Prediction Frontier

WEEKLY PREDICTION MARKETS DATA BRIEF

28 July 2026

How Prediction Markets Traded the 2026 World Cup

SPECIAL REPORT · WORLD CUP EDITION

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Prediction Frontier Research · Special Edition — World Cup 2026

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Polymarket on-chain trades (Dune) & Radion; Kalshi public market API; cited press for ecosystem context

METHODOLOGY
On-chain USD notional, taker-side (Polymarket); candlestick VWAP cash (Kalshi)

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01 Executive summary

$5.95bn Polymarket World Cup cash — match, advance & outright (Jun–Jul)	**~2×** Polymarket's World Cup cash vs Kalshi's, like-for-like	**$4.25bn** Polymarket Overall Winner market — largest single sports contract on record	**Spain** Champion · Mbappé Golden Boot · Rodri Golden Ball

The recently concluded 2026 FIFA World Cup marked the largest sporting event prediction markets have priced to date. Across comparable match, team-to-advance and overall-winner markets, the two leading venues generated more than **$18bn** in headline volume: approximately **$12bn** on Kalshi and **$6bn on Polymarket**.

However, the venues' headline totals use different conventions. Kalshi's approximately $12bn represents the $1 face-value equivalent of contracts traded, while Polymarket's approximately $6bn reflects dollar value matched at execution prices. On a comparable cash basis, Prediction Frontier measured approximately **$5.95bn on Polymarket** and reconstructed approximately **$2.95bn on Kalshi.**

The tournament's defining scale result was therefore that Polymarket traded roughly twice as much cash as Kalshi across the selected World Cup markets. The difference was driven primarily by Polymarket's per-fixture match book and overall-winner market, which together accounted for approximately **$5.47bn**. Polymarket's daily World Cup volume ran between **$130M and $200M** through much of the group stage and peaked **near $248M on 7 July**, compared with Kalshi's peak of approximately **$151M on 6 July**.

On Polymarket, the most-traded national team in the outright book was not the champion but **Argentina, the losing finalist ($174M)**, followed by genuine longshots **Egypt ($159M) and Morocco ($152M)**. Volumes seem to have pooled around narrative and disagreement, not around the quiet favourite.

The market activity was different on Kalshi's order book; Argentina together with champions Spain attracted the most volumes, with host nations USA and Mexico close behind. The numbers for the host nations here signal a popularity and home-market bias rather than a longshot skew.

Pricing, by contrast, changed real-time, uniformly across venues with little to no arbitrage opportunities. **Spain's implied probability climbed from roughly 17% at kickoff to 58% in the final week**; the eventual champion was one of the group stage's biggest fallers after a shock opening draw with debutants Cape Verde. France carried the highest probability into the semi-finals at 38.9% and was priced to zero within 48 hours of kickoff against Spain.

Both venues' volume is fundamentally match-driven, so both crested with fixture density in the group-to-Round-of-16 window and faded through the sparse late rounds. Polymarket peaked near $248M a day, Kalshi near $151M.

Volume followed fixtures density; price (probability) followed elimination. That separation of signals is the tournament's central analytical lesson, and the sections that follow quantify it stage by stage.

KEY OBSERVATION

Read volume and price as different instruments. Capital concentrated in longshots, popular sides and game-level contracts. Probability stayed honest, whereby the market committed to Spain only after its semi-final win vs France given they were in the same bracket. And across venues, structure dominated outcome: match markets, not the overall winner books or any view on who would win, were the World Cup's centre of gravity, and Polymarket's deep match liquidity made it the larger venue in cash terms.

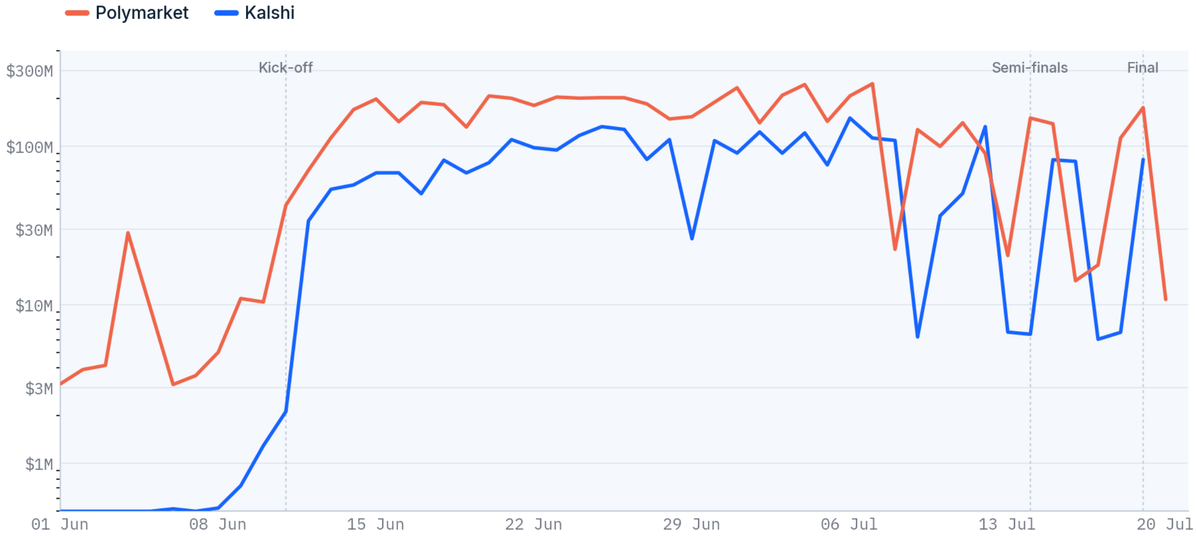
02 The numbers of the World Cup

This section sets the tournament's quantitative baseline; how much traded, when, on what, and at what implied odds. Unless stated, Polymarket figures are USD notional counted once per matched trade (taker-side), and probabilities are daily volume-weighted; Kalshi figures are USD cash from candlestick VWAP across its match, advance, and **overall winner** markets.

