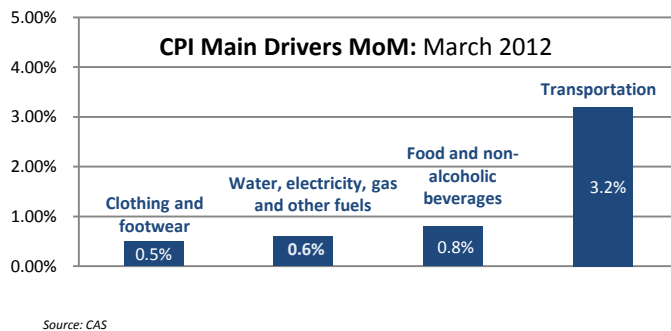
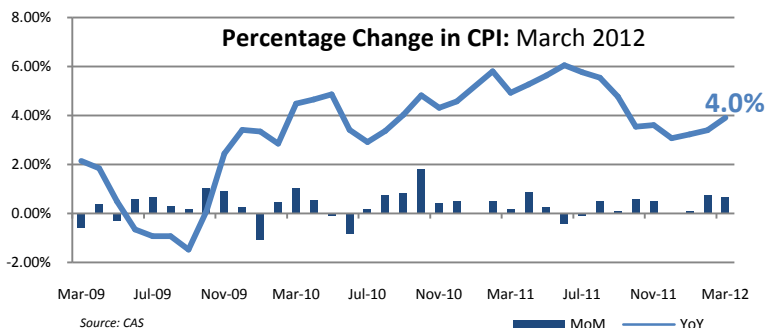


LEBANON INFLATION WATCH: March 2012

LEBANON'S CONSUMER PRICE INDEX (CPI) up 4.0% YoY in March 2012:

March 2012 saw Lebanon's Consumer Price Index increase 4.0% YoY from 114.9 in March 2011 to 119.4 in March 2012. The index increased 0.7% MOM from 118.6 in February 2012. CPI measures the price of goods in an economy by tracking the cost of a basket of goods over time and is used as a proxy for inflation



The biggest changers were Transportation, which increased 3.2% MoM from March 2012, food and non-alcoholic beverages increased 0.8%, water, electricity, gas and other fuels also increased 0.6% and clothing and footwear increased 0.5%. The cost of transportation was the major driver of the index, as it represents 12.3% of the index's weight and increased more over the January-February period than any other component. Other components of the index also changed, like alcoholic beverages, tobacco up 0.3%, furnishings, household equipment and routine household maintenance up 0.3%, restaurant and hotels up 0.2%, health up 0.1%, recreation, amusement and culture up 0.1%, miscellaneous goods & services up 0.1%. Housing, communication and education remained unchanged. No categories saw a MoM decline.

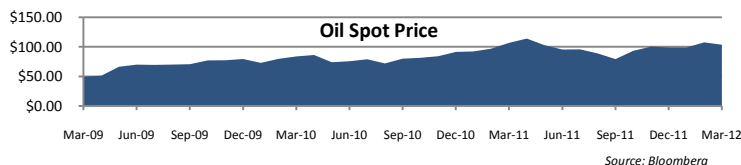
MONEY SUPPLY IN LEBANON

M3 increased by 0.6% MoM to 147,924 billion Lebanese pounds (USD 98.1 billion) in February 2012 and was up 6.6% YoY from 138,705 billion Lebanese pounds (USD 92.0 billion) in February 2011. M3, a benchmark for broad money, is the sum of currency in circulation, sight and time deposits in Lebanese pounds and deposits in foreign currencies and other financial liabilities.

INTERNATIONAL FACTORS TO WATCH

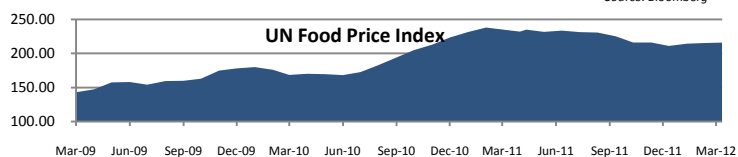
OIL SPOT PRICE

WTI Cushing Spot Price decreased -3.7% MoM to \$103.5 per barrel from \$107.5 per barrel in February 2012. YoY, it decreased -3.0%. The WTI Cushing Spot Price measures the price of West Texas Intermediate oil on world markets.



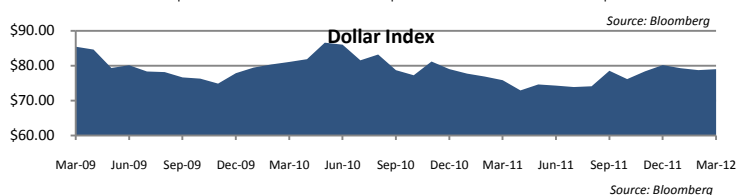
UN FOOD PRICE

UN Food Price Index is up 0.3% MoM to 215.9 from 215.3 in January 2012 but down -6.9% YoY. The UN Food Price is an index measures the prices of global food staples.



DOLLAR INDEX

Dollar Index is up 0.3% MoM to \$79.0 from \$78.7 in February 2012 and up 4.1% YoY. The Dollar Index measures the value of the US Dollar against a basket of the world's most widely held currencies.



SEASONALLY ADJUSTED CHANGES FROM PREVIOUS MONTHS

UNADJUSTED 12-MO. ENDED MAR-12

	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	
LEBANON CONSUMER PRICE INDEX	0.10%	0.7%	0.5%	0.0%	0.1%	0.8%	0.7%	4.0%
Food and non-alcoholic beverages	0.6%	0.5%	1.2%	1.1%	0.1%	0.6%	0.8%	6.3%
Alcoholic beverages, tobacco	0.1%	9.3%	0.8%	0.5%	0.1%	-0.4%	0.3%	11.3%
Clothing and footwear	0.3%	1.7%	0.8%	0.4%	0.4%	0.1%	0.5%	2.7%
Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Water, electricity, gas and other fuels	-0.2%	-0.5%	0.8%	-0.4%	-0.2%	1.1%	0.6%	2.9%
Furnishings, household equipment and routine household maintenance	0.3%	0.1%	0.3%	0.1%	0.0%	0.2%	0.3%	2.2%
Health	0.0%	-1.5%	0.7%	0.0%	-1.2%	0.7%	0.1%	2.3%
Transportation	-0.9%	-2.0%	-0.1%	-2.0%	0.9%	3.2%	3.2%	6.6%
Communication	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Recreation, amusement and culture	0.2%	2.5%	0.1%	1.1%	0.1%	0.2%	0.1%	5.2%
Education	0.0%	7.5%	0.0%	0.0%	0.0%	0.0%	0.0%	7.5%
Restaurant & hotels	0.3%	0.6%	0.6%	0.1%	0.1%	1.3%	0.2%	4.7%
Miscellaneous goods & services	0.4%	0.0%	0.3%	0.2%	0.1%	1.1%	0.1%	3.1%

Source: CAS

For more information, please contact:

FFA Private Bank - Beirut
Research Department
+961 1 985 195

Disclaimer

This document has been issued by FFA Private Bank for informational purposes only. This document is not an offer or a solicitation to buy or sell the securities mentioned. This document was prepared by FFA Private Bank from sources it believes to be reliable. FFA Private Bank makes no guarantee or warranty to the accuracy and thoroughness of the information mentioned, and accepts no responsibility or liability for damages incurred as a result of opinions formed and decisions made based on information presented in this document.