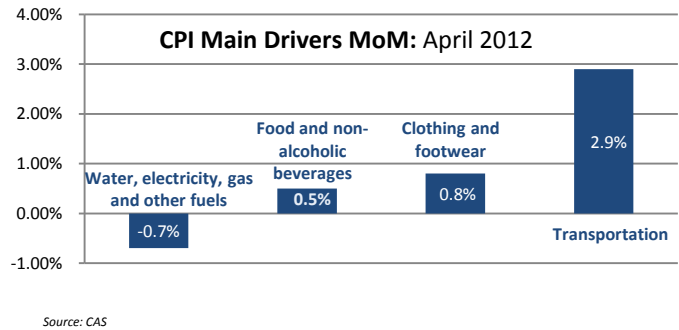
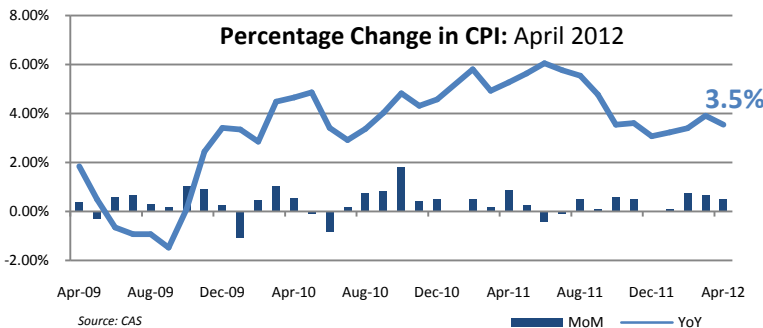


# LEBANON INFLATION WATCH: April 2012

## LEBANON'S CONSUMER PRICE INDEX (CPI) up 3.5% YoY in April 2012:

April 2012 saw Lebanon's Consumer Price Index increase 3.5% YoY from 115.9 in April 2011 to 120.0 in April 2012. The index increased 0.5% MOM from 119.4 in March 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 2.9% MoM from March 2012, clothing and footwear increased 0.8%, food and non-alcoholic beverages increased 0.5%, while water, electricity, gas and other fuels decreased -0.7%. 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 March-April period than any other component. Other components of the index also changed, like miscellaneous goods & services up 0.5%, restaurant and hotels up 0.3%, furnishings, household equipment and routine household maintenance up 0.2%. Alcoholic beverages, tobacco, housing, health, communication, recreation, amusement and culture and education remained unchanged.

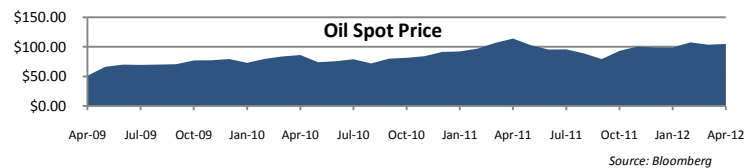
## MONEY SUPPLY IN LEBANON

M3 increased by 0.8% MoM to 149,159 billion Lebanese pounds (USD 98.9 billion) in March 2012 and was up 6.7% YoY from 139,803 billion Lebanese pounds (USD 92.8 billion) in March 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

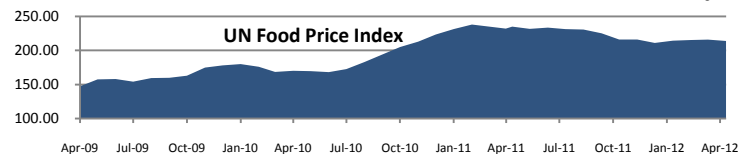
### OIL SPOT PRICE

WTI Cushing Spot Price increased 1.3% MoM to \$104.9 per barrel from \$103.5 per barrel in March 2012. YoY, it decreased -8.0%. The WTI Cushing Spot Price measures the price of West Texas Intermediate oil on world markets.



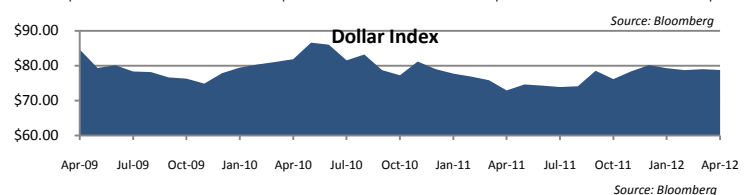
### UN FOOD PRICE

UN Food Price Index is down -1.0% MoM to 213.9 from 215.9 in March 2012 and down -8.9% YoY. The UN Food Price is an index measures the prices of global food staples.



### DOLLAR INDEX

Dollar Index is down -0.3% MoM to \$78.8 from \$79.0 in March 2012 but up 8.0% 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 APR-12

	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	
<b>LEBANON CONSUMER PRICE INDEX</b>	<b>0.7%</b>	<b>0.5%</b>	<b>0.0%</b>	<b>0.1%</b>	<b>0.8%</b>	<b>0.7%</b>	<b>0.5%</b>	<b>3.5%</b>
Food and non-alcoholic beverages	0.5%	1.2%	1.1%	0.1%	0.6%	0.8%	0.5%	6.3%
Alcoholic beverages, tobacco	9.3%	0.8%	0.5%	0.1%	-0.4%	0.3%	0.0%	11.2%
Clothing and footwear	1.7%	0.8%	0.4%	0.4%	0.1%	0.5%	0.8%	1.3%
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%	0.8%	-0.4%	-0.2%	1.1%	0.6%	-0.7%	0.6%
Furnishings, household equipment and routine household maintenance	0.1%	0.3%	0.1%	0.0%	0.2%	0.3%	0.2%	2.4%
Health	-1.5%	0.7%	0.0%	-1.2%	0.7%	0.1%	0.0%	0.7%
Transportation	-2.0%	-0.1%	-2.0%	0.9%	3.2%	3.2%	2.9%	6.1%
Communication	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Recreation, amusement and culture	2.5%	0.1%	1.1%	0.1%	0.2%	0.1%	0.0%	5.1%
Education	7.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.5%
Restaurant & hotels	0.6%	0.6%	0.1%	0.1%	1.3%	0.2%	0.3%	4.5%
Miscellaneous goods & services	0.0%	0.3%	0.2%	0.1%	1.1%	0.1%	0.5%	3.4%

Source: CAS

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