

# The Future of Forecasting

Global & Asian Prediction Market Industry Data Report

**Prepared for:** Global Strategy & Investment Conference

**Date:** April 2026

**Classification:** Professional Industry Analysis

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# Executive Summary

The prediction market industry has transitioned from a niche cryptocurrency experiment into a foundational pillar of global financial forecasting. Driven by the 2024 U.S. Presidential Election and subsequent macroeconomic volatility, the sector experienced hypergrowth in 2025, with total notional trading volume reaching approximately \$64 billion—a nearly 400% year-over-year increase<sup>[1]</sup>.

Currently dominated by a duopoly consisting of Polymarket and Kalshi, the market is rapidly diversifying. While North America remains the regulatory and volume epicenter, the Asia-Pacific (APAC) region has emerged as a critical growth engine. Despite stringent regulatory environments, Asian platforms like Opinion Labs have captured significant market share, demonstrating the region's immense appetite for event-driven derivatives<sup>[2]</sup>.

Looking forward, the industry is projected to process \$325 billion in volume in 2026, with forecasts indicating a trajectory toward \$1.14 trillion by 2030 (a 78% CAGR)<sup>[1]</sup>. This report provides a rigorous, data-driven analysis of the global and Asian prediction market landscapes, detailing market size, competitive dynamics, user demographics, and future growth catalysts.

## 1. Global Market Size and Growth Trajectory

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### 1.1 The 2025 Hypergrowth Phase

The year 2025 marked an inflection point for prediction markets. In early 2024, monthly notional trading volume across all major platforms combined was below \$100 million. By January 2026, monthly transaction volume had surged to over \$27 billion<sup>[4][3]</sup>. Total annual notional volume for 2025 reached \$64 billion, driven by a convergence of political events, sports betting migration, and macroeconomic uncertainty<sup>[1]</sup>.

## Total Prediction Market Volume

Monthly aggregate volume across all venues

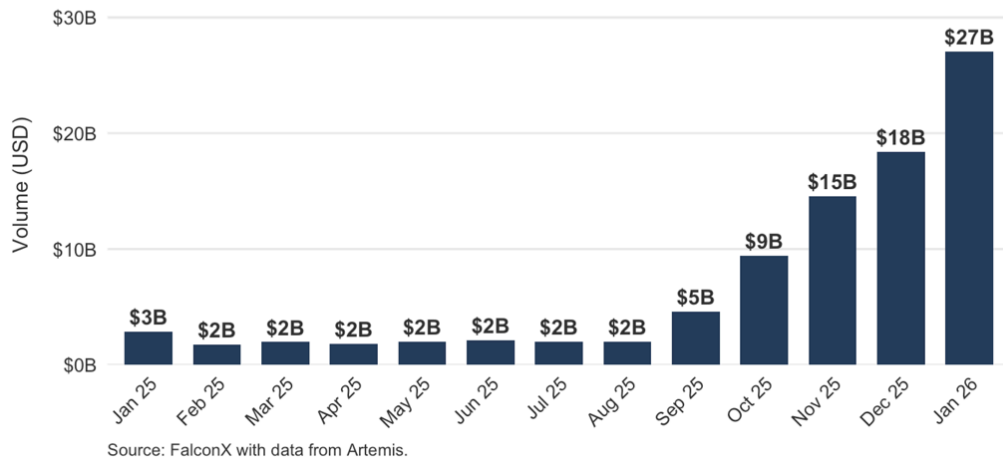


Figure 1: Monthly aggregate volume across all venues, demonstrating the exponential growth curve culminating in \$27B in January 2026. Source: FalconX / Artemis.

## 1.2 User Adoption and Engagement

The surge in volume was matched by an explosion in user adoption. Monthly active users (MAUs) across the sector grew from approximately 4,000 in early 2024 to over 865,000 by March 2026, representing a staggering 21,500% increase<sup>[4]</sup>. Transaction counts mirrored this growth, climbing from 240,000 to over 43 million trades annually<sup>[5]</sup>. This indicates that growth is driven not merely by existing "whales" increasing their bet sizes, but by a massive influx of retail and institutional participants.

## 1.3 Future Projections (2026-2030)

Based on current run-rate volumes, the industry is on pace to exceed \$325 billion in notional volume in 2026<sup>[1]</sup>. Analysts at Citizens Financial Group project that industry revenues will grow by a factor of five, reaching \$10 billion annually by 2030<sup>[6]</sup>. Applying the historical growth rate of perpetual futures (a comparable novel financial instrument), total prediction market volume is forecast to exceed \$1.14 trillion by 2030, representing a Compound Annual Growth Rate (CAGR) of 78% from 2025 to 2030<sup>[1]</sup>.

