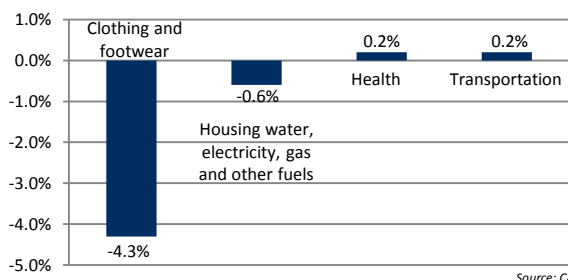


LEBANON'S CONSUMER PRICE INDEX (CPI) down -0.3% MoM in July 2015:

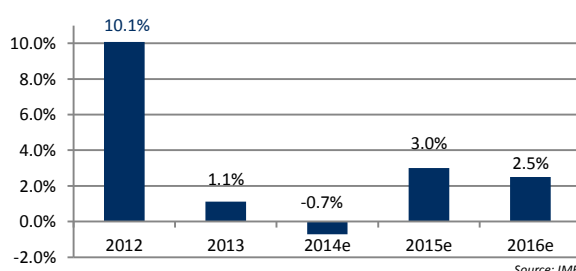
Lebanon's Consumer Price Index down -0.3% MoM from 97.2 in June 2015 to 96.9 in July 2015 (according to newly revised version from CAS). CPI measures the price of goods in an economy by tracking the cost of a basket of goods over time and is used as a proxy for inflation.

The biggest drivers MoM were clothing and footwear which decreased -4.3%, housing water, electricity, gas and other fuels which decreased -0.6% while health increased +0.2% and transportation increased +0.2%. The cost of clothing and footwear was the major driver of the index, as it represents 5.4% of the index's weight and changed more over the June-July period than any other component. Other components of the index decreased like communication down -0.1% while food and non-alcoholic beverages up +0.1%, alcoholic beverages, tobacco up +0.1%, restaurant & hotels up +0.1% and furnishings, household equipment and routine household maintenance up +0.3%. Recreation, amusement, and culture, education and miscellaneous goods & services remained unchanged.

CPI Main Drivers MoM: July 2015



Annual Inflation: 2012a-2016e



According to the IMF, inflation in Lebanon was +10.1% for 2012 and +1.1% for 2013, and is estimated at -0.7% for 2014, +3.0% for 2015 and +2.5% for 2016 (using end of period prices).

MONEY SUPPLY IN LEBANON

M3 was up +0.3% MoM to 181,558 billion Lebanese pounds (USD 120.4 billion) in June 2015 and was up +4.8% YoY from 173,314 billion Lebanese pounds (USD 115.0 billion) in June 2014. 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 -20.8% MoM and -52.0% YoY to \$47.12 per barrel. The WTI spot price measures the price of West Texas Intermediate oil on world markets. Brent spot price decreased -17.9% MoM and -50.8% YoY to \$52.21 per barrel. Crude oil faced the largest monthly drop since 2008 due to fears of economic slowdown in China, increased US stockpiles, record level production, higher rig counts and the finalization of the P5+1/Iran deal that could add more oil into a well-supplied market.

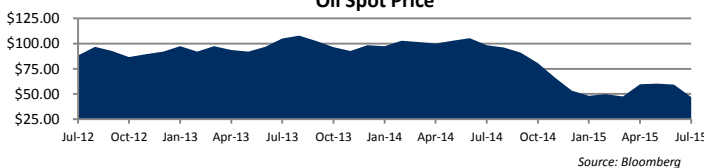
UN FOOD PRICE

UN Food Price Index declined further -1.0% MoM and -19.4% YoY to 164.64. The UN Food Price Index measures the prices of global food staples. The index, sticking around a six year low, declined as a result of a drop in the price of dairy products and vegetable oil while cereal and sugar prices slightly increased.

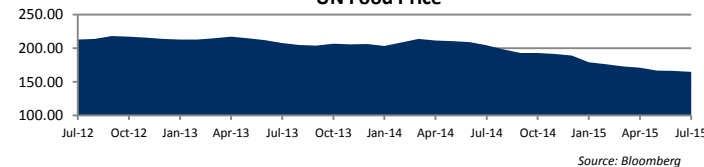
US DOLLAR INDEX

US Dollar Index increased +1.9% MoM and +19.5% YoY to \$97.3. The US Dollar Index measures the value of the US Dollar against a basket of the world's most widely held currencies. The US currency strengthened likely on signs of a looming Fed rate hike, improved US Q2 GDP as well as the unwinding of the US carry trade.

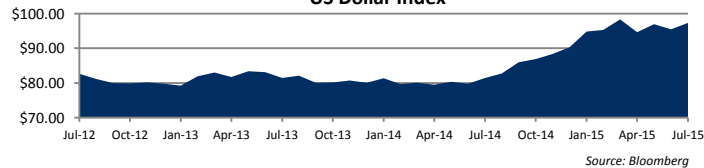
Oil Spot Price



UN Food Price



US Dollar Index



Lebanon December 2013 =100	Monthly Change	July 2015 Index	June 2015 Index	Weights
Food and non-alcoholic beverages	0.1%	97.2	97.2	20.6
Alcoholic beverages, tobacco	0.1%	111.1	111.0	1.6
Clothing and footwear	-4.3%	109.8	114.8	5.4
Housing water, electricity, gas and other fuels	-0.6%	96.4	96.9	28.5
Furnishings, household equipment and routine household maintenance	0.3%	102.3	101.9	3.7
Health	0.2%	95.3	95.0	7.8
Transportation	0.2%	92.5	92.3	13.1
Communication	-0.1%	75.9	76.0	4.6
Recreation, amusement, and culture	0.0%	101.0	101.0	2.3
Education	0.0%	104.6	104.6	5.9
Restaurant & hotels	0.1%	104.5	104.4	2.6
Miscellaneous goods & services	0.0%	102.7	102.7	4.0
Consumer Price Index	-0.3%	96.9	97.2	100.0

Source: CAS

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