2.1 DAILY VOLUME, POLYMARKET VS KALSHI

On a like-for-like basis, Polymarket's World Cup book was twice Kalshi's

Daily notional · match + team-to-advance + outright winner, both venues · USD cash · log scale · 1 Jun – 20 Jul 2026

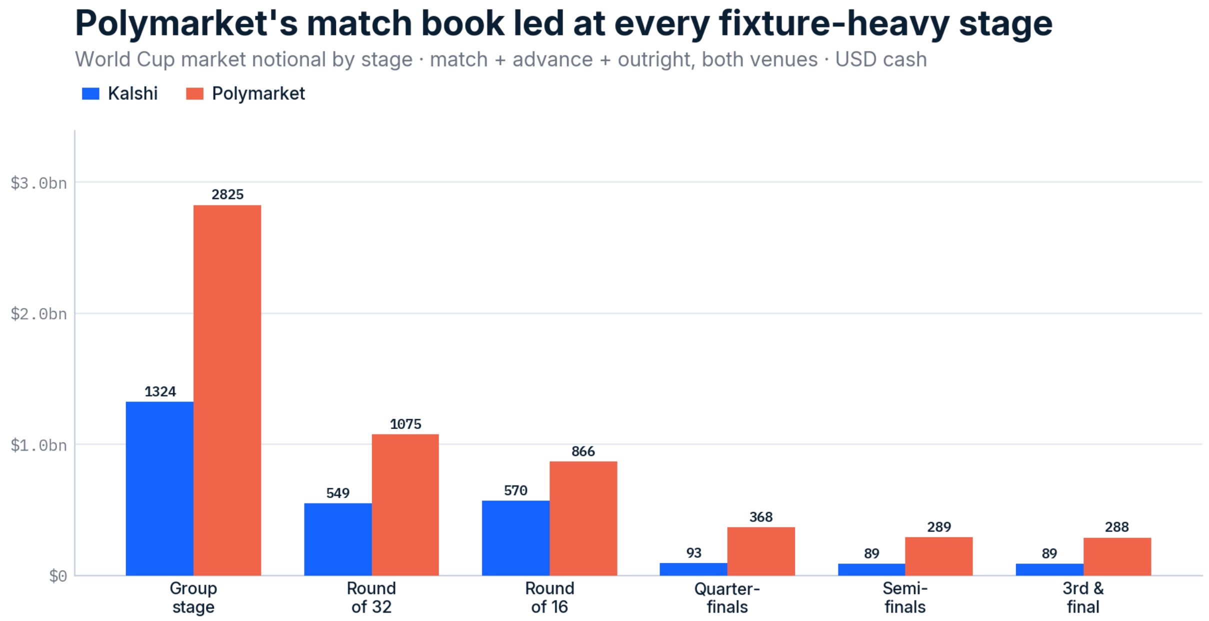


Source: Prediction Frontier. Polymarket via Dune (taker-side, tag = 2026 FIFA World Cup); Kalshi via candlestick VWAP.

Polymarket was the World Cup's largest book, trading roughly $5.95bn of cash to Kalshi's $2.95bn, about two to one. On the flip side, Kalshi traded $12bn in notional volume to Polymarket's $6bn in notional volume. This entire gap was heavily influenced by Polymarket's match market, which carried **91.9% of that $5.95bn**, running $130–200M a day through the group stage and peaking near **$248M on 7 July** against Kalshi's **$151M** on 6 July.

The market activity on both venues diverged on structure rather than tempo: Kalshi built a deep team-to-advance franchise (its single largest settled market was Mexico-to-advance-past-England), whereas Polymarket's advance book was less active. Polymarket's lead rests on the sheer liquidity of its World Cup match moneylines.

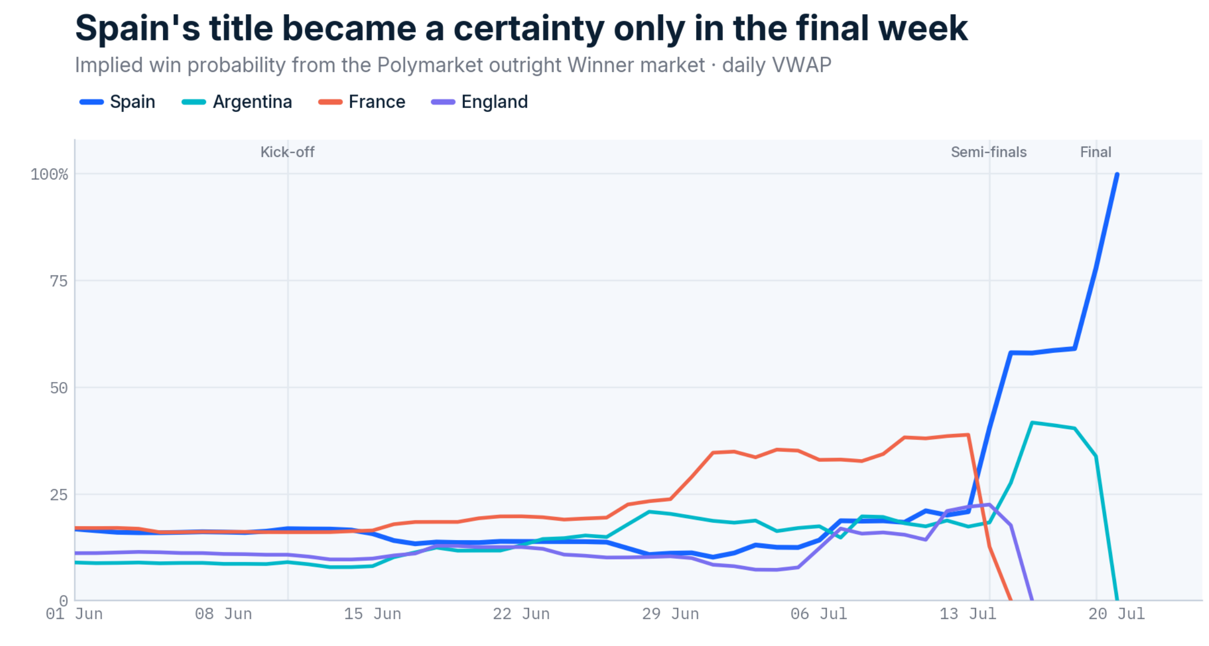
2.2 VOLUME BY STAGE



Source: Prediction Frontier. Daily cash bucketed by FIFA 2026 stage windows. Both venues include match, team-to-advance & outright.