## Annual Prediction Market Volume Forecast

Projected Growth through 2030 | Total CAGR (2025-30): 78%

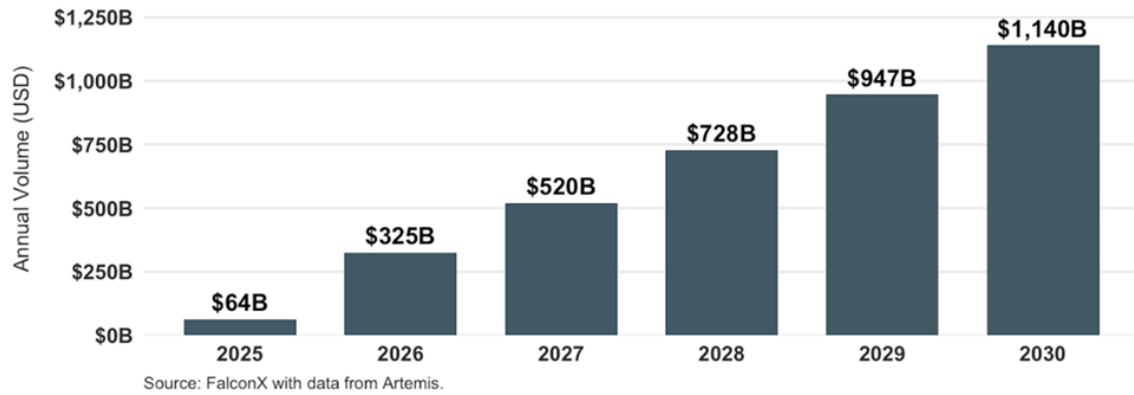


Figure 2: Projected growth of prediction market volume through 2030, forecasting a \$1.14 Trillion market. Source: FalconX / Artemis.

## 2. Competitive Landscape: The Polymarket & Kalshi Duopoly

Throughout 2025, the market was highly concentrated, with two platforms—Polymarket and Kalshi—controlling approximately 97.5% of the global market share<sup>[7]</sup>. While both platforms offer event contracts, their underlying architectures, regulatory strategies, and user bases differ significantly.

### 2.1 Polymarket: The Crypto-Native Global Leader

Polymarket operates on the Polygon blockchain, utilizing USDC for global, permissionless forecasting. In 2025, Polymarket processed approximately \$21.5 billion to \$22 billion in notional volume<sup>[5][7]</sup>. Following a \$1.4 million CFTC settlement in 2022, Polymarket acquired QCEX in 2025 for \$112 million to secure a regulated path back to the U.S. market, subsequently receiving CFTC approval to operate an intermediated trading platform<sup>[8]</sup>.

Polymarket's volume is highly diversified. An analysis of its top 100 markets by volume in January 2026 reveals a balanced ecosystem: Politics (35%), Sports (34%), Business (18%), and Crypto (8%)<sup>[1]</sup>.

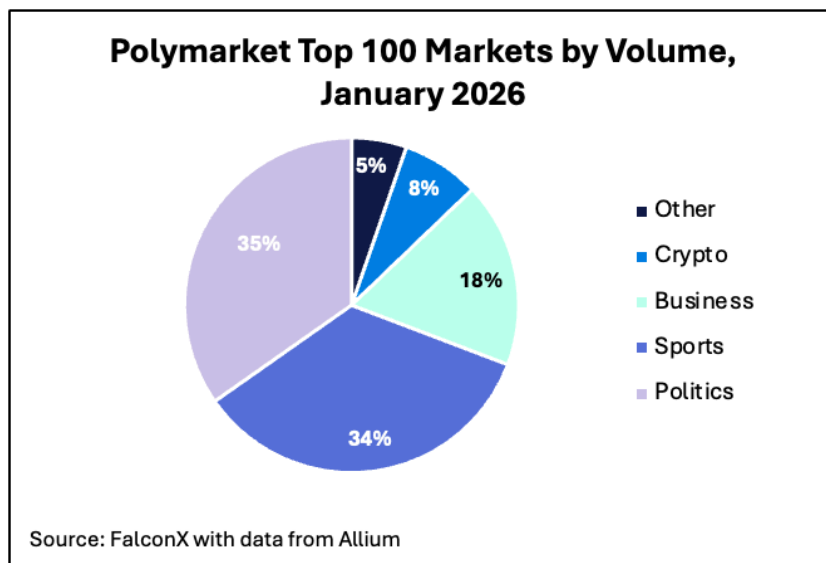


Figure 3: Polymarket Top 100 Markets by Volume (January 2026), showing strong diversification across Politics, Sports, and Business. Source: FalconX / Allium.

