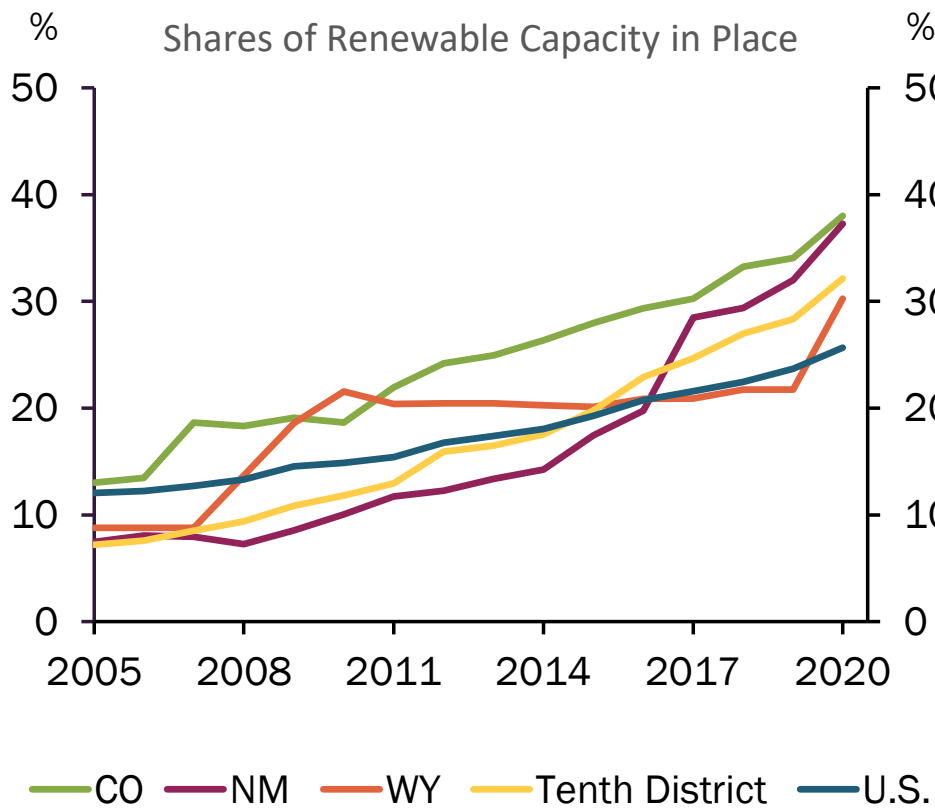
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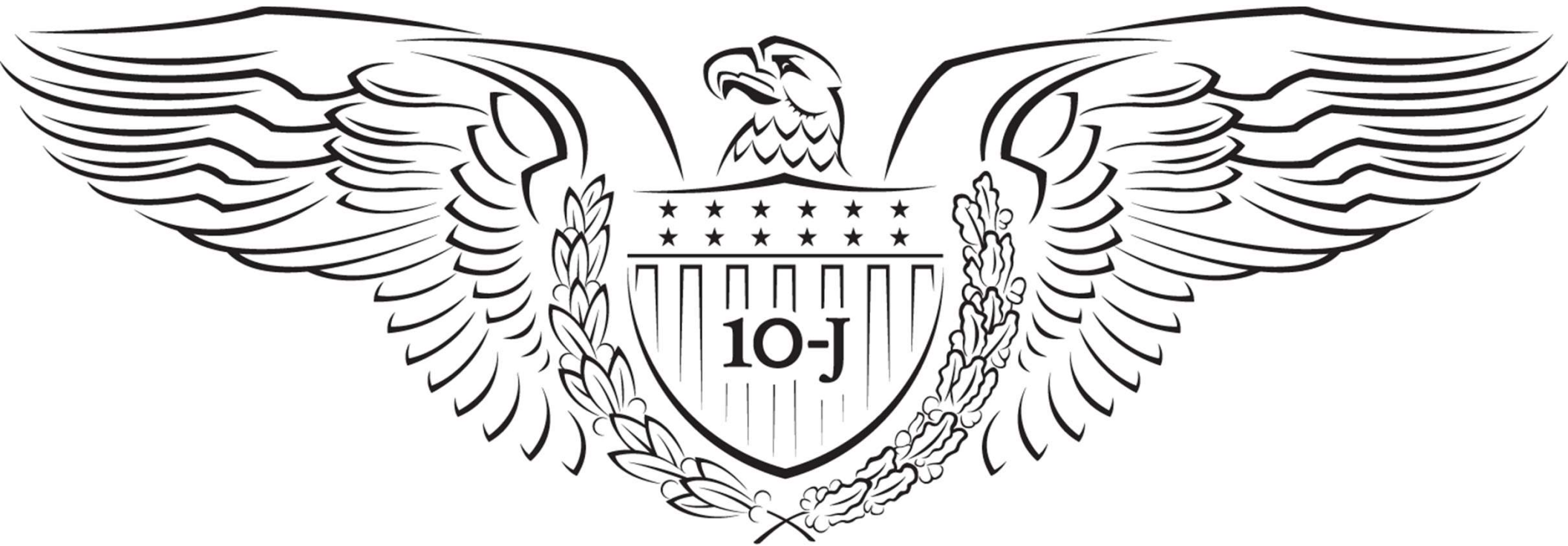
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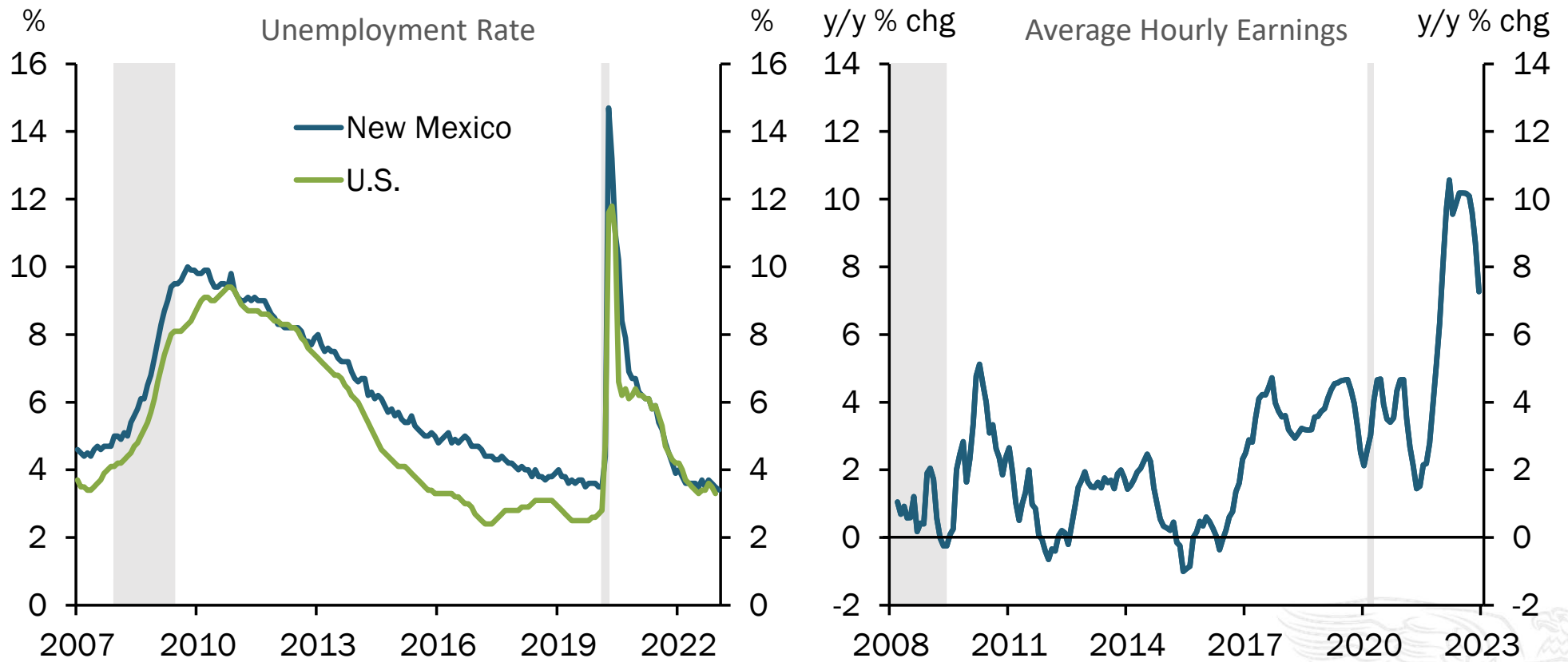


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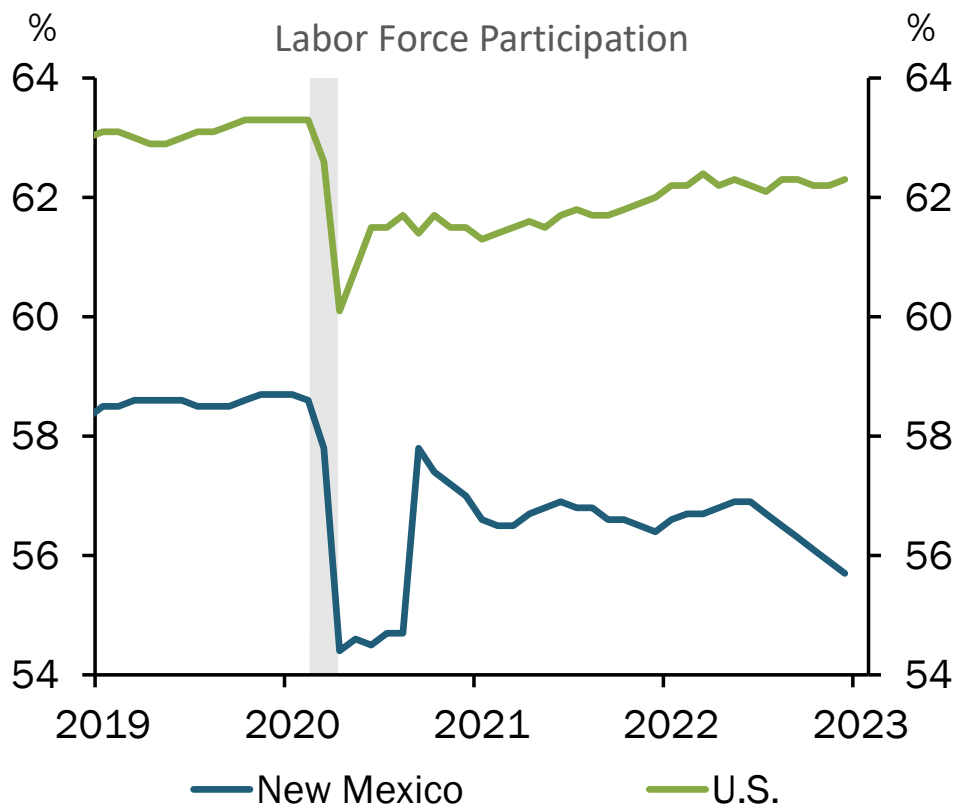
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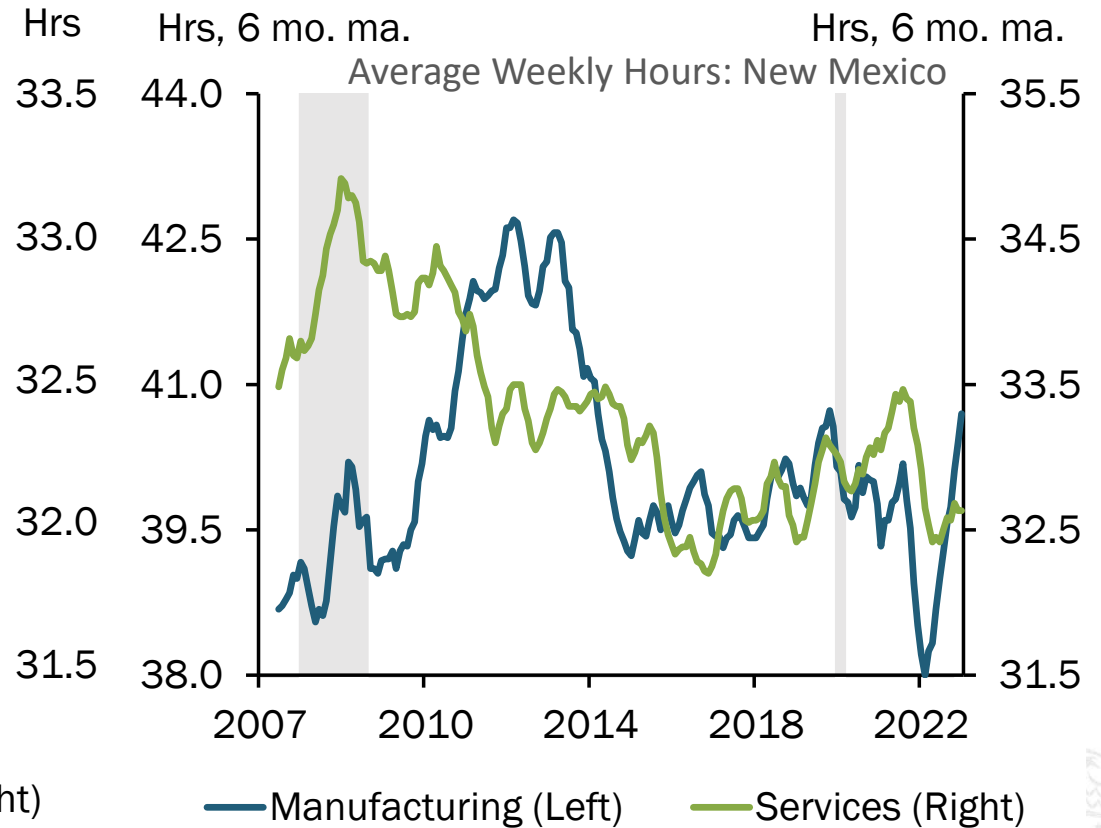
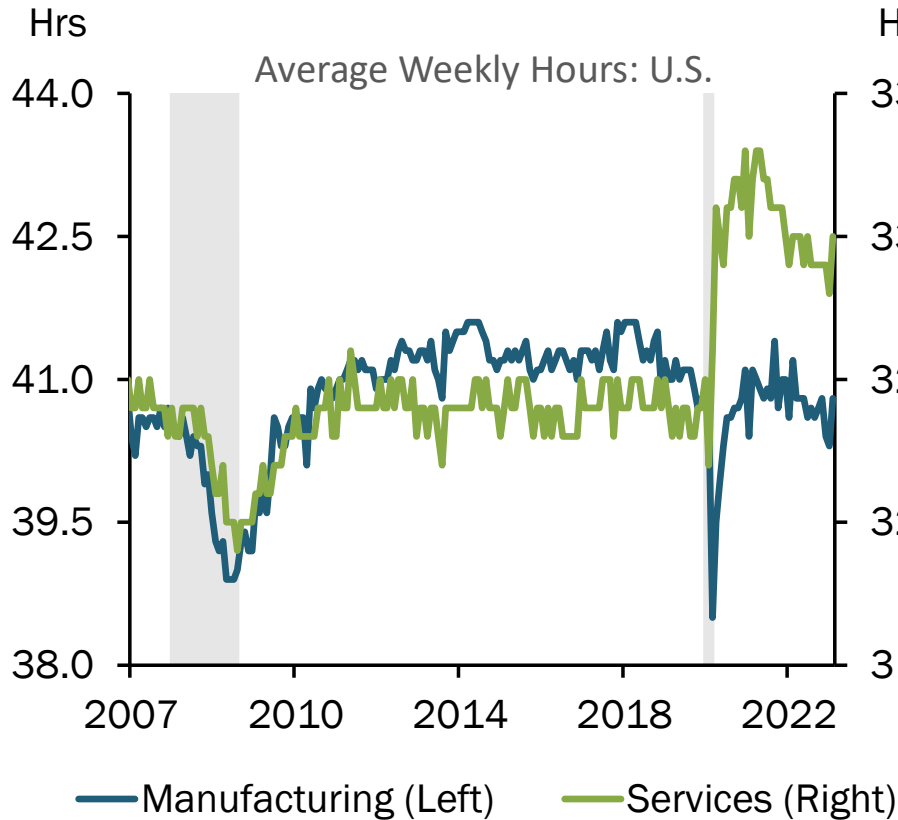
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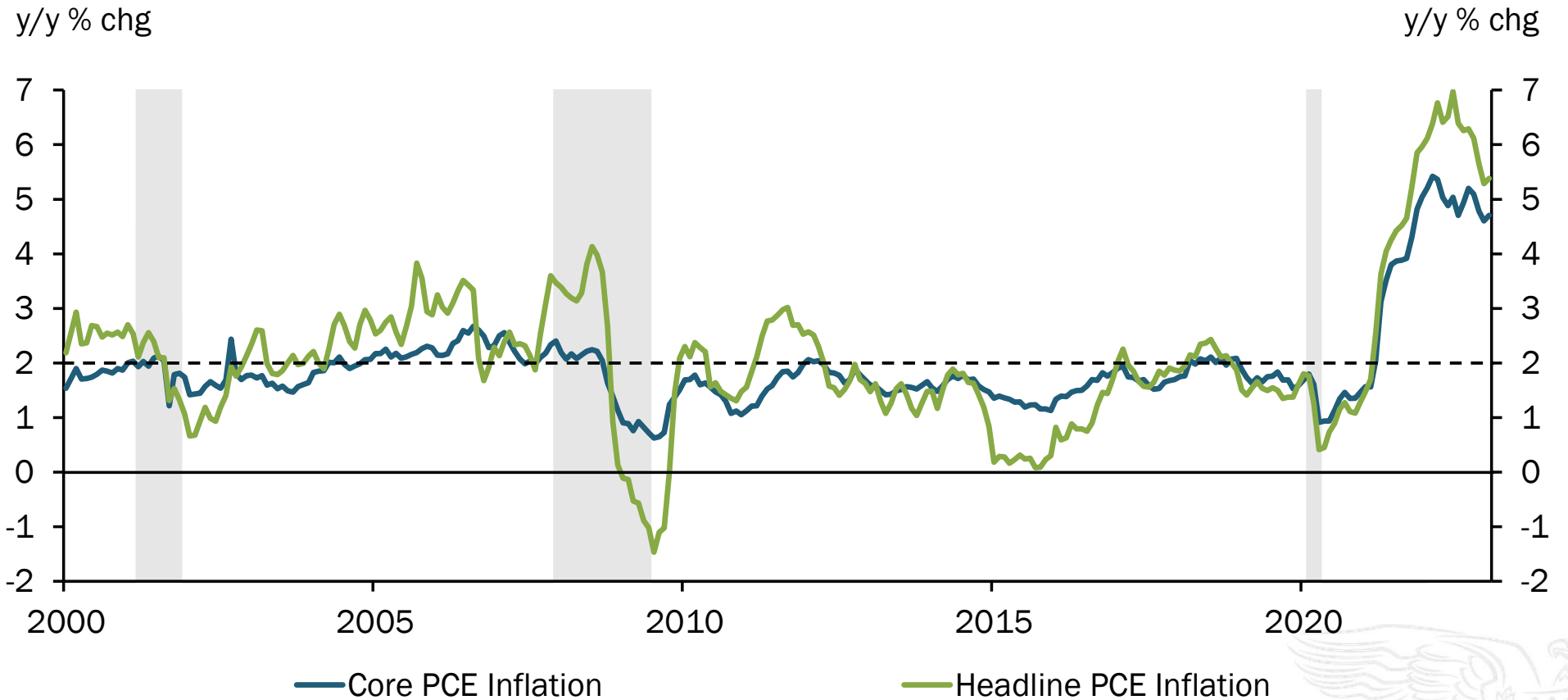


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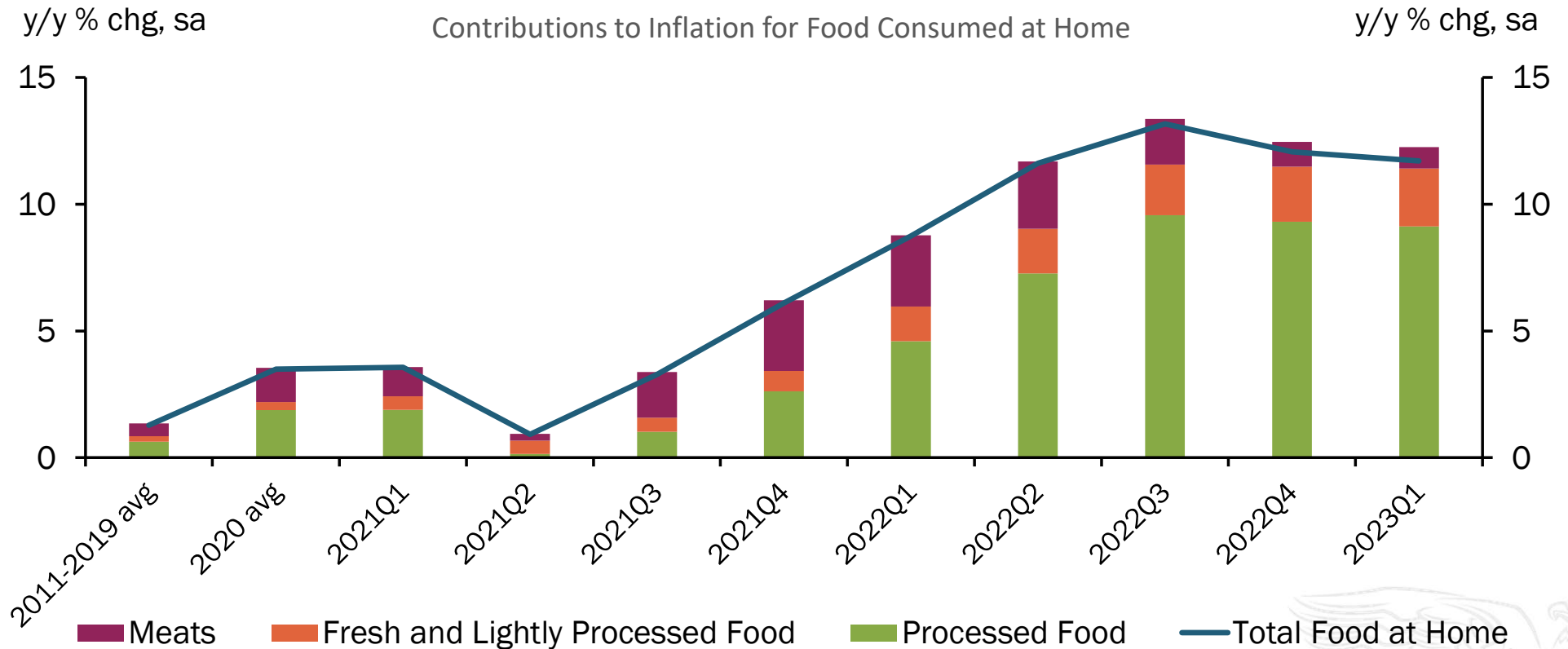


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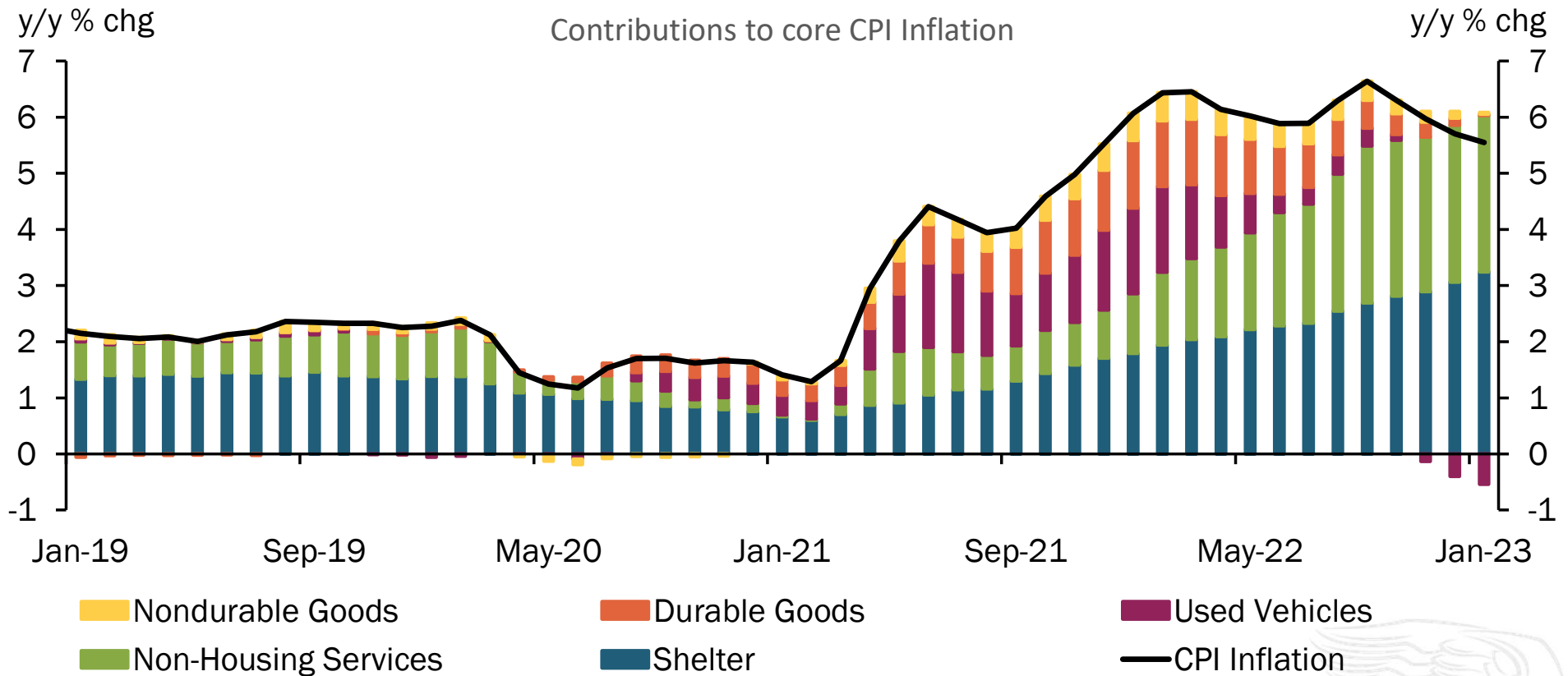
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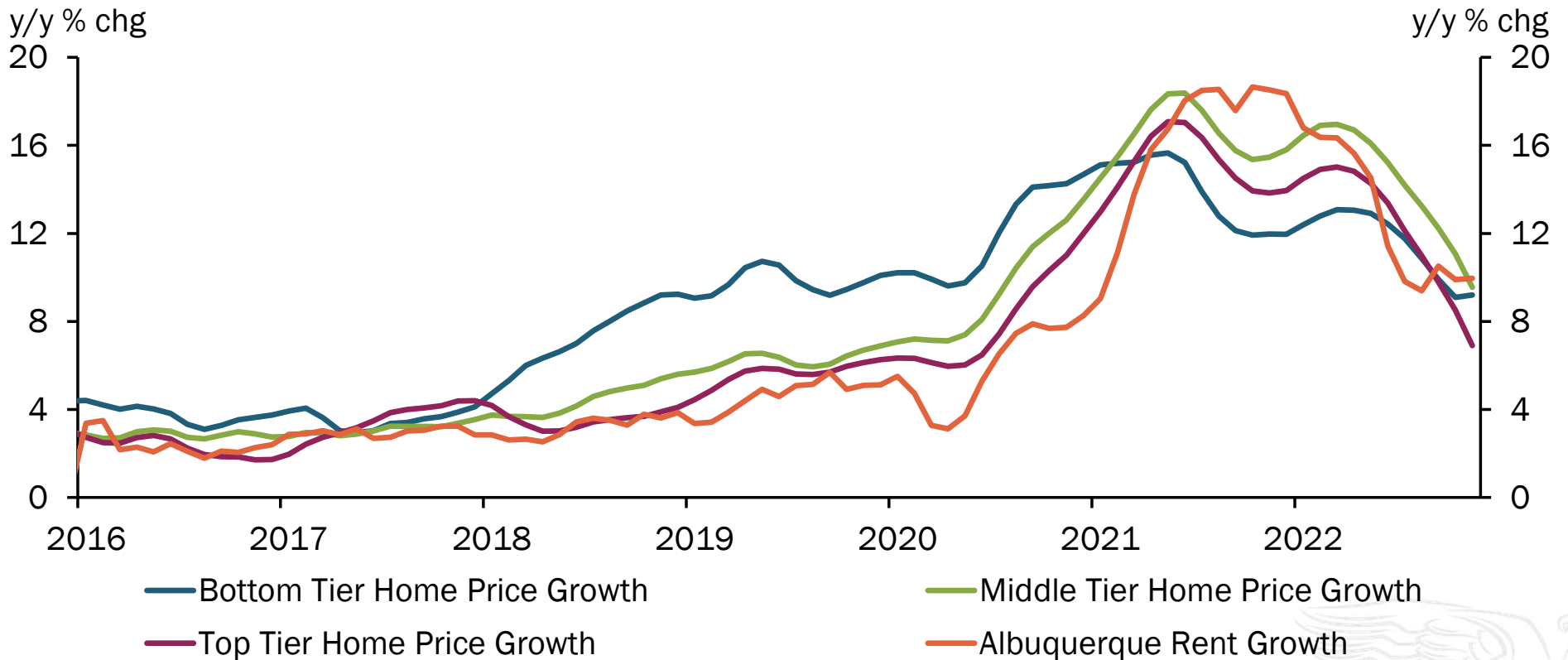
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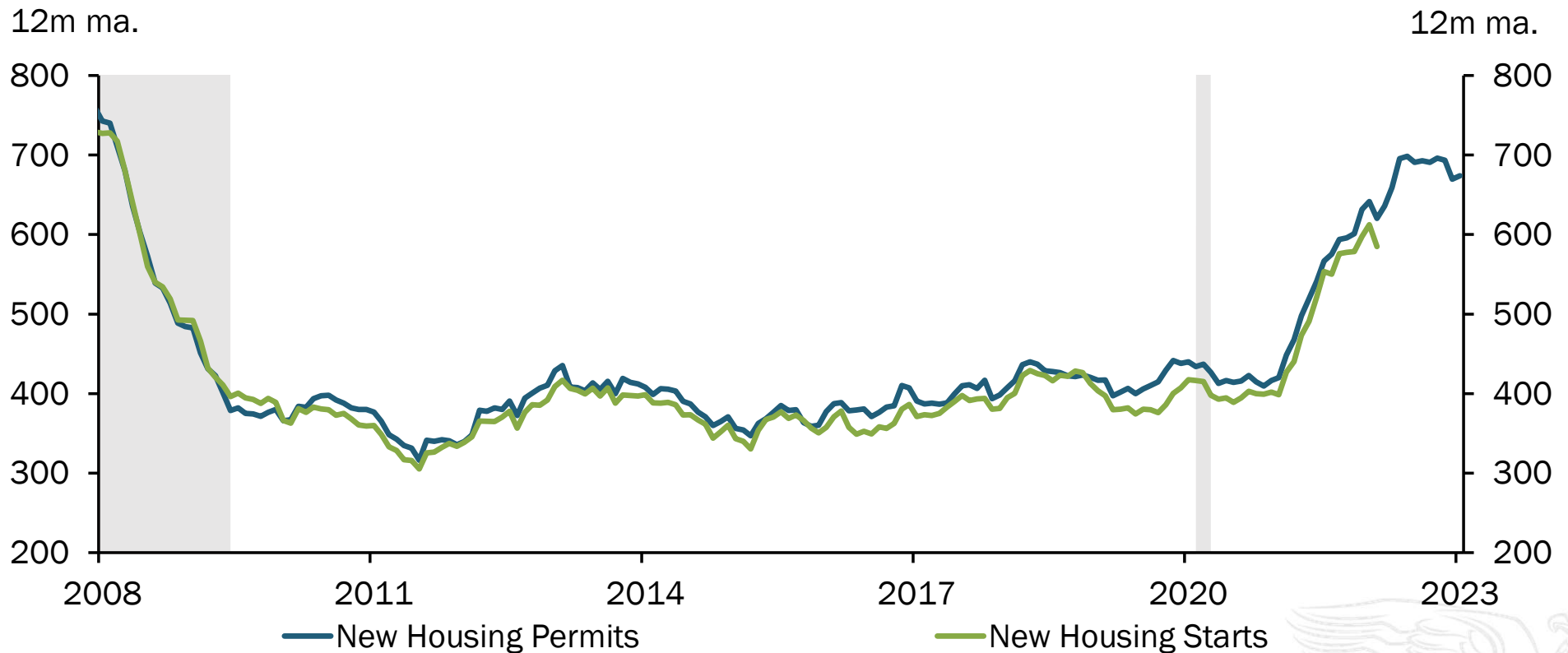
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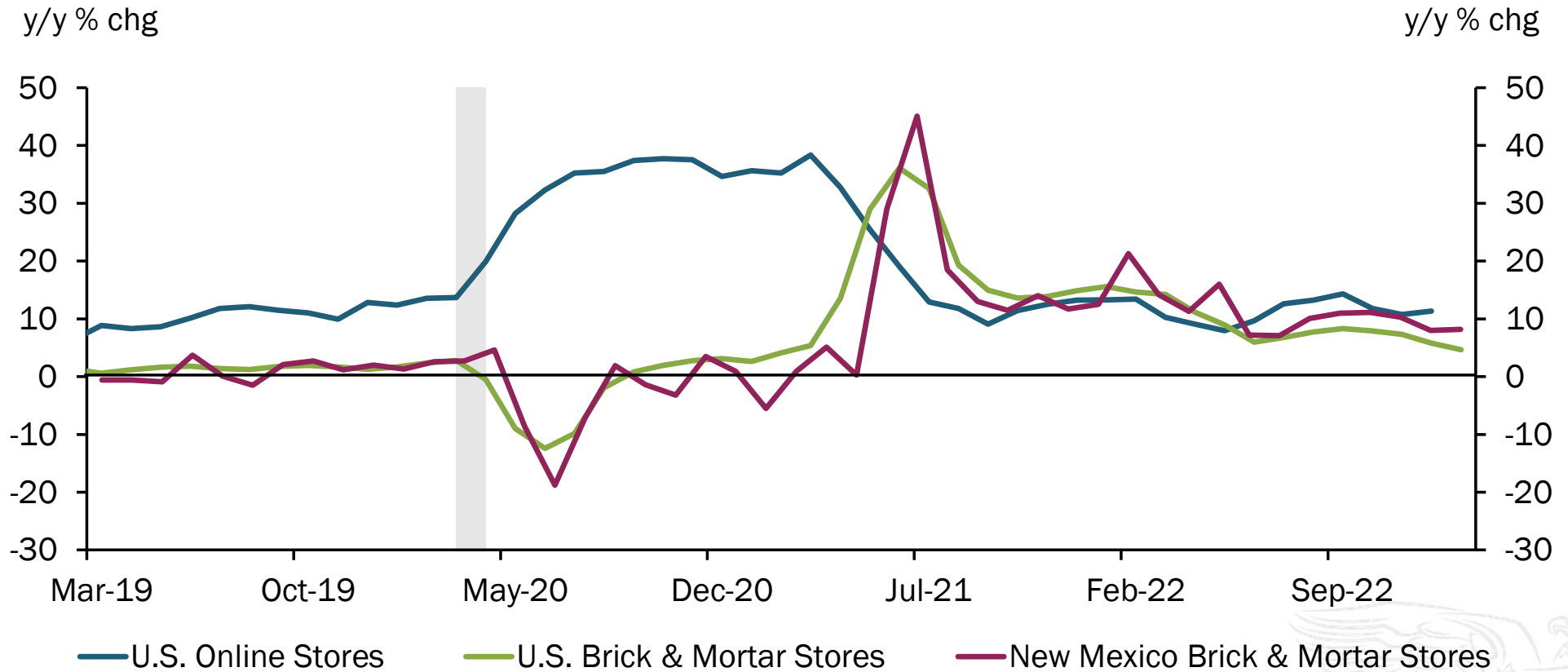
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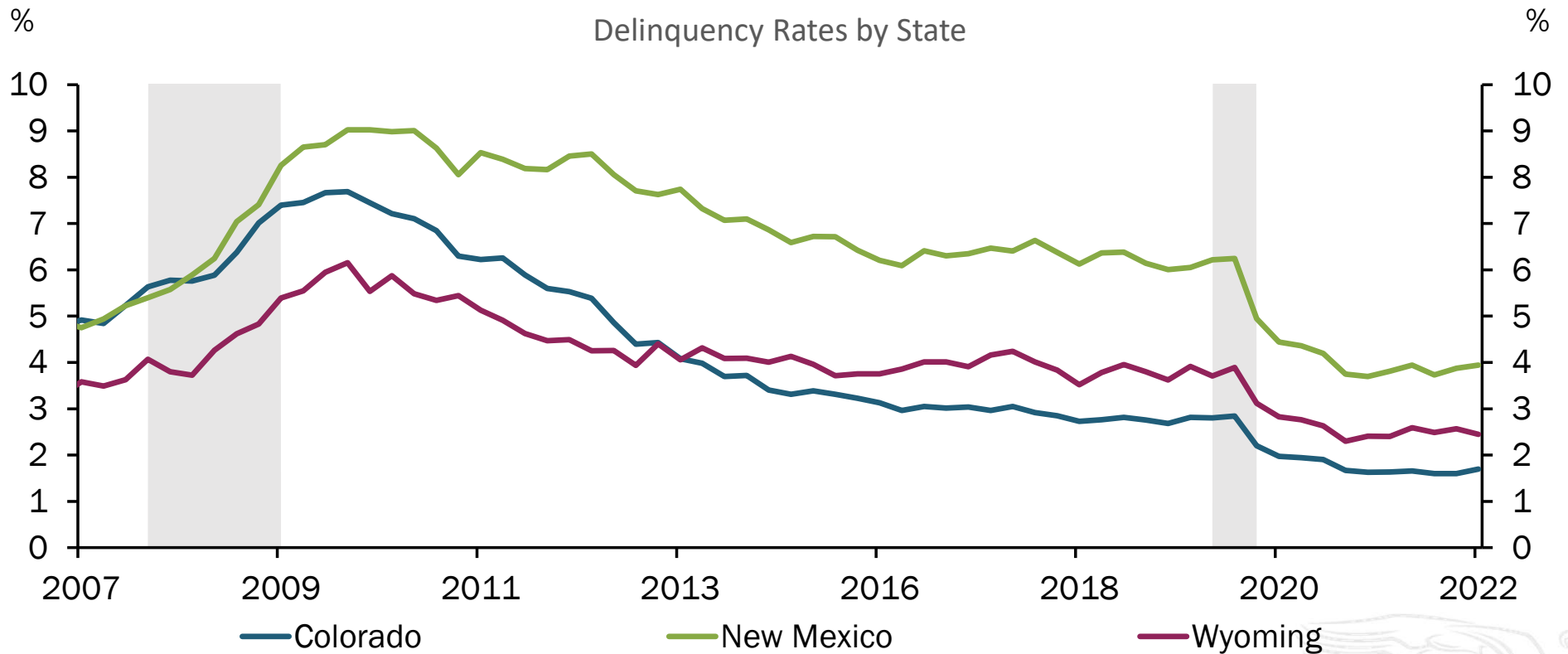
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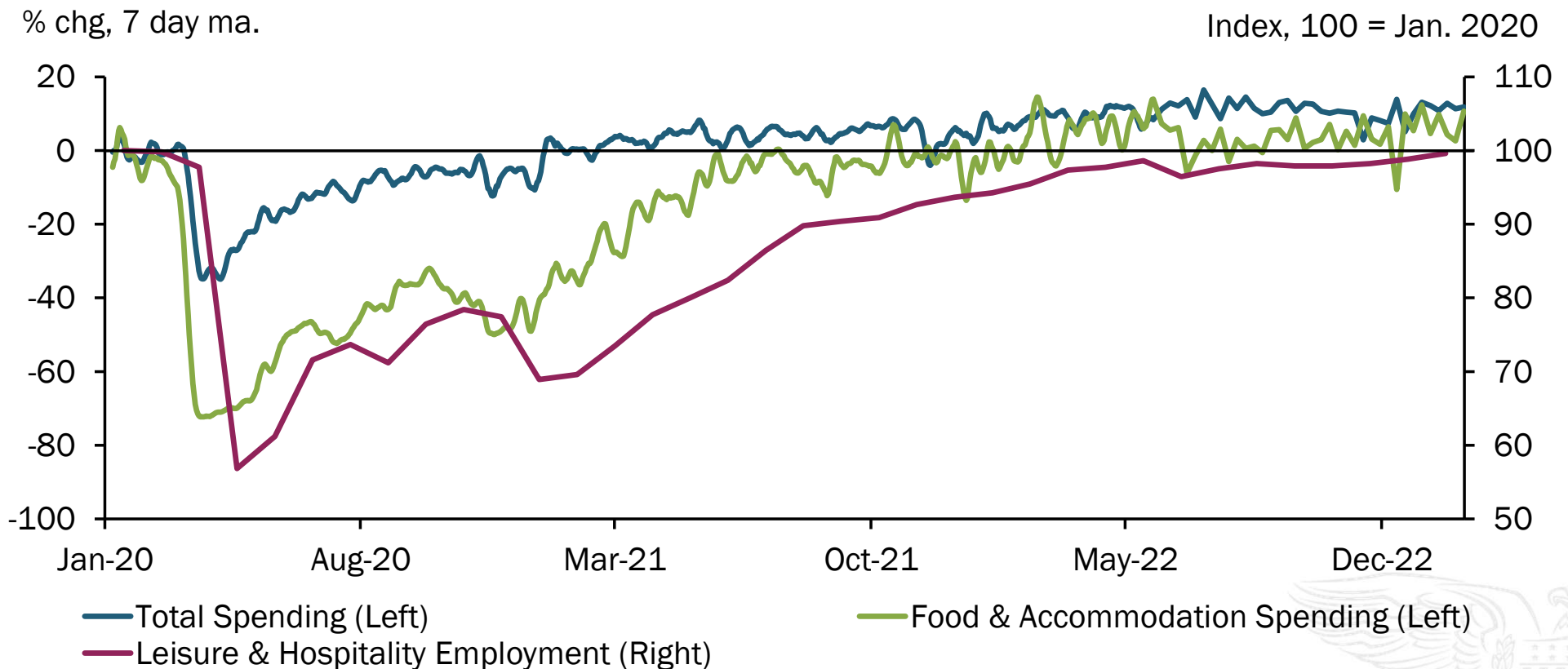