The group stage saw 72 matches played across seventeen days, the most matches ever in a group stage in the World Cup, with an expanded 48-team tournament. This also coincided as the single heaviest window on both venues (Polymarket $2.83bn, Kalshi $1.32bn), and activity tapered through the knockouts as the number of fixtures fell. Both books are fundamentally match businesses: their bars scale with fixture count, and Polymarket's deeper match liquidity puts it ahead of Kalshi at every stage. Liquidity was deepest when the calendar was busiest, not necessarily when the outcome was most consequential.

2.3 DAILY WIN PROBABILITIES OF THE SEMI-FINALISTS



Source: Prediction Frontier analysis of Polymarket on-chain trades (Dune). Probability = daily USD-weighted VWAP of the Yes outcome.

Implied probability is the market's core output, and it formed slowly throughout the World Cup. Spain drifted in the mid-teens through the group stage, stepped up as it advanced, and reached certainty only in the final week; Argentina surged as a finalist before collapsing to zero at full time; France and England faded at the semi-finals. What's interesting to observe is that the market did not front-run the bracket; instead, it re-priced as matches were played, and that lagging discipline is what makes prediction-market odds a useful consensus estimate rather than a forecast running way ahead of specific live events.

2.4 THE MOST-TRADED TEAMS

Bettors backed the longshots harder than the winner

Lifetime notional traded per team · Polymarket outright Winner market

Source: Prediction Frontier analysis of Polymarket (via Radion). Lifetime USD volume per team sub-market. ISO country codes.

Ranking Polymarket's World Cup Winner market book by notional per team inverts the result. The champion, Spain, ranks only fourth; Argentina leads, and two African longshots, Egypt and Morocco, out-traded the eventual winner.

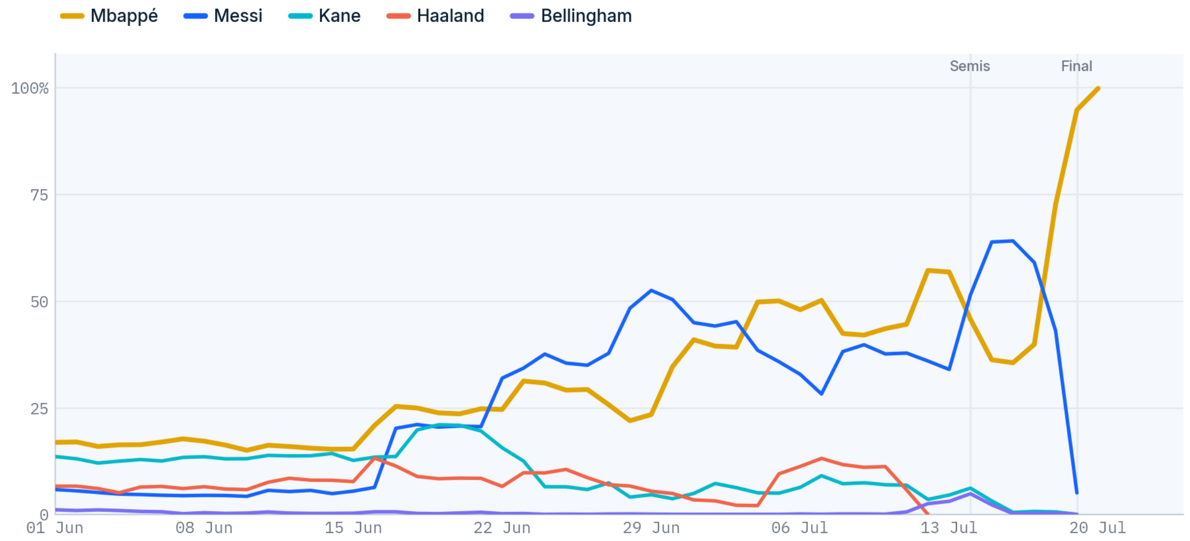
- **Morocco** (peak day): 30 June 2026 (~$1.87M): That was the day Morocco defeated the Netherlands in a penalty shootout to advance to the Round of 16 (3–2 on penalties after a 1–1 draw), a genuine upset that lifted its implied win-the-cup odds from ~1.2% to ~2.9%.
- **Egypt** (peak day): 7 July 2026 (~$2.07M): That was Egypt's Round-of-16 tie against reigning champions Argentina. Egypt led 2–0 before Egypt came so close to a famous win against Argentina but lost its two-goal lead in a breathless final 15 minutes, where Lionel Messi's side scored three to advance (3–2, Enzo Fernández winner in stoppage time). Its win-cup probability was only ~0.3%; a pure longshot, yet it drew its heaviest day.

Going by this particular observation, volume appeared to be more of a disagreement metric, pooling where opinion is divided and attention is high, disproportionately around narrative longshots and popular sides.

2.5 THE GOLDEN BOOT RACE

Mbappé closed out the Golden Boot even as France fell in the semis

Implied probability of finishing World Cup top goalscorer · Polymarket, daily VWAP



Source: Prediction Frontier analysis of Polymarket on-chain trades (Dune, 'top goalscorer' market).

