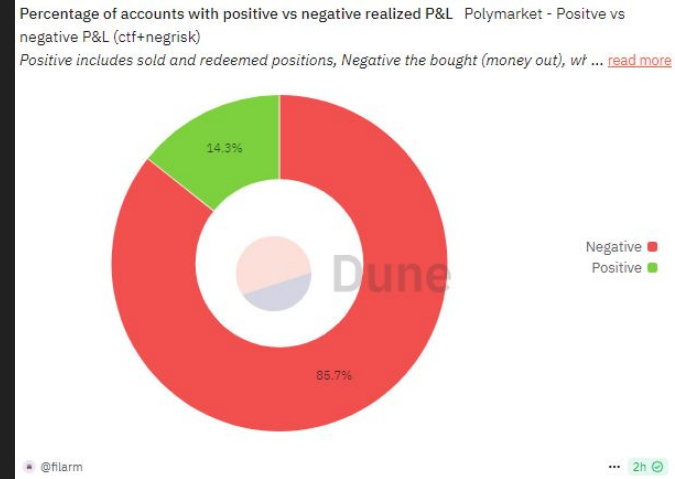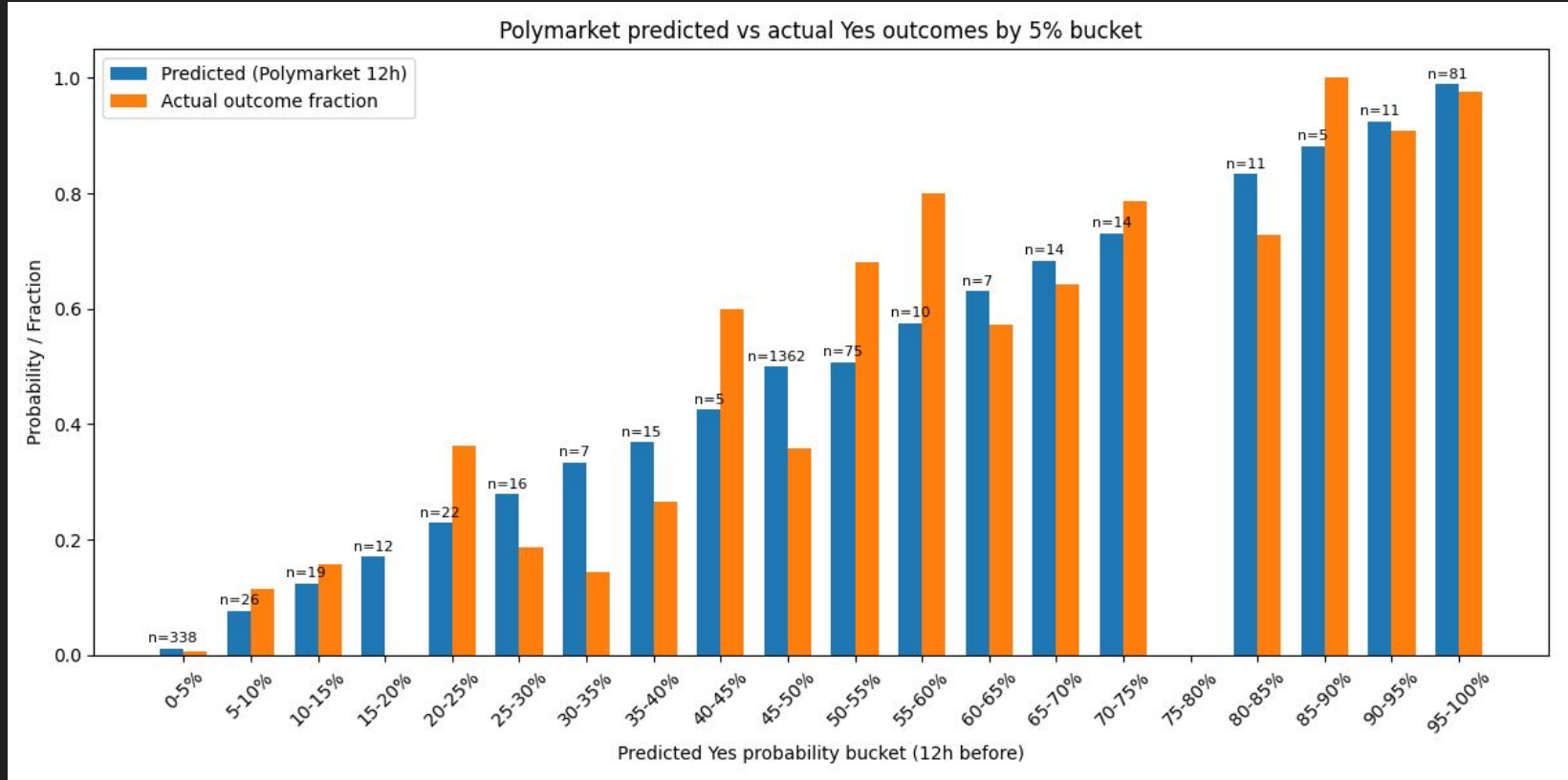# Motivation/Hypothesis

- Quick Polymarket explanation
  - Event Prediction platform, similar to "betting" style
  - Predicting events
- People love to gamble - wall street bets
- What if we were able to find out where "dumb money" was going?
  - Then we could invest in the opposite side to make $
  - "Long shot" markets

Percentage of accounts with positive vs negative realized P&L Polymarket - Positve vs negative P&L (ctf+negrisk)
Positive includes sold and redeemed positions, Negative the bought (money out), wt ... read more

14.3%

85.7%

Negative ■
Positive ■

@filarm

Will the US confirm that aliens exist in 2025?

6% chance

Yes   No

$3m Vol.

Collecting data/Confirming Hypothesis

Polymarket predicted vs actual Yes outcomes by 5% bucket

Results/Future Work

Simulation summary:
  Total trades placed: 1356
  Total profit: 175.001000
  Average profit per trade: 0.129057
  Win rate: 71.17%

- It works! (kind of)
- We make a profit, even with this simple strategy
- Issues:
  - Limited sample size (only 2 months of data)
- Future ideas:
  - Variable bet sizes based on probability delta (bet more on more overpriced markets)
  - Collect more data (test strategy across 1 year+)
  - Try same for opposite side (what if NO bet are overpriced?)
  - Check overpricing across different time periods (4h vs 1 day for example)

Cumulative PnL from NO-betting strategy (after every market close)

Distribution of profit per trade