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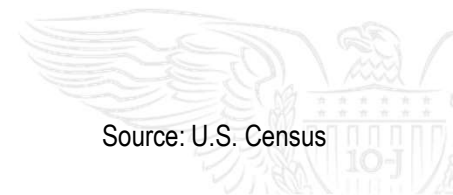
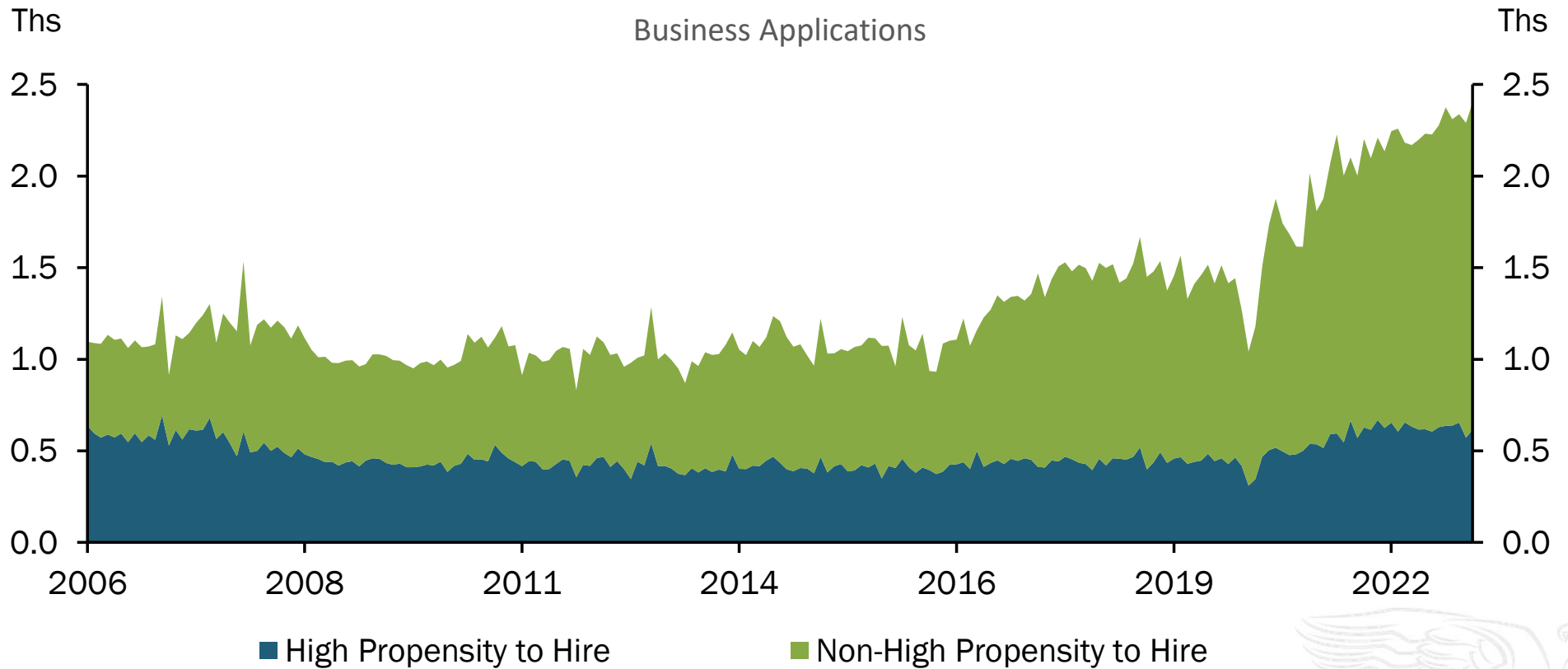


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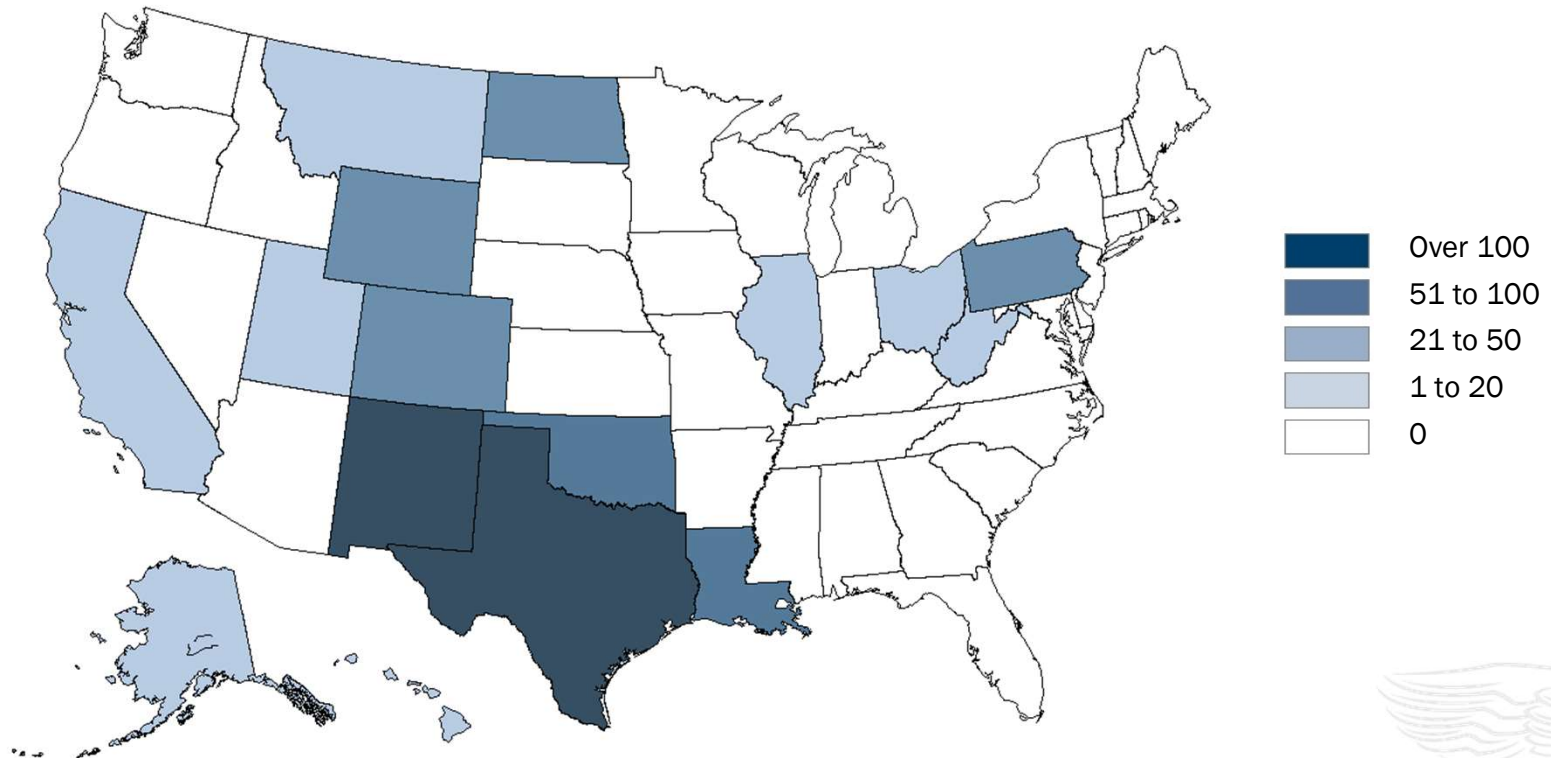


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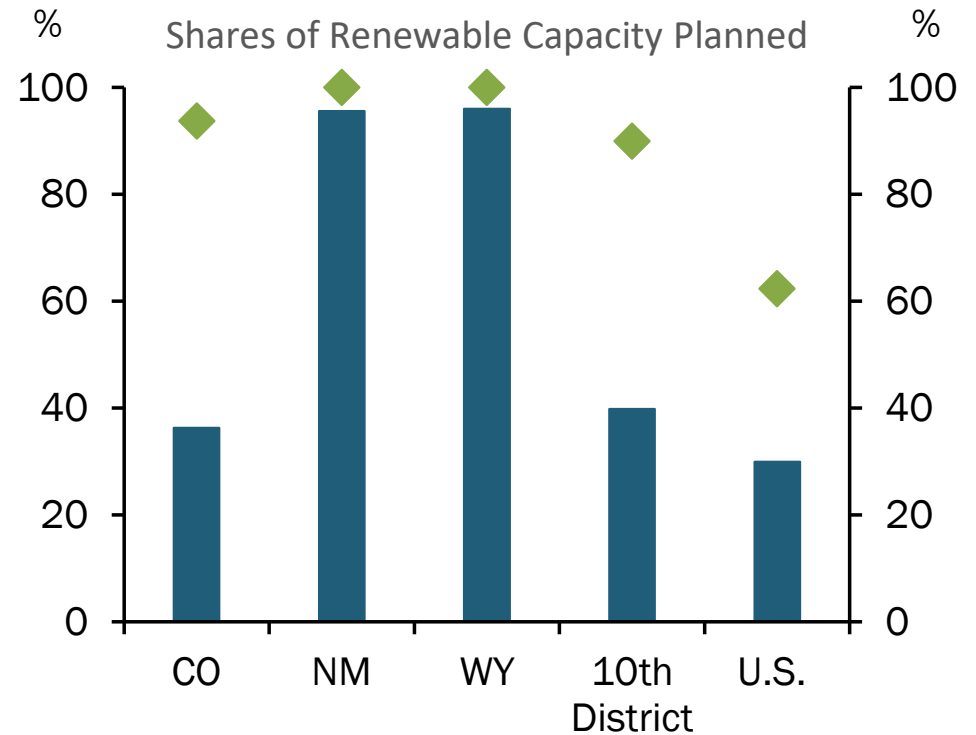
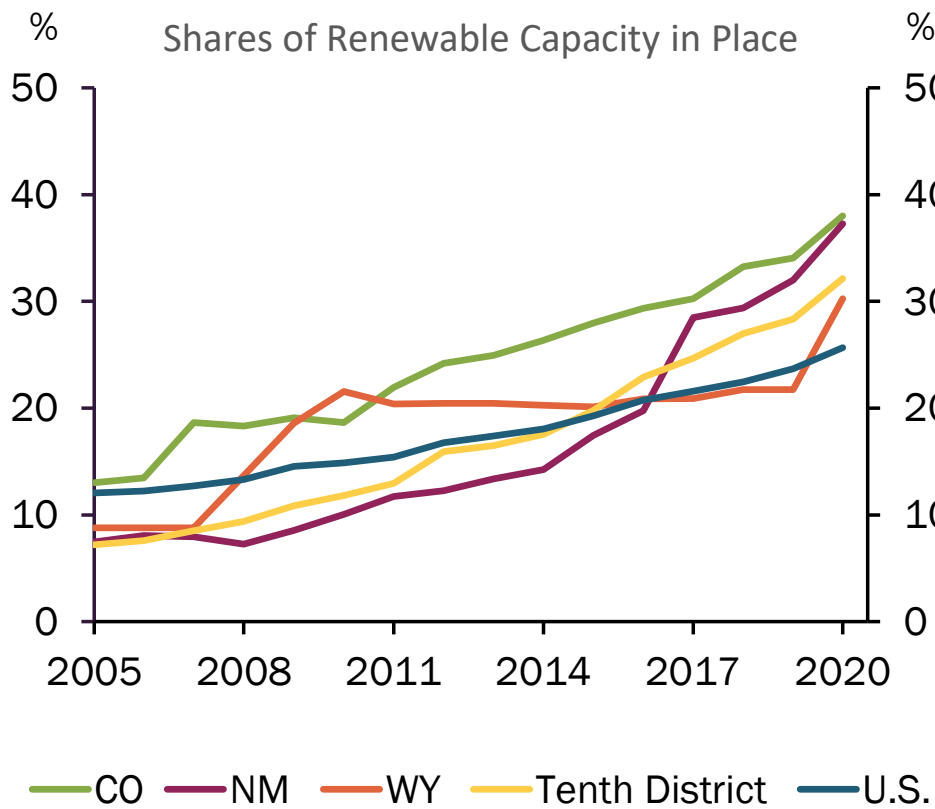


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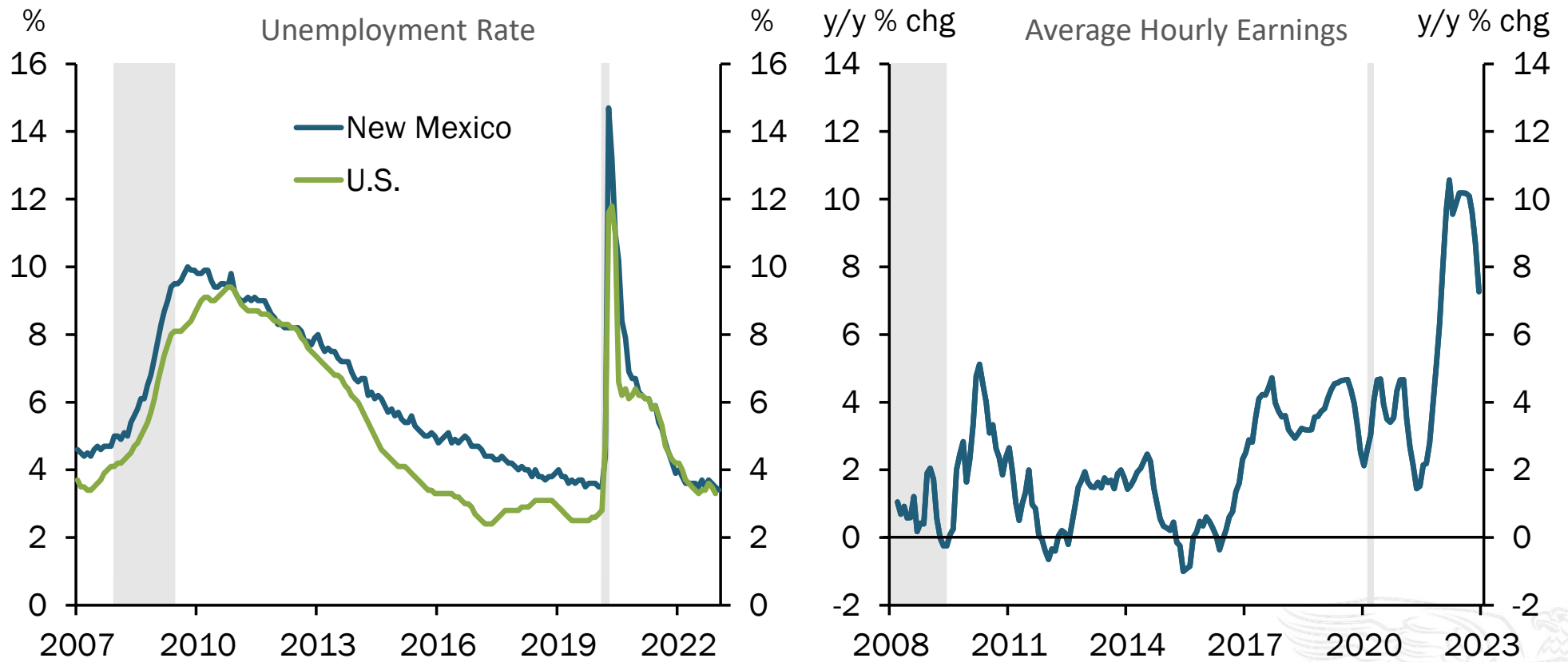


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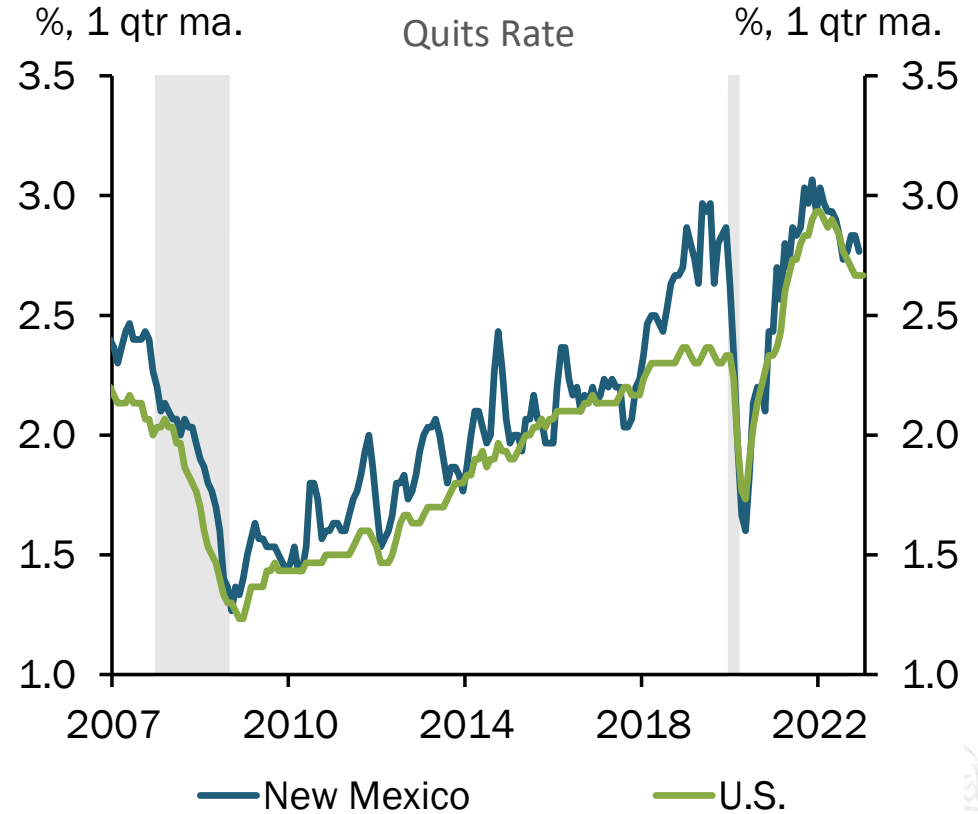
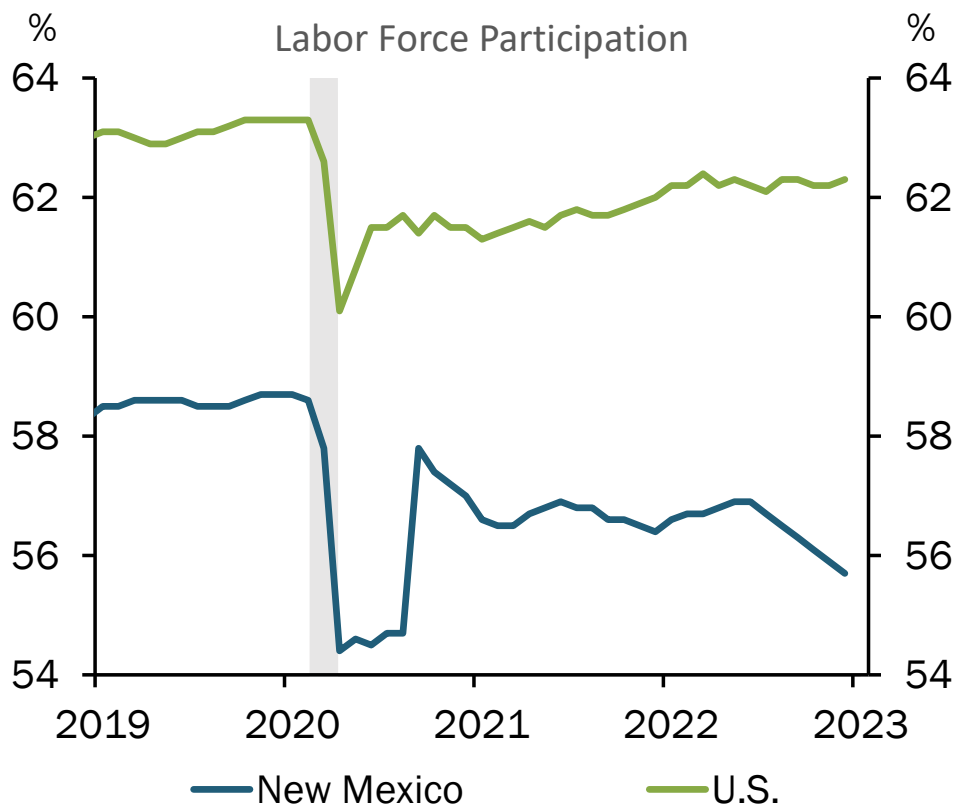
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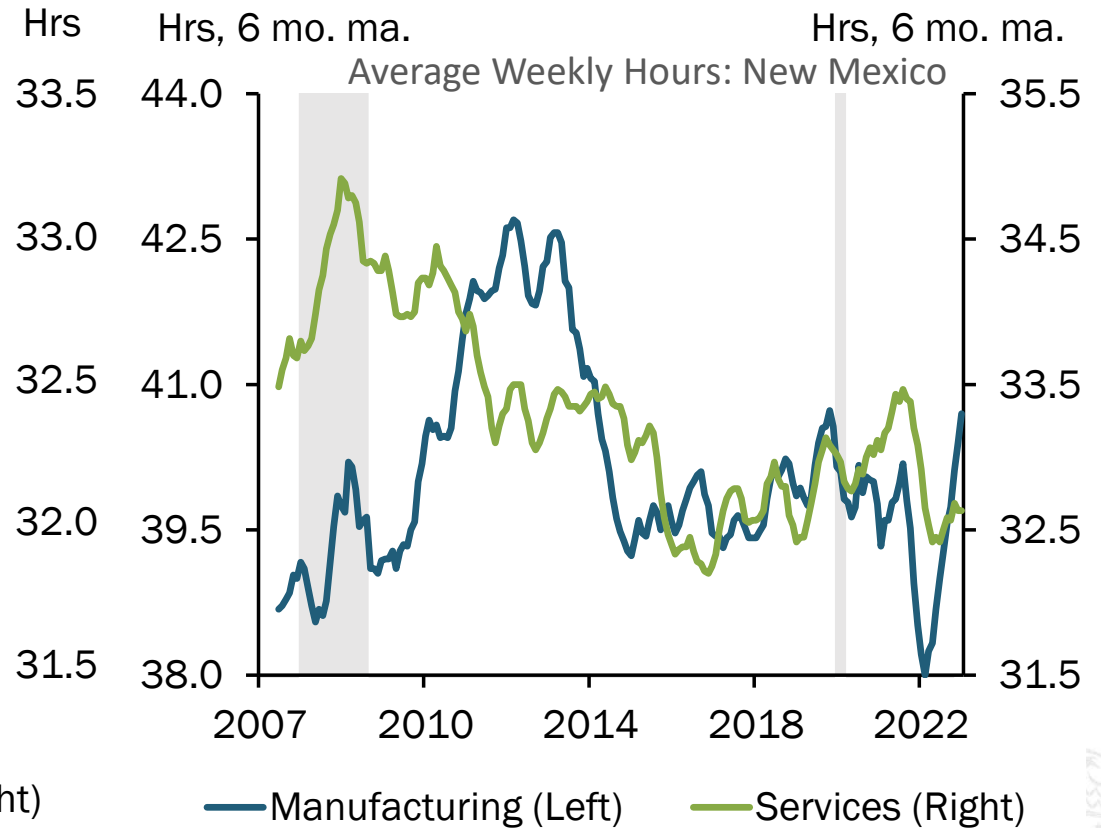
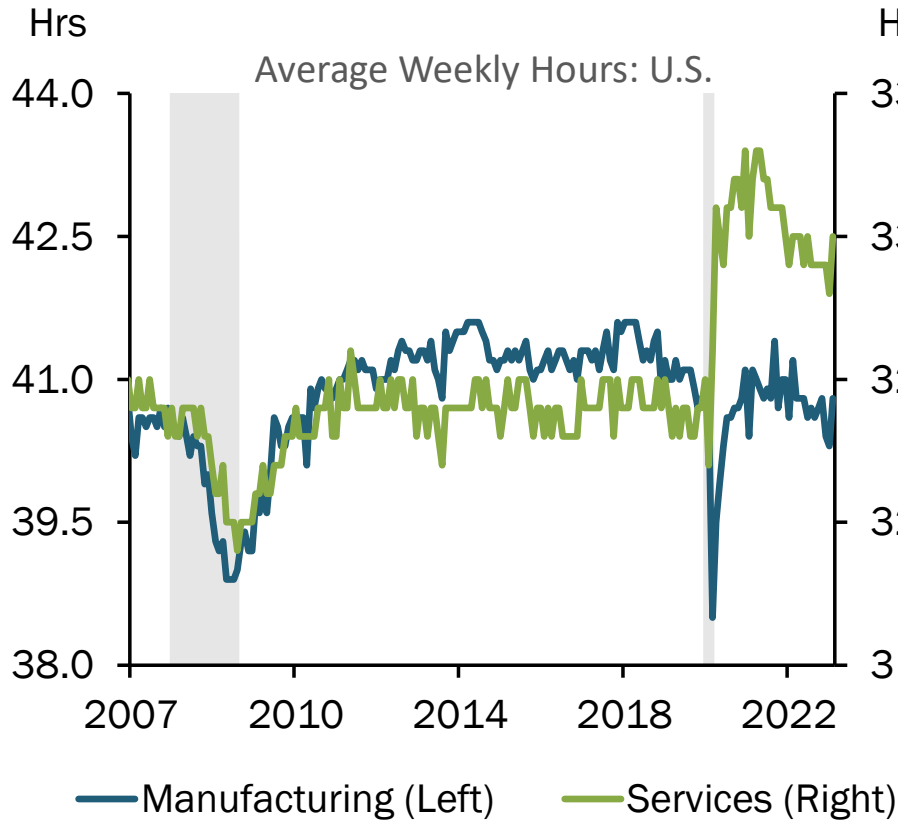
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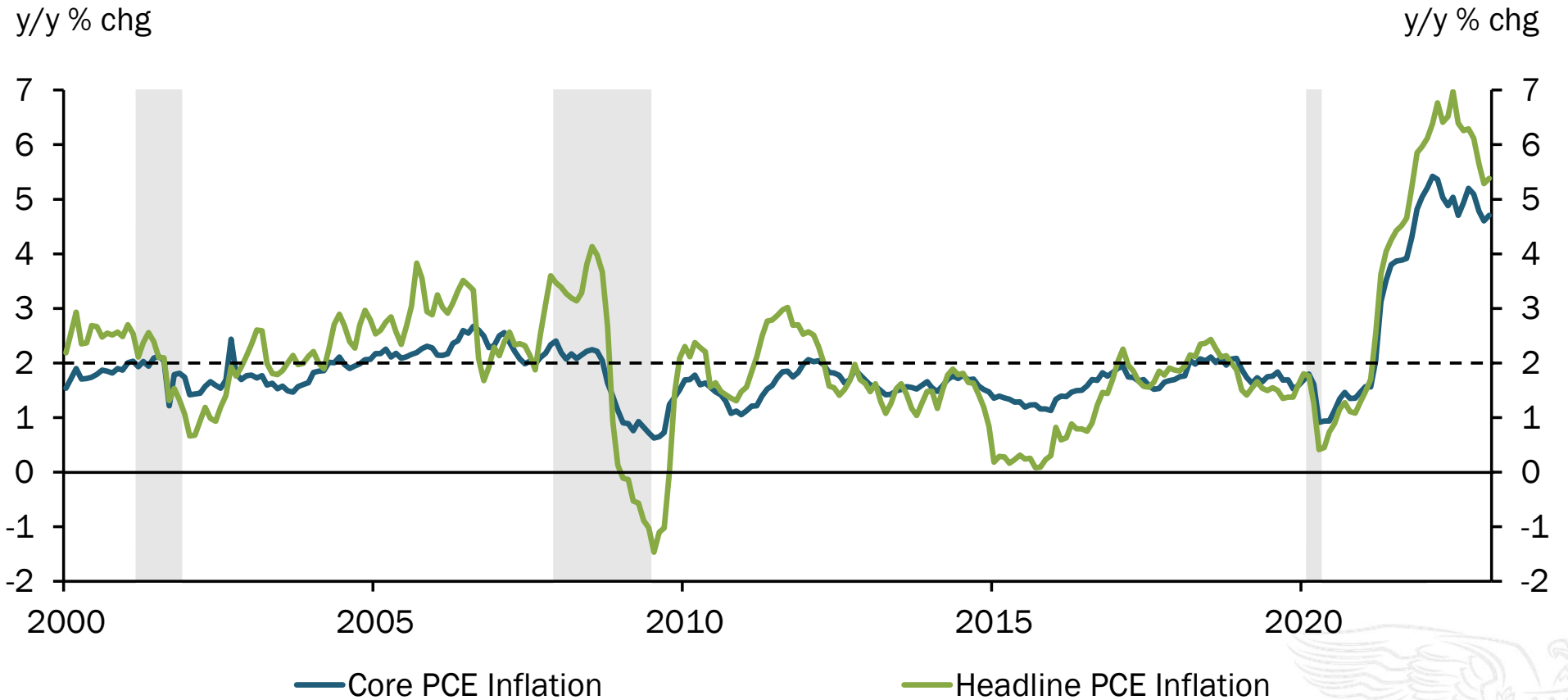


