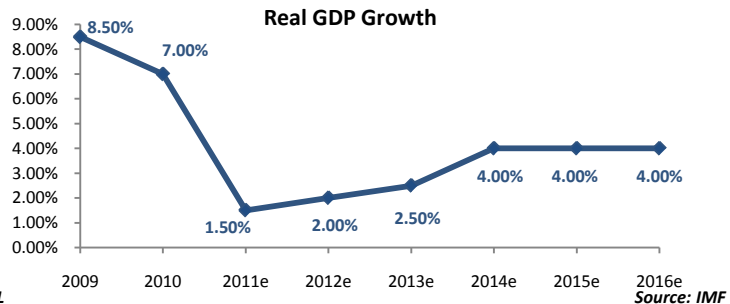
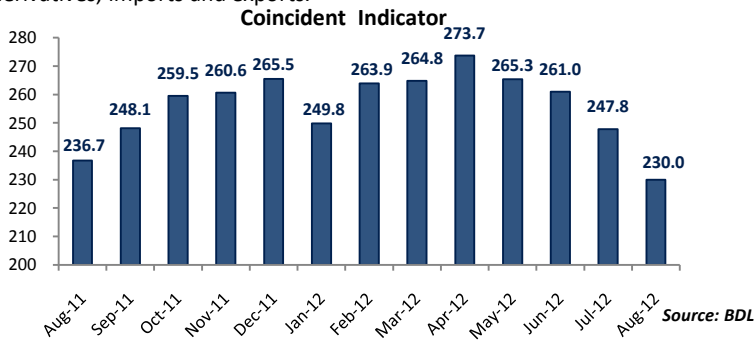


LEBANON ECONOMIC HIGHLIGHTS: August 2012

Coincident Indicator (INDIC) down -2.8% YOY in August 2012:

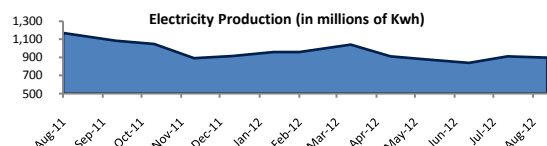
In August 2012, the coincident indicator witnessed a decrease of **-2.8% YOY** from 236.7 in August 2011 to 230.0 in August 2012. The indicator decreased **-7.2% MOM** from 247.8 in July 2012. Coincident indicator was created in 1994 by the BDL as a monthly estimate of the Gross Domestic Product (GDP). It includes eight economic indicators that seek to reflect the current state of the economy in Lebanon. The economic variables that compose the coincident indicator are: electricity production, cement deliveries, cleared checks, money supply M3, passengers flows, imports of petroleum derivatives, imports and exports.



According to the IMF, the Lebanese economy is expected to have a growth rate of 1.5% in 2011. The estimated growth rate for 2012 is 2.0%, for 2013 is 2.5% and it is forecasted to stabilize at 4.0% for the following three years into 2016.

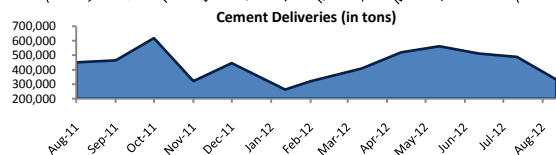
Electricity Production:

Electricity production decreased **-23.3% YOY** and **-1.5% MOM** to 898 million of Kwh.



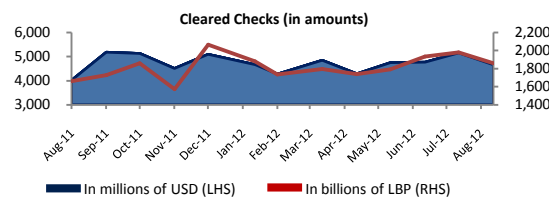
Cement Deliveries:

Cement deliveries, an indicator of construction activity, decreased by **-26.6% YOY** to 331,030 tons and **-32.3% MOM**. Construction permits, an indicator of future supply in the real estate sector, decreased by **-22.9% YOY** and **-22.3% MOM**.



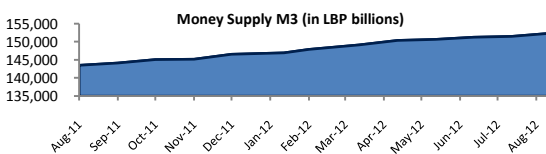
Cleared Checks:

The total value of cleared checks in both LBP and USD decreased **-3.7% YOY** to USD 5,890 million. The cleared checks in LBP increased by **11.9% YOY** to LBP 1,859 billion but decreased **-6.0% MOM**, and those in USD increased **16.0% YOY** to USD 4,656 million but decreased **-9.6% MOM**.



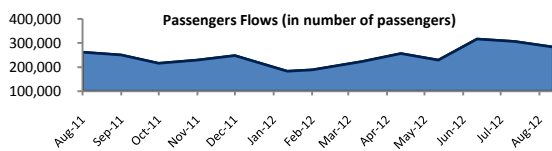
Money Supply M3:

M3 increased by **6.2% YOY** and **0.6% MOM** to LBP 152,377 billion (USD 101.1 billion), of which 58.8% is denominated in foreign currencies. M3 increased **3.3%** in the first eight months of 2012.



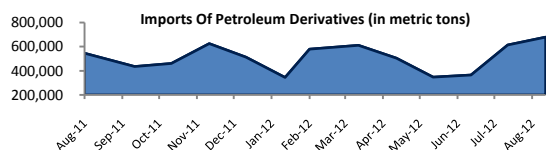
Passengers Flows:

The number of passengers arriving to Lebanon increased by **8.2% YOY** but decreased **-7.6% MOM** to 283,246. Arrivals in the first eight months of 2012 surpassed those recorded in the first half 2011 by **6.7%**.



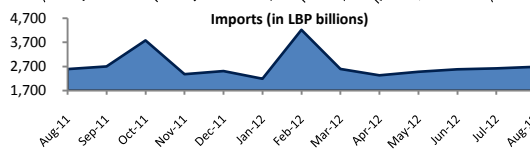
Imports Of Petroleum Derivatives:

Imports of petroleum derivatives increased by **24.5% YOY** and **10.6% MOM** to 679,440 metric tons of petroleum derivatives.



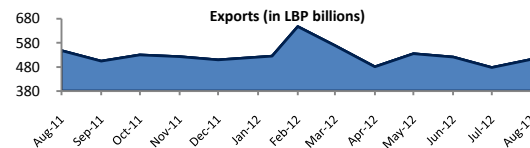
Imports:

Imports increased by **3.6% YOY** to LBP 2,687 billion and **2.5% MOM**. In the first eight months, mineral products lead imported goods with **29.3%**, followed by machinery and mechanical appliances with **9.7%** and chemical products with **8.3%**.



Exports:

Exports totaled LBP 511 billion reflecting a decrease of **-6.6% YOY** but increased **7.1% MOM**. Pearls, precious and semi-precious stones were on top of the list with **38.9%**, followed by machinery and mechanical appliances with **11.6%** and base metals with **9.9%**.



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Source: BDL