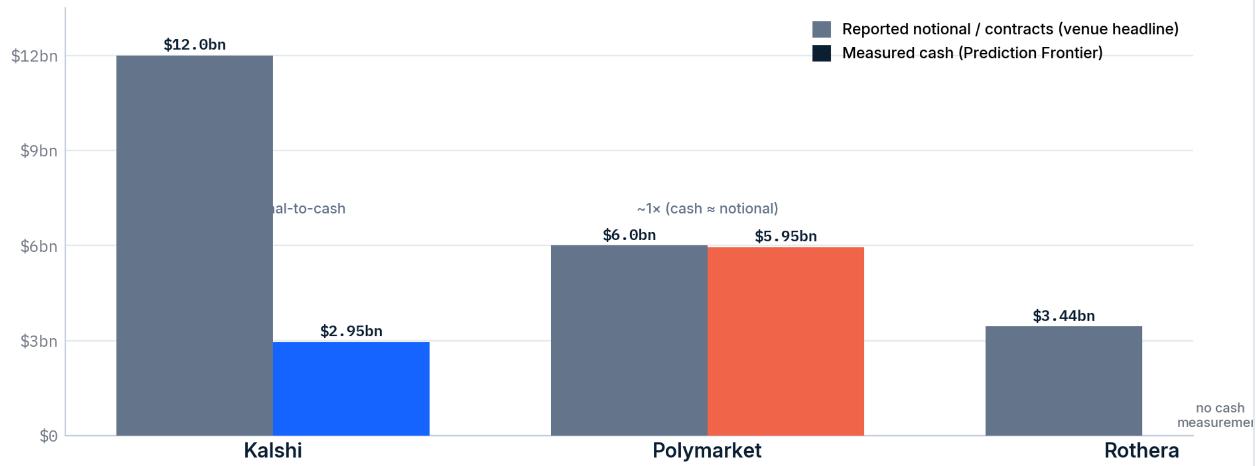
Player markets decouple from team fate.

Kylian Mbappé converged to near-certainty for the Golden Boot and held it through settlement even though France exited in the semi-finals. Lionel Messi, who drew the most volume of any player, was steadily priced out after Mbappé's brace in the third-place playoff. The top scorer was crowned from an eliminated side, with the market consistently favouring that probability even before the finals, with Mbappé sill having a game to play.

2.6 REPORTED NOTIONAL VERSUS CASH: THE METRIC THAT FLIPS THE TABLE

The league table flips depending on which metric you use

World Cup volume by venue and metric · reported notional versus measured cash · USD bn



Source: Prediction Frontier (cash, via Dune); venue-reported notional. Rothera shown on a contracts basis; no comparable cash measurement available.

One number does more damage to clear thinking than any other in this market: reported notional, the venues' headline volume. Measured that way, the World Cup drew roughly **$12bn on Kalshi** and **$6bn on Polymarket**, and Kalshi appears to lead two-to-one. But the venues report on different bases. Kalshi's notional counts contracts at face value, so at a blended World Cup price near a quarter of a dollar, its ~$12bn corresponds to only **~$2.95bn of cash**, a ratio close to four to one, and independently corroborated by third-party tallies near $2.9bn.

Polymarket's volume is already denominated in the dollars matched, so its ~$6bn and our **~$5.95bn of measured cash nearly coincide**. The result: the league table flips with the metric. Kalshi leads on reported notional; Polymarket leads roughly two-to-one on the cash that actually changed hands. (Both figures are World Cup-related markets only).

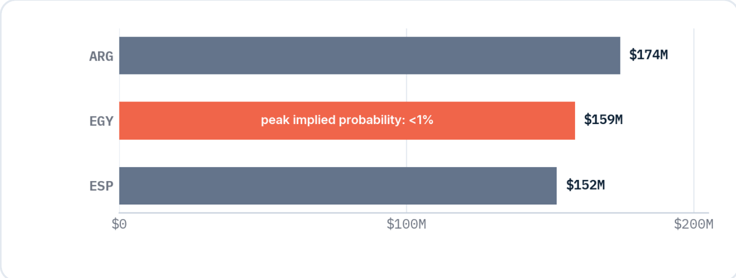
> **SECTION TAKEAWAY**
>
> The numbers separate into two signals pointing in different directions. **Volume** concentrated in longshots, popular sides and, on both venues, match contracts. **Price** stayed disciplined, committing to Spain only as eliminations forced the question.

03 Seven intriguing numbers the tournament left behind

GENERAL · THE LONGSHOT WITHOUT A PULSE

$159M at <1%

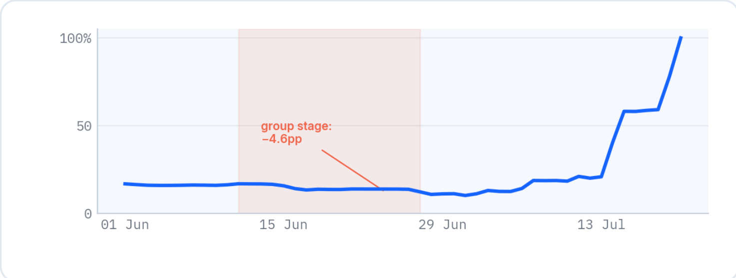
Egypt was the **second-most-traded team of the entire World Cup** on Polymarket's outright book, behind only Argentina, yet its implied probability of lifting the trophy never crossed one percent. (Exhibit 3.1, PDF.)



GROUP STAGE

−4.6pp

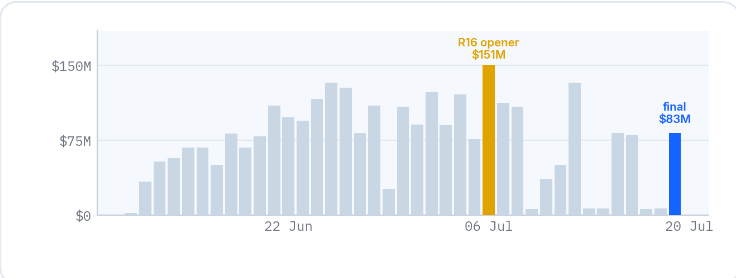
The eventual champion was the group stage's **biggest faller**. Spain's shock opening draw with debutants Cape Verde cut its implied probability from 17.4% toward 12%, the market's low point on the team that would win it all undefeated. (Exhibit 3.2, PDF.)



ROUND OF 32 / ROUND OF 16

$151M in a day

Kalshi's heaviest trading day was **not the final**. Its record session came on 6 July, as the Round-of-16 fixture glut hit, nearly double the $83M that traded on the final day. (Polymarket's own peak was higher still, near $248M on 7 July.) Fixture density, not drama, drives peak volume. (Exhibit 3.3, PDF.)