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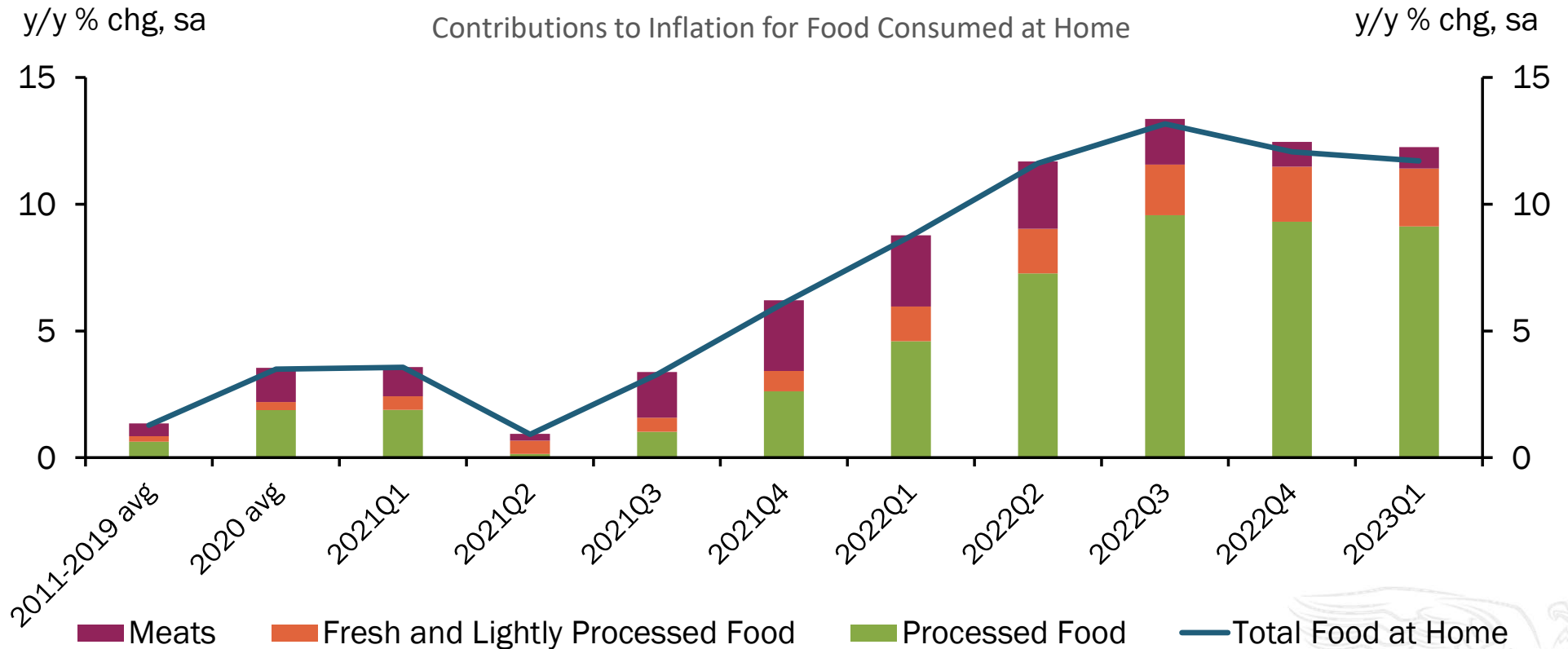


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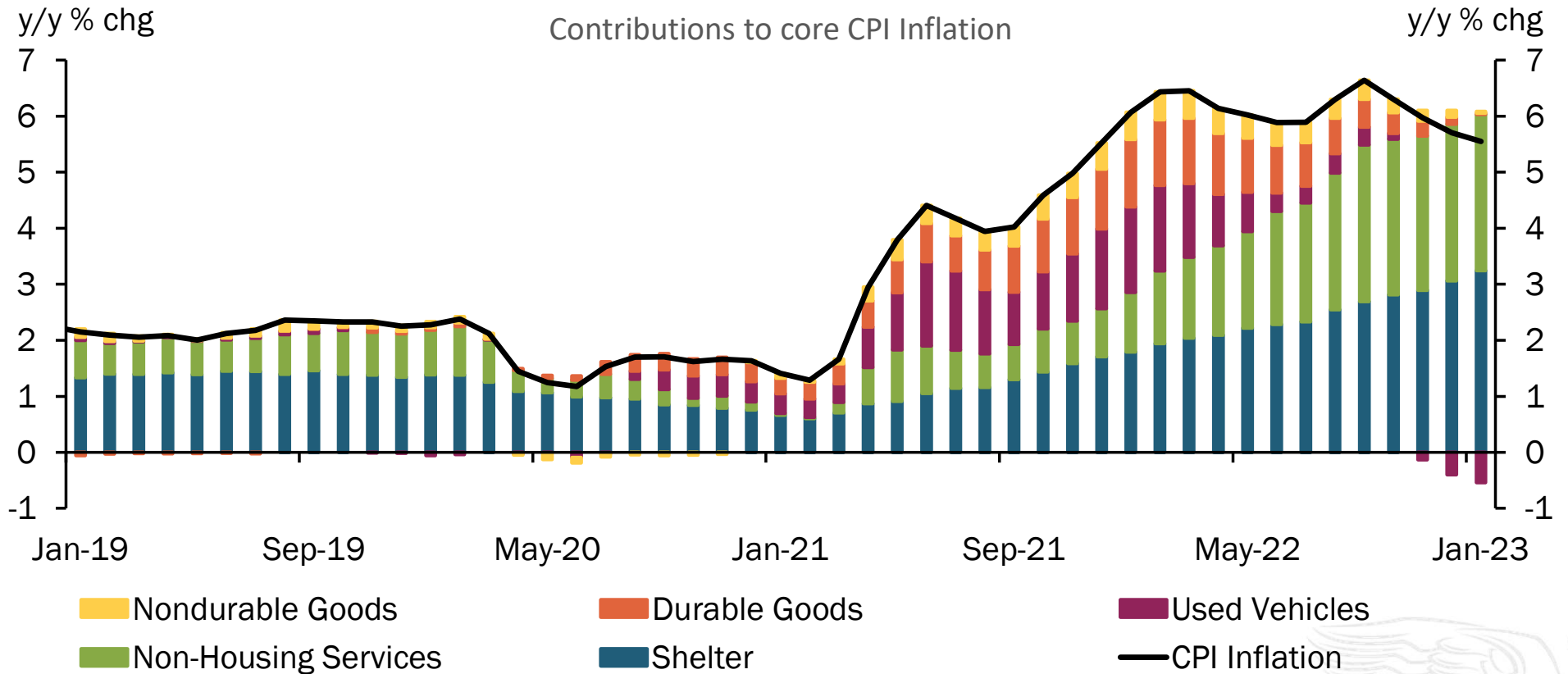
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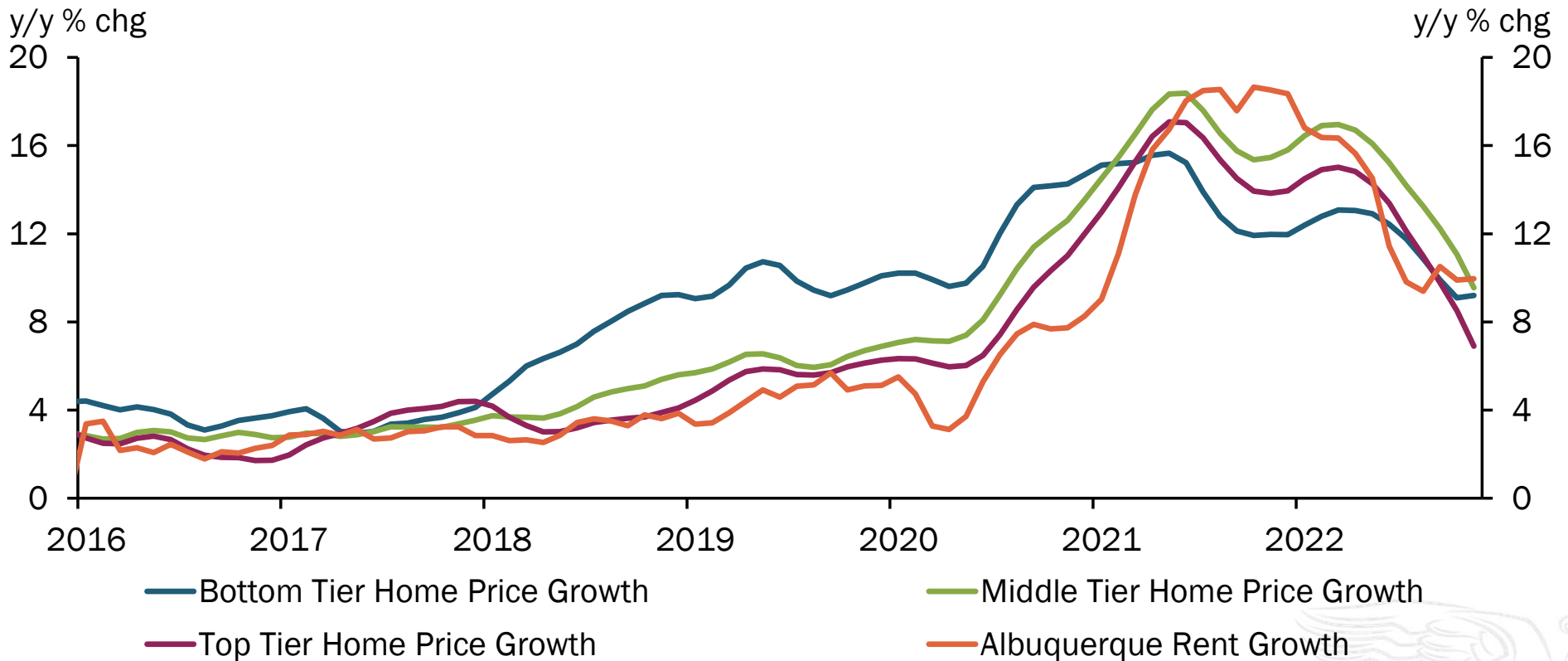
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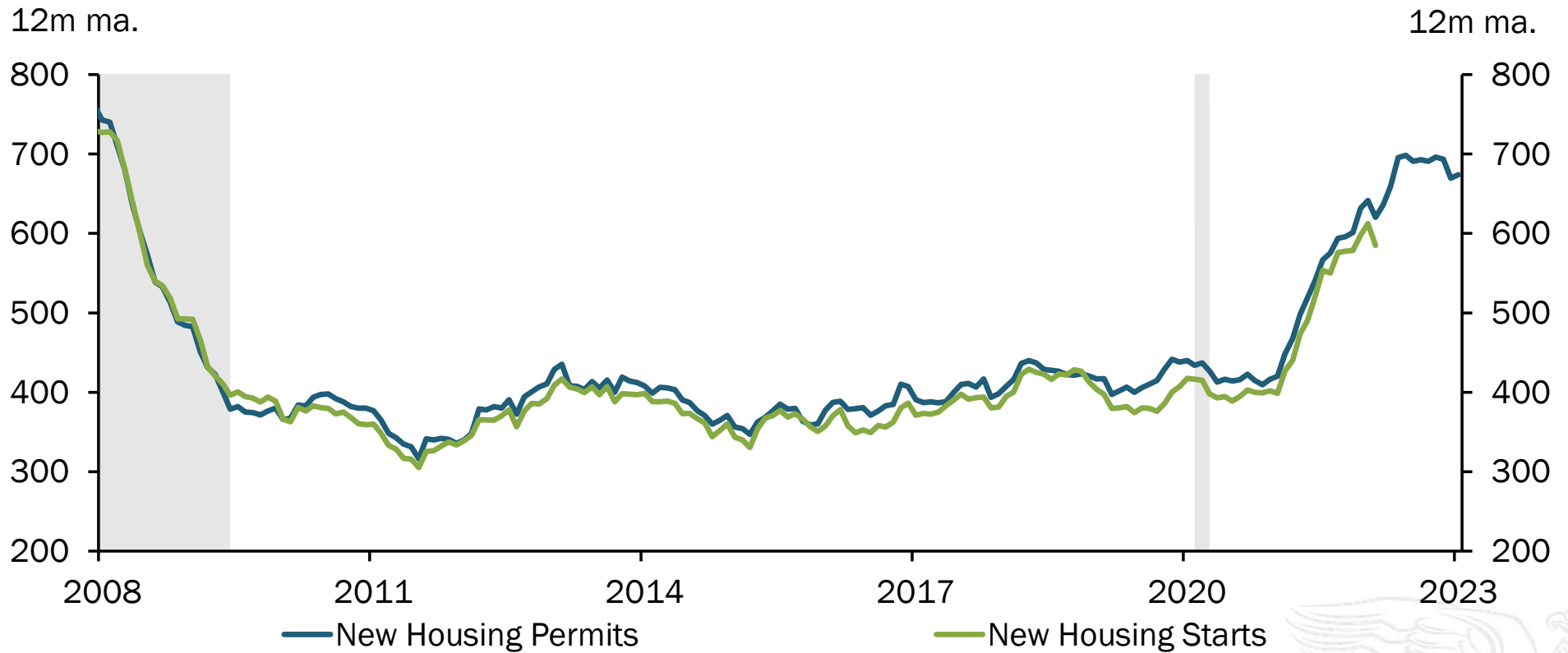
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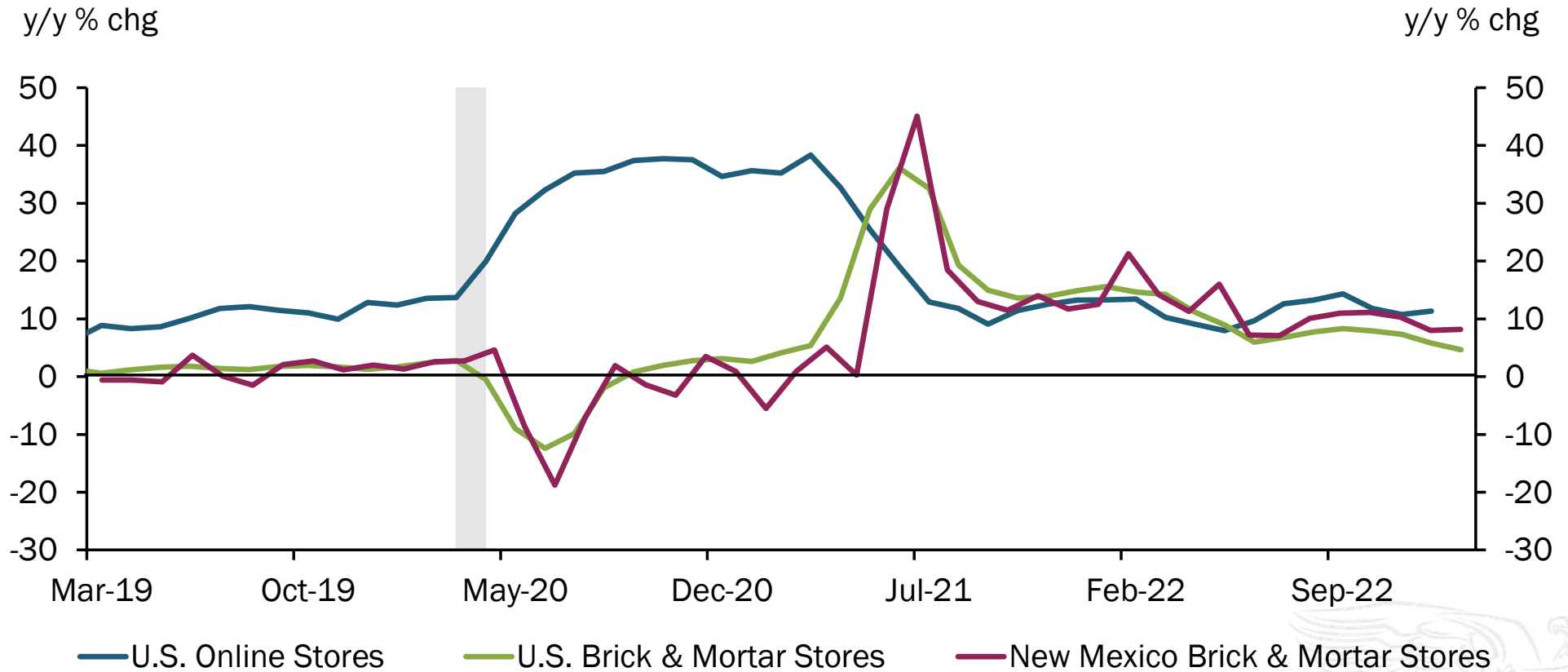
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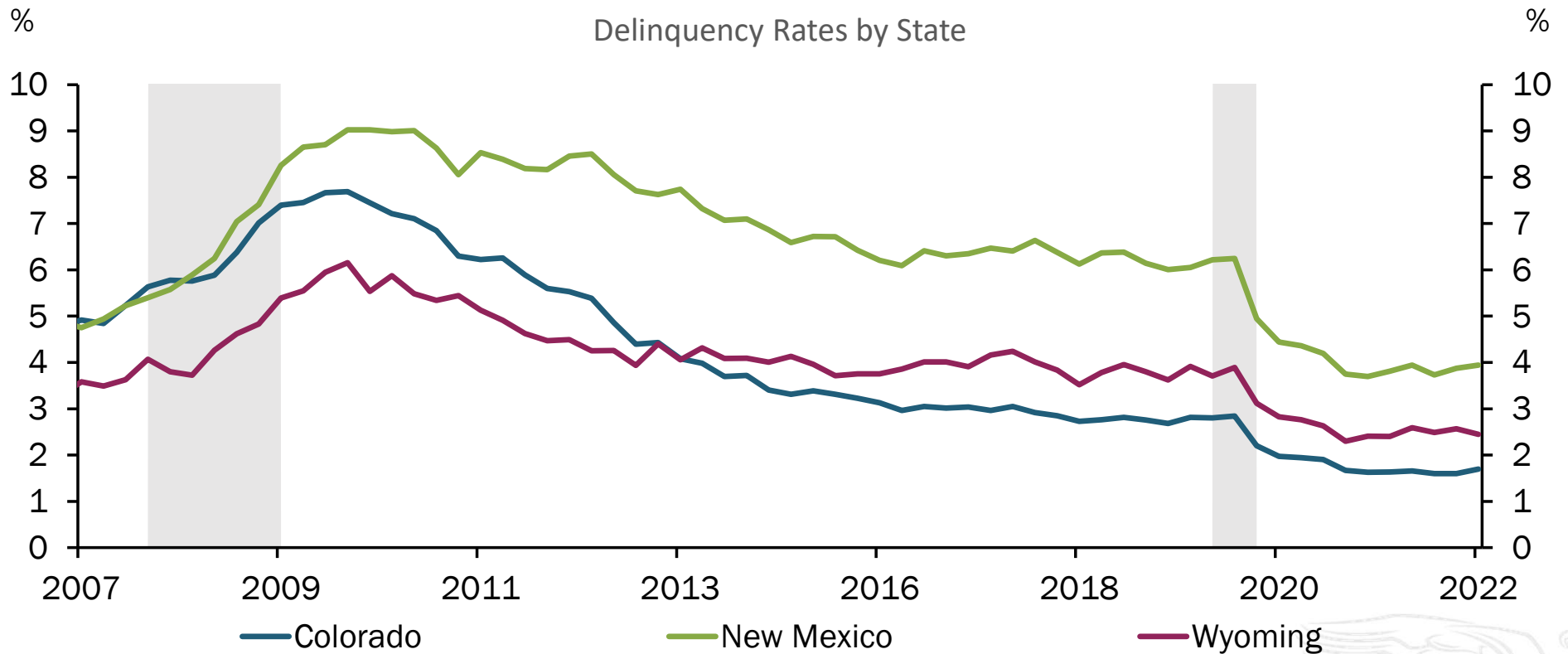
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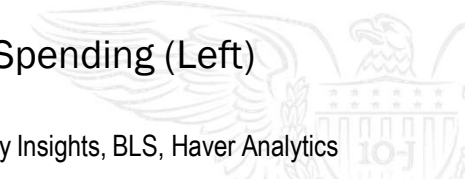
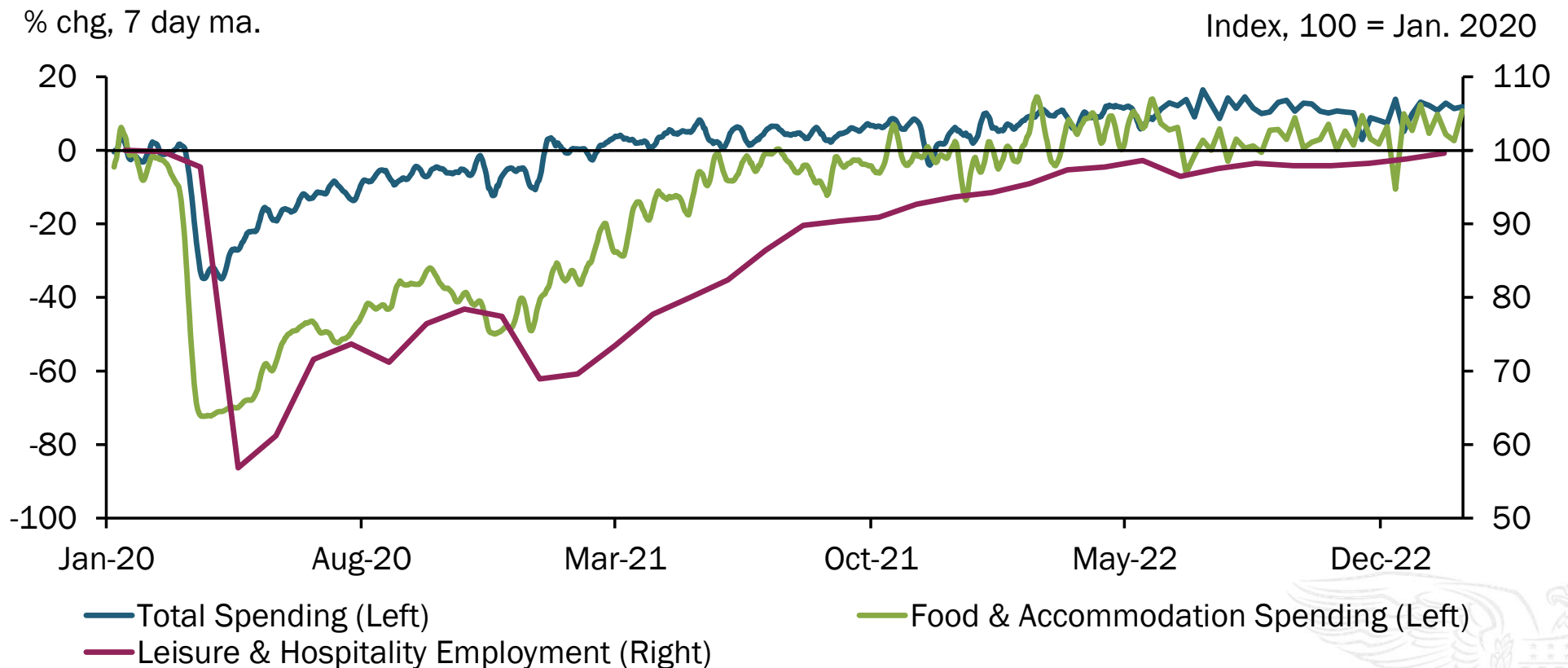


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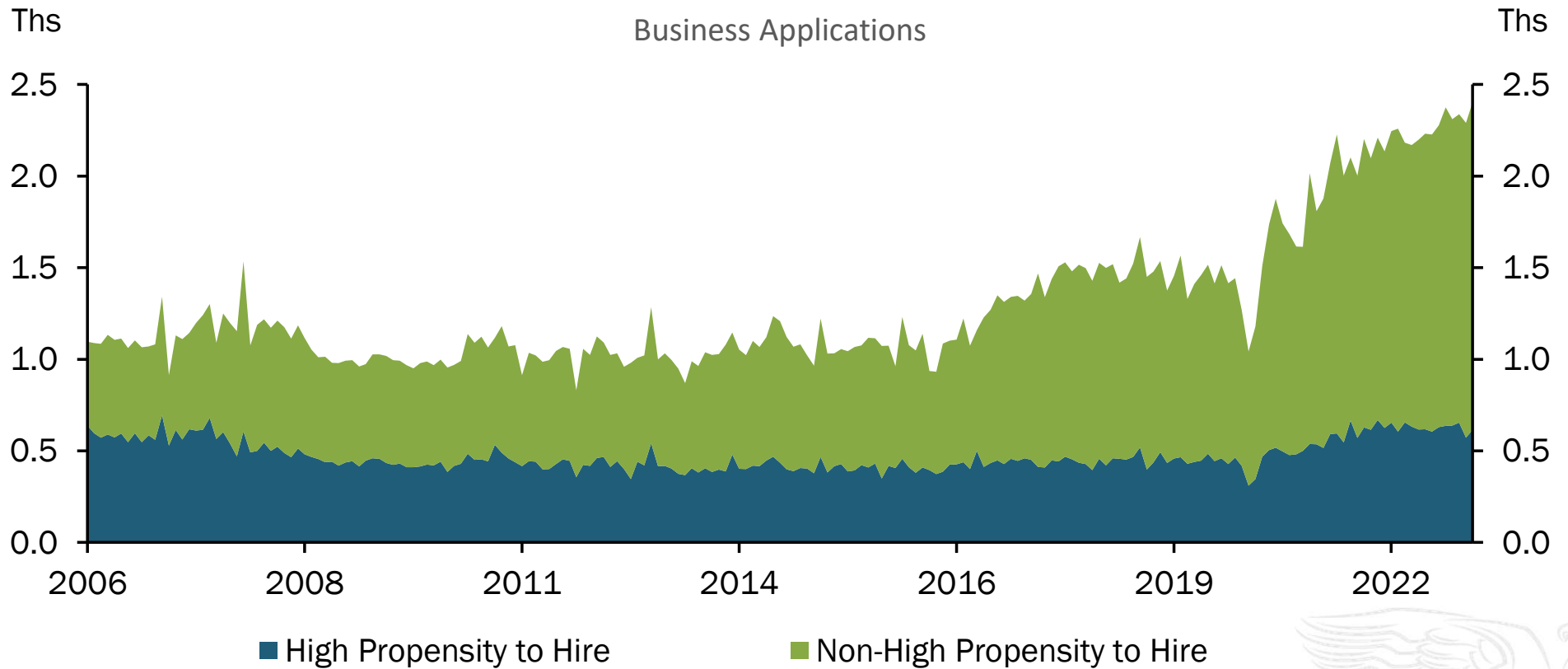


