



# 2024 Atlantic Hurricane Season Prediction Market Bulletin

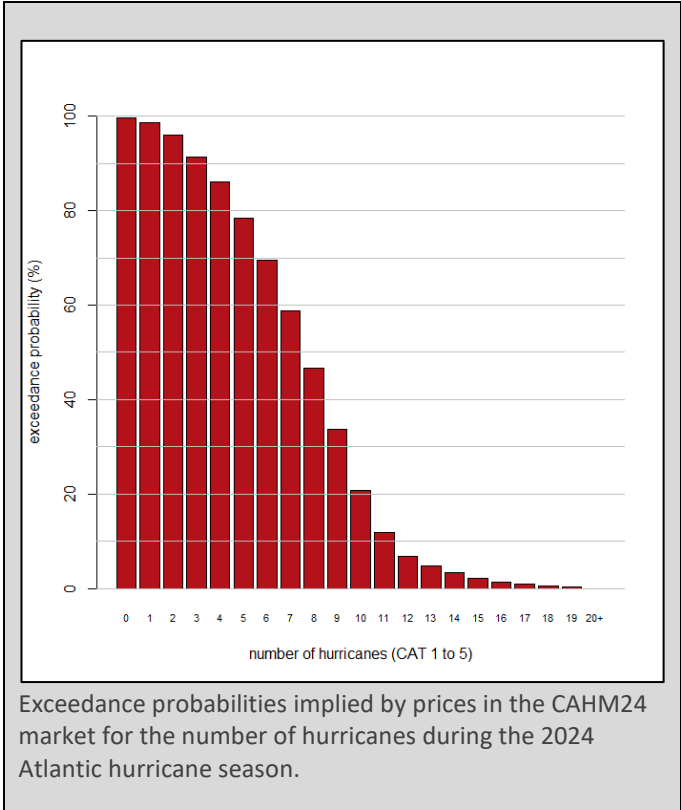
JANUARY 15, 2024

CRUCIAL’s hurricane prediction market is forecasting a higher-than-average number of hurricanes this year.

In December, WeatherBELL [issued a forecast for the “hurricane season from hell”](#), with 14 to 16 hurricanes, but CAHM24 prices imply that few, if any, participants agree with such an extreme outlook at this stage.

Summary of the forecast implied by recent prices in the CAHM24 prediction market for the number of hurricanes during the 2024 Atlantic hurricane season compared with climatological values for different look-back periods.

DATE: 2024-01-15					
STATISTIC	CAHM 24	CLIMATE			
		10yrs	20yrs	50yrs	100yrs
MEAN	8.1	7.7	7.7	6.6	6.1
10 <sup>th</sup> PERCENTILE	4	5.8	3.9	3.0	3.0
MEDIAN	8	7.0	7.0	6.5	6.0
90 <sup>th</sup> PERCENTILE	12	10.4	12.2	10.0	9.1
PROB(> 10)	21%	10%	15%	8%	7%
PROB(> 12)	7%	10%	10%	4%	2%



### Outlook of a market participant

*"This far out from the hurricane season, it is hard to predict more than very general trends and signals. We have done some initial research into drivers of hurricane activity, and used publicly available forecasts for the evolution of these over the coming months. We also assessed trends from climate change. These led us to expect higher-than-average hurricane activity for the 2024 season. We later found that an organisation, Tropical Storm Risk, had released an extended-range forecast for the 2024 season of 9 hurricanes. This broadly agrees with our initial model."*

CAHM24 participant

### What is CAHM24?

CAHM24 is a prediction market in which participants (individuals and teams) from academia and the private sector, with expertise relevant to seasonal hurricane forecasting, can buy and sell contracts whose pay outs depend on the number of hurricanes that occur during the 2024 Atlantic hurricane season (Jun. 1<sup>st</sup> to Nov. 30<sup>th</sup> 2024). Participants do not pay to take part, instead they are given credits with which to trade but, after the market has been settled, they will receive cash rewards based on the credits they accumulate. CRUCIAL is an initiative to demonstrate how prediction markets, with expert participants, can be used to forecast climate-related risks.

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