QUARTER-FINALS

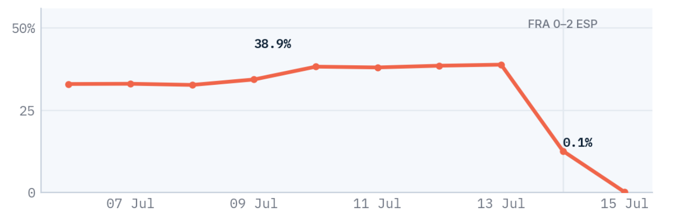
$31M / day

The quarter-finals were the **quietest knockout window on Kalshi,** about $31M a day, a third of its group-stage run-rate as fixtures thinned and favourites settled. Polymarket's far larger match book showed no such lull, holding near $123M a day: the QF quiet was a Kalshi phenomenon.

SEMI-FINALS

38.9% → 0.1%

France entered semi-final week as the tournament favourite at 38.9%, the highest probability any team had carried all tournament. **Within 48 hours it was priced at zero**, undone by Spain. (Exhibit 3.5, PDF.)



THIRD PLACE & FINAL

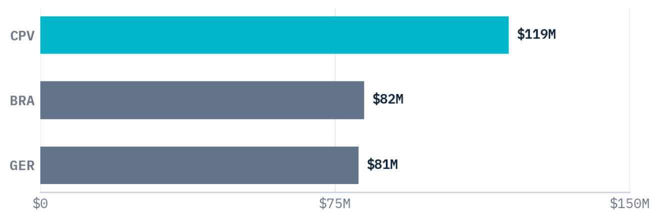
$4.25bn

The World Cup produced the **largest single markets prediction markets have ever seen**. Polymarket's Winner contract drew about $4.25bn (open since July 2025), eclipsing its own 2024 US-election market; Kalshi's World Cup final volume cleared roughly $1.9bn, the biggest single market in its history. (France took third, beating England two days earlier.) (Exhibit 3.6, PDF.)

GENERAL · THE DEBUTANT PREMIUM

CPV > BRA, GER

Debutants **Cape Verde out-traded Brazil and Germany,** $119M against $82M and $81M, on the Polymarket overall winner. The romance of a first World Cup for African nation, drew nearly $38M more capital as two of the sport's superpowers. (Exhibit 3.7, PDF.)



READING THESE TOGETHER

Four of the seven are volume stories and three are price stories, and they rhyme. Money went to Egypt, Cape Verde and the fixture-dense rounds; probability went, eventually and grudgingly, to Spain. Markets that look irrational by volume were ruthlessly rational by price.

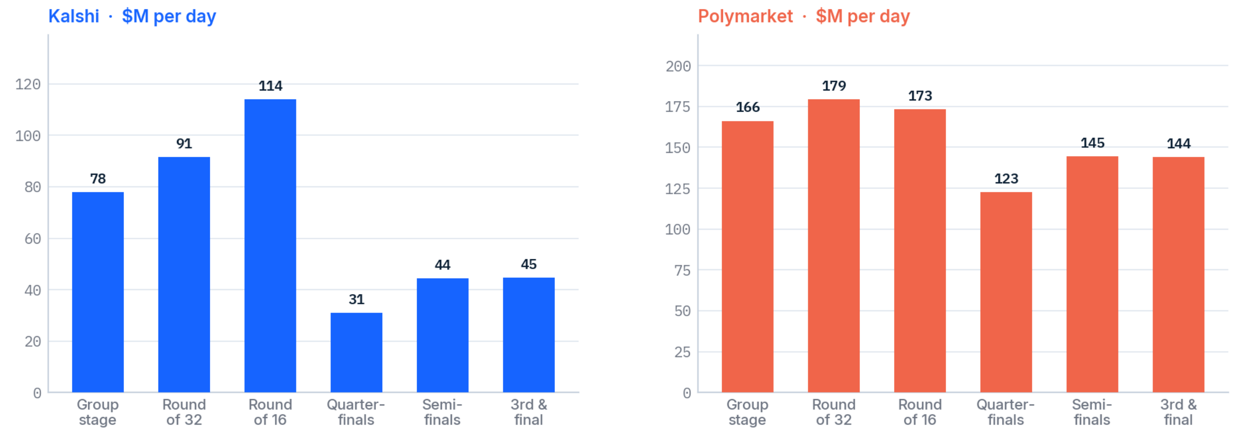
04 Tournament analysis, stage by stage

For every stage we ask the same three questions: how much capital moved, where conviction repriced hardest, and where size could be filled. Stage windows follow the FIFA 2026 calendar. All numbers are notional **unless** when explicitly stated.

4.0 THE CONTROL PANEL: TWO ENGINES, ONE TOURNAMENT

Both engines ran on fixtures — Polymarket's simply ran bigger

World Cup notional per match-day, by stage · USD cash · independent scales



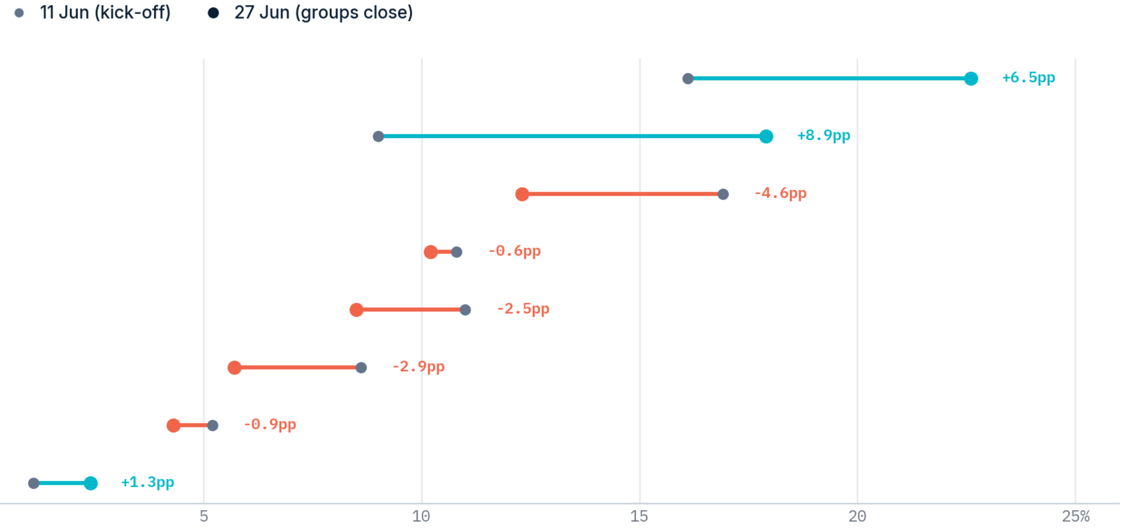
Source: Prediction Frontier. Stage notional ÷ stage length. Both venues include match, advance & outright.