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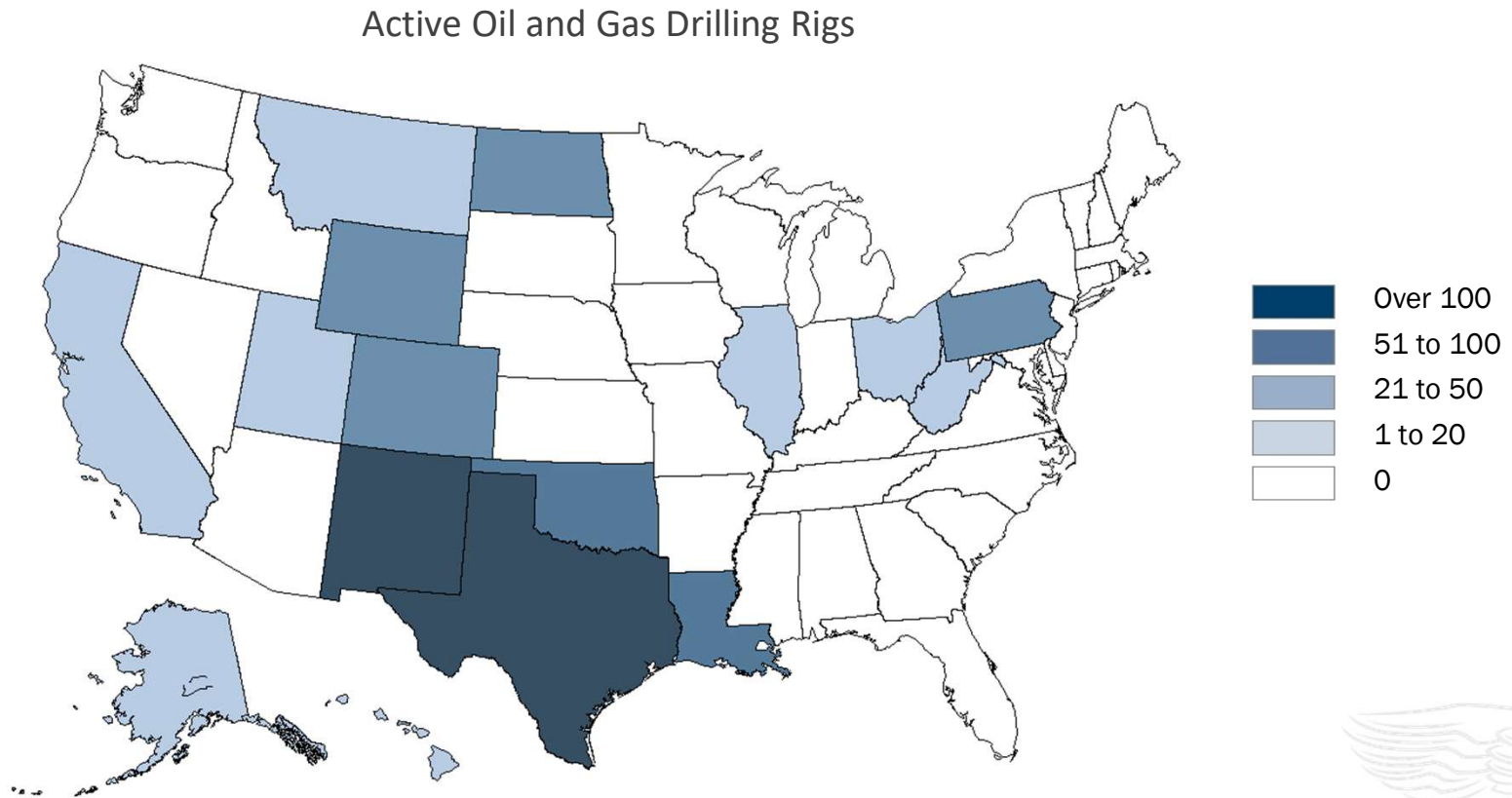
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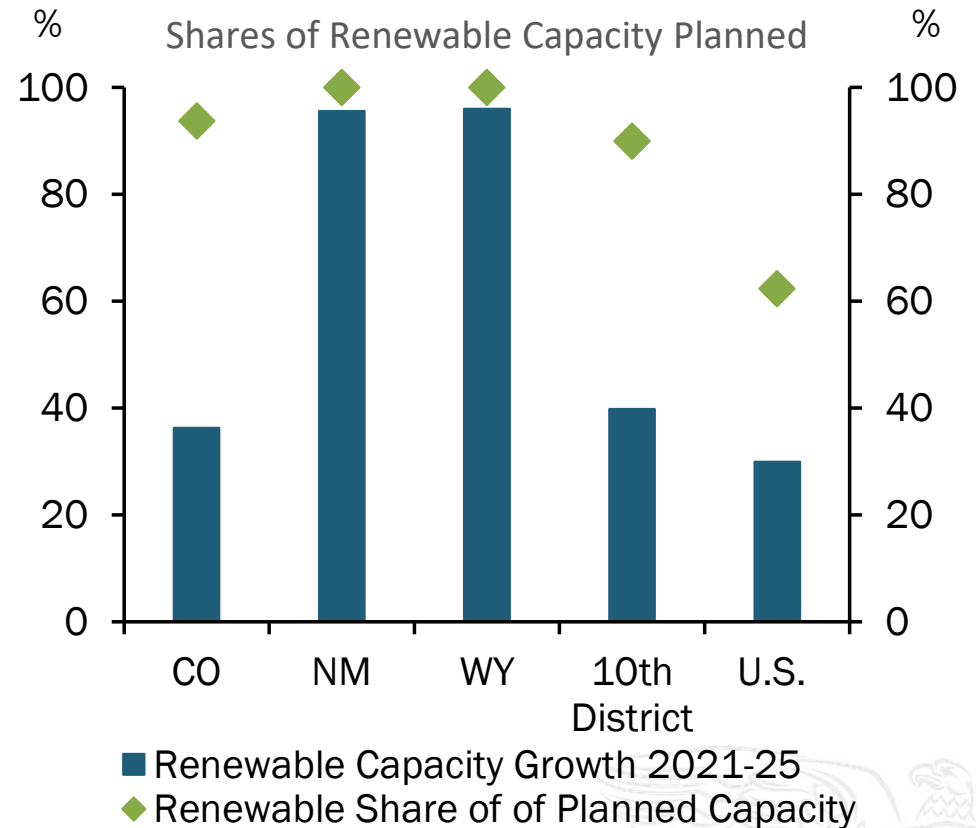
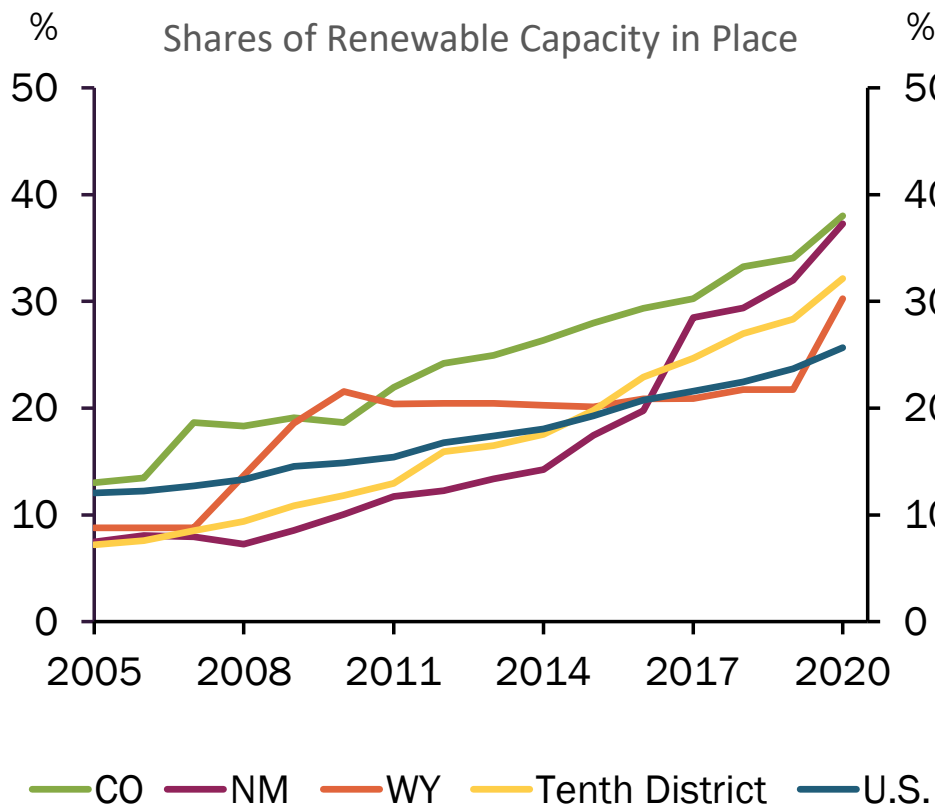
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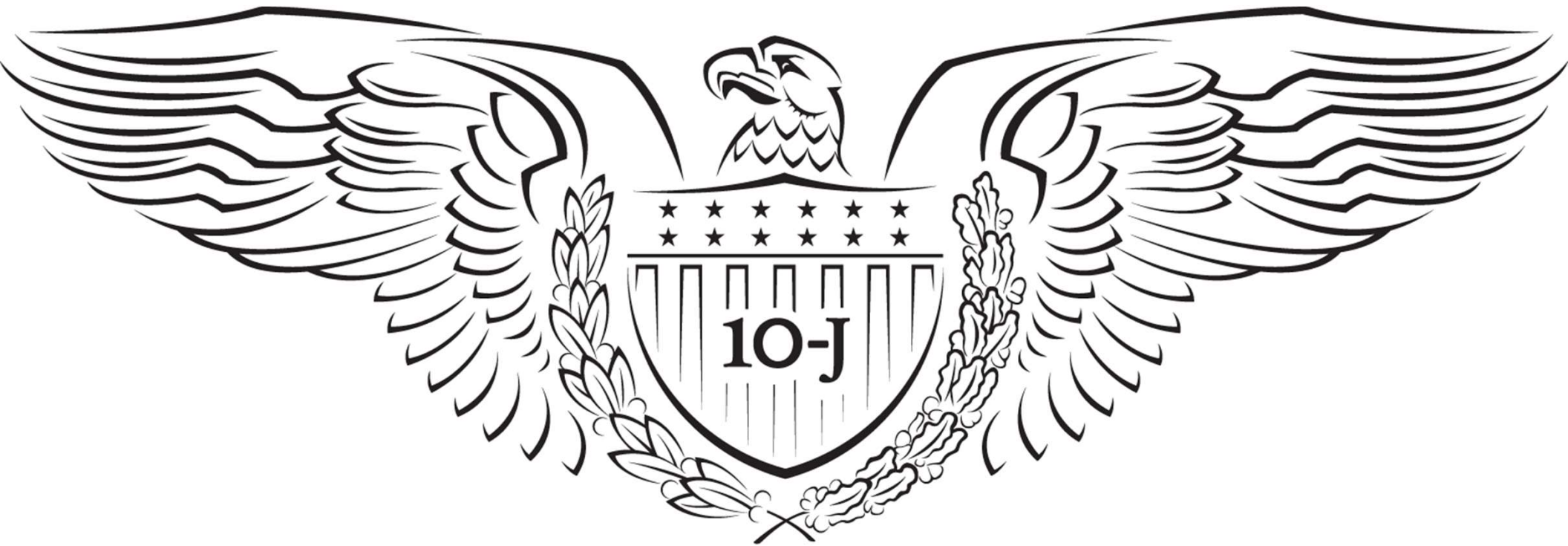


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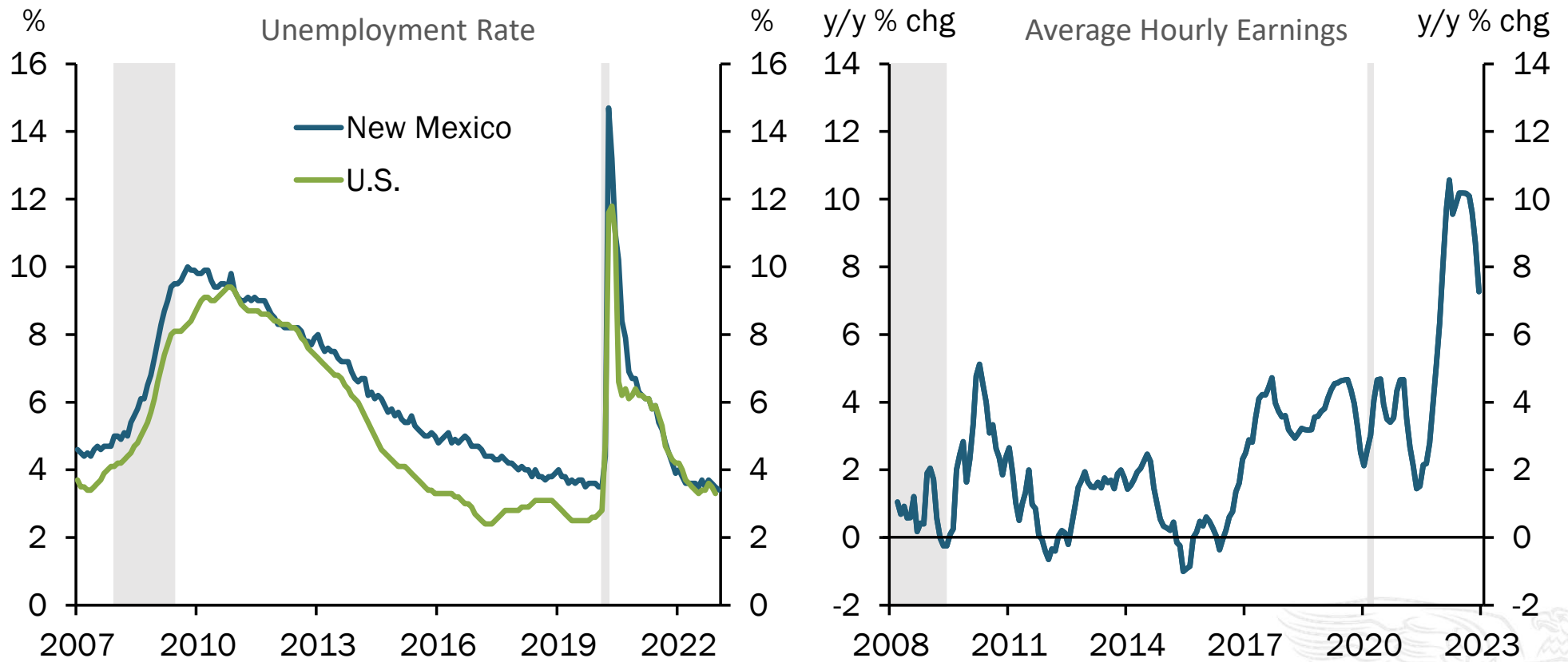


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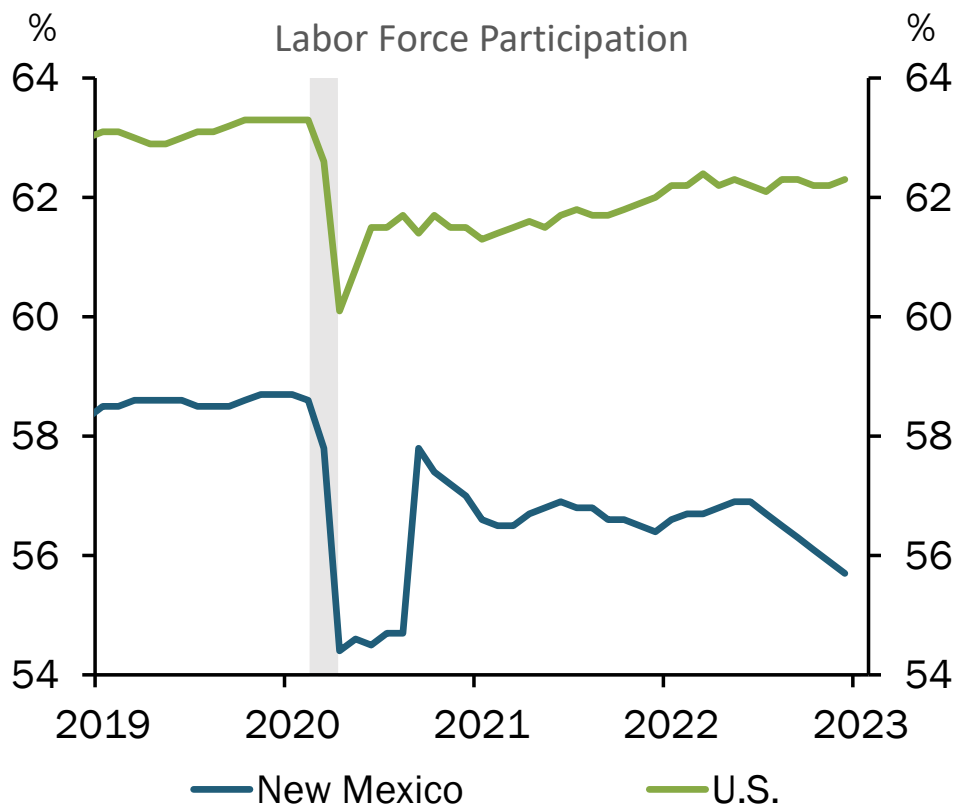
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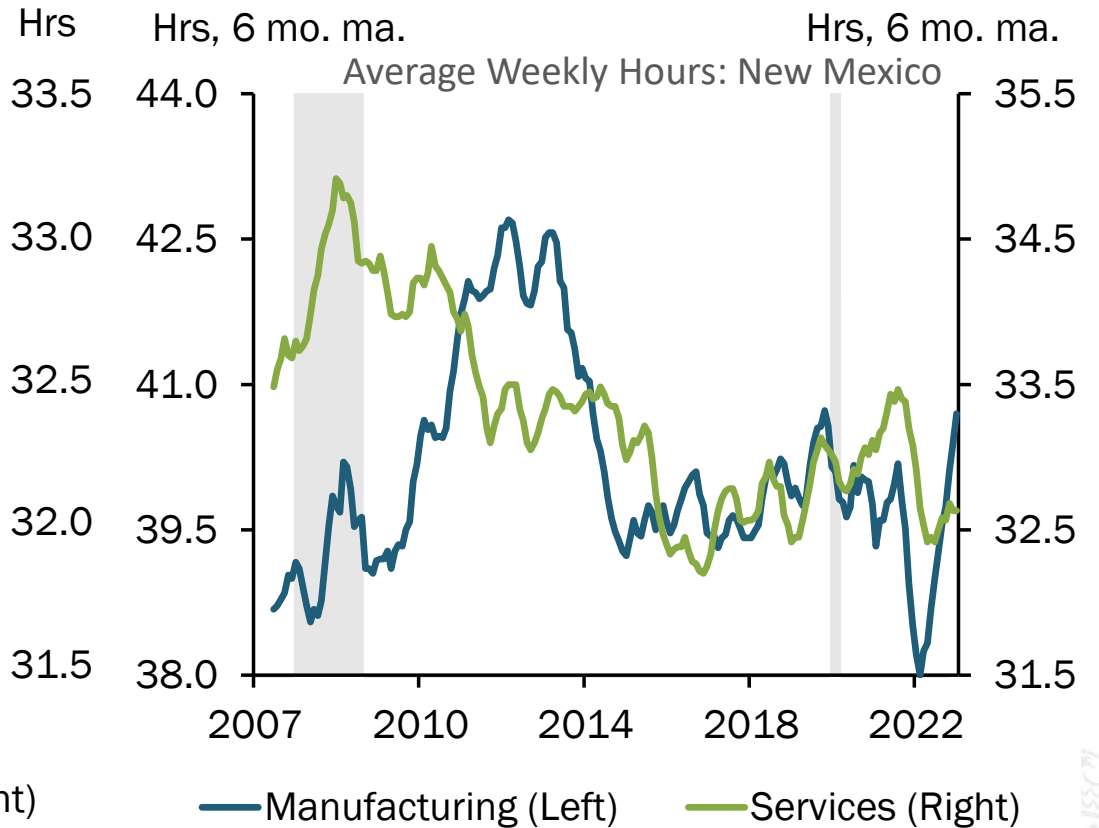
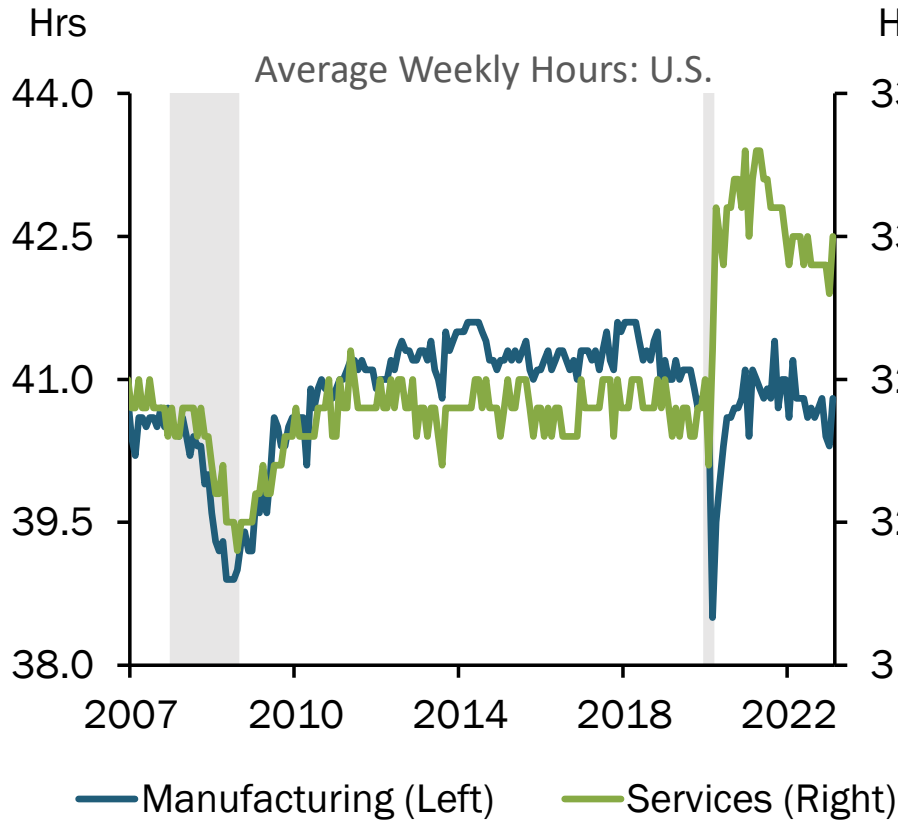
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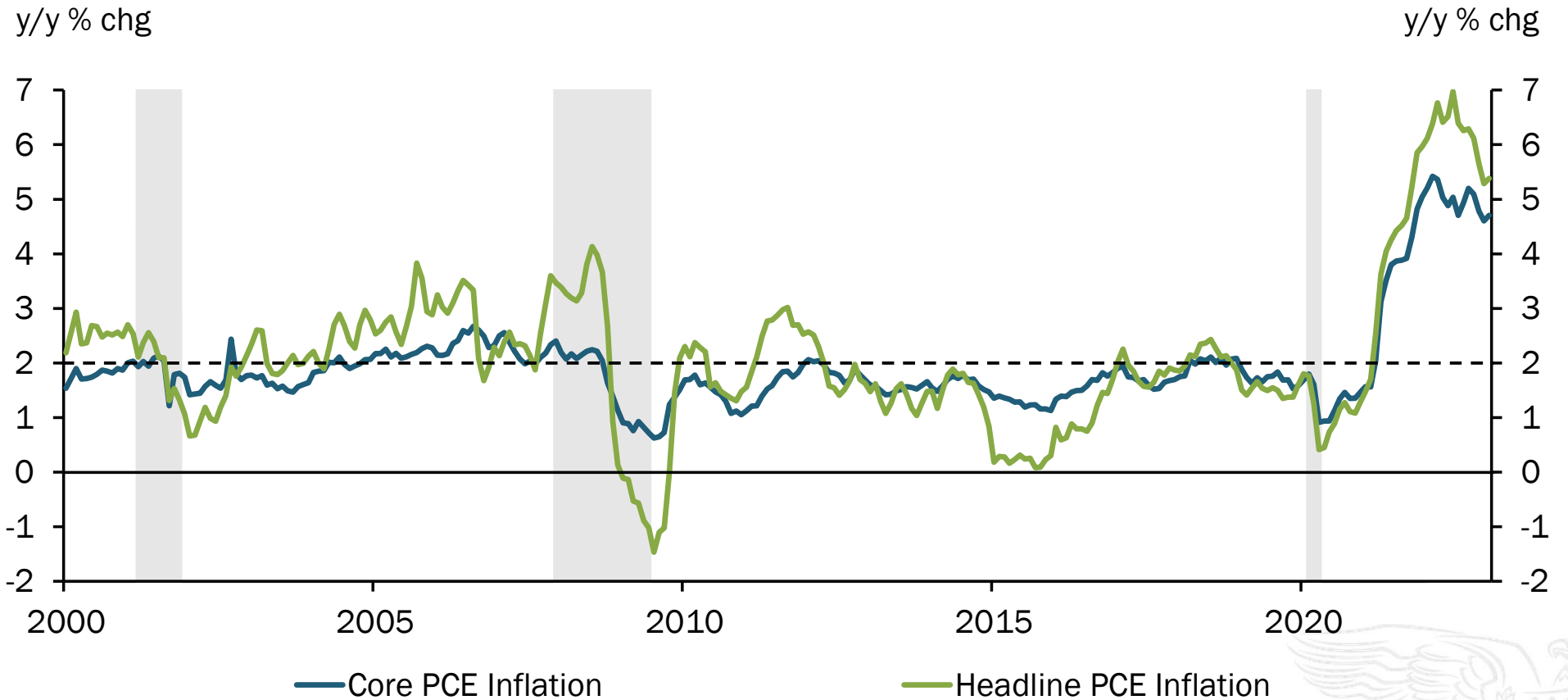


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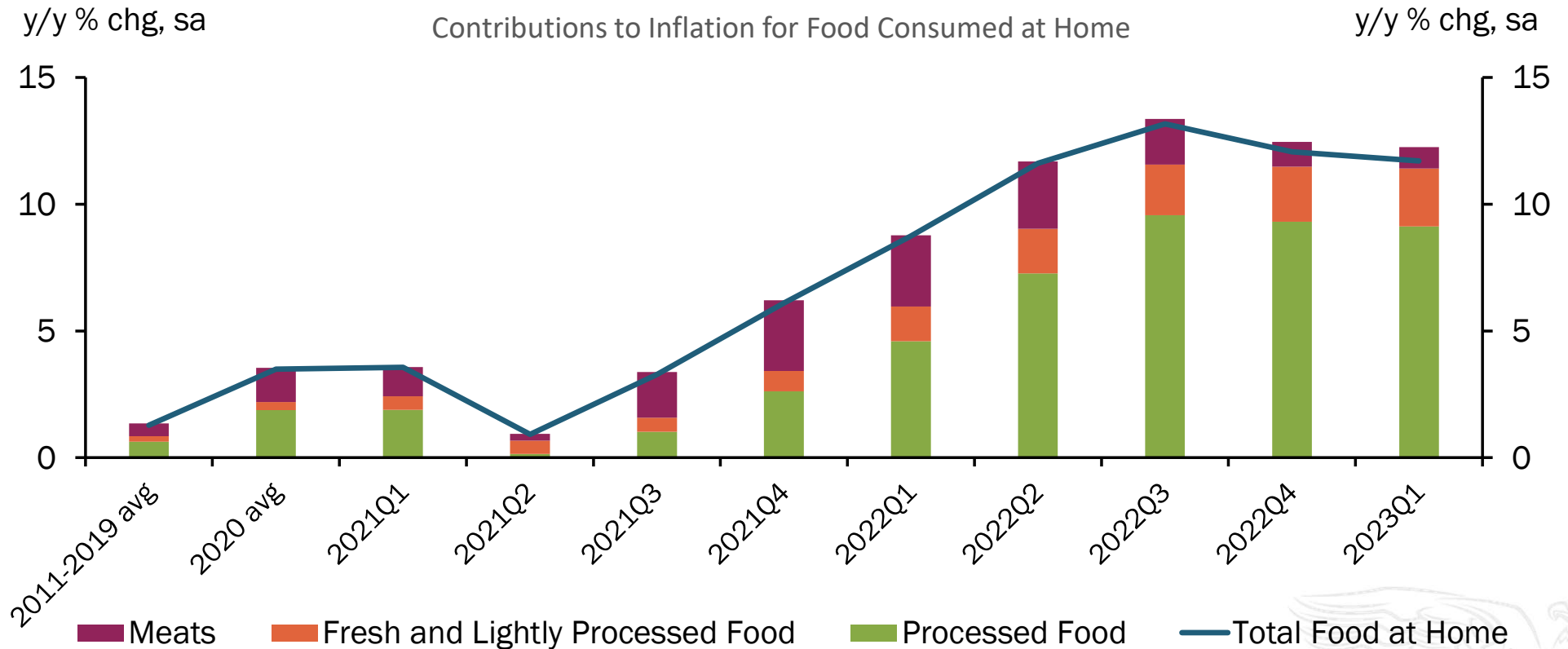


