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Xangle Research

Top Decentralized Prediction Market Projects to Watch in 2021

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Prediction markets have made their leap to blockchain. With various live prediction market platforms built primarily upon the Ethereum network, bettors can wager on just about anything through one of the many decentralized prediction platforms available today.

As of now, you can place a wager through a decentralized prediction market platform on the following topics :

- **The total number of coronavirus cases by year's end**
- **The outcome of certain elections (surely none of which you've heard of)**
- **The future of investment in decentralized finance (DeFi)**
- **Whether specific individuals will face criminal charges by year's end**

For those who enjoy wagering on obscurities to those who lean towards more mainstream wagering outlets (sports, for example), decentralized prediction markets offer an outlet for a bettors' every whim.

Smart contracts handle the nitty-gritty, such as processing wagers and paying winnings, while cryptocurrency is the tender for most decentralized prediction markets.

The human middleman is largely excised from decentralized betting (*prediction*, if you want to be buttoned-up about it) platforms. The hope is that this will lead to greater user participation in platform governance, lower fees, and greater trust in the platforms themselves.

DeFi prediction markets are still relatively young, [with one of the largest platforms only having been launched in 2018](#). Despite the sector being far from mature, financial interest in several decentralized prediction markets is strong.

There are numerous choices for DeFi prediction markets. If someone wants to explore the space, where would they start?

They could begin by checking out the following prediction market projects, which may be worth following into 2021 and beyond...

Polymarket

[Polymarket](#) is a bona fide force on the rise in the decentralized prediction market space. It is live, and users can currently bet on all sorts of wild outcomes, including but not limited to the results of the 2020 U.S. presidential election and the longevity of the union between Kim Kardashian and Kanye West.

Polymarket's open finance (no intermediaries) structure embodies the blueprint for what it is to be decentralized. Built on the popular Ethereum blockchain and [having raised an additional \\$4 million in funding from major players in the crypto and DeFi spaces](#), Polymarket will continue to be a decentralized prediction market heavyweight in 2021.



Augur

[Augur](#) is a “no-limit betting platform” that is decentralized by the nature of its Ethereum blockchain underpinning. The platform allows users to bet on events in the categories of entertainment, medicine, sports, cryptocurrency, economics, and politics. The market cap for Augur topped \$1 billion at one point in 2018, making it one of the preeminent names in decentralized prediction markets.

Augur prediction markets are powered by the Reputation (REP) token.



Stox

[Stox](#) is a “blockchain prediction markets platform” that allows users to bet on offerings common to decentralized prediction markets (politics, for example) as well as those that are less common (weather). Stox users can also generate their own prediction markets, including but not limited to how their own coin generation event will fare. The STX token is the means of placing a wager on the Stox prediction market platform; and Stox utilizes the Bancor protocol.



Gnosis

Gnosis is a prediction market powered by the Ethereum blockchain, and its motto is “redistribute the future”. [The Gnosis token market cap reached over \\$441 million at its high-water mark in January 2018](#). It maintains a notable share of the decentralized prediction market landscape today, accounting for approximately \$67 million in trading volume as of November 2020.

Users of the Gnosis prediction market (and prediction markets powered by the Gnosis protocol) purchase tokens linked to certain outcomes. Should the predicted outcome occur, they can capitalize on the success by trading the fully-valued token. Users can also create their own events and wager on other users' predictions.



Catnip

Undoubtedly the winner of the Most Bizarre Name in the decentralized prediction market sector, [Catnip](#) is a prediction market centered for now solely around the 2020 U.S. election. Built using the Augur user interface and supported by the Balancer automated market maker (AMM), [Catnip is expected to pivot to new events](#) after the 2020 election results are final.

One of the primary draws of Catnip is a hyper-simple interface that provides easy access to the platform. [Users invested \\$1 million in the platform on Election Day in the United States \(Nov. 3rd\)](#), showing that the single-event prediction market is a viable concept. The fact that Catnip, as of now, offers only a single outcome may also ensure that the pool for the prediction being offered is well-funded by directing all wagers to a single prediction.



Looking at the Future of Decentralized Prediction Markets

The [U.S. commercial casino industry raked in \\$41.7 billion in revenues in 2018](#). That was more than a three percent jump from the previous year, and the figure does not account for the revenues of offshore gambling platforms. The hunger for gambling is not just an American phenomenon, and decentralized prediction markets are not limited exclusively to American clientele.

As awareness of decentralized prediction markets broadens and understanding of blockchain-powered platforms and interfaces expands to a grander scale, one might ask: why *wouldn't* prediction platforms continue to grow their user bases and total revenues in 2021?

Though impending regulatory restrictions remain the elephant in the room when it comes to any blockchain venture, it has not proven to be a material issue to date for decentralized prediction markets. So long as these markets place compliance among their foremost priorities, the future of prediction-centered DeFi platforms shines bright.

Thank you.

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