## 2.2 Kalshi: The Regulated Institutional Hub

Kalshi took a regulation-first approach, securing status as a CFTC-regulated Designated Contract Market (DCM) in 2020. In 2025, Kalshi generated between \$17.1 billion and \$23.8 billion in volume (depending on reporting metrics), experiencing year-over-year growth of over 1,100%<sup>[5][7]</sup>. Kalshi's volume is heavily skewed toward sports, which accounted for roughly 85% of its notional volume in 2025, though it is rapidly expanding into economic and political contracts<sup>[5]</sup>.

Metric (2025 Data)	Polymarket	Kalshi
Notional Volume	~\$21.5B - \$22.0B	~\$17.1B - \$23.8B
Total Trades	95 Million (54% share)	74 Million (42% share)
Regulatory Status	Offshore / CFTC-approved US return via QCEX	Fully CFTC-Regulated DCM
Primary Categories	Politics, Sports, Geopolitics, Crypto	Sports, Economics, Politics
Infrastructure	On-chain (Polygon PoS), USDC	Off-chain CLOB, Fiat (USD) & Crypto deposits

# 3. The Asian Market: Explosive Growth Amidst Regulatory Friction

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While U.S. regulatory battles dominate headlines, the Asia-Pacific (APAC) region has quietly become a massive driver of prediction market liquidity. The Asian market is characterized by a "cat-and-mouse" dynamic: intense retail and institutional demand clashing with strict anti-gambling regulations.

## 3.1 The Rise of Opinion Labs: Asia's Challenger

In late 2025, Hong Kong-based Opinion Labs emerged as a formidable challenger to the Kalshi-Polymarket duopoly. Within its first 50 days, Opinion recorded \$6.4 billion in cumulative trading volume. By January 2026, Opinion captured an astonishing 30% to 32% of the global market share, generating \$8.08 billion in monthly volume<sup>[2][9]</sup>.

Opinion's geographic edge is distinct: approximately 42% of its web traffic originates from Asia<sup>[10]</sup>. Unlike the order-book models of its Western peers, Opinion utilizes an Automated Market Maker (AMM) model with AI oracles, allowing for non-binary markets and continuous liquidity pools. This crypto-native, Web3 approach resonates strongly with Asia's estimated 40 to 70 million active on-chain users<sup>[2]</sup>.

## 3.2 Regulatory Fragmentation and "Sovereign Liquidity Pools"

The regulatory environment in Asia is highly fragmented and generally hostile to platforms perceived as gambling. For example:

- **Singapore:** In January 2025, the Gambling Regulatory Authority (GRA) officially blocked access to Polymarket, classifying it as an illegal gambling site<sup>[11]</sup>.
- **South Korea:** Despite strict laws where illegal gambling can result in fines up to 20 million KRW or imprisonment, underground demand is massive. Opinion Labs saw weekly trading volumes surpass 2 trillion KRW (approx. \$1.4 billion USD) shortly after launch, driven by hyper-local markets such as K-Pop group contract resolutions<sup>[11]</sup>.
- **China:** While mainland China maintains strict bans on crypto and gambling, Hong Kong is positioning itself as a Web3 hub, providing a base for platforms like Opinion Labs to operate and attract regional capital.

To survive, Asian platforms are developing "sovereign liquidity pools"—aligning with local compliance requirements where possible, or operating via offshore entities to serve regional demand for esports, local politics, and macro-economic forecasting<sup>[2]</sup>.

## 3.3 Data Anomalies and Market Integrity in Asia

It is crucial to note that the explosive growth of Asian platforms like Opinion Labs has drawn scrutiny. In January 2026, Opinion generated its \$8.08 billion volume from just 3.2 million transactions, resulting in an average trade size of \$2,525—drastically higher than Kalshi (\$175) and Polymarket (\$147)<sup>[9]</sup>. This suggests heavy participation by institutional whales, algorithmic farmers, or potential wash trading, highlighting the need for robust on-chain auditing as the Asian market matures.

## 4. Key Drivers and Future Trends (2026-2030)

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### 4.1 Institutional Integration and B2B Distribution

Prediction markets are transitioning from direct-to-consumer apps to embedded financial infrastructure. In 2025 and 2026, major brokerages integrated prediction markets into their platforms. Robinhood partnered with Kalshi, reporting that event contracts became the fastest-scaling product in the company's history, generating \$435 million in annualized revenue by Q4 2025<sup>[11]</sup>. Furthermore, traditional financial data providers like Bloomberg and Dow Jones have integrated Polymarket and Kalshi data into their terminals, treating event probabilities as legitimate alternative data for institutional hedging<sup>[12]</sup>.