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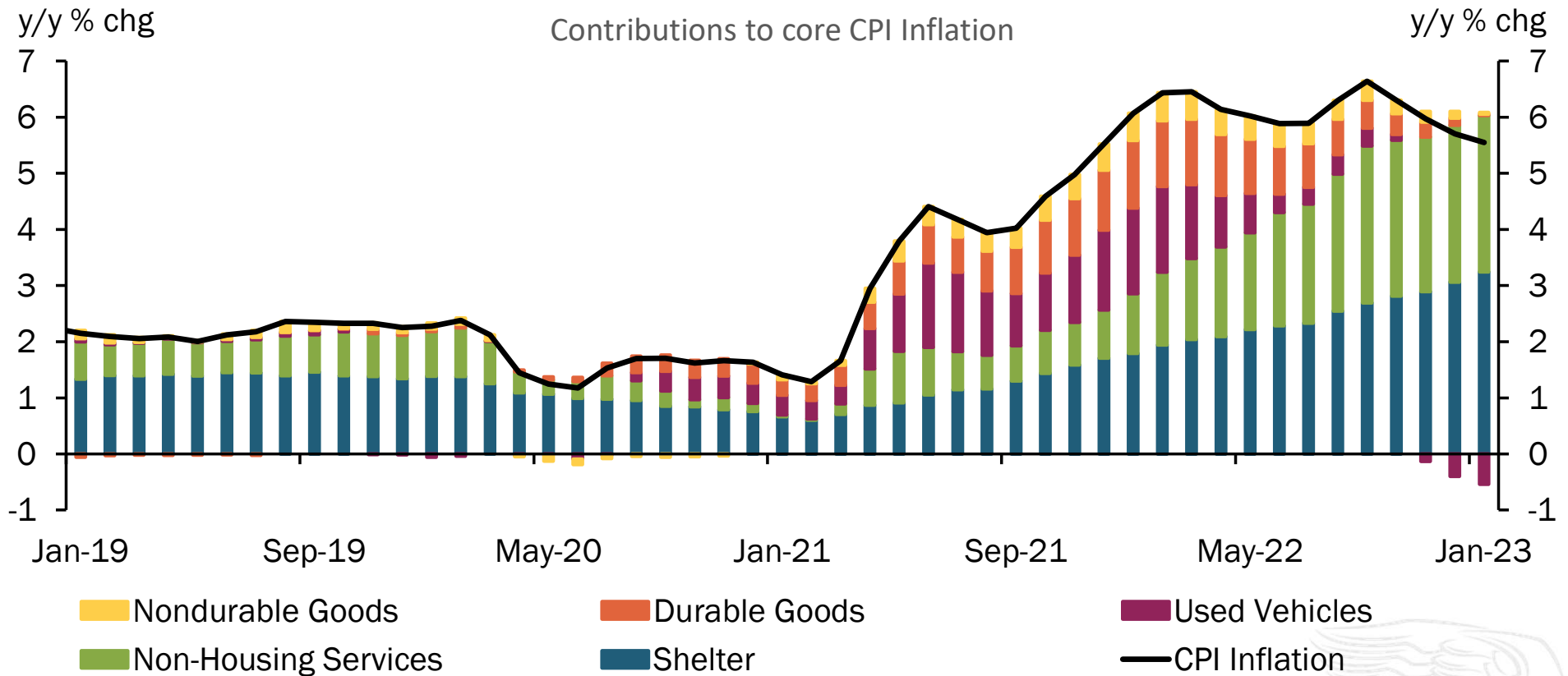
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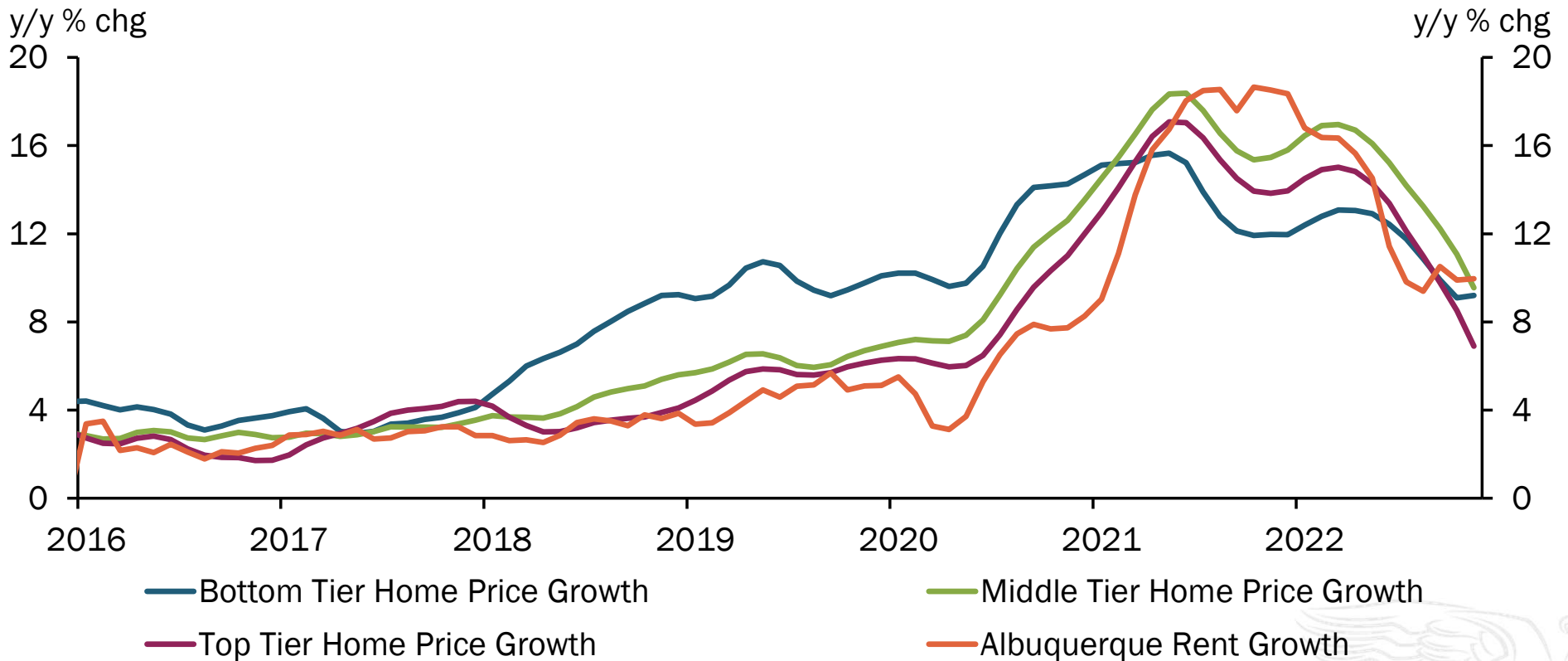
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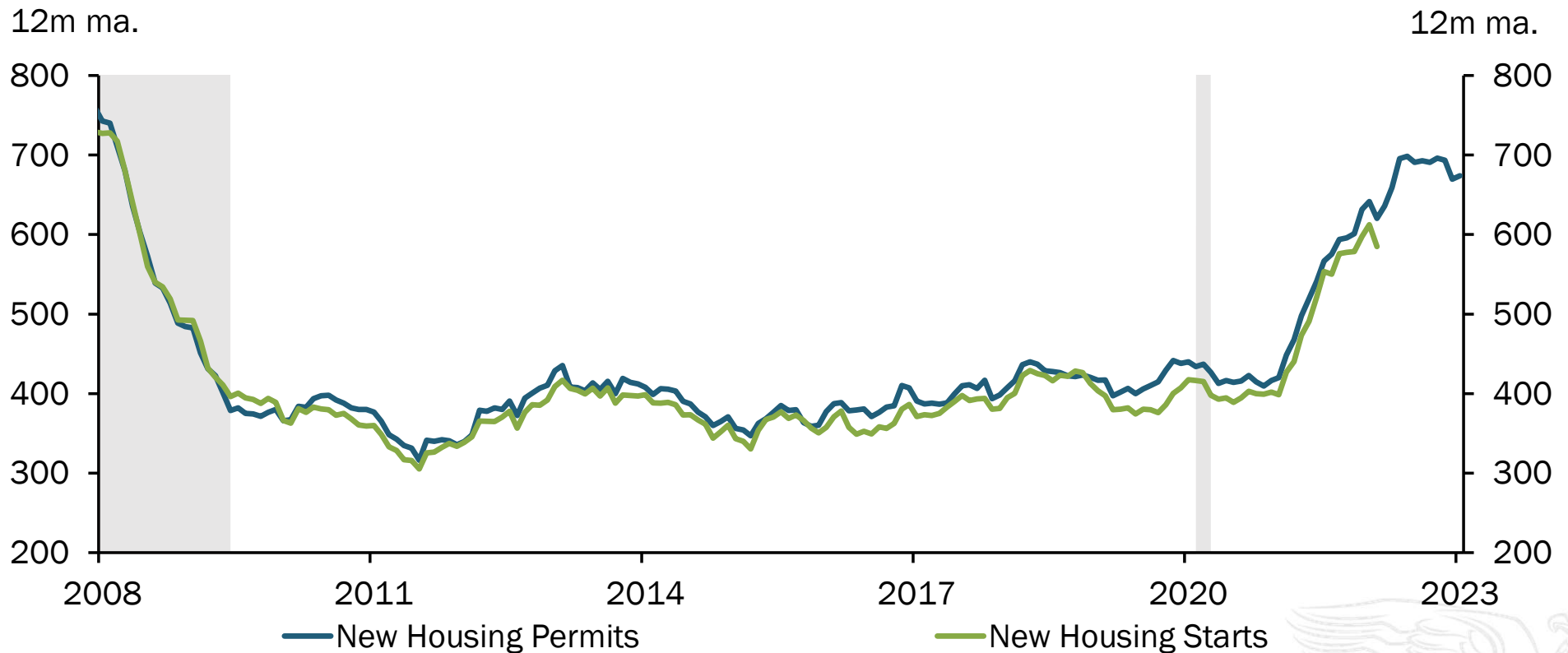
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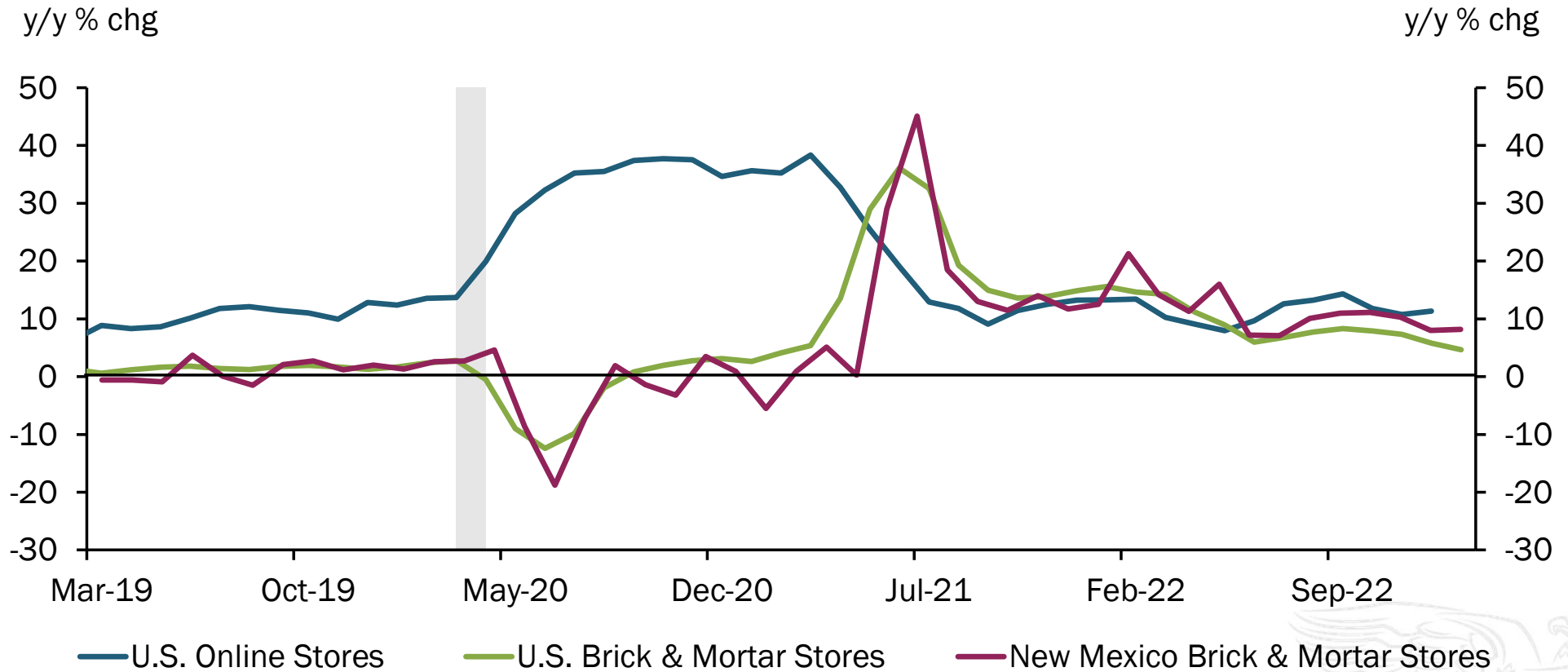
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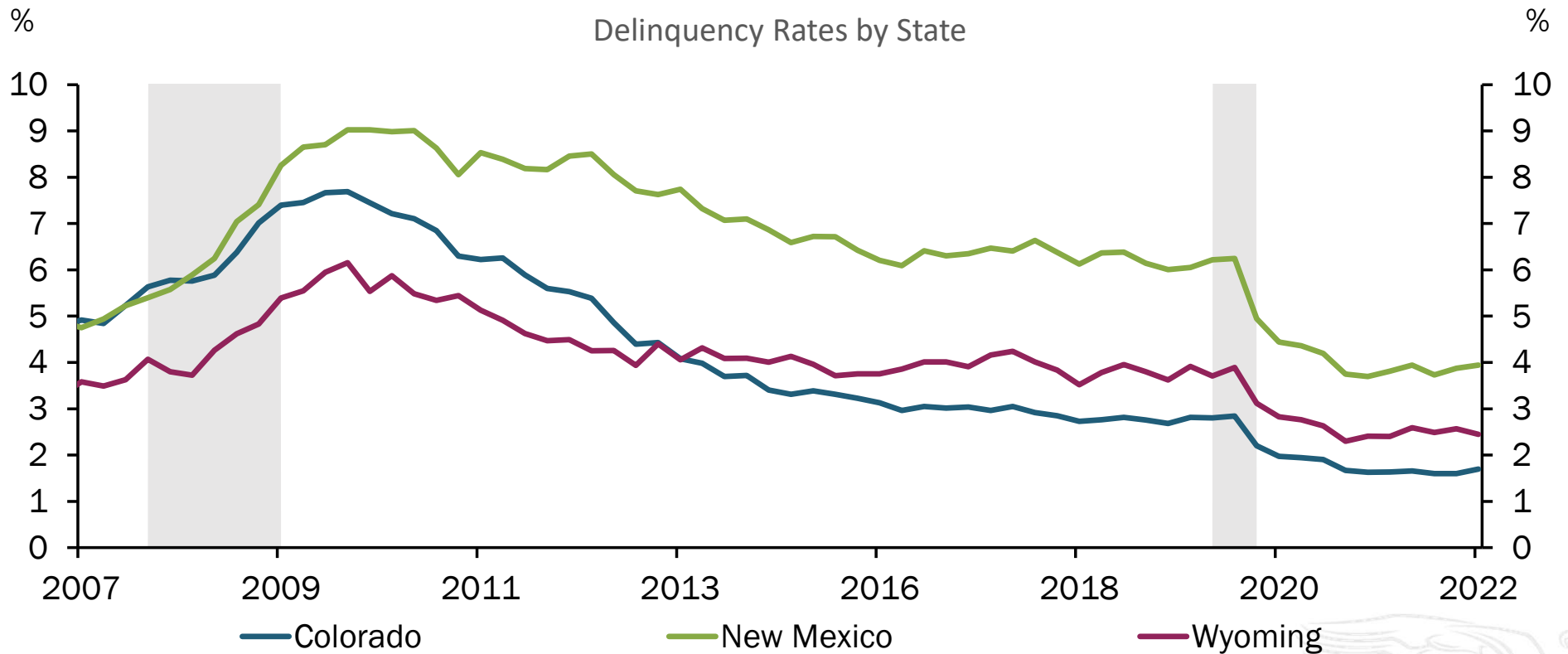
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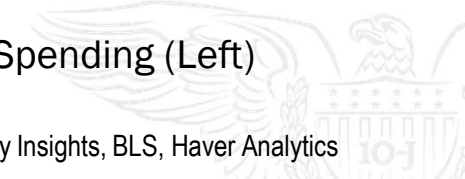
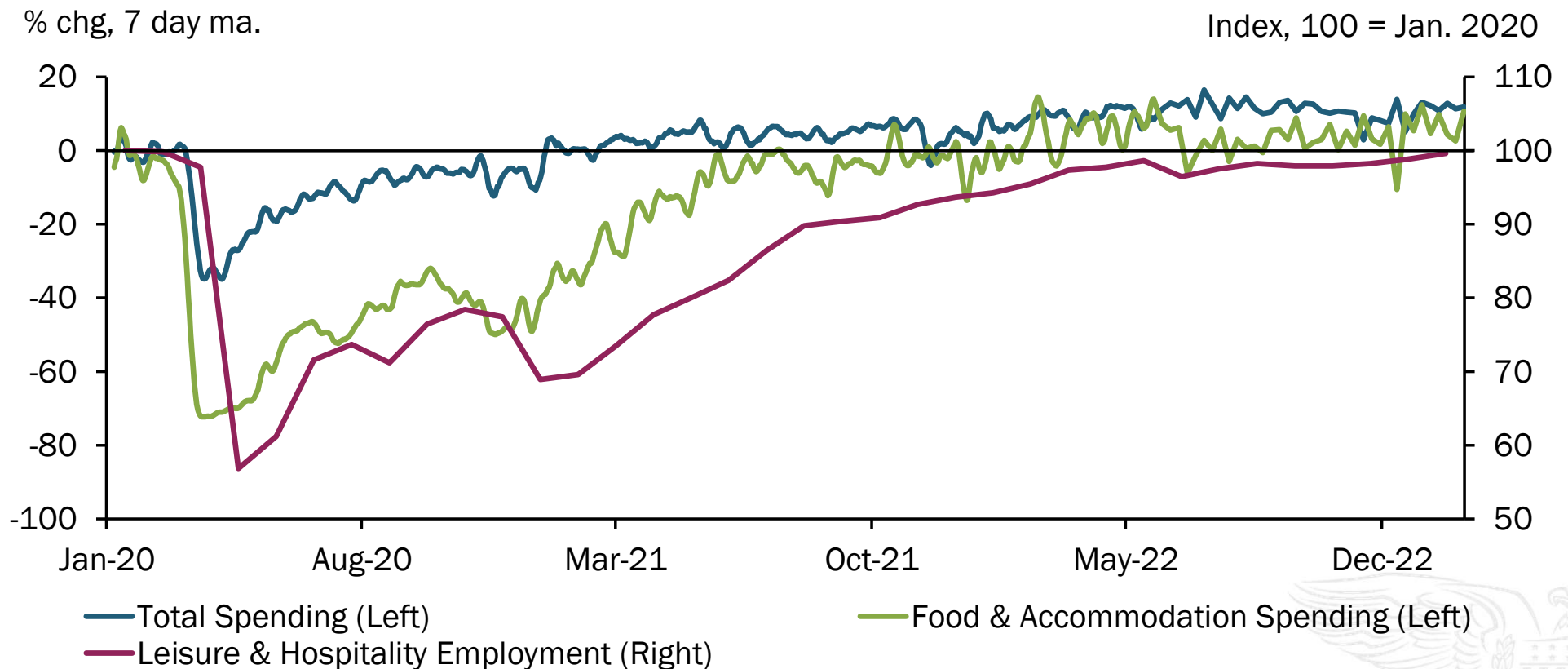


Delinquency rates have increased slightly after declining to historically low levels, rising most among households with lower credit scores

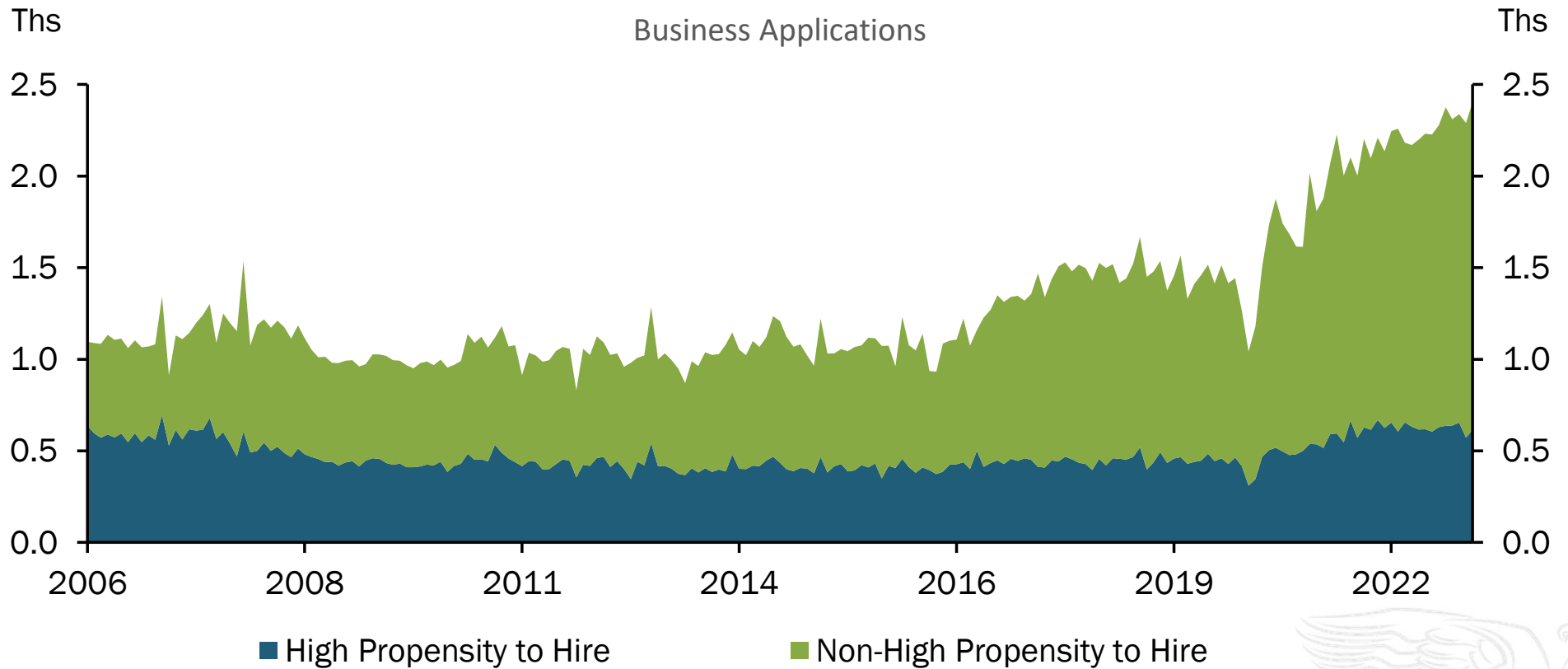


Source: NY Fed Equifax Consumer Credit Panel
Note: Grey bars indicate recession shading

Slower growth in spending needed to relieve pressure on prices for non-housing services, such as leisure and travel

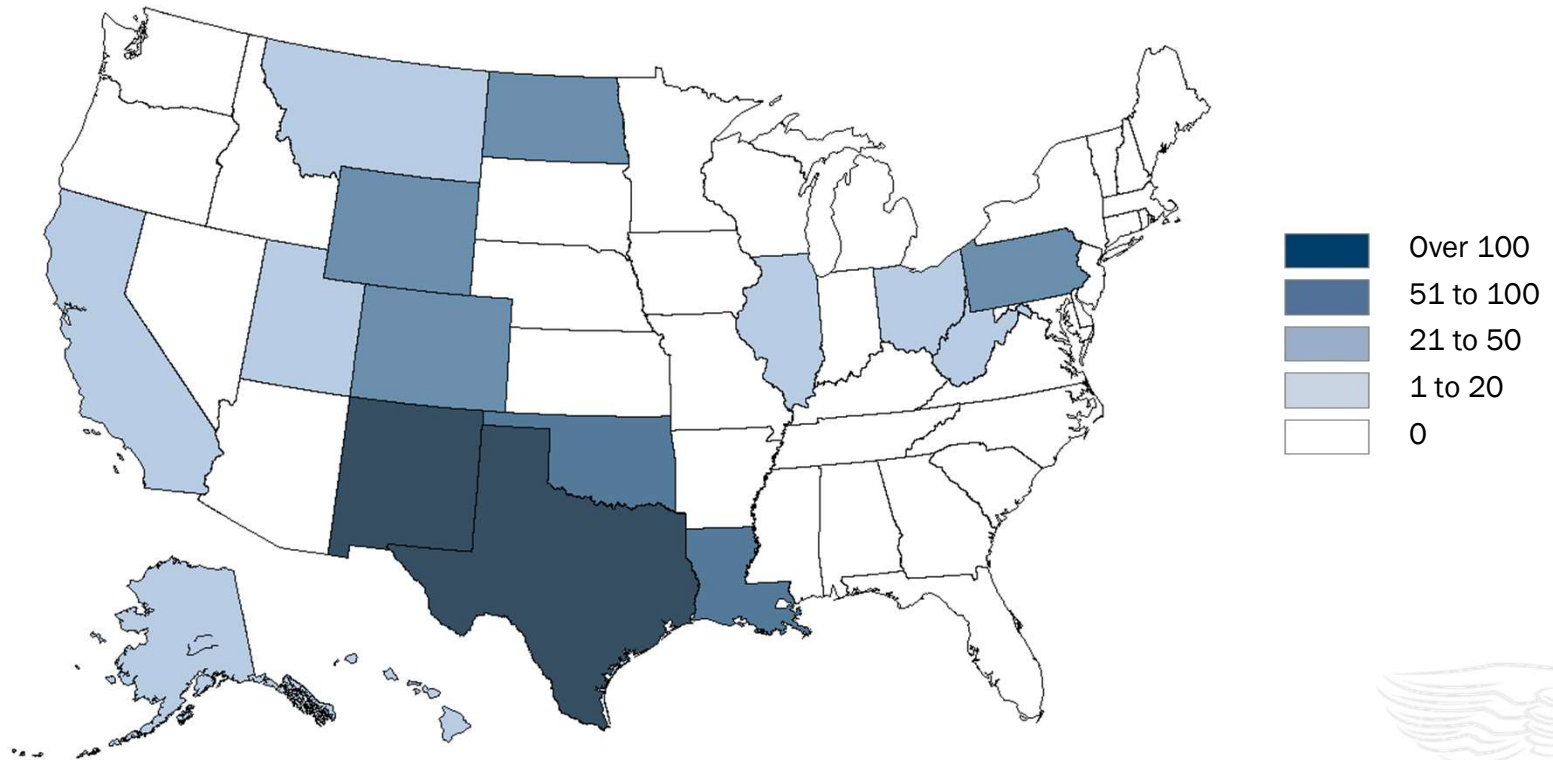


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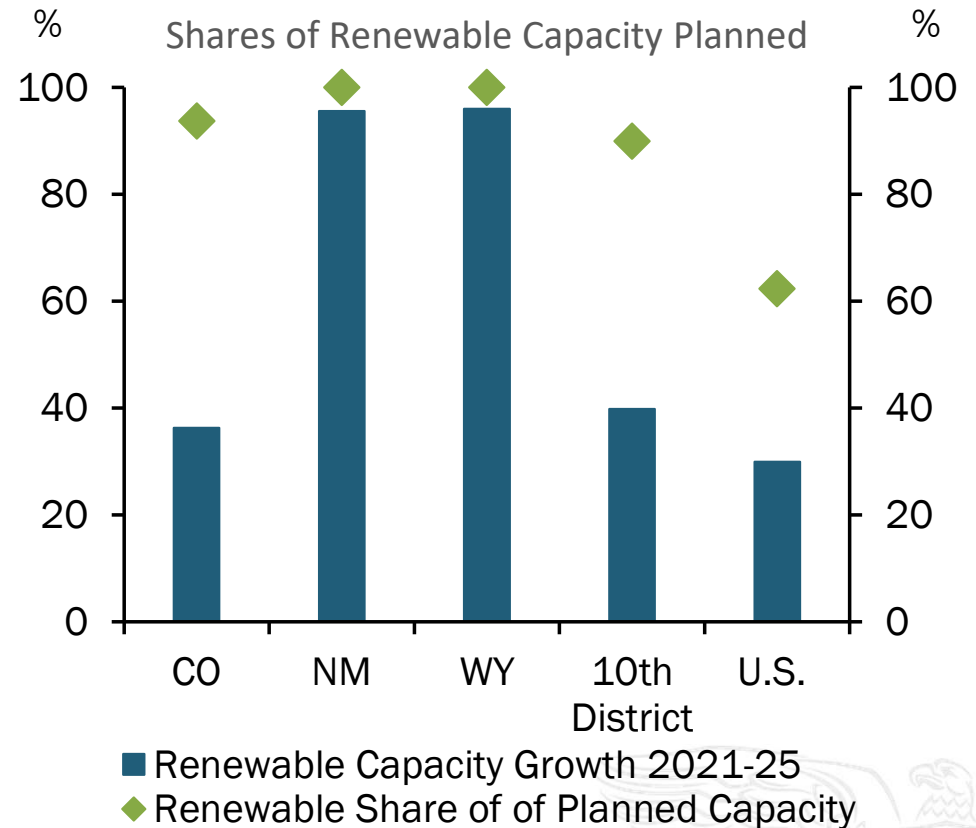
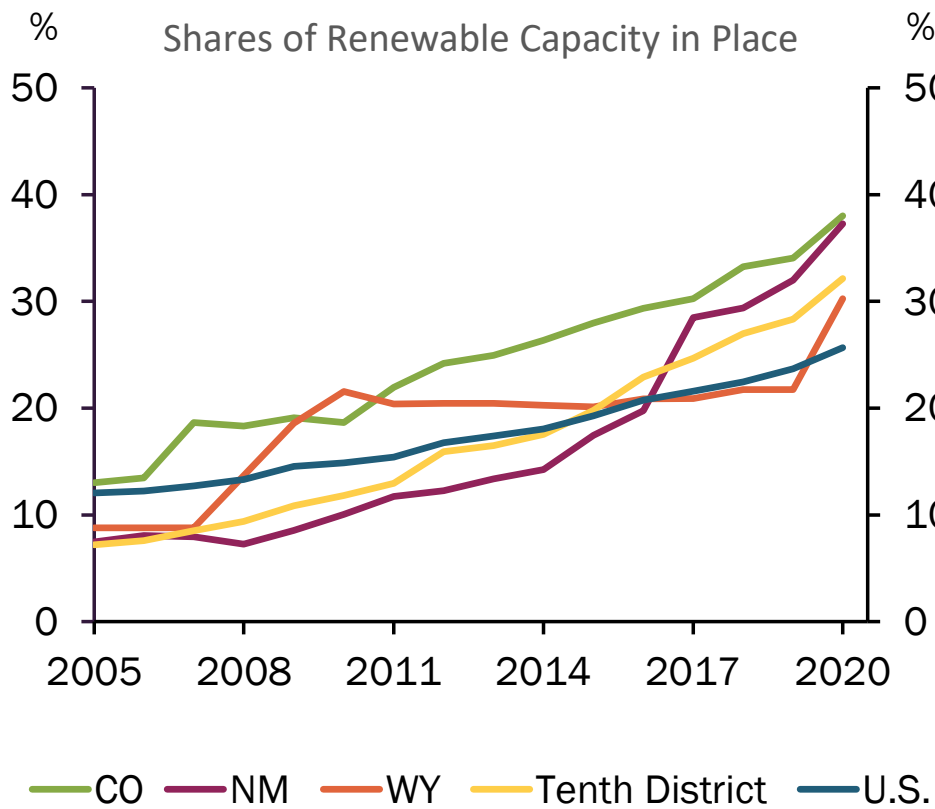


New Mexico continues to attract large shares of oil & gas activity

Active Oil and Gas Drilling Rigs



The share of renewable energy in total capacity is larger in New Mexico than in the U.S. overall, and projected to rise further



Looking ahead

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March 3, 2023 – New Mexico State Senate Finance Committee

Nicholas Sly

Vice President, Economist and Denver Branch Executive

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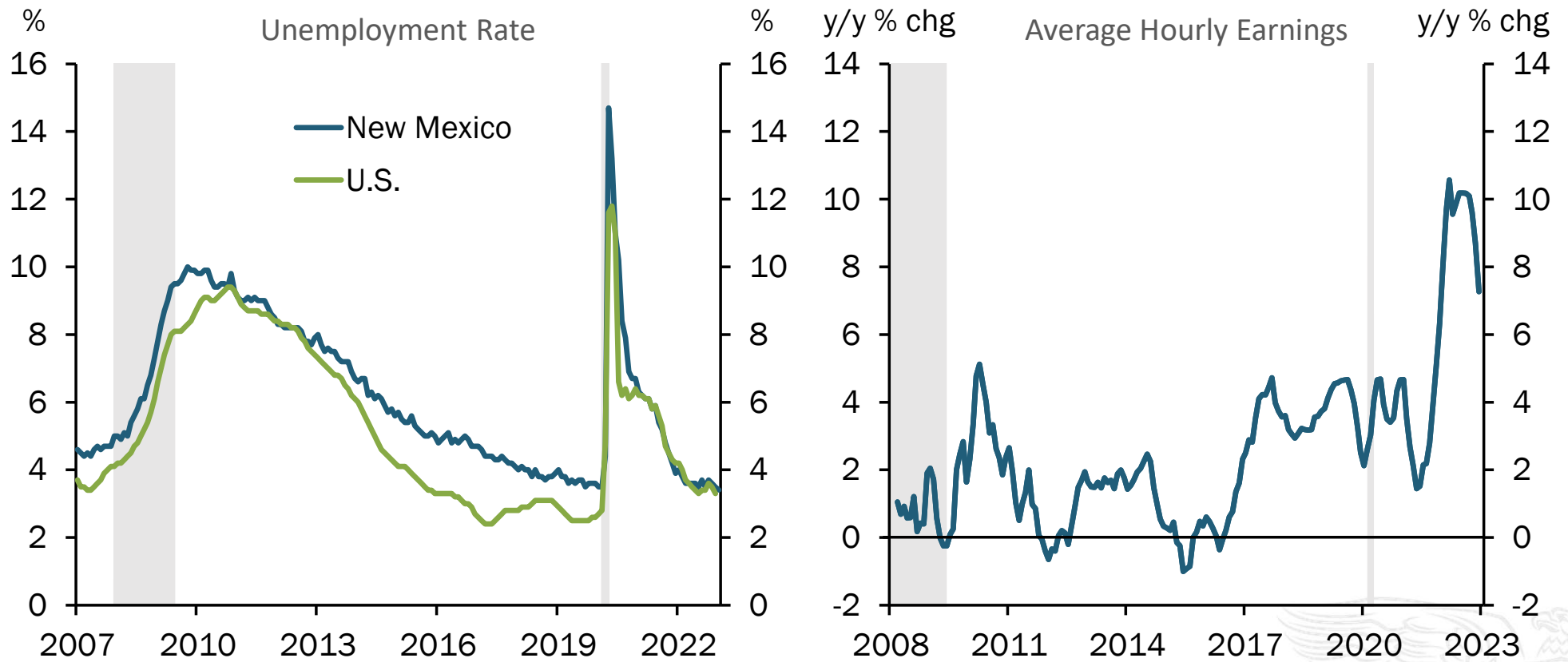


