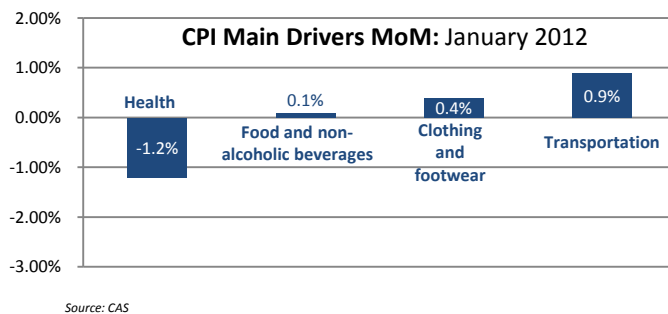
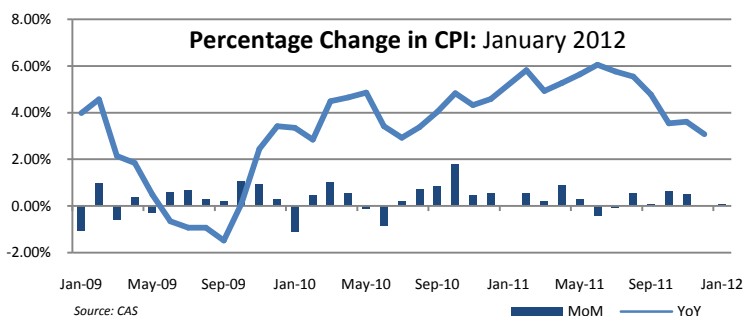


LEBANON INFLATION WATCH: January 2012

LEBANON'S CONSUMER PRICE INDEX (CPI) reached 117.7 in January 2012:

Lebanon's Consumer Price Index reached 117.7 in January 2012. The index increased 0.1% from 117.6 in December 2011. 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 0.9% MoM from December 2011, clothing and footwear also increased 0.4%, food and non-alcoholic beverages increased 0.1%, while health decreased -1.2%. 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-December period than any other component. Other components of the index also changed, like alcoholic beverages, tobacco up 0.1%, recreation, amusement and culture up 0.1%, restaurant and hotels up 0.1%, miscellaneous goods & services up 0.1%. Water, electricity, gas and other fuels were down -0.2%. Housing, Furnishings, household equipment and routine household maintenance, communication and education remained unchanged.

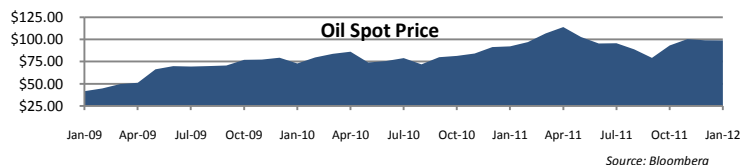
MONEY SUPPLY IN LEBANON

M3 increased by 0.9% MoM to 146,575 billion Lebanese pounds (USD 97.2 billion) in December 2011 and was up 5.5% YoY from 138,046 billion Lebanese pounds (USD 91.6 billion) in December 2010. 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

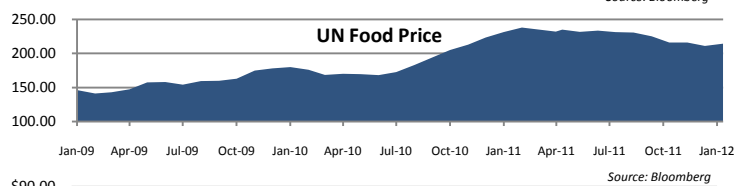
OIL SPOT PRICE

WTI Cushing Spot Price decreased -0.2% MoM to \$98.85 per barrel from \$99.0 per barrel in December 2011. YoY, it increased 7.2%. The WTI Cushing Spot Price measures the spot price of West Texas Intermediate oil on world markets.



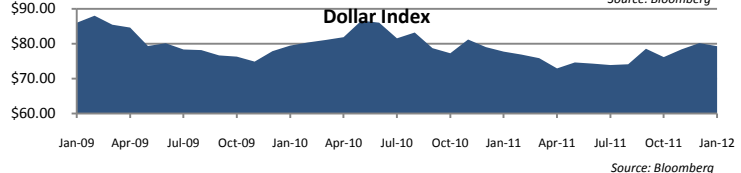
UN FOOD PRICE

UN Food Price index is up 1.6% MoM to 214.3 from 211.0 in December 2011 but down -7.4% YoY. The UN Food Price is an index measures the prices of global food staples.



DOLLAR INDEX

Dollar Index is down -1.1% MoM to \$79.3 from \$80.2 in December 2011 but up 2.0% 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

	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12
LEBANON CONSUMER PRICE INDEX	-0.1%	0.5%	0.10%	0.7%	0.5%	0.0%	0.1%
Food and non-alcoholic beverages	0.0%	1.5%	0.6%	0.5%	1.2%	1.1%	0.1%
Alcoholic beverages, tobacco	0.0%	0.2%	0.1%	9.3%	0.8%	0.5%	0.1%
Clothing and footwear	-2.9%	0.1%	0.3%	1.7%	0.8%	0.4%	0.4%
Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Water, electricity, gas and other fuels	0.2%	0.5%	-0.2%	-0.5%	0.8%	-0.4%	-0.2%
Furnishings, household equipment and routine household maintenance	0.1%	0.1%	0.3%	0.1%	0.3%	0.1%	0.0%
Health	1.8%	0.0%	0.0%	-1.5%	0.7%	0.0%	-1.2%
Transportation	-0.3%	1.2%	-0.9%	-2.0%	-0.1%	-2.0%	0.9%
Communication	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Recreation, amusement and culture	0.0%	0.2%	0.2%	2.5%	0.1%	1.1%	0.1%
Education	0.0%	0.0%	0.0%	7.5%	0.0%	0.0%	0.0%
Restaurant & hotels	-0.1%	0.4%	0.3%	0.6%	0.6%	0.1%	0.1%
Miscellaneous goods & services	0.2%	0.3%	0.4%	0.0%	0.3%	0.2%	0.1%

Source: CAS

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