## Press Release

# Prediction Markets: A Primer

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With prediction markets, such as Kalshi and Polymarket, increasingly in the news, Director of Financial Services Policy Thomas Kingsley provides an overview of these markets, how they work, and their key features.

He concludes:

> *Prediction markets are best understood as neither gambling problems nor oracles, but as information markets whose usefulness derives from their ability to force competing beliefs into direct confrontation. Their great strength is not that they eliminate uncertainty, but that they quantify it, providing a constantly evolving estimate of what informed participants collectively believe is most likely to happen. That estimate can be extraordinarily valuable, and occasionally remarkably accurate, but it remains an estimate, nonetheless. As the industry matures and regulatory frameworks develop, prediction markets are likely to become a more familiar part of the information landscape. The sensible observer will treat them as an important signal, sometimes the most important signal available, while resisting the temptation to mistake a market price for the future itself.*

Read the analysis.