

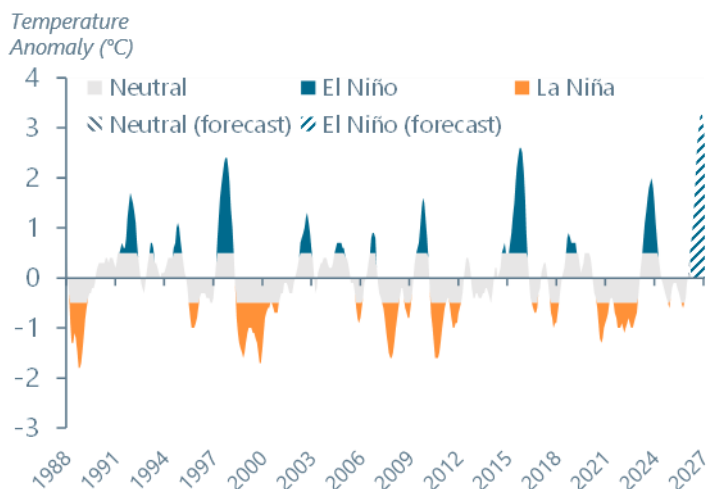
Atlantic hurricane season forecasts point to well below-average activity mainly due to a strong El Niño year

The 2026 Atlantic hurricane season is expected to be significantly quieter than normal, with activity projected well below both recent years and long-term averages. These forecasts are primarily driven by three indicators: the El Niño / La Niña environment, sea surface temperatures and the Saharan dust.

First and key driver: ENSO (El Niño La Niña and the Southern Oscillation)

El Niño refers to a period of warmer-than-average sea surface temperatures in the central and eastern tropical Pacific Ocean, while La Niña corresponds to cooler-than-average conditions in the same region. Together, they form a natural cycle that alternates over time and plays a major role in shaping global weather patterns.

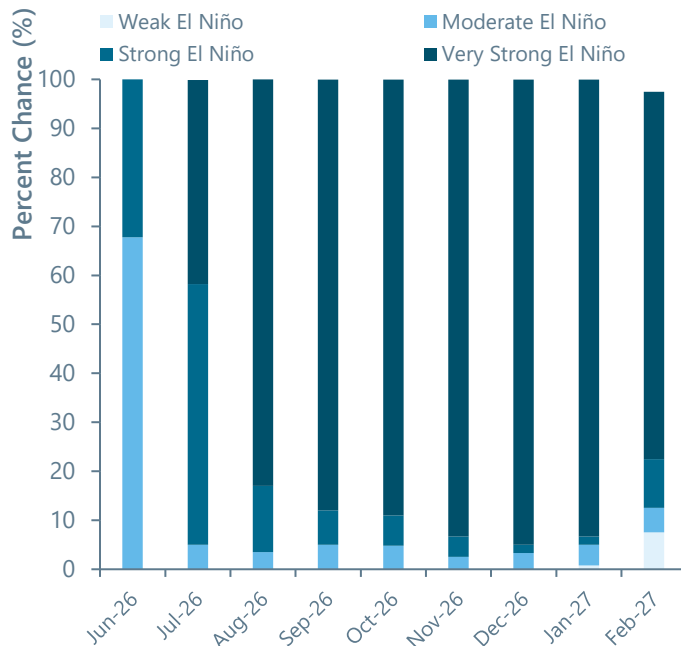
Historical El Niño and La Niña episodes



Source: SCOR Investment Partners and Climate Prediction Center (CPC) / National Oceanic and Atmospheric Administration (NOAA). Forecasts issued in May 2026. Monthly probabilities refer to 3-months rolling averages, based on a threshold of +/- 0.5°C for the Oceanic Niño Index (ONI) computed using ERSST.v5

Current estimates suggest a transition from a weak El Niño in early summer to a strong to very strong event by August–October, coinciding with the peak of the hurricane season. As the season progresses, conditions are expected to increasingly favor stronger El Niño intensities during these critical months for hurricane development. The magnitude of the expected anomaly suggests conditions that could exceed those observed during the previous strong event in 2015 and may even rank among the most pronounced episodes since 1950.

Official NOAA CPC ENSO Probabilities



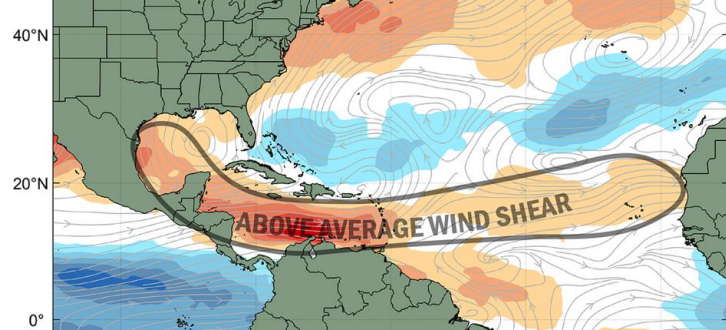
Source: SCOR Investment Partners and Climate Prediction Center (CPC) / National Oceanic and Atmospheric Administration (NOAA). Forecasts issued in May 2026. Monthly probabilities refer to 3-months rolling averages, based on a threshold of +/- 0.5°C for the Oceanic Niño Index (ONI) computed using ERSST.v5

This warming of the Pacific significantly alters atmospheric circulation and leads to enhanced vertical wind shear (the variation in wind speed and direction with height, which is a critical factor in determining whether severe thunderstorms will develop) across regions typically favorable for hurricane development. This is particularly true over the Caribbean Sea and the western tropical Atlantic (the Main Development Region).

