

27 August 2021

Twelve Capital Event Update

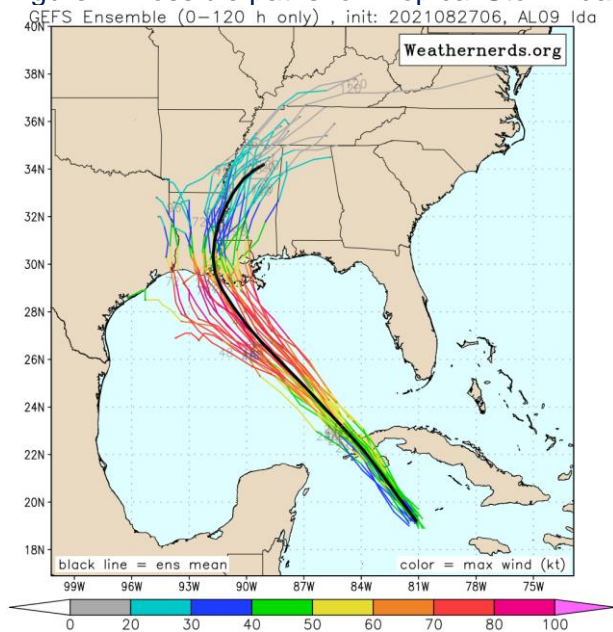
Tropical Storm Ida (Atlantic)

After a number of days forming in the western Caribbean, on the evening of Thursday 26 August Tropical Storm Ida was officially named. Current predictions have this storm travelling in a north-westerly direction, clipping the western tip of Cuba before heading into the Gulf of Mexico and strengthening into a hurricane before making landfall in Louisiana. Landfall is predicted to occur very early morning (local time) on Monday 30 August. It is likely that this storm will strengthen at least into a category 2, most likely even a category 3 hurricane. As always with major hurricanes¹, the exact location of landfall will be the key determining factor for insured losses and ultimately for the impact on Twelve Capital's positions.

The latest projection point towards this storm making landfall around 80-100km West of New Orleans in an area of Louisiana that is not as densely populated. In that case, Twelve Capital does not expect any significant direct impact on its ILS positions.

However, as with all live events, there is a high level of uncertainty around the final strength and location of landfall. An intensification or a landfall in a more densely populated area, such as New Orleans, could result in significant increases in insured losses thus also affecting ILS portfolios. Whilst this is not expected at this point, it cannot be fully ruled out until landfall has taken place.

Figure 1: Possible paths for Tropical Storm Ida



Source: www.weathernerds.org retrieved on 27 August 2021.

¹ A major hurricane is classified as a hurricane that experienced an intensity of 3 or greater on the Saffir-Simpson scale during its lifetime.

Tropical Storm Nora (Pacific)

Near the Pacific coastline of Mexico, Tropical Storm Nora has formed recently. It is expected to move in a north-westerly direction alongside the coastline before making landfall in Baja California, Mexico. Current predictions expect this system to slightly strengthen into a category 1 hurricane. As such, Twelve Capital does not expect any impacts from this storm on its positions.

Twelve Capital will continue to monitor these systems and issue ad-hoc updates should the situation change. The next regular event update will be sent on Monday.

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About Twelve Capital

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