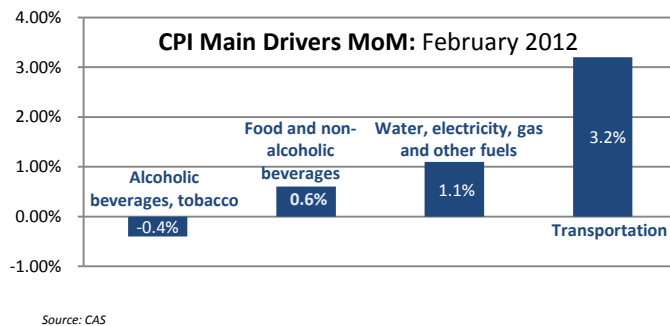
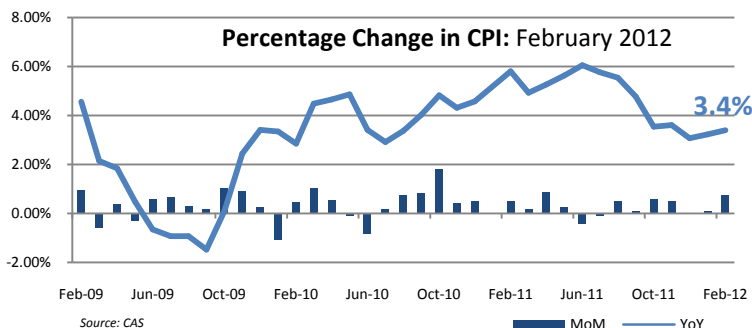


LEBANON INFLATION WATCH: February 2012

LEBANON'S CONSUMER PRICE INDEX (CPI) up 3.4% YoY in February 2012:

February 2012 saw Lebanon's Consumer Price Index increase **3.4%** YoY from 114.7 in February 2011 to 118.6 in February 2012. The index increase 0.8% MOM from 117.7 in January 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 January 2012, water, electricity, gas and other fuels also increased 1.1%, food and non-alcoholic beverages increased 0.6%, while alcoholic beverages, tobacco decreased -0.4%. 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 restaurant and hotels up 1.3%, miscellaneous goods & services up 1.1%, health up 0.7%, furnishings, household equipment and routine household maintenance up 0.2%, recreation, amusement and culture up 0.2%. Housing, communication and education remained unchanged.

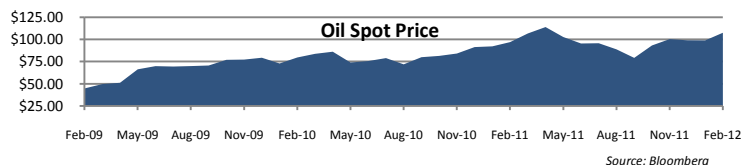
MONEY SUPPLY IN LEBANON

M3 increased by 0.3% MoM to 146,969 billion Lebanese pounds (USD 97.5 billion) in January 2012 and was up 6.5% YoY from 138,046 billion Lebanese pounds (USD 91.6 billion) in January 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

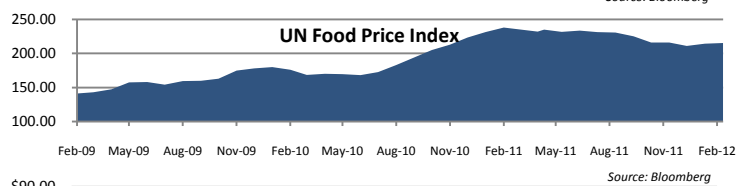
OIL SPOT PRICE

WTI Cushing Spot Price increased 8.8% MoM to \$107.5 per barrel from \$98.8 per barrel in January 2012. YoY, it increased 10.9%. The WTI Cushing Spot Price measures the price of West Texas Intermediate oil on world markets.



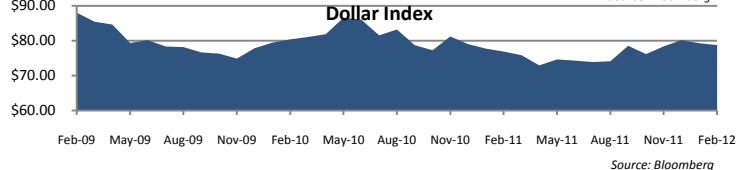
UN FOOD PRICE

UN Food Price Index is up 0.5% MoM to 215.3 from 214.3 in January 2012 but down -9.5% YoY. The UN Food Price is an index measures the prices of global food staples.



DOLLAR INDEX

Dollar Index is down -0.7% MoM to \$78.7 from \$79.3 in January 2012 but up 2.4% 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 FEB-12

	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	
LEBANON CONSUMER PRICE INDEX	0.5%	0.1%	0.7%	0.5%	0.0%	0.1%	0.8%	3.4%
Food and non-alcoholic beverages	1.5%	0.6%	0.5%	1.2%	1.1%	0.1%	0.6%	6.3%
Alcoholic beverages, tobacco	0.2%	0.1%	9.3%	0.8%	0.5%	0.1%	-0.4%	11.1%
Clothing and footwear	0.1%	0.3%	1.7%	0.8%	0.4%	0.4%	0.1%	5.3%
Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Water, electricity, gas and other fuels	0.5%	-0.2%	-0.5%	0.8%	-0.4%	-0.2%	1.1%	4.8%
Furnishings, household equipment and routine household maintenance	0.1%	0.3%	0.1%	0.3%	0.1%	0.0%	0.2%	2.1%
Health	0.0%	0.0%	-1.5%	0.7%	0.0%	-1.2%	0.7%	2.3%
Transportation	1.2%	-0.9%	-2.0%	-0.1%	-2.0%	0.9%	3.2%	-0.8%
Communication	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Recreation, amusement and culture	0.2%	0.2%	2.5%	0.1%	1.1%	0.1%	0.2%	5.2%
Education	0.0%	0.0%	7.5%	0.0%	0.0%	0.0%	0.0%	7.5%
Restaurant & hotels	0.4%	0.3%	0.6%	0.6%	0.1%	0.1%	1.3%	4.6%
Miscellaneous goods & services	0.3%	0.4%	0.0%	0.3%	0.2%	0.1%	1.1%	3.4%

Source: CAS

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