



2024 Atlantic Hurricane Season Prediction Market Bulletin

JULY 22, 2024

Hurricane Beryl became the first hurricane of the 2024 season last month and the earliest CAT5 hurricane on record.

The implied probability, according to prices in the CAHM24 expert prediction market, of more than 10 hurricanes has increased from 37% last month to 42%, well above the climatological probability, while the chances of more than 12 hurricanes has increased to from 18% to 23%.

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.

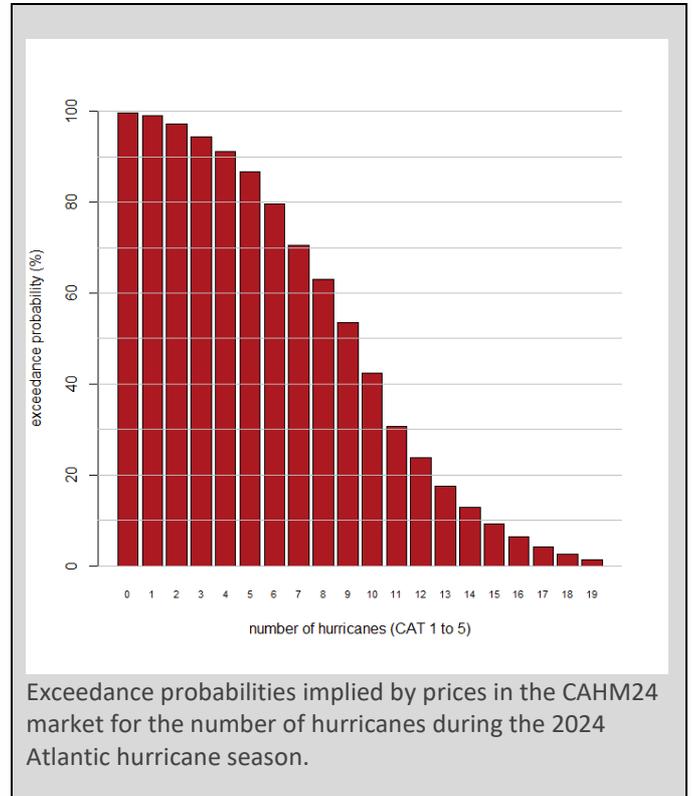
| DATE: 2024-07-22 | | | | | |
|-----------------------------|---------|---------|-------|-------|--------|
| STATISTIC | CAHM 24 | CLIMATE | | | |
| | | 10yrs | 20yrs | 50yrs | 100yrs |
| MEAN | 9.8* | 7.7 | 7.7 | 6.6 | 6.1 |
| 10 th PERCENTILE | 5 | 5.8 | 3.9 | 3.0 | 3.0 |
| MEDIAN | 10 | 7.0 | 7.0 | 6.5 | 6.0 |
| 90 th PERCENTILE | 15 | 10.4 | 12.2 | 10.0 | 9.1 |
| PROB(> 10) | 42% | 10% | 15% | 8% | 7% |
| PROB(> 12) | 23% | 10% | 10% | 4% | 2% |

*The CAHM24 mean places all probability weight in the ≥ 20 'tail' on 20. Hence the mean should be interpreted as " ≥ 9.8 ".

CSU upgrades forecast

Earlier this month Colorado State University updated the hurricane season forecast they issued in April by increasing the expected number of hurricanes from 11 to 12. The April forecast was the highest number of hurricanes they had ever predicted pre-season.

<https://tropical.colostate.edu/forecasting.html>



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. 1st to Nov. 30th 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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