Averaging each stage's cash by its length shows that both venues run on the same fuel fixtures, but at a very different scale. Kalshi's per-day run-rate peaked in the Round of 16 near **$114M a day**, then fell to about $31M a day at the quarter-finals. Polymarket ran the same shape a step higher, peaking at **$179M a day** in the Round of 32, while maintaining **constant per-day trading volumes above $120M** on the strength of its match book. The structural contrast is breadth-versus-suite: Polymarket appears to have focused on the depth of 104 individual match markets, while Kalshi spreads a structured set of match, advance, and outright contracts across the same games.

4.1 GROUP STAGE: THE MONEY ARRIVES, THE CHAMPION STUMBLES

Group stage repricing: Argentina surged while the champion slipped

Implied win probability at group-stage open vs close · eight most-traded teams · Polymarket

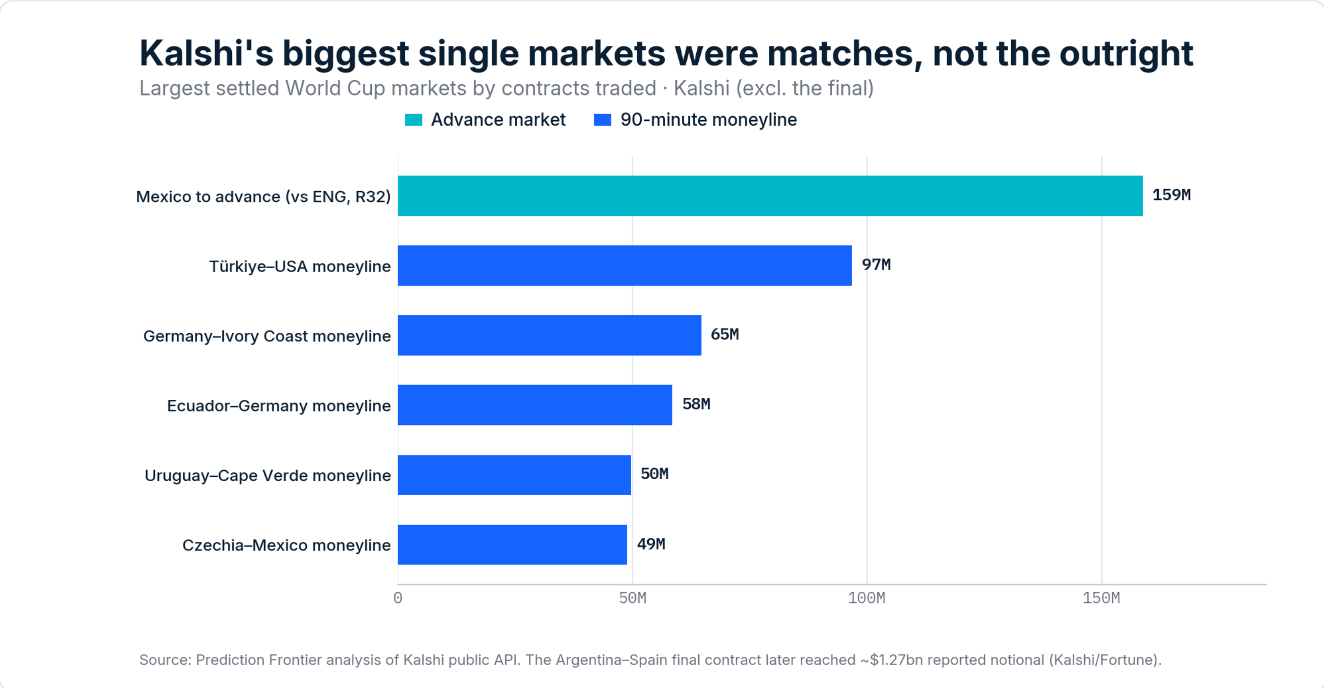


Source: Prediction Frontier analysis of Polymarket on-chain trades (Dune). Daily VWAP of the Yes outcome; end markers coloured by direction.

The group stage carried a total of **$1.32bn on Kalshi, 45% of its entire World Cup cash**, compared to Polymarket's **$2.83bn**, whose match book alone more than doubled Kalshi's entire group-stage cash. **Argentina was the stage's biggest riser (+8.9pp)**, with France (+6.5pp) behind it, while **Spain (−4.6pp),** undone by the Cape Verde draw, fell harder than anyone alongside Brazil (−2.9pp) and Portugal (−2.5pp). Flow chased popular teams and busy fixture days while price quietly marked the champion down.

Capital and conviction did not overlap: Argentina led stage volume in the Winner book while the biggest single markets were group fixtures like Türkiye–USA. The stage's lesson is the tournament's in miniature: flow chased popular teams and busy fixture days, while price quietly marked the champion down

4.2 EARLY KNOCKOUTS: THE RECORD DAYS



The Rounds of 32 and 16 were the tournament's commercial core. Kalshi cleared **$549M and $570M** — including its record **$151M session on 6 July,** and its single largest settled market was an advance contract: **Mexico to advance past England, 158.7M contracts**. Polymarket ran even hotter on match liquidity, clearing **$1.08bn and $866M**.