Overview

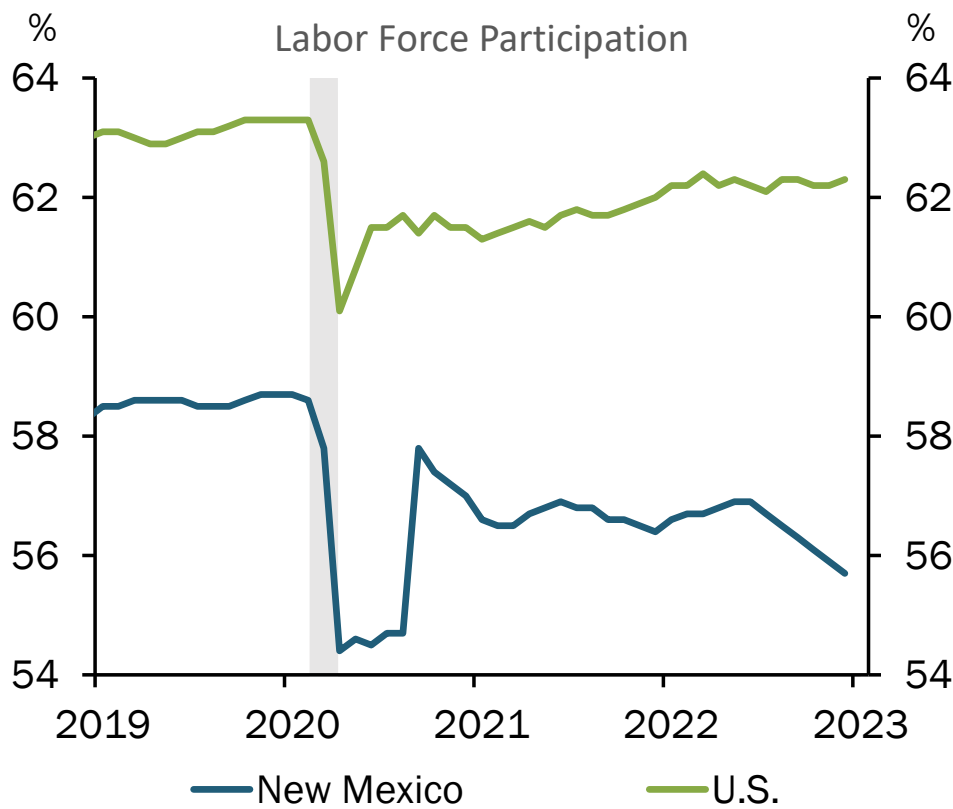
- Labor markets remain tight across industries, regions, and skill levels
- Inflation pressures are elevated, particular in categories that rely heavily on labor
- Although household consumption growth slowed quickly in recent quarters, it fell to trend levels observed over the last decade and has somewhat stabilized
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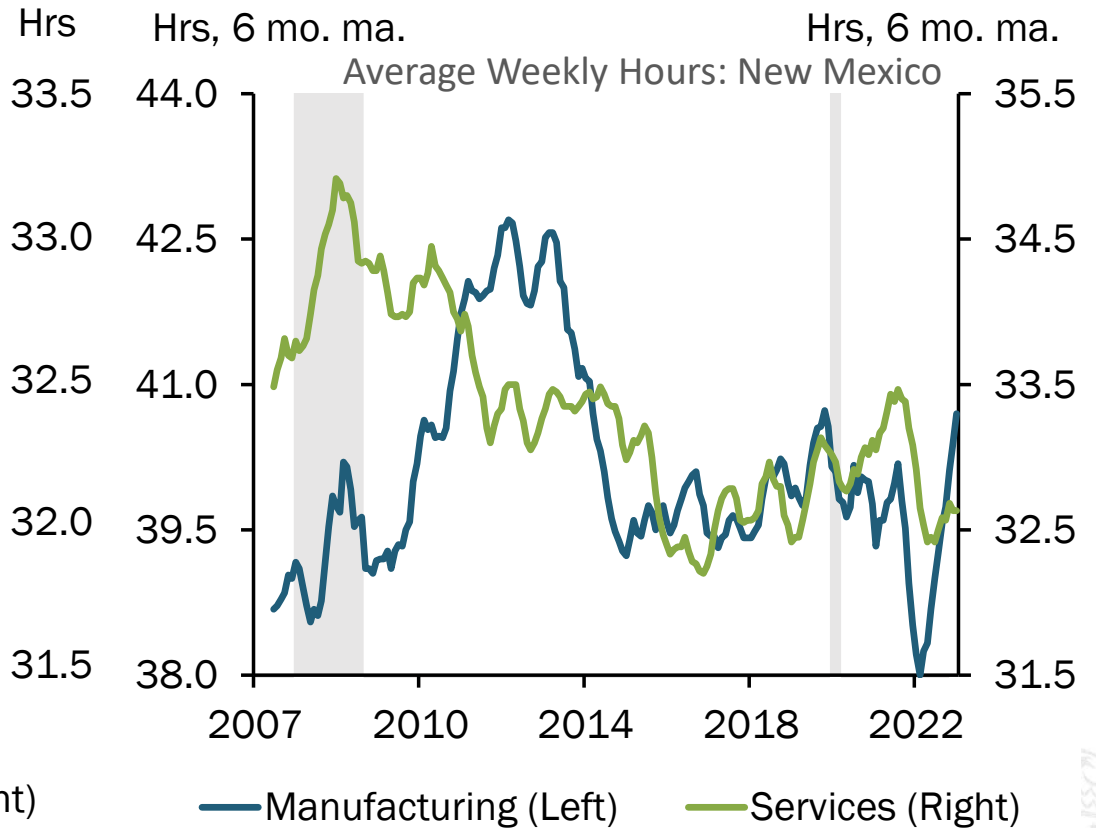
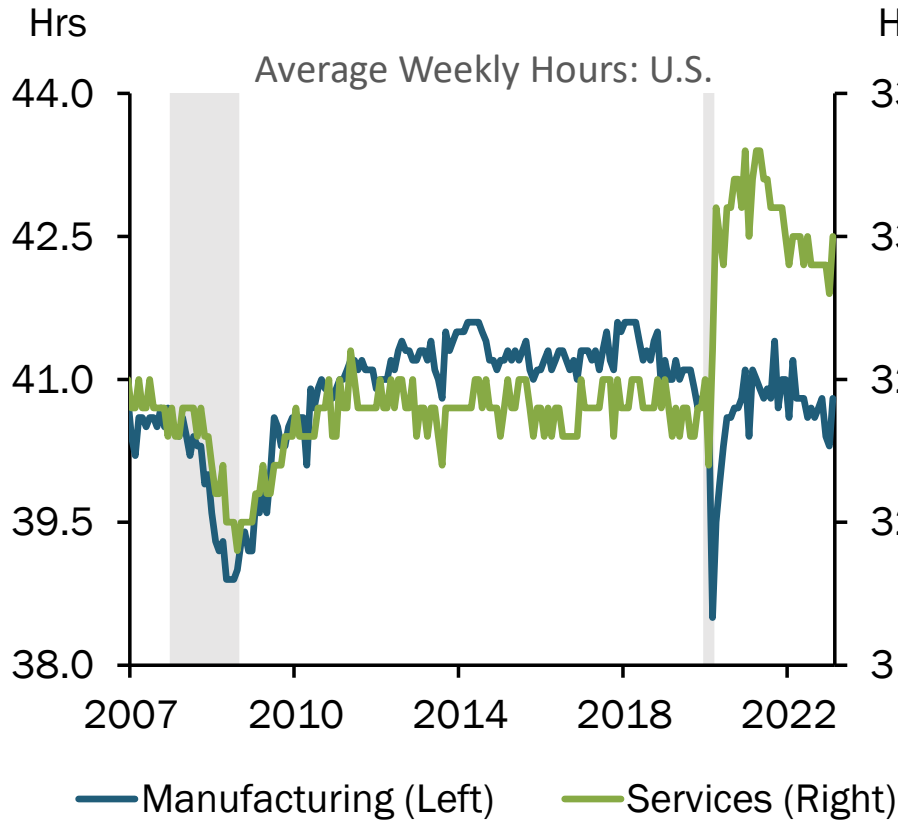
Low unemployment and robust wage growth reflect ongoing tightness in the labor market



Unrecovered labor force participation and elevated quits rates are sustaining upward pressure on wage growth

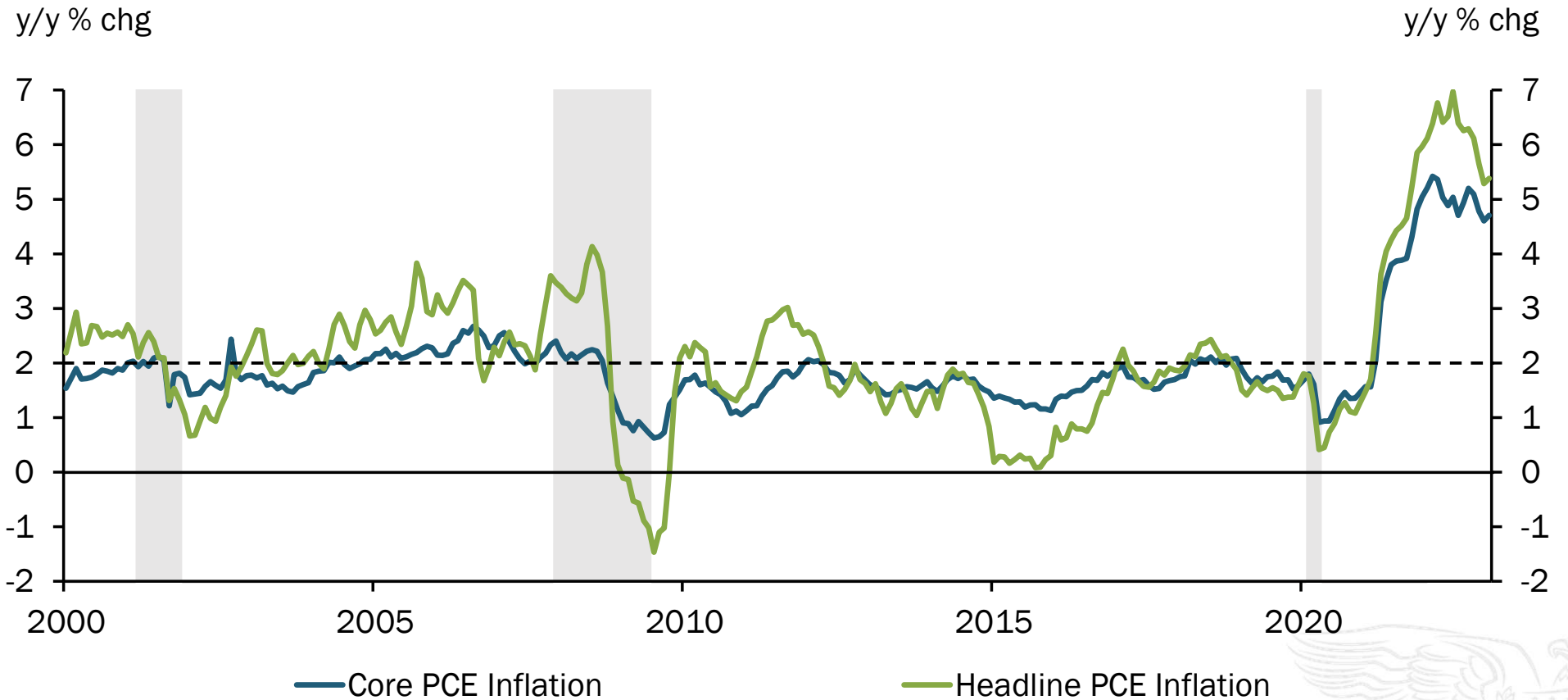


Hours worked in service sectors rose across the nation during the pandemic, but much less so in New Mexico

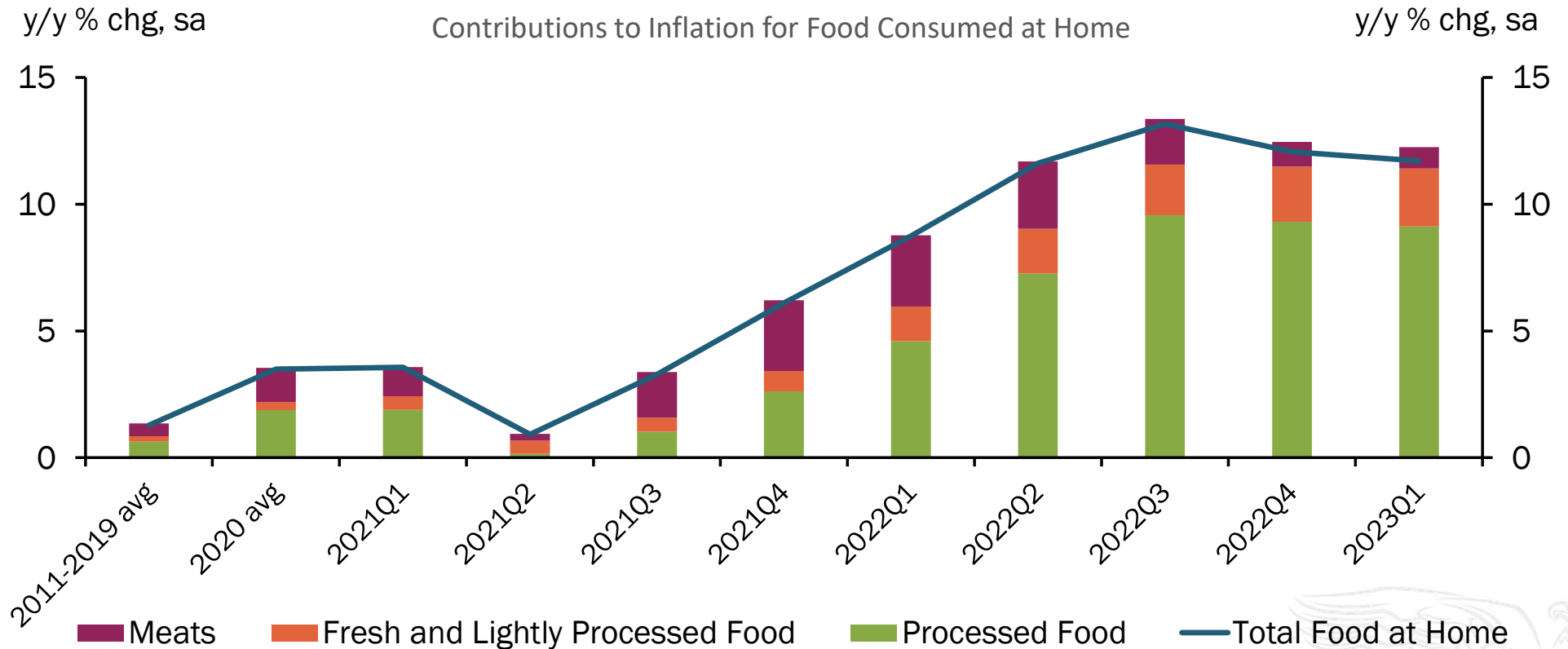


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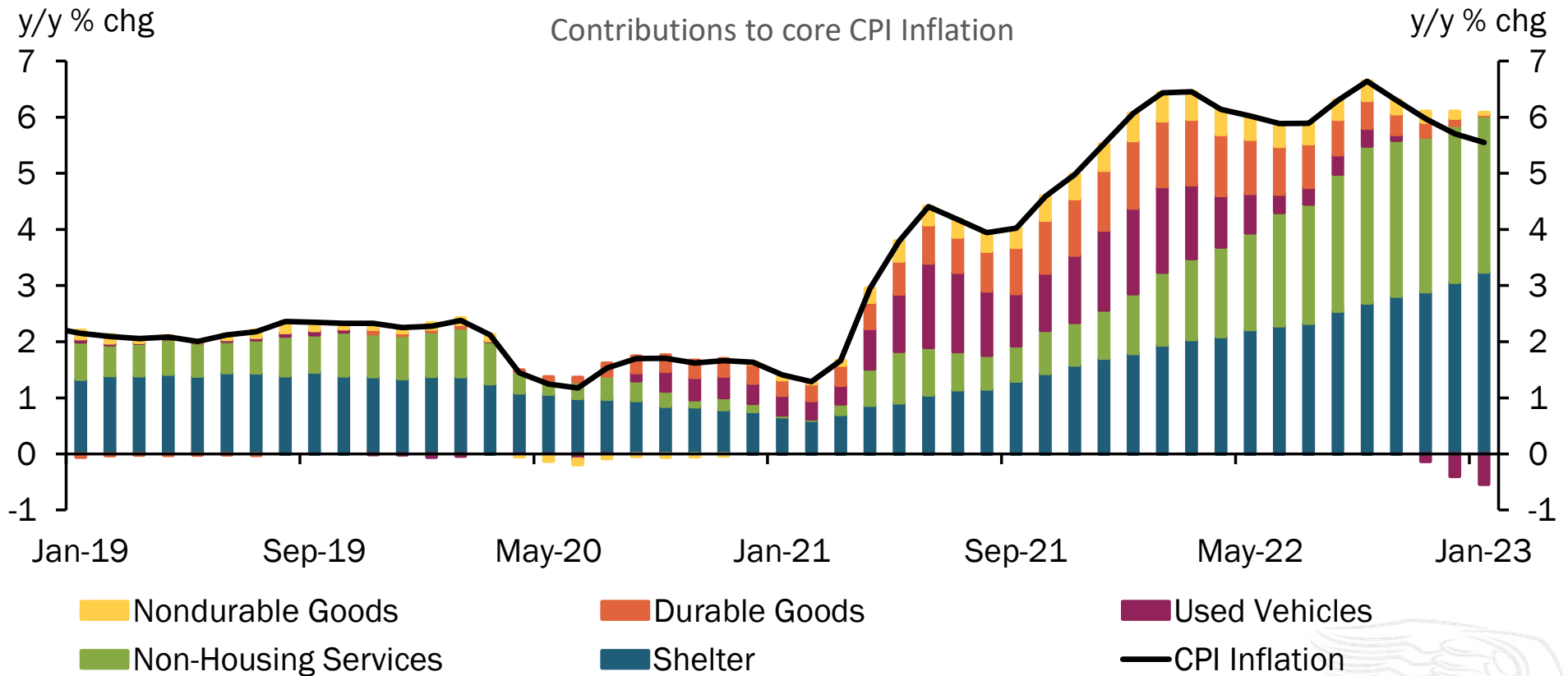
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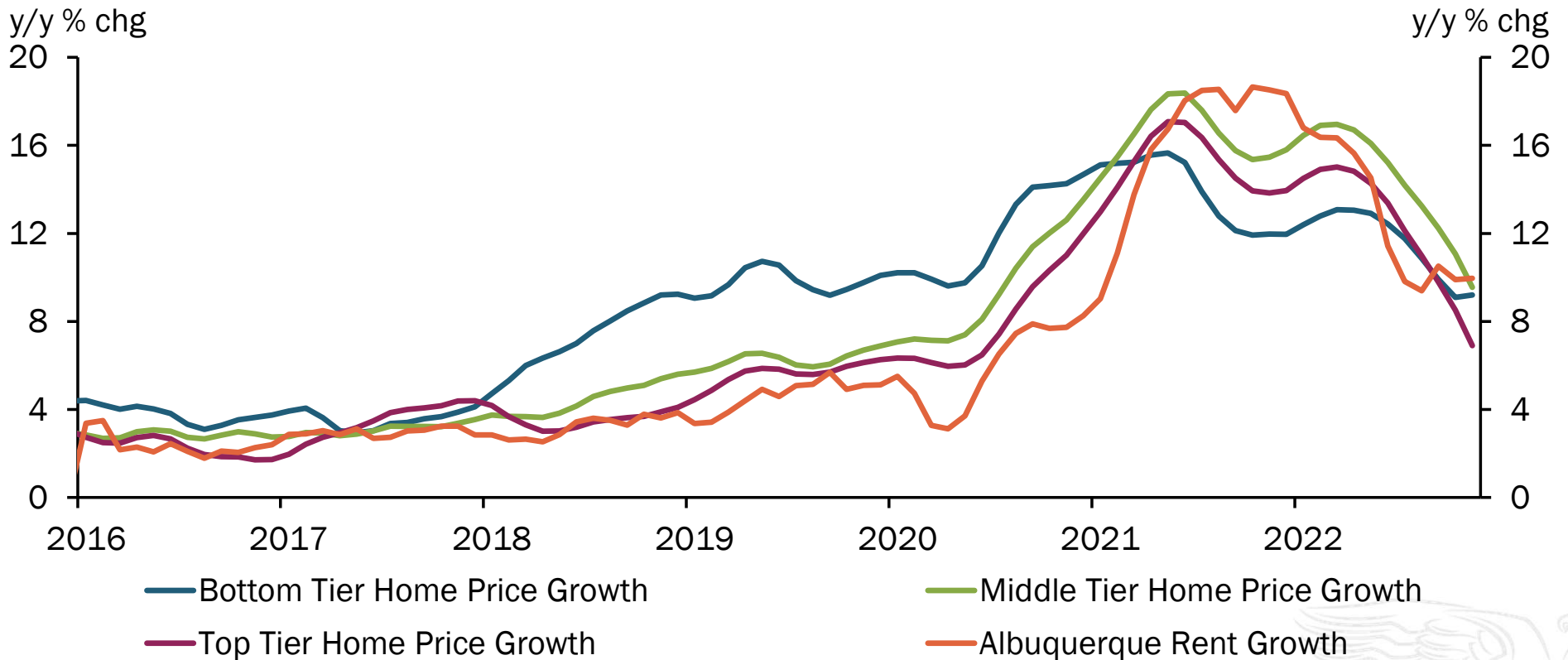
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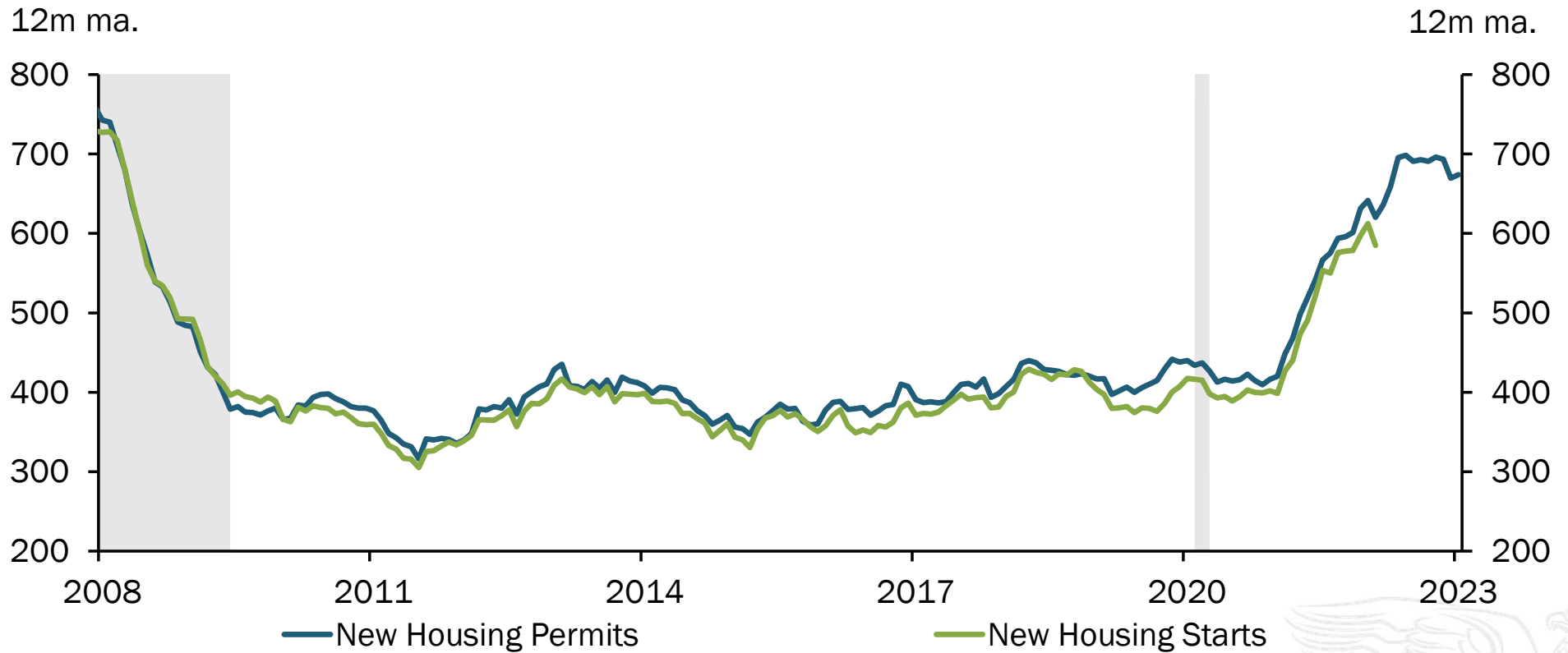
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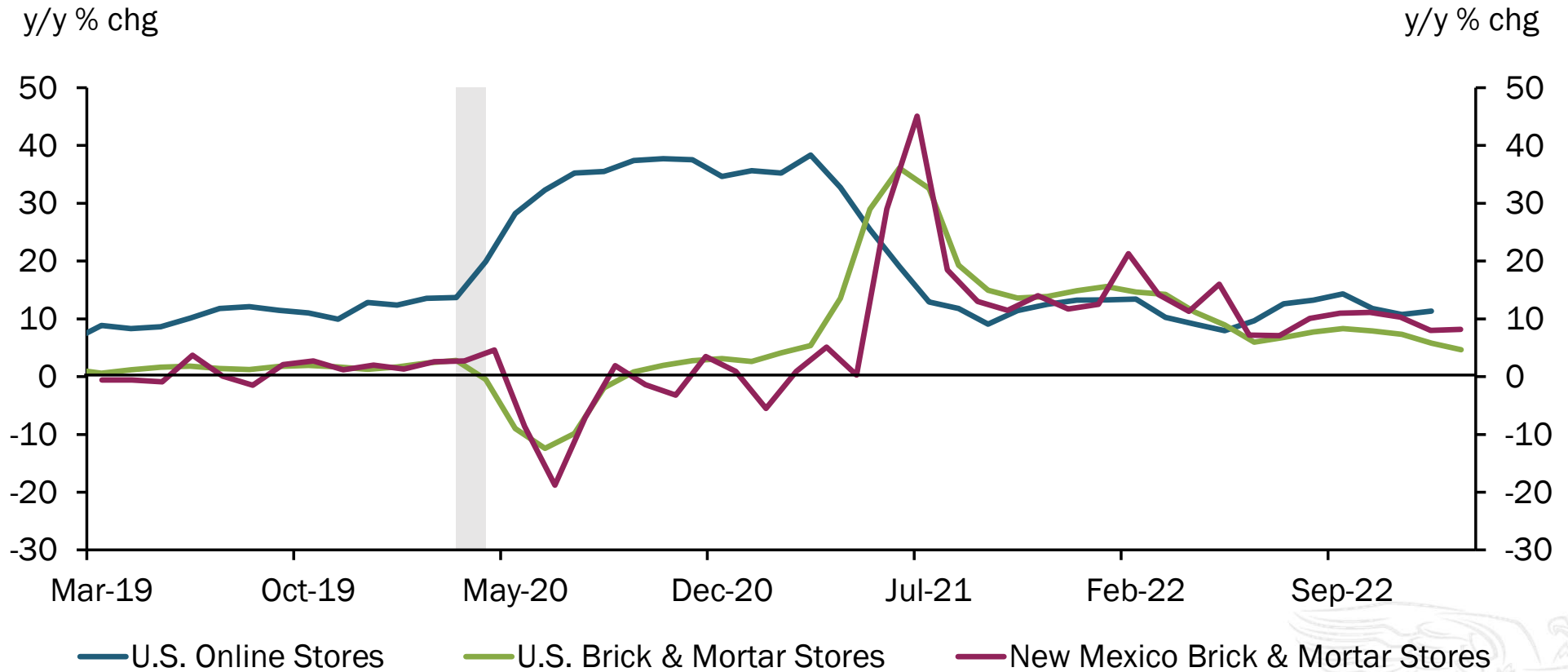
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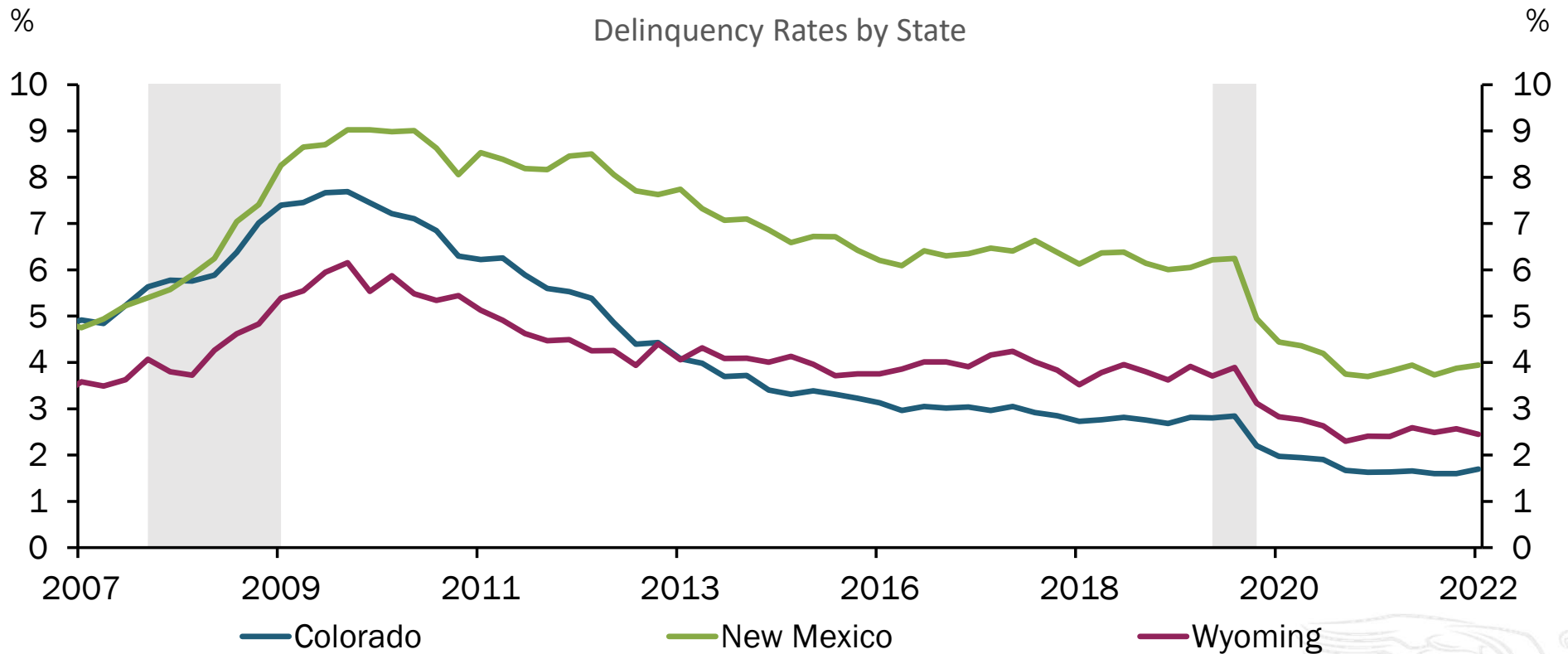
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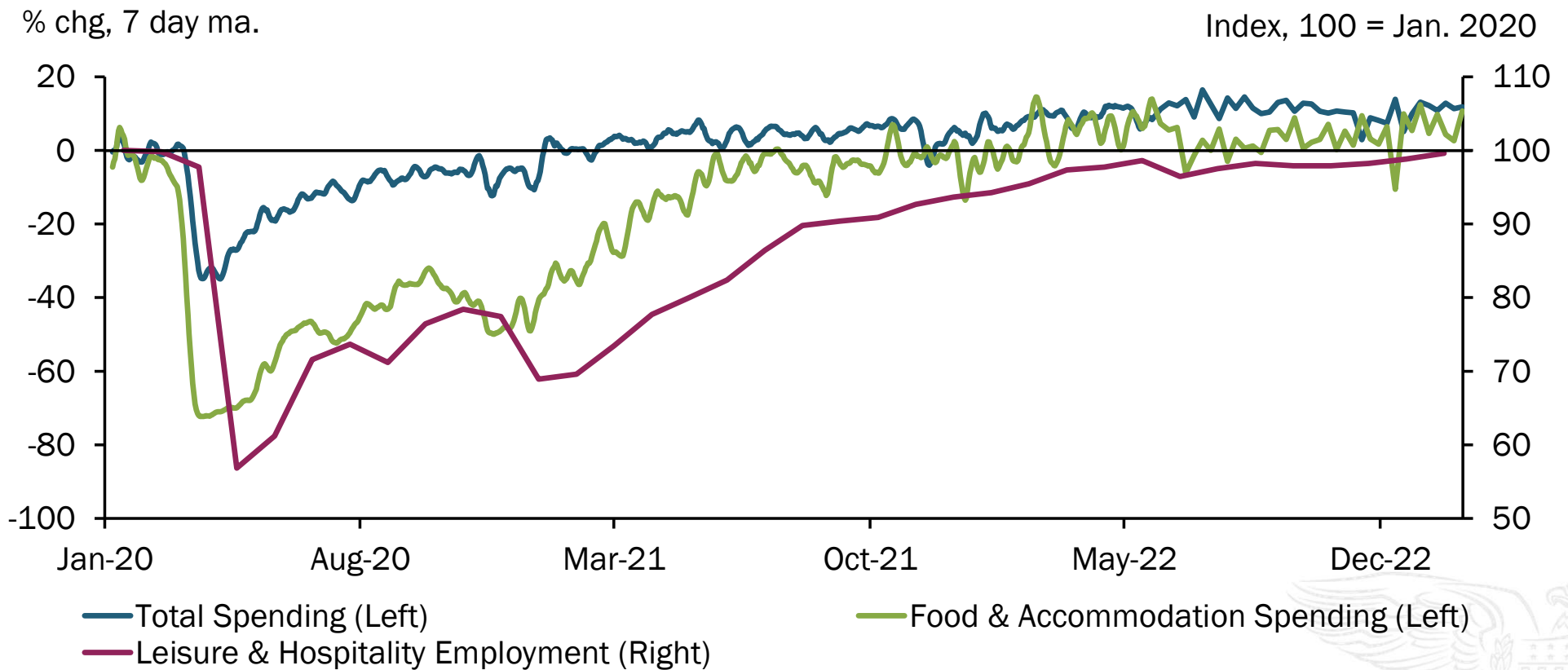


