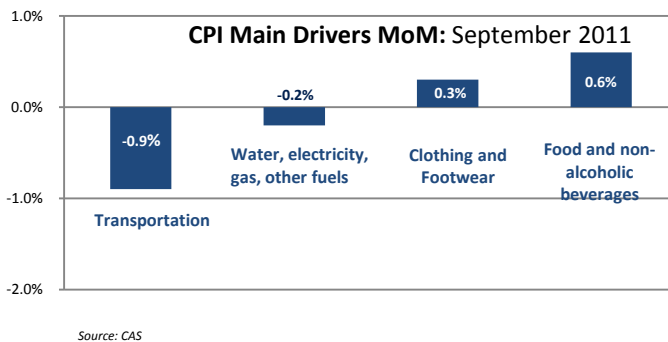
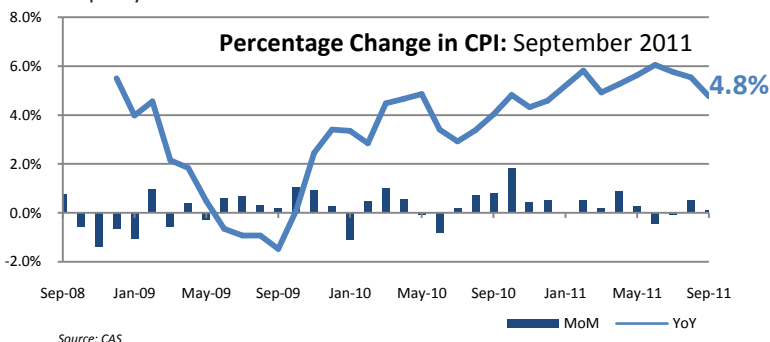


LEBANON INFLATION WATCH: SEPTEMBER 2011

LEBANON'S CONSUMER PRICE INDEX (CPI) UP 4.8% YoY in September 2011:

September 2011 saw Lebanon's Consumer Price Index increase 4.8% YoY from 111.0 in September 2010 to 116.3 in September 2011. The index rose 0.1% from 116.2 in August 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 0.6% from August 2011, while clothing and footwear rose 0.3%, transportation dropped -0.9%, and water, electricity, gas and other fuels decreased -0.2%. The cost of food and non-alcoholic beverages was the major driver of the index as it represents 19.9% the index's weight and increased more over the August-September period than any other component. Other components of the index also changed, like miscellaneous goods and services increased 0.4%, restaurant and hotels, furnishings, household equipment and routine household maintenance up 0.3%, recreation, amusement and culture up 0.2%, and alcoholic beverages, and tobacco up 0.1%, while education, communication, housing, and health remained unchanged.

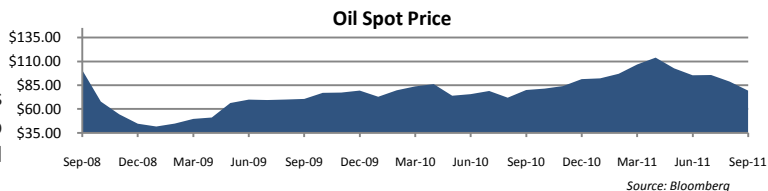
MONEY SUPPLY IN LEBANON

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 0.6% MoM to 143,530 billion Lebanese pounds (USD 95.2 billion) in August 2011 and was up 7.1% YoY from 134,023 billion Lebanese pounds (USD 88.9 billion) in August 2010.

INTERNATIONAL FACTORS TO WATCH

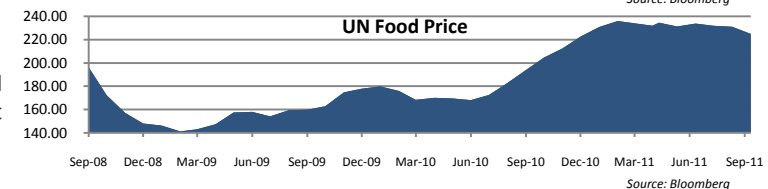
OIL SPOT PRICE

The WTI Cushing Spot Price measures the spot price of West Texas Intermediate oil on world markets. MoM, the price decreased -10.7% to \$79.3 per barrel from \$88.8 per barrel in August 2011, and decreased -0.8% YoY.



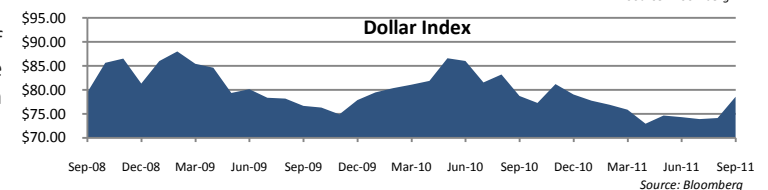
UN FOOD PRICE

The UN Food Price is an index which measures the prices of global food staples. The index is down -2.7% MoM to 224.9 from 231.1 in August 2011 but rose 16.0% 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, trading above \$75.0, is up 6.0% MoM to \$78.5 from \$74.1 in August 2011 although down -0.2% YoY.



SEASONALLY ADJUSTED CHANGES FROM PREVIOUS MONTHS

UNADJUSTED 12-MO. ENDED SEP-11

	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	
LEBANON CONSUMER PRICE INDEX	0.1%	0.9%	0.2%	-0.4%	-0.1%	0.5%	0.1%	4.8%
Food and non-alcoholic beverages	0.8%	0.5%	-0.7%	-0.1%	0.0%	1.5%	0.6%	5.5%
Alcoholic beverages, tobacco	0.1%	0.1%	0.1%	0.1%	0.0%	0.2%	0.1%	0.8%
Clothing and footwear	3.1%	2.2%	0.3%	-1.3%	-2.9%	0.1%	0.3%	0.1%
Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Water, electricity, gas and other fuels	2.5%	1.5%	0.5%	-1.3%	0.2%	0.5%	-0.2%	13.2%
Furnishings, household equipment and routine household maintenance	0.2%	0.1%	0.1%	0.4%	0.1%	0.1%	0.3%	5.3%
Health	0.1%	1.6%	0.1%	0.1%	1.8%	0.0%	0.0%	7.1%
Transportation	-4.0%	3.3%	2.2%	-2.1%	-0.3%	1.2%	-0.9%	7.0%
Communication	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%
Recreation, amusement and culture	0.1%	0.0%	0.0%	0.6%	0.0%	0.2%	0.2%	3.4%
Education	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.7%
Restaurant & hotels	0.1%	0.5%	0.4%	0.1%	-0.1%	0.4%	0.3%	6.2%
Miscellaneous goods & services	0.3%	0.2%	0.1%	0.2%	0.2%	0.3%	0.4%	2.2%

Source: CAS

For more information, please contact:

FFA Private Bank - Beirut
Research Department
+961 1 985 195

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