Repricing came in waves: France (+10.3pp) through the Round of 32 as Germany (−3.7pp) exited. England (+8.5pp) and Spain (+6.1pp) surged through the Round of 16 as Brazil (−6.4pp) and Portugal (−5.9pp) fell out, and Egypt's nine-figure market went quietly to zero. For fill-seekers this was the sweet spot: record throughput, live disagreement, and the widest menu of instruments

4.3 QUARTER-FINALS: THE QUIET BEFORE THE STORM

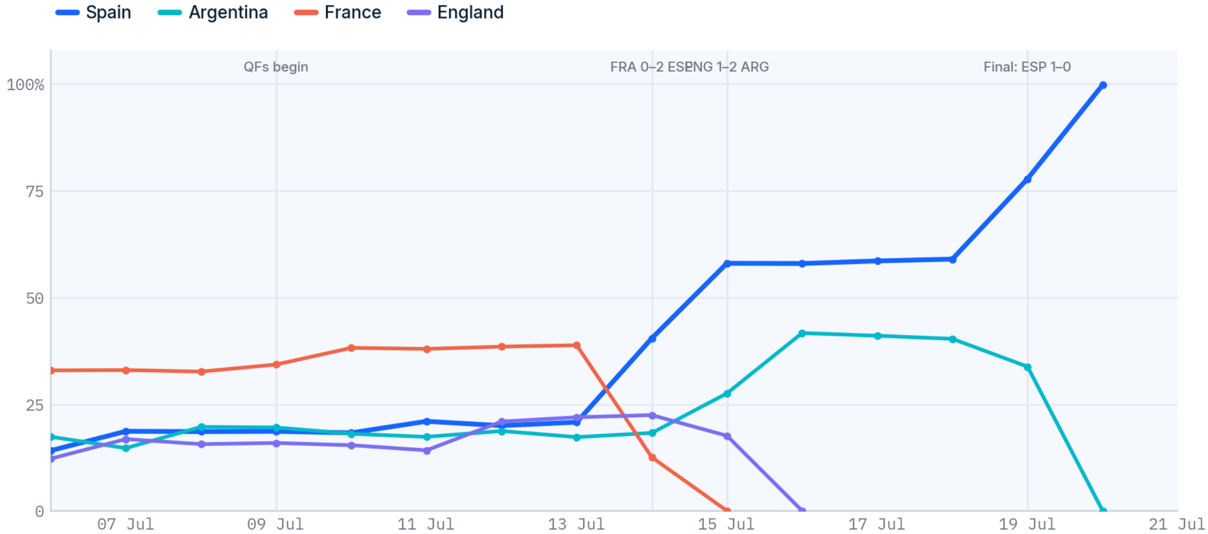
The quarter-finals split the two venues. Across just three days, the window cleared only **$93M on Kalshi** , a run-rate of $31M a day, the venue's knockout low. The drop in volumes could be attributed to favourites going through; hence the market spent the week concentrating on probability rather than redistributing it. Polymarket's matchbook also saw its lowest stage volumes in the quarter-finals, **turning over $123M** per day.

At the quarter-finals stage, with only four fixtures and consensus favourites, there was little left to disagree about at match level; conviction repriced modestly (France +3.7pp to enter semi-final week at 38.9%, Spain +2.3pp) while Morocco's run ended (−2.3pp). In bracket products, liquidity tracks the number of open questions, not their importance, whereas a deep per-fixture match book keeps trading regardless.

4.4 THE ENDGAME: SEMI-FINALS TO THE FINAL WHISTLE

The endgame: four contenders, ten days, one champion

Implied win probability, 6–20 Jul · Polymarket Winner market, daily VWAP



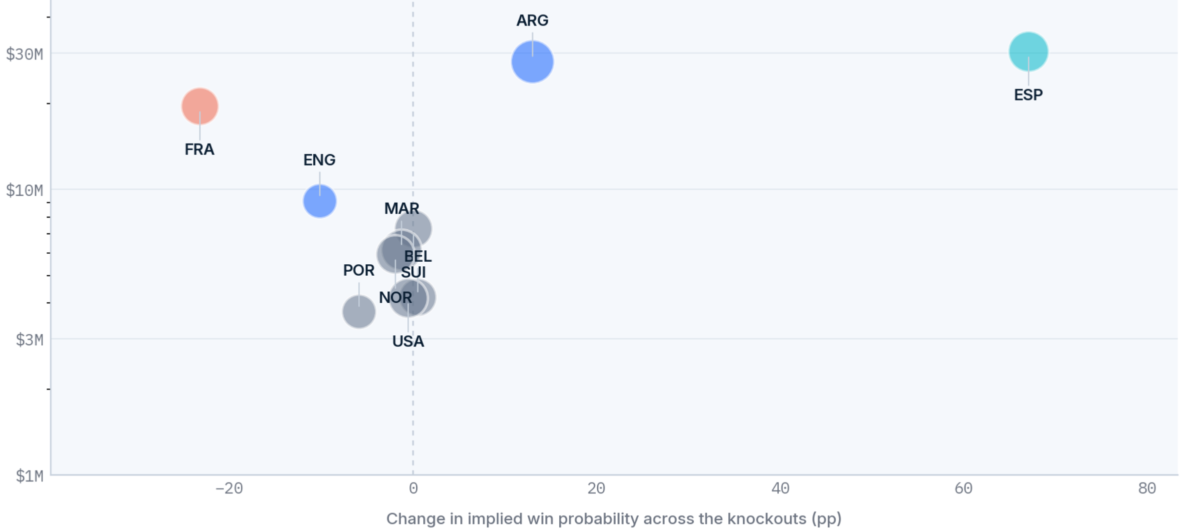
Source: Prediction Frontier analysis of Polymarket on-chain trades (Dune).

Semi-final week produced the sharpest repricing of the tournament. **Spain gained +37.2 pp in two days** (20.9% → 58.1%) as it beat France 0–2; Argentina's late winner over England carried it to 41%. Into the final weekend Spain held near 59%, marked to **78% following Enzo Fernandez's red card and 100% at the whistle** as Ferran Torres's extra-time goal settled Polymarket's $4.25bn Winner market. The weekend also produced the sport's new liquidity benchmark, the **$1.9bn World Cup final contract on Kalshi**, its largest single market.

