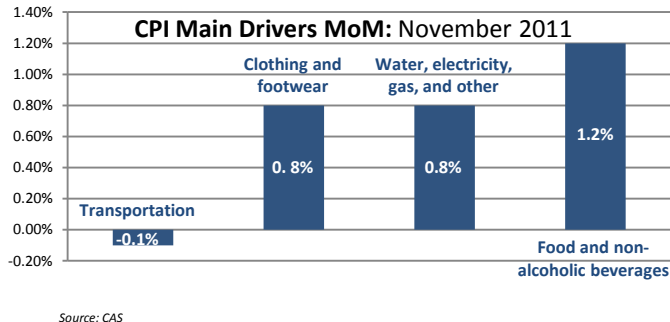
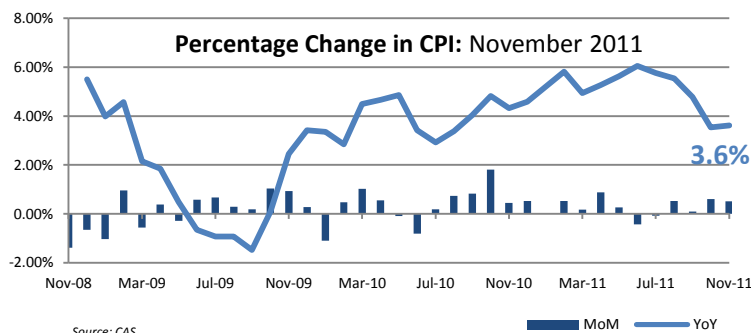


# LEBANON INFLATION WATCH: November 2011

## LEBANON'S CONSUMER PRICE INDEX (CPI) UP 3.6% YoY in November 2011:

November 2011 saw Lebanon's Consumer Price Index increase **3.6%** YoY from 113.5 in November 2010 to 117.6 in November 2011. The index rose 0.5% from 117.0 in October 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 food and non-alcoholic beverages, which increased 1.2% MoM from October 2011, water, electricity, gas, and other increased 0.8%, clothing and footwear increased 0.8%, while transportation decreased -0.1%. The cost of food and non-alcoholic beverages was the major driver of the index, as it represents 19.9% of the index's weight and increased more over the October-November period than any other component. Other components of the index also changed, like alcoholic beverages, tobacco up 0.8%, health up 0.7%, restaurant and hotels up 0.6%, furnishings, household equipment and routine household maintenance up 0.3%, miscellaneous goods & services up 0.3%, and recreation, amusement and culture up 0.1%. Housing, communication, and education remained unchanged.

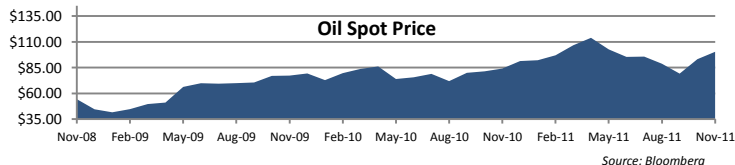
## MONEY SUPPLY IN LEBANON

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. M3 increased by 0.7% MoM to 145,108 billion Lebanese pounds (USD 96.3 billion) in October 2011 and was up 6.3% YoY from 136,532 billion Lebanese pounds (USD 90.6 billion) in October 2010.

## INTERNATIONAL FACTORS TO WATCH

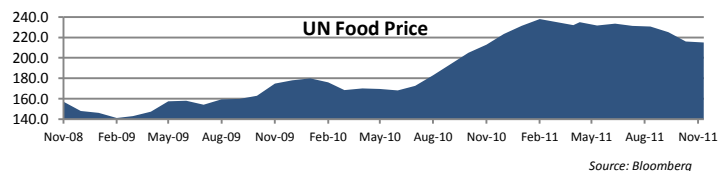
### OIL SPOT PRICE

The WTI Cushing Spot Price measures the spot price of West Texas Intermediate oil on world markets. MoM, the price increased 7.7% to \$100.4 per barrel from \$93.2 per barrel in October 2011. YoY, it increased 19.3%.



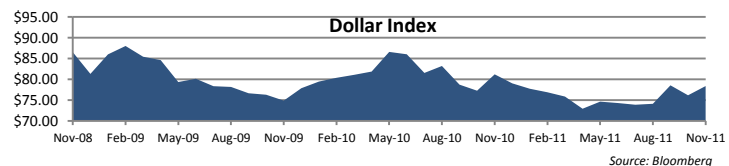
### UN FOOD PRICE

The UN Food Price is an index which measures the prices of global food staples. The index is down -0.4% MoM to 215.0 from 216.0 in October 2011 but rose 1% YoY.



### DOLLAR INDEX

The Dollar Index measures the value of the US Dollar against a basket of the world's most widely held currencies. The index is up 2.9% MoM to \$78.4 from \$76.2 in October 2011 and down -3.5% YoY.



### SEASONALLY ADJUSTED CHANGES FROM PREVIOUS MONTHS

### UNADJUSTED 12-MO. ENDED NOV-11

	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	
<b>LEBANON CONSUMER PRICE INDEX</b>	<b>0.2%</b>	<b>-0.4%</b>	<b>-0.1%</b>	<b>0.5%</b>	<b>0.10%</b>	<b>0.7%</b>	<b>0.5%</b>	<b>3.6%</b>
Food and non-alcoholic beverages	-0.7%	-0.1%	0.0%	1.5%	0.6%	0.5%	1.2%	5.8%
Alcoholic beverages, tobacco	0.1%	0.1%	0.0%	0.2%	0.1%	9.3%	0.8%	10.8%
Clothing and footwear	0.3%	-1.3%	-2.9%	0.1%	0.3%	1.7%	0.8%	4.8%
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%	-1.3%	0.2%	0.5%	-0.2%	-0.5%	0.8%	8.0%
Furnishings, household equipment and routine household maintenance	0.1%	0.4%	0.1%	0.1%	0.3%	0.1%	0.3%	2.1%
Health	0.1%	0.1%	1.8%	0.0%	0.0%	-1.5%	0.7%	2.1%
Transportation	2.2%	-2.1%	-0.3%	1.2%	-0.9%	-2.0%	-0.1%	0.2%
Communication	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Recreation, amusement and culture	0.0%	0.6%	0.0%	0.2%	0.2%	2.5%	0.1%	4.3%
Education	0.0%	0.0%	0.0%	0.0%	0.0%	7.5%	0.0%	7.5%
Restaurant & hotels	0.4%	0.1%	-0.1%	0.4%	0.3%	0.6%	0.6%	4.0%
Miscellaneous goods & services	0.1%	0.2%	0.2%	0.3%	0.4%	0.0%	0.3%	2.2%

Source: CAS

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