



2024 Atlantic Hurricane Season Prediction Market Bulletin

JANUARY 2, 2024

Hurricane prediction market suggests an elevated likelihood of an active season.

The 2023 Atlantic hurricane season saw 7 hurricanes, slightly above the long-run average of about 6 hurricanes. In terms of the total number of named storms, the 2023 season was the fourth most active on record.

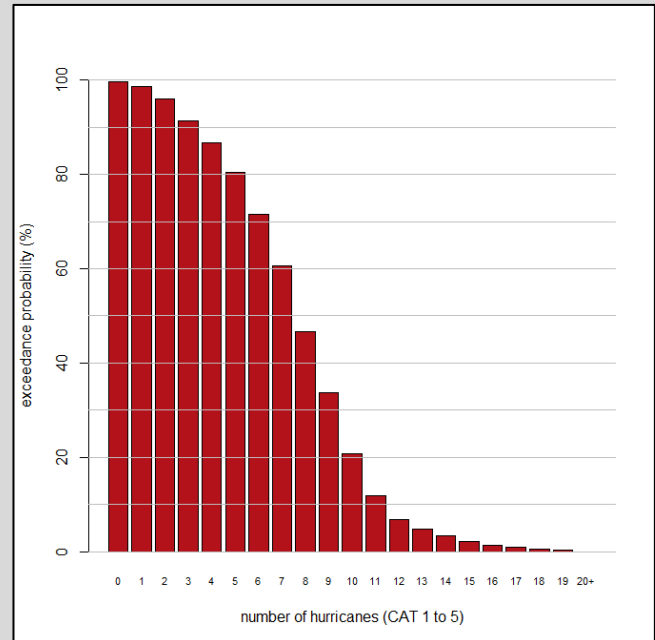
The CAHM24 prediction market to predict the number of hurricanes in the 2024 season opened last month and is currently indicating an elevated probability of an active season.

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: 2024-01-02					
STATISTIC	CAHM 24	CLIMATE			
		10yrs	20yrs	50yrs	100yrs
MEAN	8.2	7.7	7.7	6.6	6.1
10 th PERCENTILE	4	5.8	3.9	3.0	3.0
MEDIAN	8	7.0	7.0	6.5	6.0
90 th PERCENTILE	12	10.4	12.2	10.0	9.1
PROB(> 10)	22%	10%	15%	8%	7%
PROB(> 12)	8%	10%	10%	4%	2%

The prices suggest a 60% chance there will be more hurricanes during the 2024 season than in 2023, this is similar to the climatology over the past three decades and is slightly lower than the 70% probability of more than 7 hurricanes in the [December forecast from Tropical Storm Risk \(TSR\)](#).

As new forecasts and other information become available to the participants in the prediction market prices will evolve to reflect their updated probabilities. Price updates from CAHM24 will be published at <https://www.crucialab.net>.



Exceedance probabilities implied by prices in the CAHM24 market for the number of hurricanes during the 2024 Atlantic hurricane season.

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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