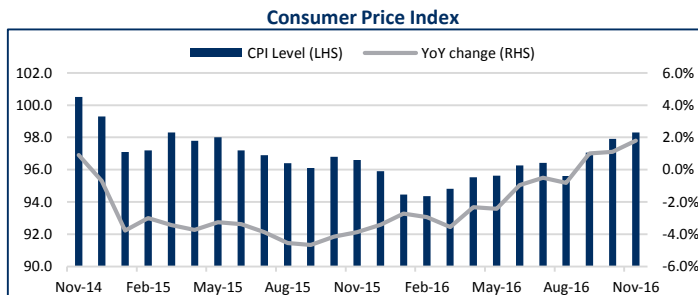


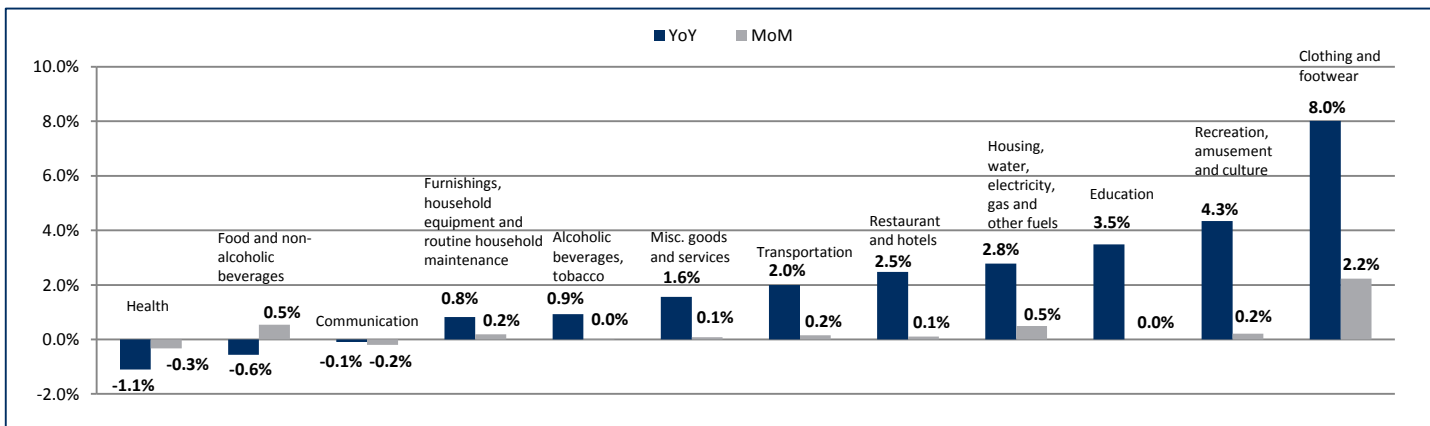
Economics Research – Lebanon Inflation Watch – November 2016

LEBANON'S CONSUMER PRICE INDEX (CPI) up +1.8% YoY in November 2016: Lebanon's Consumer Price Index up +1.8% YoY to 98.32 in November 2016 from 96.60 in November 2015 and up +0.4% MoM from 97.94 in October 2016 (according to a revised version from CAS). The biggest drivers YoY were housing, water, electricity, gas and other fuels which increased +2.8% (+0.5% MoM), clothing and footwear which increased +8.0% (+2.2% MoM), transportation which increased +2.0% (+0.2% MoM) and food and non-alcoholic beverages which decreased -0.6% (+0.5% MoM).

According to the IMF, inflation in Lebanon was +1.1% for 2013, -0.7% for 2014 and -3.4% for 2015 and estimated at +2.0% for 2016 and 2017 (using end of period prices).

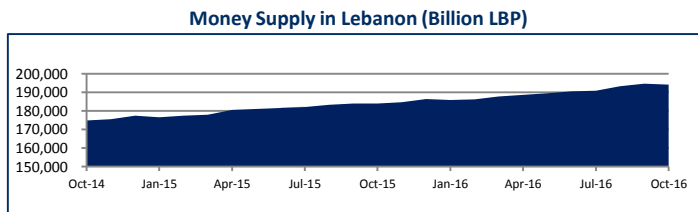


Change in CPI Components: November 2016



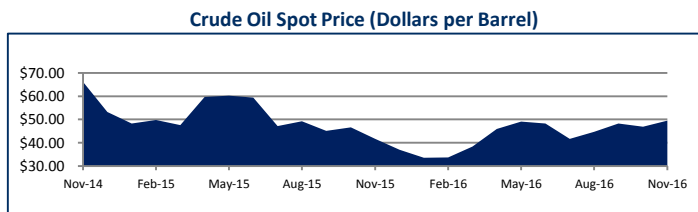
MONEY SUPPLY IN LEBANON

M3 increased +5.5% YoY yet decreased -0.3% MoM to LBP 194,079 billion (USD 128.7 billion) in October 2016. 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. Net foreign assets were up +0.2% YoY (-3.6% MoM), net claims on public sector were up +9.2% YoY (-0.2% MoM) and claims on private sector were up +7.2% YoY (+0.6% MoM).



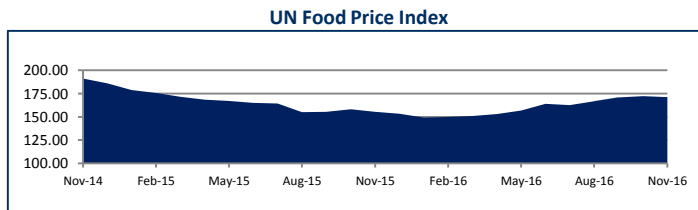
CRUDE OIL SPOT PRICE

WTI Cushing spot price increased +18.7% YoY and +5.5% MoM to \$49.44 per barrel in November 2016. The WTI spot price measures the price of West Texas Intermediate oil on world markets. Brent spot price was up +13.1% YoY and +4.5% MoM to \$50.47 per barrel. Oil prices rallied in November as OPEC and non-OPEC members including Russia agreed to cut oil production, offsetting early losses from a stronger US dollar and rising US crude inventories.



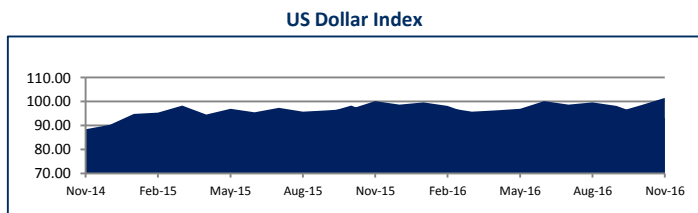
UN FOOD PRICE INDEX

UN Food Price Index increased +10.4% YoY in November 2016 to 171.30 from 155.23 in November 2015 yet decreased -0.4% from its October value. The UN Food Price Index measures the price of global food staples. The price of sugar was up +39.1% YoY (-8.9% MoM) followed by oils up +27.0% (+4.5% MoM), dairy up +23.4% (+1.9% MoM), and meat up +4.5% (-0.2% MoM) while the price of cereals was down -7.9% (-0.6% MoM).



US DOLLAR INDEX

US Dollar Index increased +1.3% YoY and +3.1% MoM to \$101.50 in November 2016. The US Dollar Index measures the value of the US Dollar against a basket of the world's most widely held currencies. The US Dollar Index rose in November on favorable expectations of economic growth and inflationary fiscal policy following Trump's victory as well as positive US macro data.





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