

Prediction markets

Prediction markets are created for trading the outcome of various events, from sports fixtures to presidential elections, with the market prices indicating the probability of the event. The use of dApps facilitates transparency, making the segment a promising area for blockchain adoption.

Prediction markets, also referred to as information markets, idea futures and decision markets, are venues for creating assets whose value is tied to the outcome of a certain event.

An event's market value reflects its probability. For instance, a market value of \$0.51 means that the probability of the outcome is 51%. Current prices can therefore be interpreted as probability forecasts for a certain outcome. Participants who make a correct prediction are rewarded, and those who fail lose their bids.

Decentralising prediction markets facilitate lowering participation costs, bypassing strict regulation and increasing adoption by making dApp-powered platforms more accessible across the globe.

For this use case, we would like to see a dApp that can establish a foothold in the predictions market segment and, in the longer term, occupy a significant share of it.

Previous experience

One of the participants in Waves Grants program implemented a prototype solution for predictions markets. He developed a simple Prediction Market dApp (along the lines of Augur or Gnosis), which allows any user to create new markets, trade shares and be rewarded if the prediction is correct.

Demo: <https://waves-prediction-market-demo.herokuapp.com/>

Source code on GitHub: <https://github.com/AlekseiPupyshev/Waves-Augur>

Description:

<https://medium.com/@alexpupyshev/how-to-waves-dapps-prediction-markets-example-with-ride-language-part-1-27b642f2fd0d>

Examples of prediction market projects in the Ethereum ecosystem:

- [Augur](#)
- [Gnosis](#)
- [Cindicator](#)

A research paper on prediction markets is available here:

<https://www.circle.com/gr/research/prediction-markets>

Waves tools to be used:

- Smart Contracts
- Oracles
- Waves Keeper



Timeframe

2-8 months



Final result

Completion of work can be proven by:

1. A workable version or demo of a dApp that could potentially take a share of the predictions market segment.
2. A detailed illustrated manual for using the dApp on a separate landing page or in a Medium post.
3. Source code on GitHub.

The goal of this description is to outline possible approaches to this objective. Maintaining these guidelines is not mandatory. You are welcome to come up with your own ideas for implementing this task.

If you have your own approach to solving this task or ideas/preliminary work, please apply and we will consider your solution.