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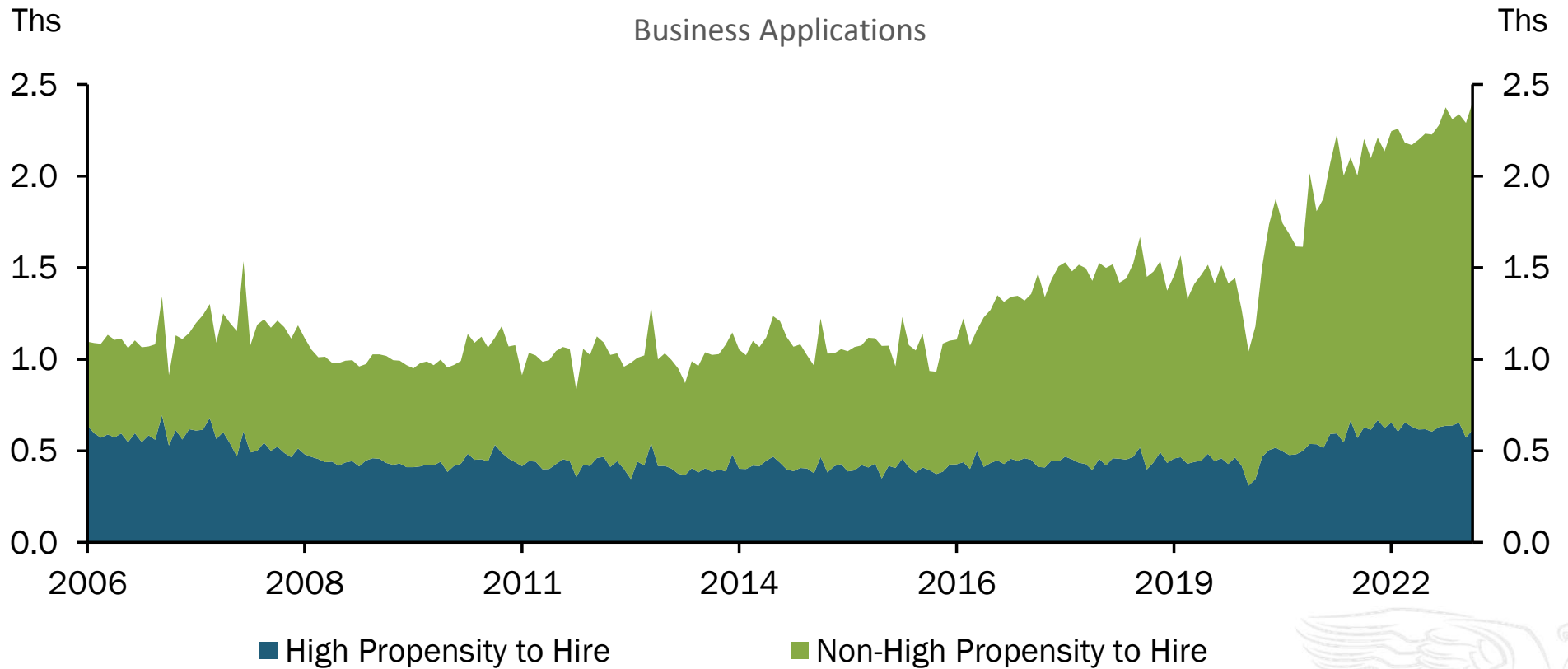


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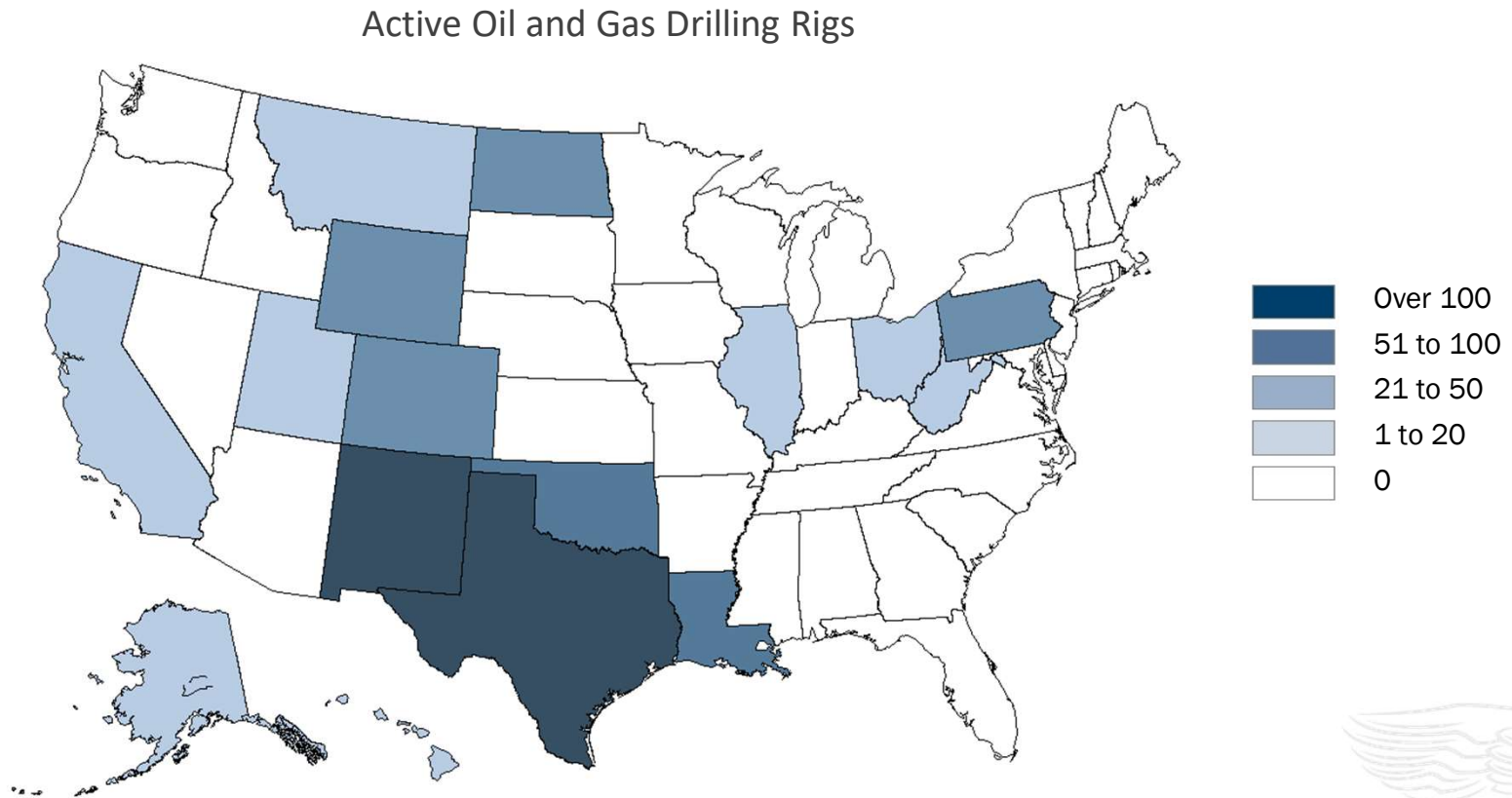
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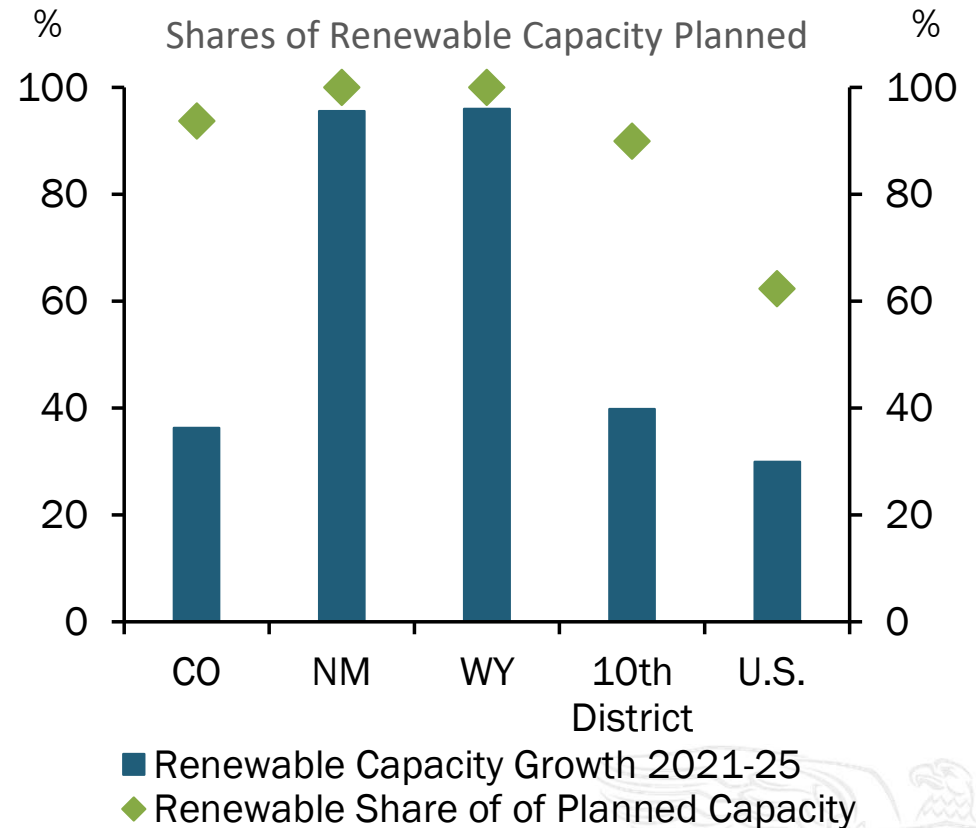
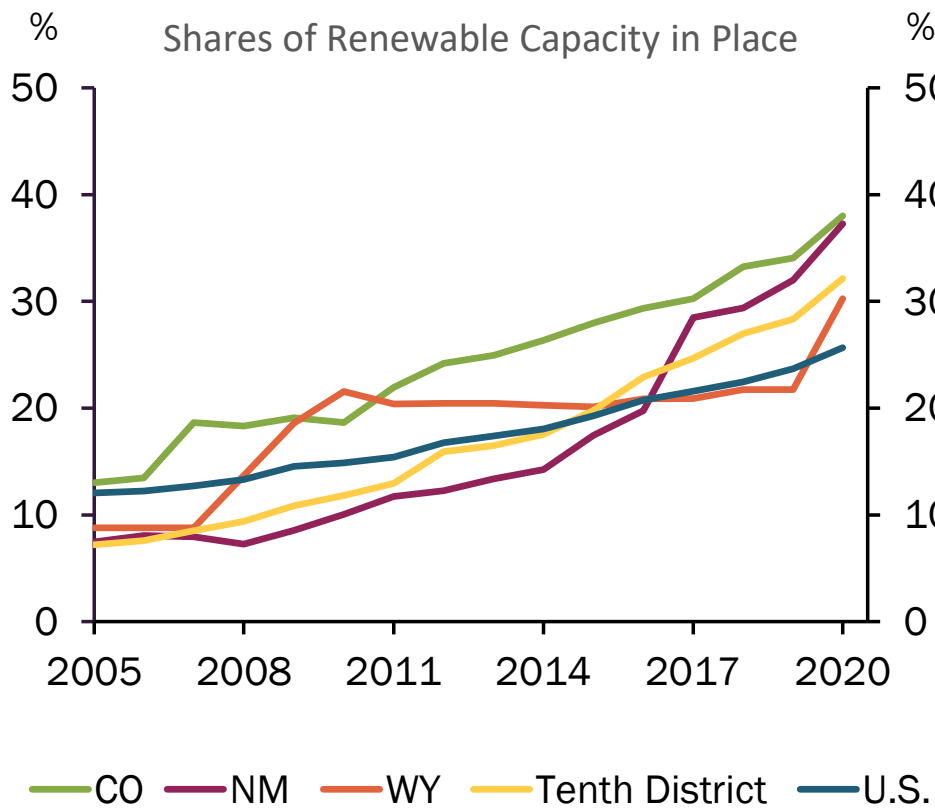
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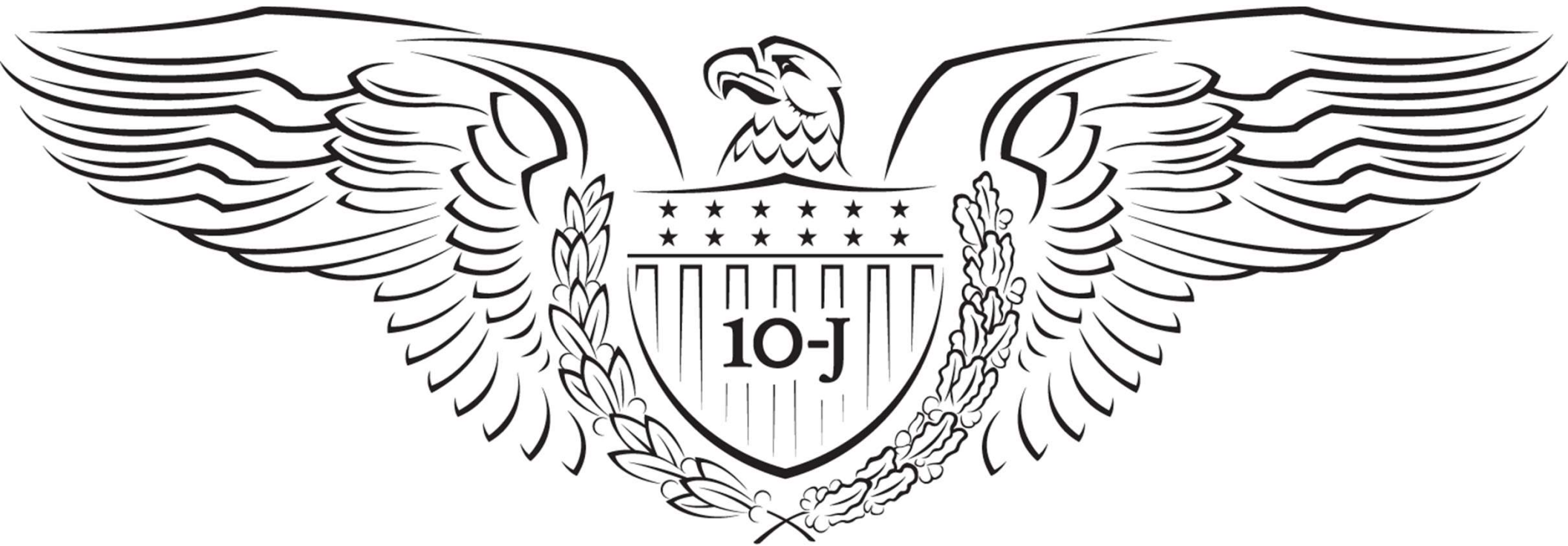


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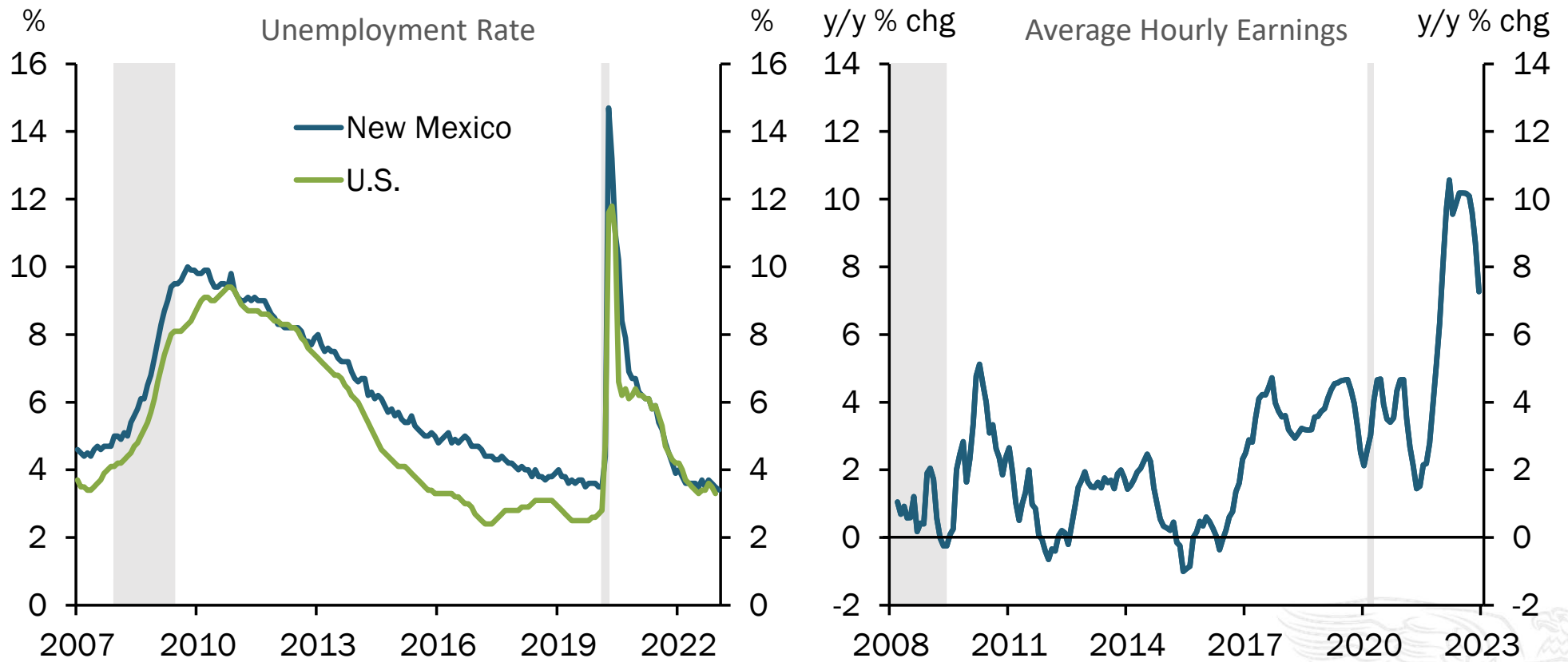


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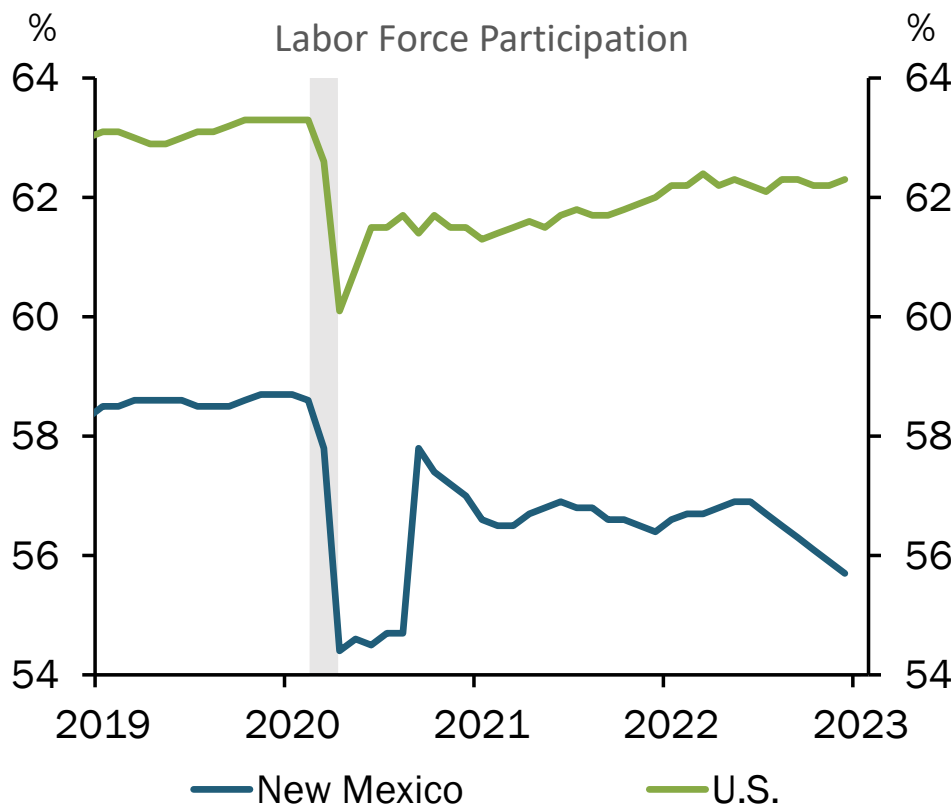
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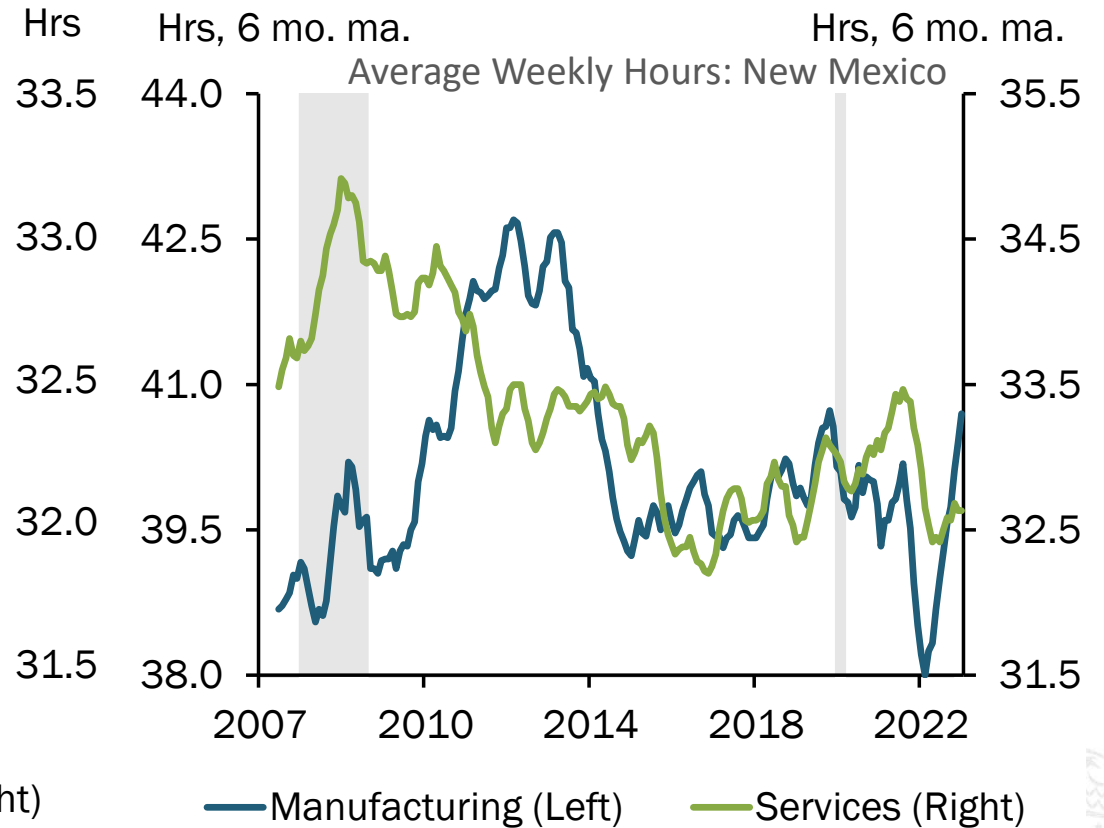
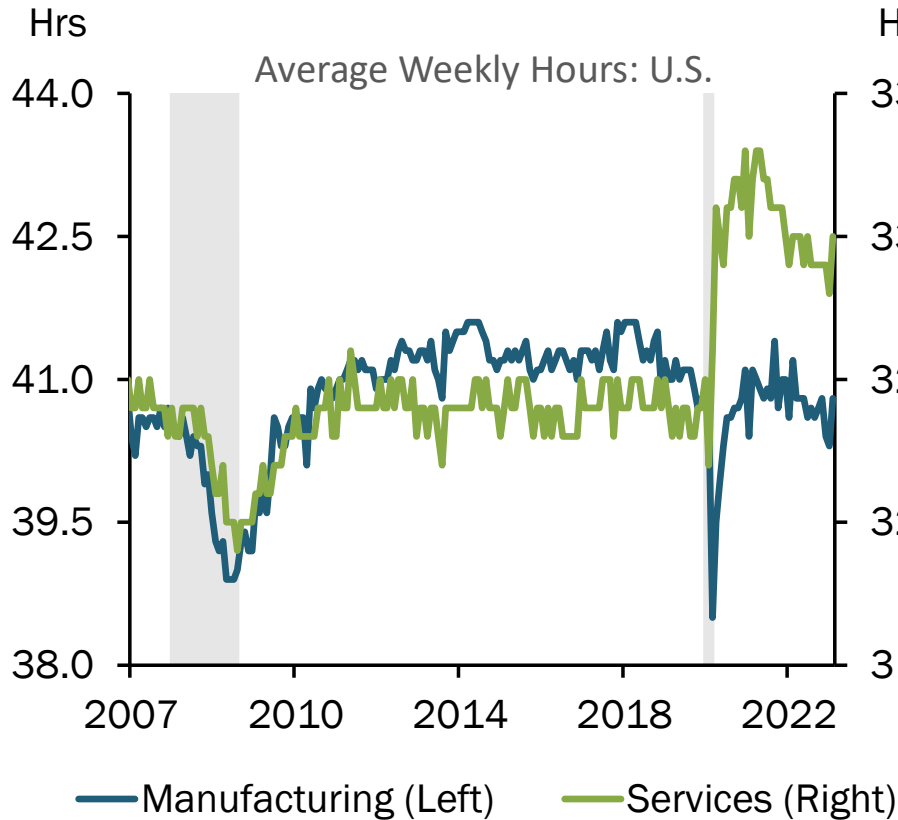
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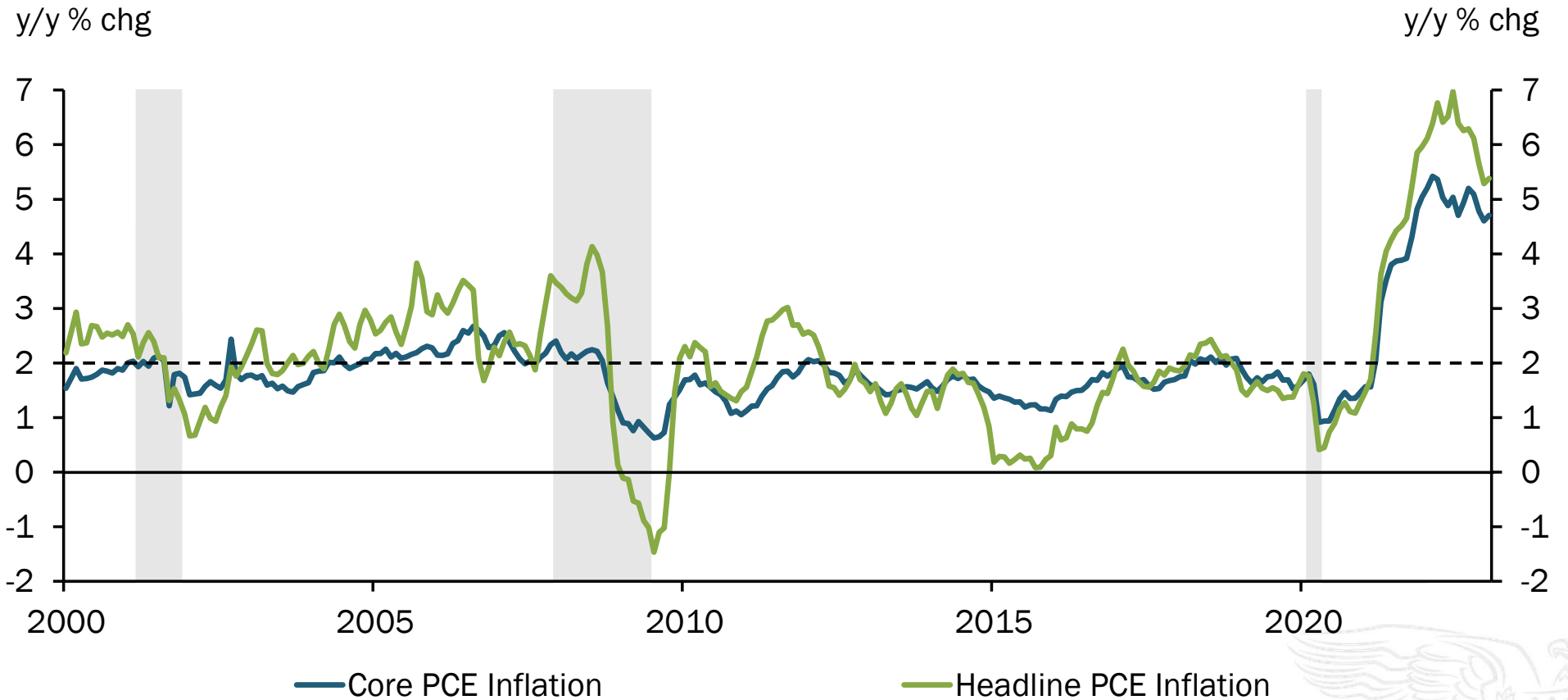


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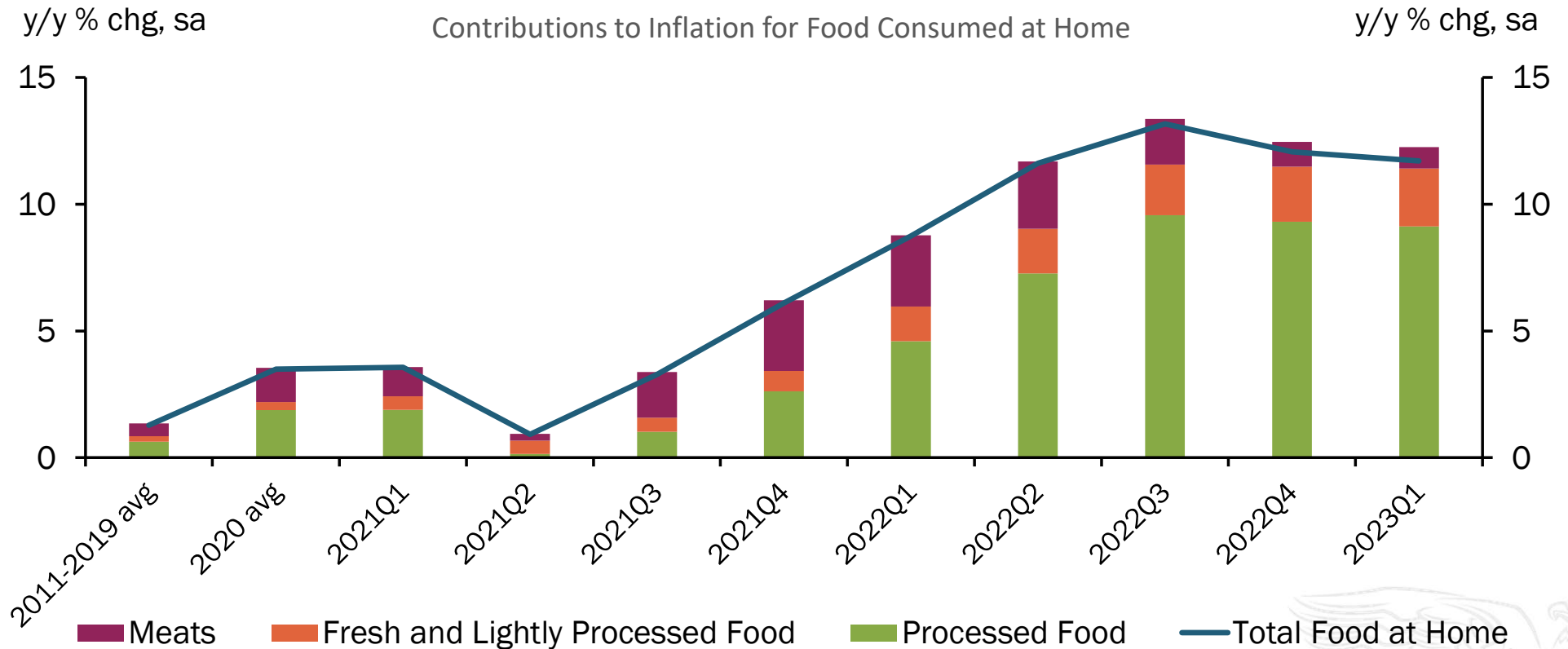