This wind shear prevents hurricanes from developing or strengthening, and in a way, acts like a shield protecting the US.

Wind shear anomaly

Aug-Sep-Oct Strong/Very Strong El Niños



Source: SCOR Investment Partners and Climate Prediction Center (CPC) / National Oceanic and Atmospheric Administration (NOAA). Forecasts issued in May 2026. Monthly probabilities refer to 3-months rolling averages, based on a threshold of +/- 0.5°C for the Oceanic Niño Index (ONI) computed using ERSST.v5

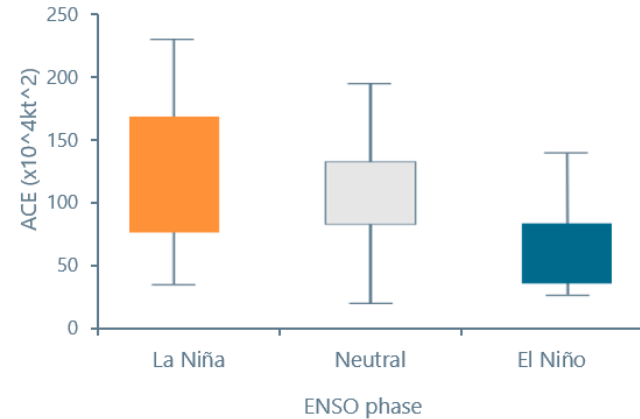
In parallel, El Niño enhances sinking motion over the Atlantic, bringing drier air from upper levels down toward the surface. This process reduces the availability of moisture, a key ingredient for convection, thereby further inhibiting storm development and intensification.

Taken together, the combination of stronger wind shear and reduced atmospheric moisture creates an environment that is structurally unfavorable for tropical cyclone formation, ultimately leading to lower overall hurricane activity.

To quantify this impact, the ACE index captures the total energy generated by all tropical cyclones over a season by combining their intensity and duration.

Accumulated Cyclone Energy (ACE)

By ENSO phase (1950-2024)



Source: SCOR Investment Partners and Climate Prediction Center (CPC) / National Oceanic and Atmospheric Administration (NOAA). Forecasts issued in May 2026. Monthly probabilities refer to 3-months rolling averages, based on a threshold of +/- 0.5°C for the Oceanic Niño Index (ONI) computed using ERSST.v5

Expressed in scaled units of wind speed squared ($\times 10^4$ knots²), ACE provides a comprehensive measure of overall seasonal activity, beyond simply counting the number of storms.

Historical observations show a clear relationship between ENSO phase and hurricane activity: it clearly shows that ACE index is significantly lower during El Niño years than during neutral or La Niña years. This reflects the suppressive influence of enhanced wind shear and drier atmospheric conditions.

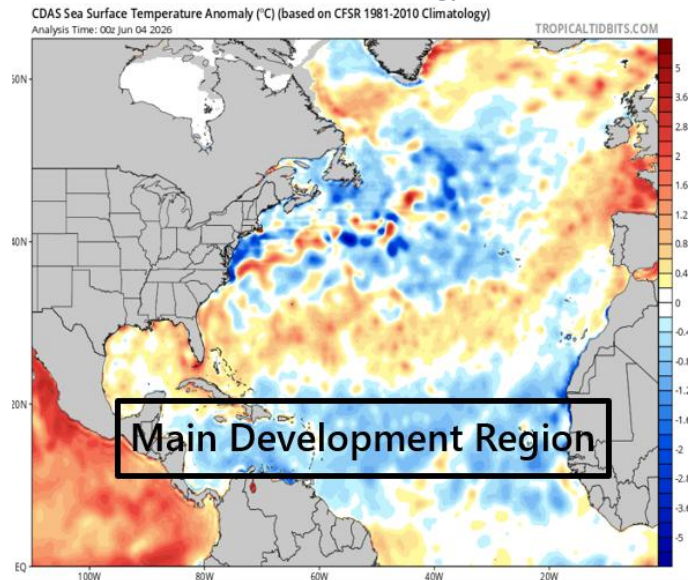
Second driver: sea surface temperature

While large-scale climate conditions in the Pacific are defined by sea surface temperature anomalies, hurricane activity in the Atlantic basin also depends critically on local oceanic conditions.