### 4.2 The Accuracy Premium: Brier Scores

Institutional trust is built on accuracy. Prediction markets consistently outperform traditional polling and expert panels. Accuracy is measured using Brier scores (where a lower score indicates higher accuracy; a random guess scores 0.25). In 2025, major prediction markets achieved an average Brier score of approximately 0.09, with headline accuracy rates (predicting the correct binary outcome) between 90% and 95%<sup>[5]</sup>. This empirical reliability is driving hedge funds to use these markets for macro-risk pricing.

### 4.3 AI Agents as Liquidity Providers

By early 2026, Agentic AI began rewriting prediction market mechanics. Autonomous AI agents now continuously scan news feeds, social sentiment, and economic data to execute high-frequency trades. These AI agents act as primary liquidity providers, tightening spreads and ensuring markets react to real-world events in milliseconds<sup>[13]</sup>. In Asian markets like Opinion, AI is also used as an oracle to automate market creation and resolution<sup>[2]</sup>.

### 4.4 Geopolitics as an Asset Class

While sports betting drove initial retail adoption, geopolitics has become the dominant driver of high-value volume. In February 2026, Polymarket set a single-day volume record of \$425 million, driven almost entirely by contracts related to U.S. military actions and Middle Eastern regime changes. A single contract

regarding U.S. strikes on Iran attracted \$73 million in volume<sup>[3]</sup>. Prediction markets are now the primary venue for pricing geopolitical tail risks.

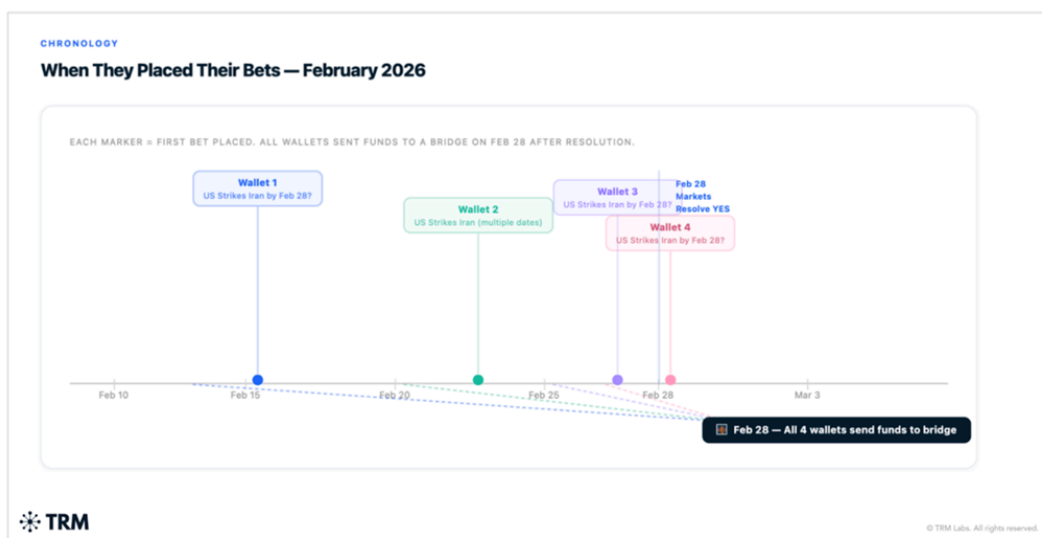


Figure 4: TRM Labs analysis showing clustered wallet activity ahead of major geopolitical events (e.g., U.S. strikes on Iran), highlighting the emerging challenges of information asymmetry and market integrity. Source: TRM Labs.

## 5. Conclusion

The global prediction market industry has definitively crossed the chasm from a speculative novelty to a core component of the future financial system. With \$64 billion in volume in 2025 and a clear trajectory toward a \$1.1 trillion market by 2030, the economic incentives are undeniable.

For global stakeholders, the Kalshi and Polymarket duopoly provides the foundational infrastructure for Western markets, backed by increasing CFTC regulatory clarity. However, the Asia-Pacific region represents the most dynamic, albeit volatile, frontier. Platforms like Opinion Labs prove that Asian demand for predictive primitives is massive, capable of generating billions in weekly volume despite regulatory headwinds.

As we look toward 2030, the integration of AI trading agents, institutional brokerage distribution, and the maturation of Asian "sovereign liquidity pools" will dictate the winners of this trillion-dollar land grab. The future of forecasting is decentralized, data-driven, and undeniably global.

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