

Deposit to earn rewards

Sign up and deposit to receive up to **10,055 USDT** in bonuses.
Exclusive for new users only.

Get it now

[PDF Database Document] - BTCC Cryptocurrency Exchange

Original:

<https://www.btcc.com/en-US/academy/crypto-basics/what-is-a-cryptocurrency-prediction-market-poly-market-how-does-it-work-bjx>

What is a cryptocurrency prediction market Polymarket? How does it work?



In recent years, decentralized prediction markets such as Polymarket have been gaining attention. In the run-up to the 2024 US presidential election, Polymarket quickly became mainstream, with many media outlets reporting on Polymarket odds alongside their traditional polls. People began to turn to Polymarket as a reliable source of accurate, real-time information.

So, what exactly is Polymarket? How is it used? Can it be considered a “source of truth”? This article will tell you the answers.

- [What is Polymarket? How does it work?](#)
- [How do I place a bet on Polymarket?](#)
- [Can Polymarket be considered a source of truth?](#)
- [Conclusion](#)

How does Polymarket work?

Polymarket is a cryptocurrency-based prediction market where users can place bets on real-world events covering politics, international relations, sports, pop culture, business and science.

At Polymarket, you buy shares that represent the chance of an event occurring. For example, if you believe that a candidate will win the election, you can buy 'yes' shares at a price that reflects the current market odds. If the event happens as you predict, your shares are worth \$1 each. If not, they become worthless. The system allows you to profit from knowing and predicting events.

The Polymarket platform is built on top of the [Polygon](#) PoS blockchain and allows users to place bets using USDC stablecoins. With its hybrid decentralized model, Polymarket offers a unique combination of off-chain bet matching and ordering from trusted operators, while ensuring on-chain bet settlement and execution in a decentralized environment. This innovative approach combines the best of both the centralized and decentralized worlds to provide users with a seamless, secure and transparent betting experience.

How do I place a bet on Polymarket?

Polymarket has countless world races to bet on, with the winner of the 2024 US Presidential Election being the most popular, with over \$474.4 million wagered as of August 1, 2024. If you are interested, you can place your bets by following the steps below:

log in (to a computer)

Initially, you will need to log in. You can sign in using your [Google](#) account, but the fastest way to sign in is to use your self-hosted encrypted wallet, such as MetaMask or Coinbase Wallet.

Reserve value USDC

It is important to note that Polymarket only accepts [USDC](#) bets. This means that you must fund your Polymarket account with USDC stablecoins. You can transfer USDC from your crypto wallet or buy USDC from the market. Just make sure that the USDC you use is on the Polygon PoS network.

Betting Polymarket

Once you have funds in your account, you can start betting. Let's say you want to bet on the winner of the 2024 U.S. presidential election, you can choose "Yes" or "No" next to the candidate's name.

For example, if you are convinced that Trump will win, you can bet "Yes" on Trump. As of this writing, Trump has a 53% chance of winning, so 1 share of pro-Trump stock is priced at 53 cents. Polymarket also offers limit orders, which are automatically executed when the market reaches the price you specify, and Polymarket incentivizes users to increase market liquidity by rewarding them with USDC for placing limit orders. Imagine if Trump does win the election, your 53-cent "Yes" shares will skyrocket to \$1, giving you a sizable 47-cent profit, which translates to an 88.6% return on your investment.

You can sell your shares at any time, providing flexibility. For example, if Trump's chances of winning the polls rise to 60% a month before the polls, you can sell your "Yes" shares for 60 cents. Similarly, you can bet on Kamala Harris, Robert Kennedy and Michelle Obama. Even Kanye West is among the choices, with his 'Yes' shares priced at 0.1 cents - we'll see if that happens.

Can Polymarket be considered a source of truth?

Polymarket is becoming the platform of choice for those who are looking for unbiased and unfiltered truth in an instant. Instead of relying on traditional polls and surveys to predict future events, people are turning to Polymarket to learn about major events like the presidential election.

One of Polymarket's key strengths is its ability to incorporate the latest publicly available information to update event odds in real time. This dynamic approach ensures that users receive the most up-to-date and accurate odds available. For example, after US President Joe Biden announced on July 21, 2024 that he would not run in the 2024 presidential election, Polymarket quickly adjusted Trump's chances of winning, and by August 1, 2024, Trump's chances had dropped from 64% to 53%.

This combination of knowledge, together with the economic incentives for traders, ensures that as more experienced participants join the market, prices (or odds) are adjusted to more accurately reflect the true odds at hand. In this way, Polymarket provides a unique and powerful tool to understand and predict major events in real time.

At X, Vitalik Buterin, co-founder of ethereum, declared that prediction markets and community notes are becoming "two of the flagship social cognitive technologies of the 2020s". He emphasized that these technologies are both truth-seeking and democratic, built on open public participation rather than relying on a pre-selected elite. "I'd like to see more of this," Buterin said.

However, a major challenge has arisen when considering Polymarket's role in predicting the U.S. presidential election and its veracity. From January 2022, the Commodity Futures Trading Commission (CFTC) prohibits Polymarket from making its Prediction platform available to US residents. This raises a key question: how reliable are Polymarket's polls on the US presidential election if they exclude US citizens?

Conclusion

At first glance, Polymarket appears to be just another cryptocurrency platform catering to the appetite of the cryptocurrency generation for high-risk speculation. However, a closer look reveals that there is much more to it than that. Backed by financial interests, public sentiment is a key indicator of major global events such as presidential elections and Federal Reserve interest rate Predictions. In an era where truths and perspectives are increasingly intertwined, often more so than in the crypto space itself, platforms like Polymarket are expected to flourish, providing a unique space in which to observe these dynamics and use them to make informed decisions.