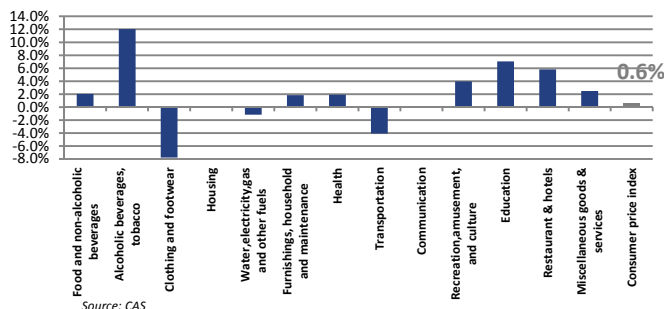


LEBANON INFLATION WATCH: November 2013

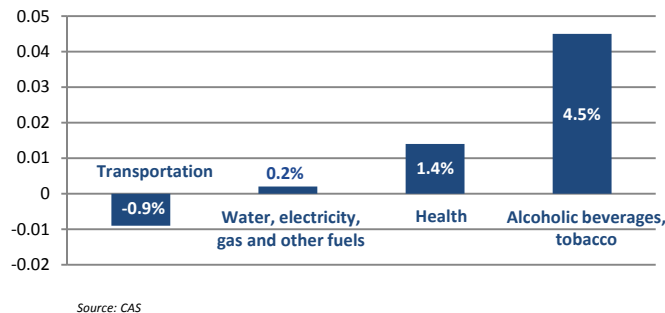
LEBANON'S CONSUMER PRICE INDEX (CPI) up 0.6% YoY in November 2013:

November 2013 saw Lebanon's Consumer Price Index increase 0.6% YoY from 129.6 in November 2012 to 130.4 in November 2013. The index increased 0.1% MoM from 130.3 in October 2013. 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.

CPI components YoY: November 2013



CPI Main Drivers MoM: November 2013



According to the IMF, inflation in Lebanon is estimated at 3.1% for 2011, 10.1%* for 2012, 3.5% for 2013, 2.4% for 2014 and 2.5% for 2015 and 2016.

The biggest changers MoM were alcoholic beverages, tobacco which increased 4.5%, health which increased 1.4%, water, electricity, gas and other fuels which increased 0.2%, transportation which decreased -0.9%. The cost of transportation was the major driver of the index, as it represents 12.3% of the index's weight and changed more over the October-November period than any other component. Other components of the index also changed like miscellaneous goods & services up 0.3%, clothing and footwear up 0.2%, restaurant and hotels up 0.2%, recreation, amusement and culture up 0.1%. Food and non-alcoholic beverages, housing, Furnishings, household equipment and routine household maintenance and communication remained unchanged.

*According to MOF, housing costs, as a component of inflation, were subject to a one-time adjustment in July 2012.

MONEY SUPPLY IN LEBANON

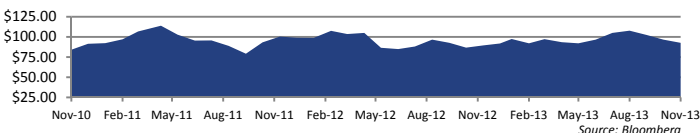
M3 was up 0.5% MoM at 164,348 billion Lebanese pounds (USD 109.0 billion) in October 2013 and was up 6.4% YoY from 154,401 billion Lebanese pounds (USD 102.4 billion) in September 2012. M3, a benchmark for broad money, is the sum of currency in circulation, sight and time deposits in Lebanese pounds and deposits in foreign currencies and other financial liabilities.

INTERNATIONAL FACTORS TO WATCH

OIL SPOT PRICE

WTI Cushing Spot Price decreased -4.1% MoM to \$92.7 per barrel. YoY, it increased 3.6%. The WTI spot price measures the price of West Texas Intermediate oil on world markets. Brent spot price increased 1.0% MoM but decreased -0.5% YoY to \$109.7 per barrel.

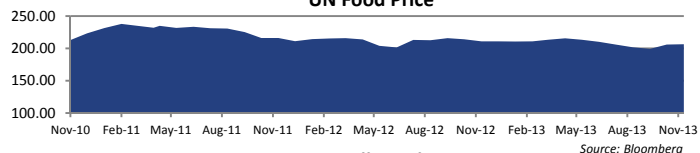
Oil Spot Price



UN FOOD PRICE

UN Food Price Index was up 0.2% MoM to 206.3 but down -2.2% YoY. The UN Food Price Index measures the prices of global food staples.

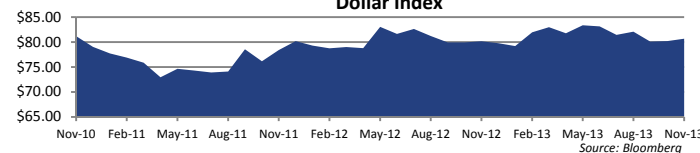
UN Food Price



DOLLAR INDEX

Dollar Index was up 0.6% MoM to \$80.7 and 0.7% YoY. The Dollar Index measures the value of the US Dollar against a basket of the world's most widely held currencies.

Dollar Index



	Weights	November 2013 Index	November 2012 Index	Unadjusted CPI YoY November 2013
LEBANON CONSUMER PRICE INDEX	100%	130.4	129.6	0.6%
Food and non-alcoholic beverages	19.9%	140.7	137.9	2.0%
Alcoholic beverages, tobacco	2.1%	146.7	130.9	12.0%
Clothing and footwear	6.2%	113.5	123.1	-7.8%
Housing	16.2%	160.2	160.2	0.0%
Water, electricity, gas and other fuels	9.5%	119.0	120.4	-1.2%
Furnishings, household equipment and routine maintenance	3.9%	113.9	111.9	1.9%
Health	6.8%	109.0	107.0	1.9%
Transportation	12.3%	120.5	125.6	-4.1%
Communication	4.8%	86.3	86.3	0.0%
Recreation, amusement and culture	3.7%	122.5	117.9	4.0%
Education	7.7%	160.5	149.9	7.0%
Restaurant & hotels	2.7%	157.7	149.1	5.8%
Miscellaneous goods & services	4.2%	116.0	113.2	2.5%

Source: CAS

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