Current temperature patterns indicate a slightly warmer-than-average Gulf of Mexico, while the Main Development Region, including the Caribbean Sea and the tropical Atlantic, remains somewhat colder than average.

Sea surface temperature anomaly

Based on CFSR 1981-2010 climatology



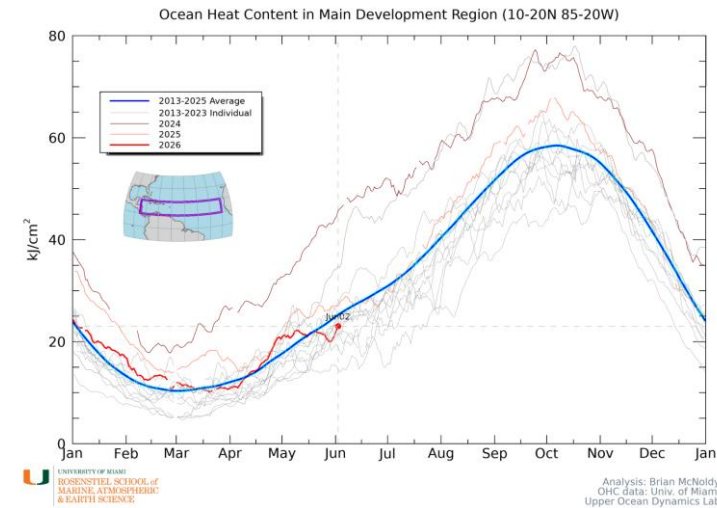
Sources: Copernicus, University of Miami

Beyond surface temperatures, particular attention is given to ocean heat content, which reflects the amount of heat stored not only at the ocean surface but also in its depths. It provides a more stable and less volatile assessment of the ocean's available energy than sea surface temperature

alone and is therefore widely used to evaluate conditions over the coming months.

At present, ocean heat content across the Main Development Region is slightly below, yet broadly aligned with, long-term averages, suggesting a limited contribution to storm development potential.

Ocean heat content in main development region



Sources: Copernicus, University of Miami

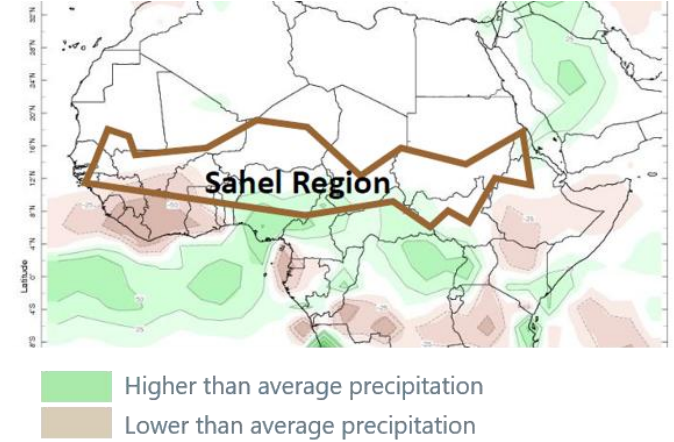
Third driver: the Saharan dust

The last driver of the Atlantic hurricane activity is the presence of the Saharan dust, the large masses of dry and dusty air over the Atlantic creating hostile conditions for hurricane formation. That happened last year in the first half of September, which is typically the peak of the hurricane season, which led to a complete absence of tropical storm activity.

However, the impact of Saharan dust remains difficult to anticipate ahead of the season. Its intensity is closely linked to soil dryness across the Sahel region, which depends on recent precipitation patterns. Based on rainfall observations over the past three months, as illustrated in the map, conditions appear broadly near average, slightly above or below in certain areas, but without any substantial anomalies.

As a result, this indicator currently provides a largely neutral signal for the forthcoming hurricane season.

Saharian air layer prediction: no strong signal here



Source: NOAA NCEP Climate Prediction Center, Columbia Climate School, as of April 2026

Implications for the upcoming Atlantic hurricane season

Overall, the current outlook for the Atlantic hurricane season appears significantly more positive than in recent years, largely driven by the emergence of strong, if not exceptional, El Niño conditions over the summer.

This environment is expected to reduce hurricane activity at the basin level, as reflected in lower projected ACE levels and historical patterns observed during similar episodes.

It is important to remind that seasonal forecasts remain inherently uncertain and probabilistic. Even during relatively quiet years, a single landfalling hurricane in a densely populated area can materially change the outcome, as illustrated by Hurricane Andrew in 1992.

Against this backdrop, continuous monitoring of key climatic and oceanic indicators remains essential in the coming weeks and throughout the season.

As always, portfolio construction remains focused on diversification and resilience, with the objective of maintaining a high level of shock-absorption capacity across a wide range of scenarios.

CONTACT

Client Service

+33 (0)1 53 64 65 50

scorip.sales@scor.com

www.scor-ip.com

Head Office

5, Avenue Kléber, 75016 Paris, France

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