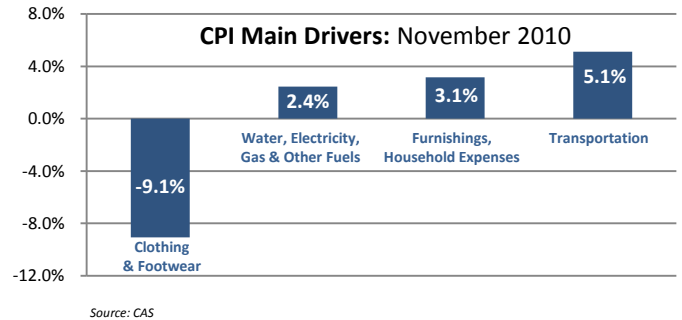
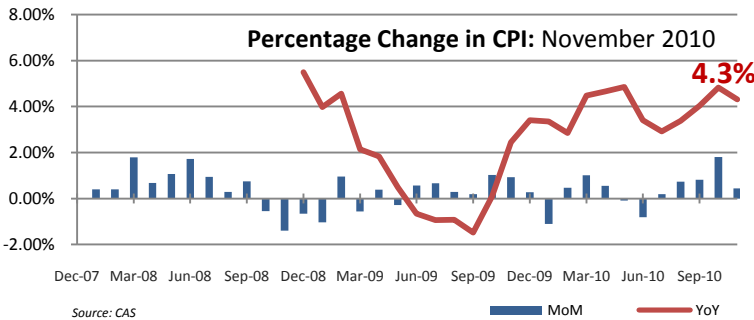


LEBANON INFLATION WATCH: NOVEMBER 2010

LEBANON'S CONSUMER PRICE INDEX (CPI) UP 4.3% YOY IN NOVEMBER 2010:

November 2010 saw Lebanon's Consumer Price Index increase **4.3%** YoY from 108.8 in November 2009 to 113.5 in November 2010. The index rose 0.4% MoM, from 113.0 in October 2010. 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 costs, which surged 5.1% MoM, while furnishings and household expenses were up 3.1% MoM, and water, electricity and fuel prices increased 2.4% MoM. The month's biggest decline was witnessed by clothing and footwear, which fell 9.1% from October to November. The cost of transportation was the biggest underlying driver of the index as it represents more than 12% the index's weight and increased more MoM than any of the other components. Other components of the index changed little, including health and recreation costs, up 1.0% and 0.3%, respectively. Housing and communication prices were unchanged.

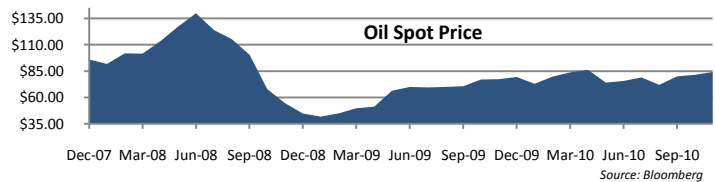
MONEY SUPPLY IN LEBANON

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 137.2 trillion Lebanese pounds and 12.3% YoY from 122.2 trillion.

INTERNATIONAL FACTORS TO WATCH

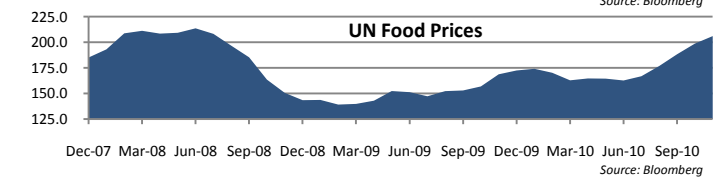
OIL SPOT PRICE

The WTI Cushing Spot Price measures the spot price of West Texas Intermediate oil on world markets. MoM, the price rose 4.3% to \$84.11 per barrel, an 8.8% increase YoY, the greatest level since April 2010.



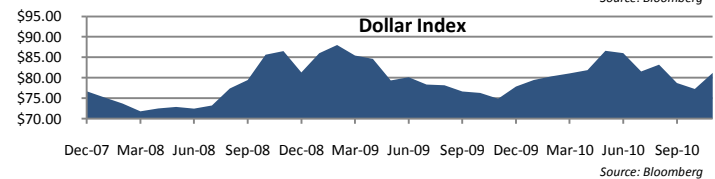
UN FOOD PRICE

The UN Food Price is an index which measures the prices of global food staples. The index is up 3.7% MoM to 206.0, an increase of 22.1% YoY, a high not seen since July 2008.



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 5.1% MoM to \$81.95 and up 8.4% YoY, a 4-month high.



SEASONALLY ADJUSTED CHANGES FROM PREVIOUS MONTHS

UNADJUSTED 12-MO. ENDED NOV-10

	MAY-10	JUN-10	JUL-10	AUG-10	SEP-10	OCT-10	NOV-10	
LEBANON CONSUMER PRICE INDEX	-0.1%	-0.8%	0.2%	0.7%	0.8%	1.8%	0.4%	4.3%
Food and non-alcoholic beverages	-0.9%	-0.4%	0.2%	2.6%	1.2%	1.6%	-0.3%	6.6%
Alcoholic beverages, tobacco	0.0%	0.2%	0.0%	0.0%	0.1%	0.2%	-0.1%	1.1%
Clothing and footwear	1.5%	-0.7%	1.3%	6.8%	9.0%	7.8%	-9.1%	19.6%
Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Water, electricity, gas and other fuels	0.8%	-2.3%	-0.2%	-0.1%	0.8%	2.6%	2.4%	6.5%
Furnishings, household equipment and routine household maintenance	0.1%	0.1%	0.1%	-2.2%	-1.1%	0.4%	3.1%	0.8%
Health	-1.6%	-1.5%	0.4%	0.0%	0.2%	3.0%	1.0%	-1.6%
Transportation	-0.1%	-2.8%	0.0%	-0.8%	-0.4%	-0.4%	5.1%	3.6%
Communication	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%
Recreation, amusement and culture	0.0%	0.0%	0.0%	-0.2%	0.2%	1.4%	0.3%	1.8%
Education	0.0%	0.0%	0.0%	0.0%	0.0%	6.6%	0.1%	6.7%
Restaurant & hotels	1.0%	0.6%	0.3%	0.6%	-0.4%	2.0%	1.3%	6.7%
Miscellaneous goods & services	0.2%	0.2%	0.2%	0.3%	-0.1%	0.3%	0.1%	2.0%

Source: CAS

For more information, please contact:

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

Disclaimer

This document has been issued by FFA Private Bank for informational purposes only. This document is not an offer or a solicitation to buy or sell the securities mentioned. This document was prepared by FFA Private Bank from sources it believes to be reliable. FFA Private Bank makes no guarantee or warranty to the accuracy and thoroughness of the information mentioned, and accepts no responsibility or liability for damages incurred as a result of opinions formed and decisions made based on information presented in this document.