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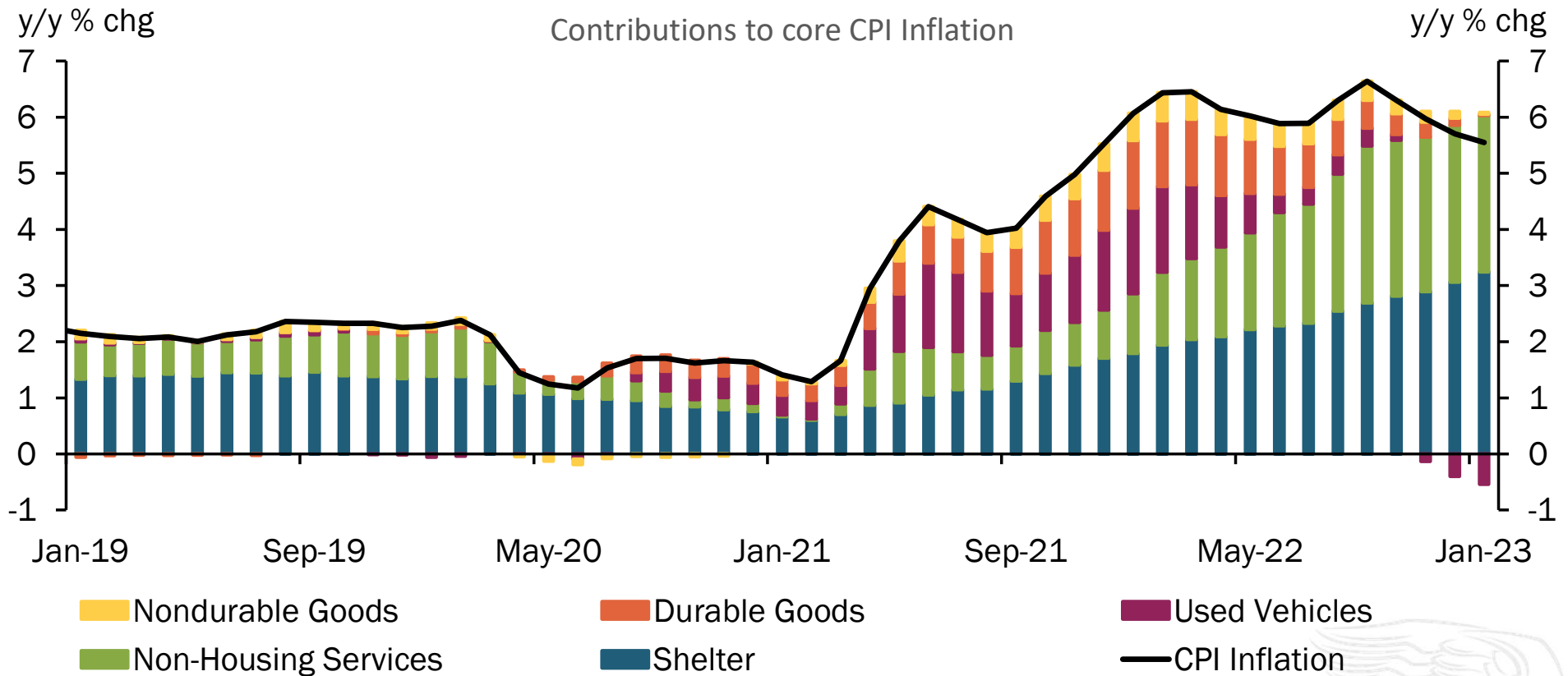
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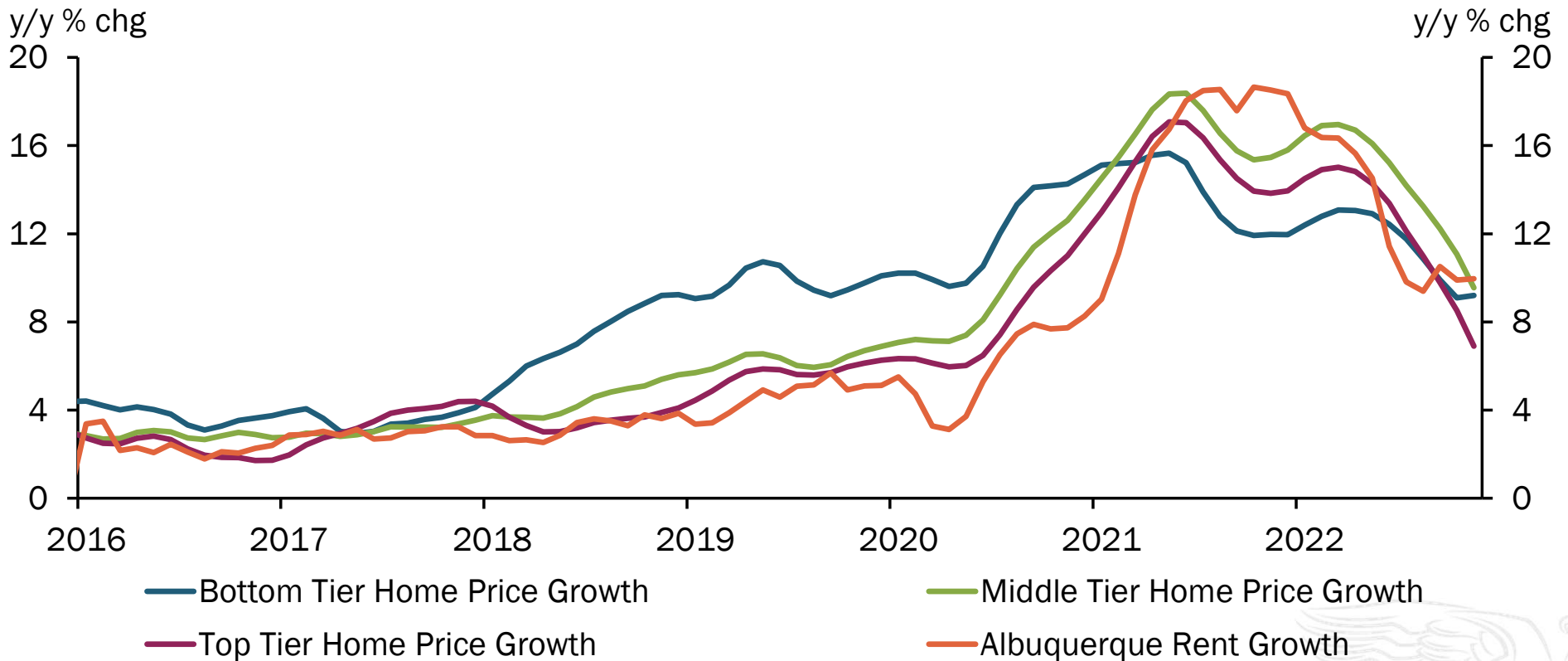
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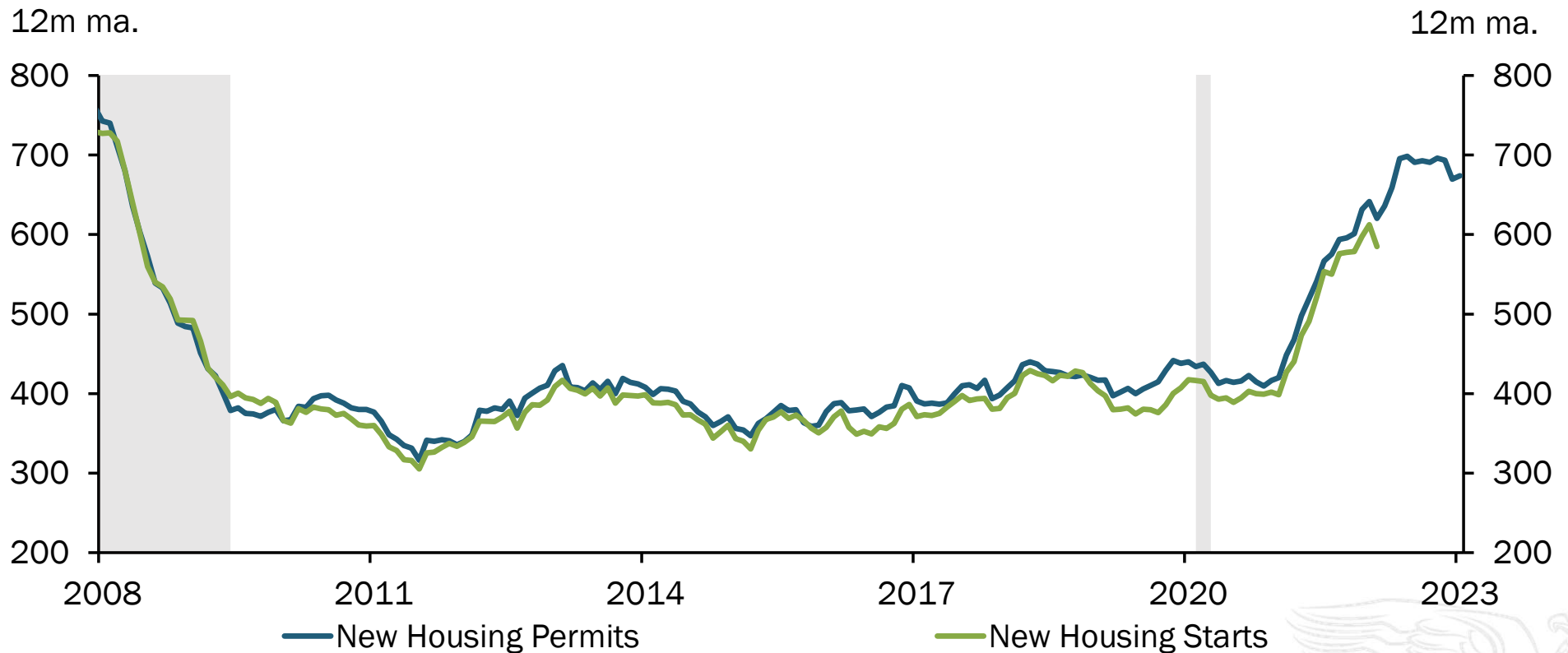
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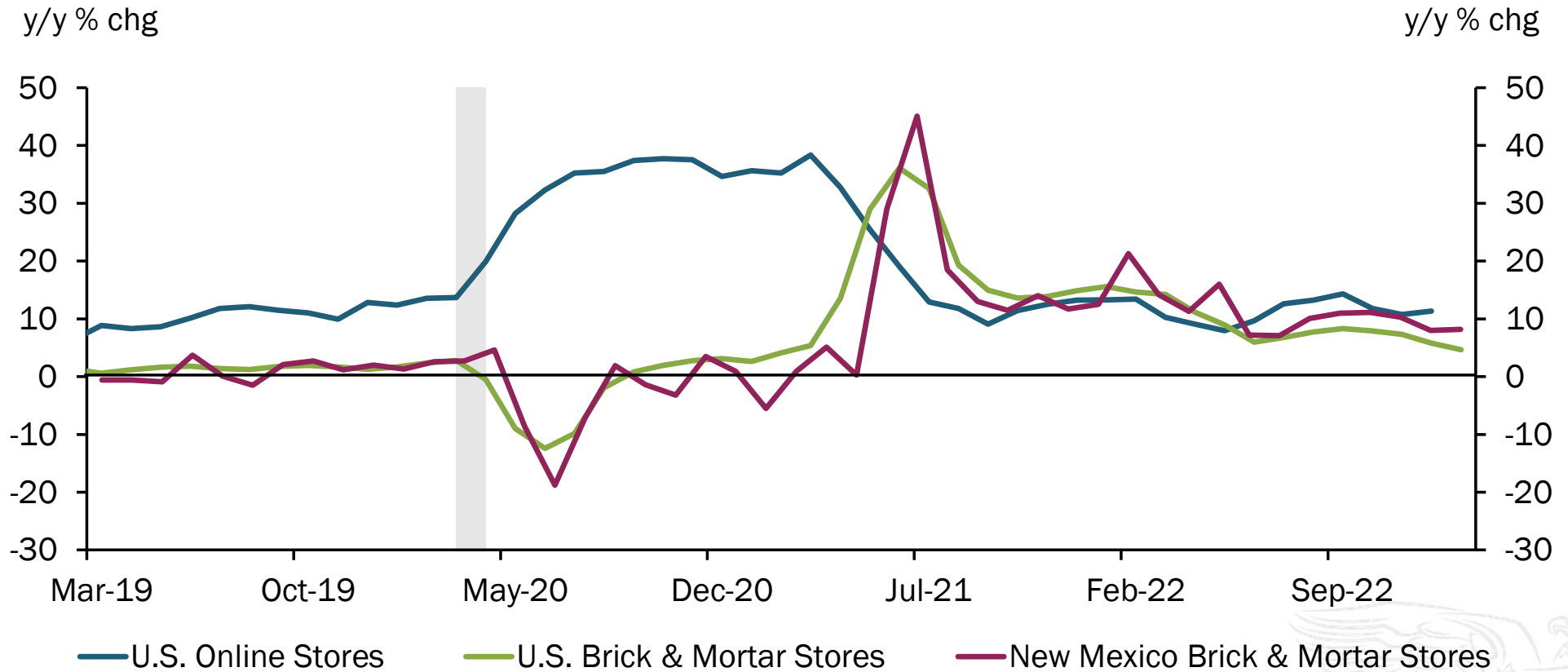
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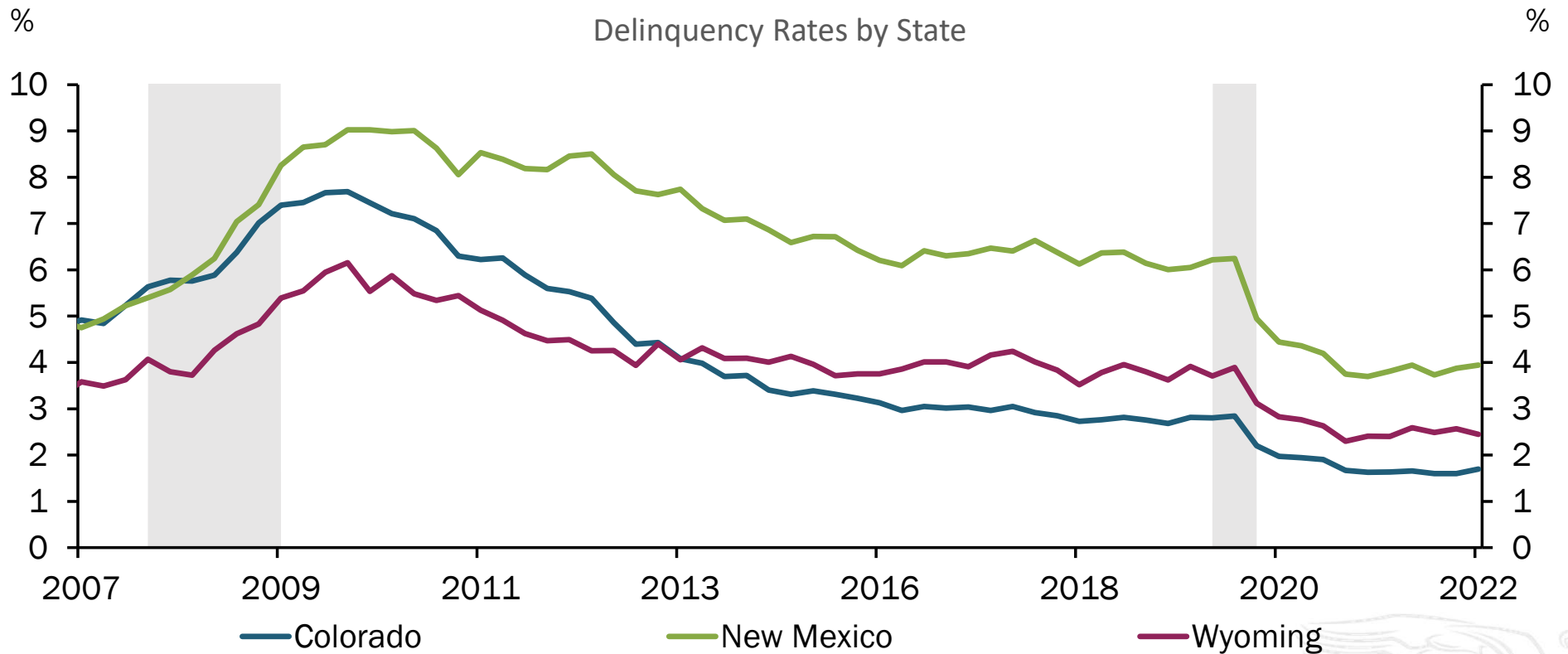
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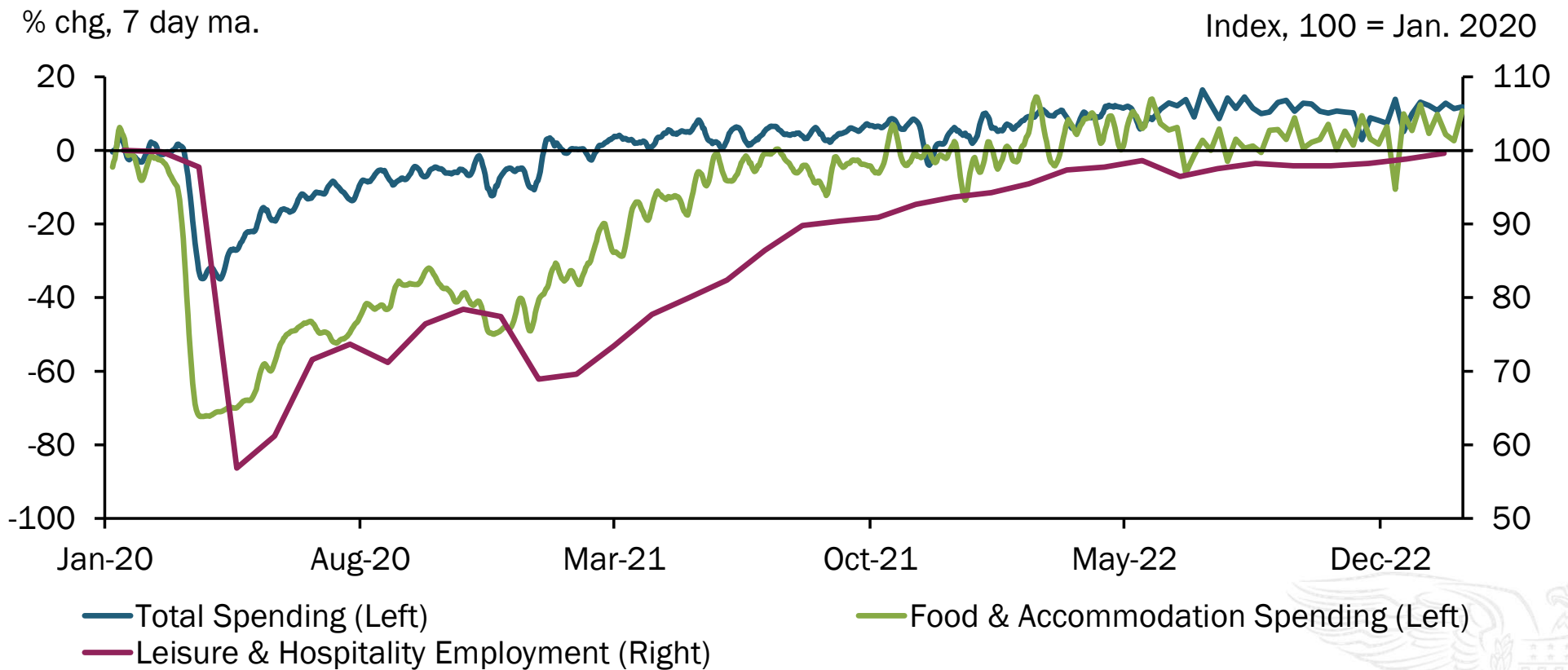


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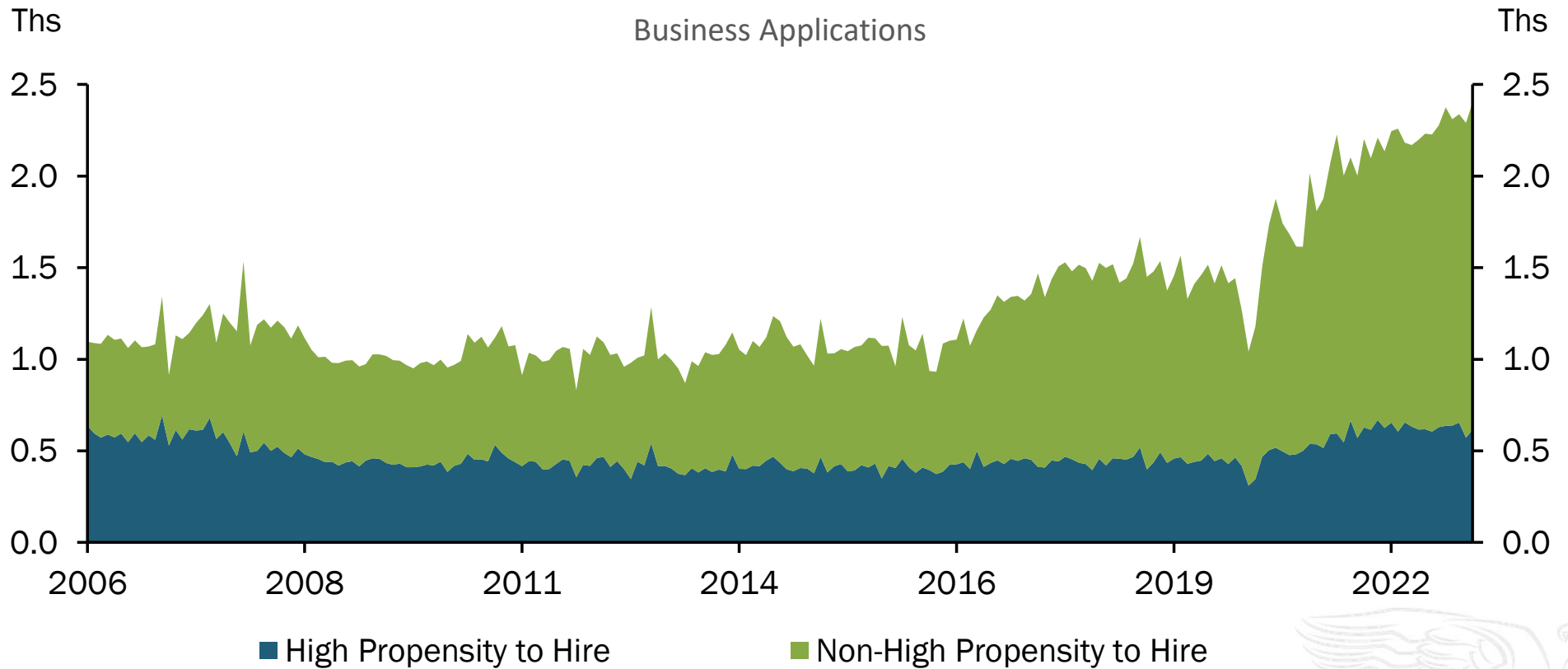


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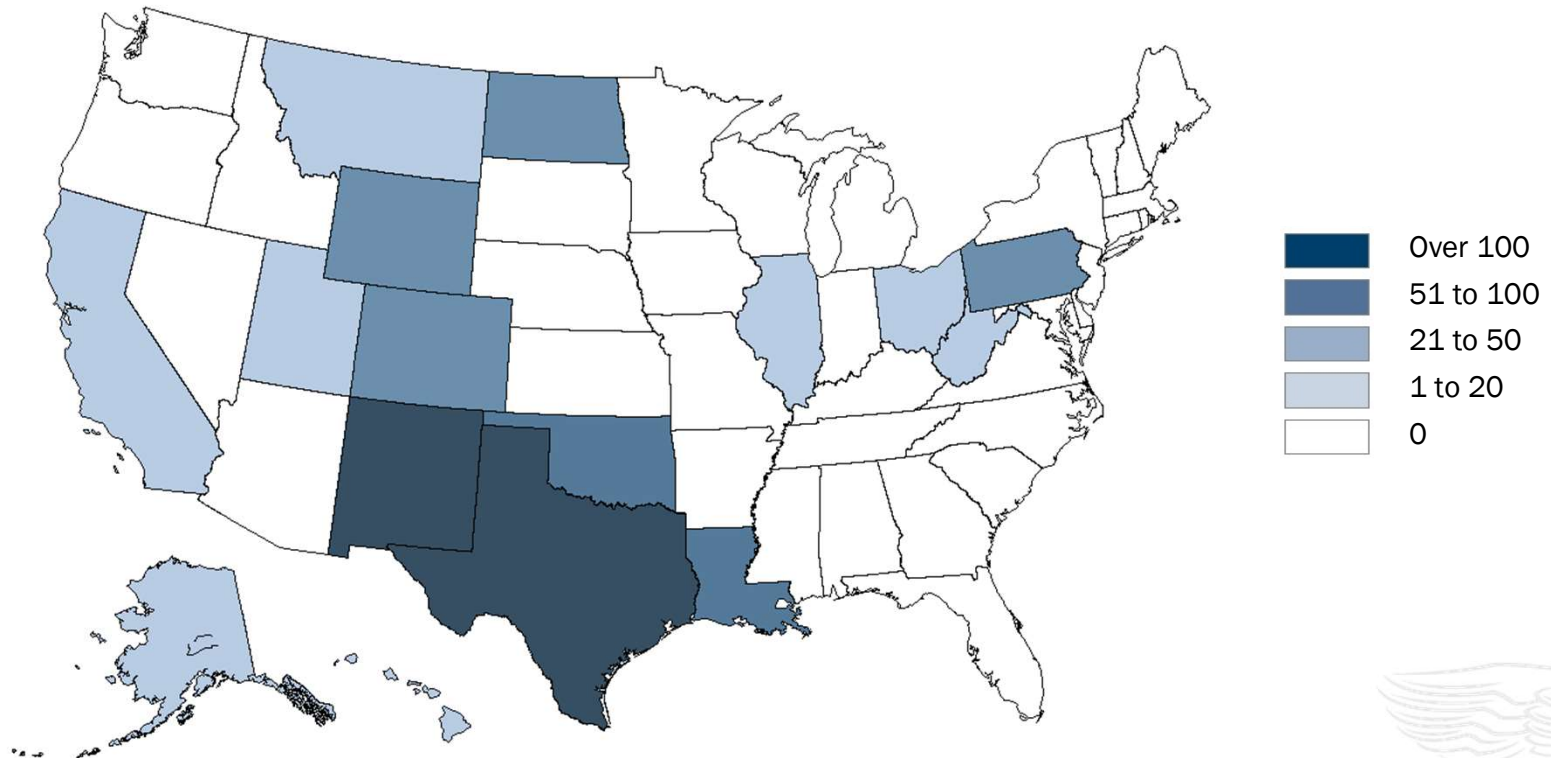


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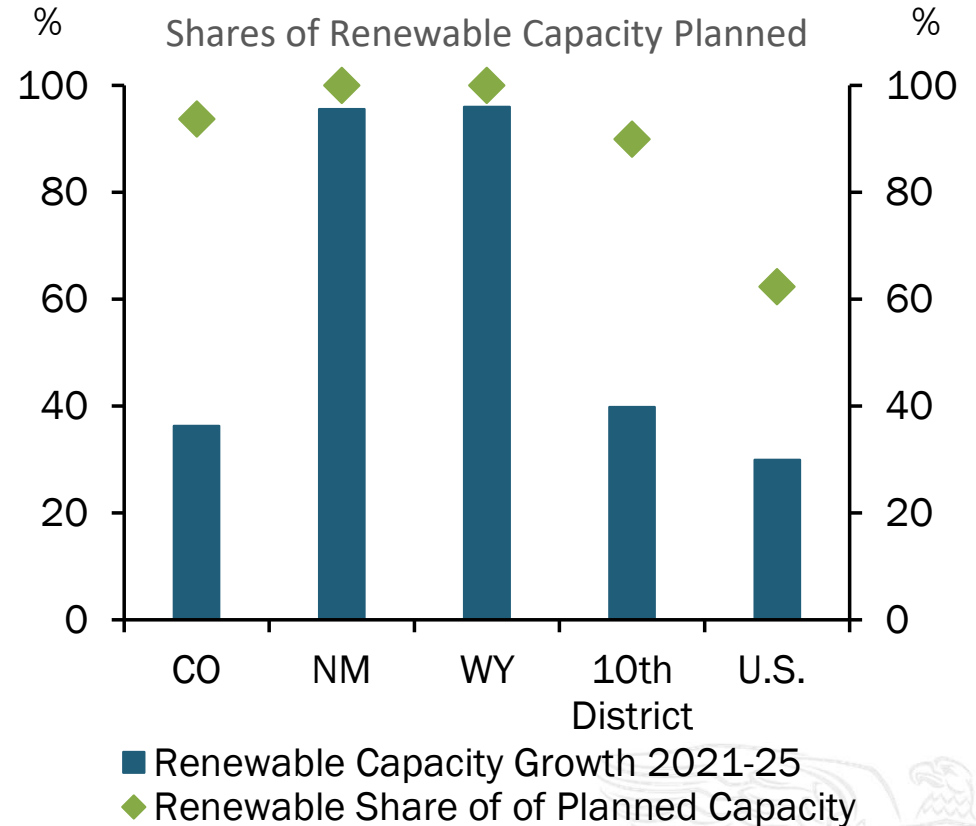
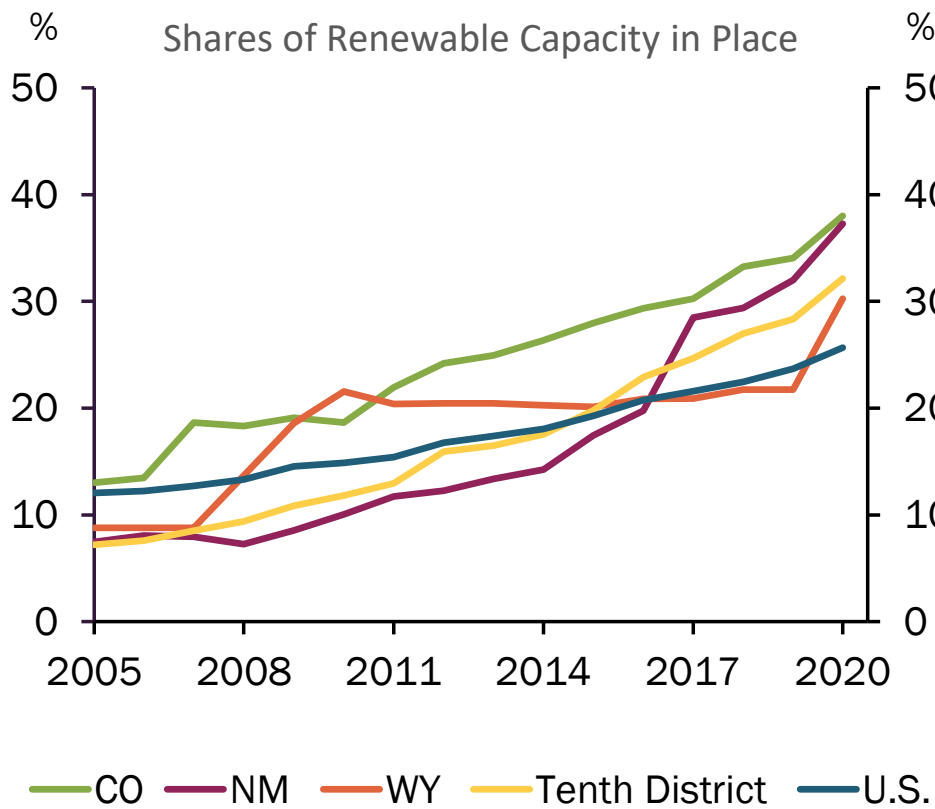


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