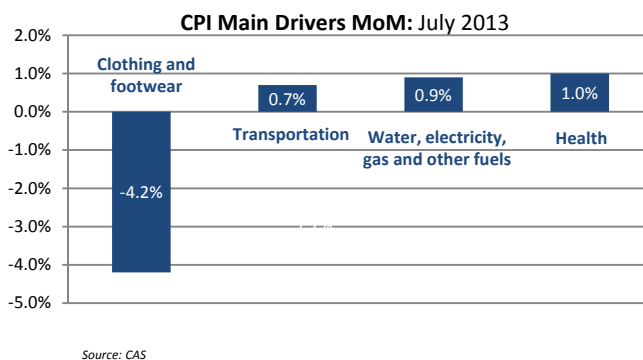
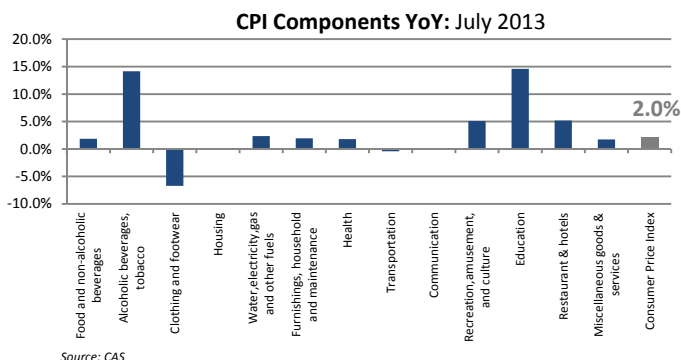


LEBANON INFLATION WATCH: July 2013

LEBANON'S CONSUMER PRICE INDEX (CPI) up 2.0% YoY in July 2013:

July 2013 saw Lebanon's Consumer Price Index increase 2.0% YoY from 128.4 in July 2013 to 125.9 in July 2012. The index was stable MoM at 128.4. 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.



According to the IMF, inflation in Lebanon is estimated at 3.1% for 2011, 10.1% for 2012, 2.8% for 2013 and 2.0% for the following three years until 2016. The biggest changers were clothing and footwear which decreased -4.2%, health which increased 1.0%, water, electricity, gas and other fuels which increased 0.9%, transportation which increased 0.7% MoM. The cost of clothing and footwear was the major driver of the index, as it represents 6.2% of the index's weight and changed more over the July-June period than any other component. Other components of the index also changed like recreation, amusement and culture up 0.4%, restaurant and hotels up 0.3%, miscellaneous goods & services up 0.3%, alcoholic beverages, tobacco up 0.1%, food and non-alcoholic beverages down -0.1%. Housing, furnishings, household equipment and routine household maintenance, communication and education remained unchanged.

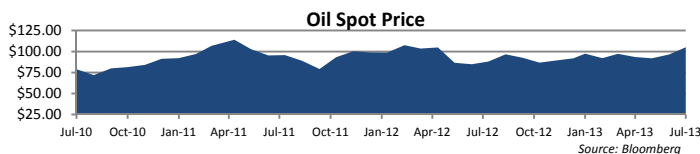
MONEY SUPPLY IN LEBANON

M3 increased by 0.5% MoM to 161,768 billion Lebanese pounds (USD 107.3 billion) in June 2013 and was up 6.9% YoY from 151,292 billion Lebanese pounds (USD 100.4 billion) in June 2012. 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

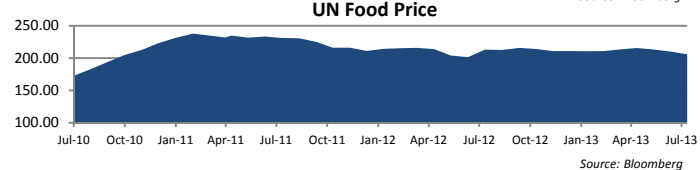
OIL SPOT PRICE

WTI Cushing Spot Price increased 8.8% MoM to \$105.0 per barrel from \$96.6 per barrel in June 2013. YoY, it increased 19.3%. The WTI spot price measures the price of West Texas Intermediate oil on world markets. Brent spot price increased 5.4% MoM and increased 3.7% YoY to \$107.7 per barrel.



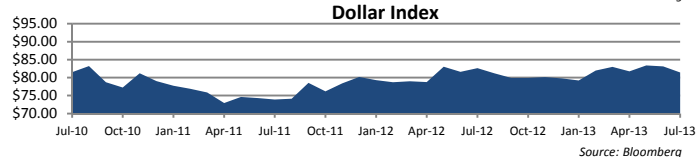
UN FOOD PRICE

UN Food Price Index was down -2.0% MoM to 205.9 from 210.1 in June 2013 and down -3.4% YoY. The UN Food Price Index measures the prices of global food staples.



DOLLAR INDEX

Dollar Index was down -2.0% MoM to \$81.5 and -1.4% YoY. The Dollar Index measures the value of the US Dollar against a basket of the world's most widely held currencies.



	Weights	July 2013 Index	July 2012 Index	Unadjusted CPI YoY July 2013
LEBANON CONSUMER PRICE INDEX	100%	128.4	125.9	2.0%
Food and non-alcoholic beverages	19.9%	137.2	134.7	1.9%
Alcoholic beverages, tobacco	2.1%	138.3	121.2	14.1%
Clothing and footwear	6.2%	112.7	120.8	-6.7%
Housing	16.2%	160.2	160.2	0.0%
Water, electricity, gas and other fuels	9.5%	116.9	114.2	2.4%
Furnishings, household equipment and routine maintenance	3.9%	113.6	111.5	1.90%
Health	6.8%	107.0	105.1	1.8%
Transportation	12.3%	121.9	122.4	-0.4%
Communication	4.8%	86.3	86.3	0.0%
Recreation, amusement and culture	3.7%	118.4	112.7	5.1%
Education	7.7%	150.0	130.9	14.6%
Restaurant & hotels	2.7%	155.9	148.2	5.2%
Miscellaneous goods & services	4.2%	114.4	112.4	1.7%

Source: CAS

For more information, please contact:
FFA Private Bank - Beirut
 Research Department
 +961 1 985 195

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