4.5 THE KNOCKOUT MAP: WHERE MONEY MET REPRICING

Where knockout money met knockout repricing

Ten most-traded teams through the knockouts · y: knockout-window notional (log) · x: probability change · bubble: lifetime vol



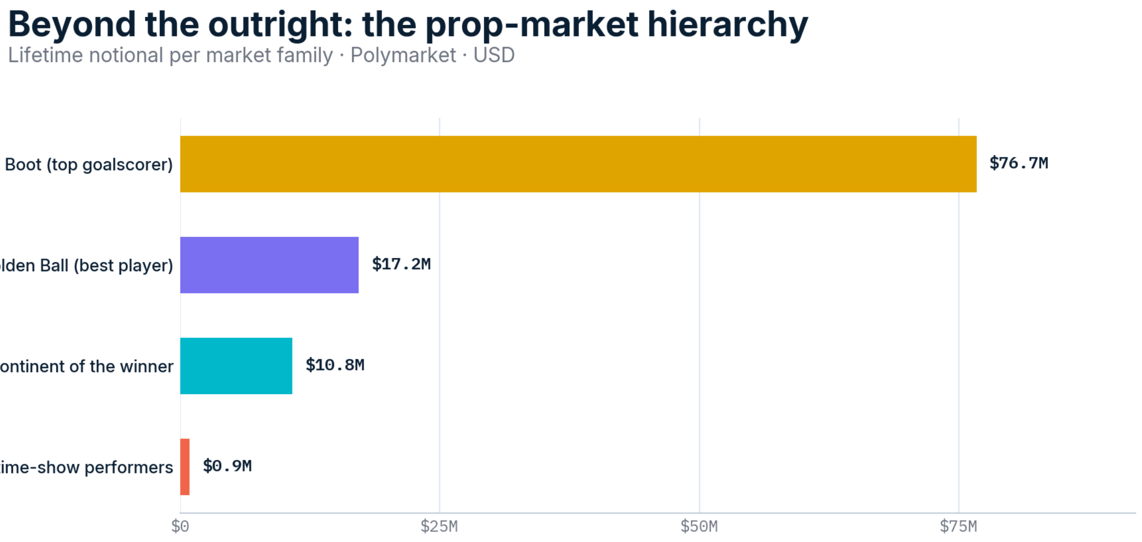
Source: Prediction Frontier analysis of Polymarket on-chain trades (Dune). Winner market, 28 Jun – 19 Jul 2026.

Plotting the knockouts in one frame, probability change against window notional, sized by lifetime volume separates four archetypes. **Spain** sits at top-right: heavy flow, massive repricing, the trade of the tournament for anyone positioned early. **Argentina** pairs high flow with a round trip to zero. **France and England** absorbed capital and gave back their premiums. The left flank – Egypt, Morocco, the longshot cluster – shows real size traded at probabilities that barely moved: pure disagreement, monetised.

This is the chapter's synthesis in a single exhibit: capital and conviction are different maps, and only occasionally do they share a capital city.

05 Props, culture & other markets

5.1 ON THE FIELD: THE AWARD MARKETS

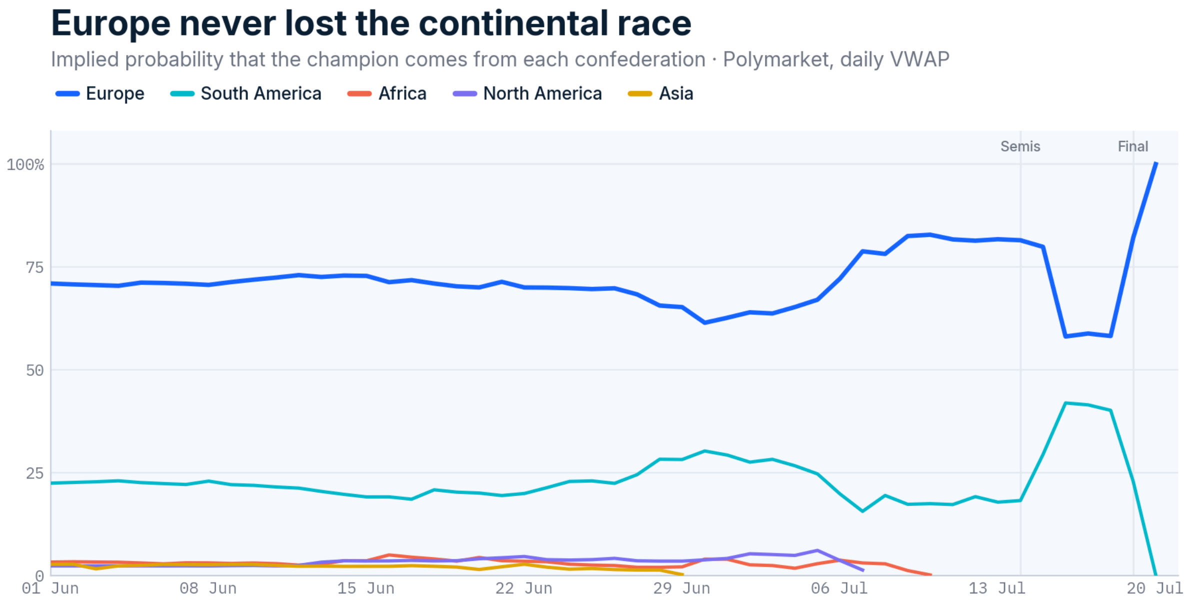


Source: Prediction Frontier via Radion. Winners: Mbappé (Boot), Rodri (Ball), Europe (continent); halftime bill led by Madonna, Bieber, Shakira & BTS.

The prop hierarchy was steep. The **Golden Boot market traded $76.7M lifetime** ($20.3M during the tournament) on Polymarket and delivered this section’s best story: Messi drew the most money of any player, but Mbappé won the award from an eliminated team. Spain's Mikel Oyarzabal was the tournament-window dark horse. The **Golden Ball ($17.2M)** resolved to Rodri, the metronome of Spain’s undefeated run, a champion side that conceded exactly once. The **continent market ($10.8M)** and the halftime book complete the family.

Award markets reward tournament knowledge over bracket knowledge, and their pricing was notably sharper than their size suggests.

5.2 THE CONTINENTAL RACE



Source: Prediction Frontier analysis of Polymarket on-chain trades (Dune). Semi-finals became all-European-and-Argentine by 14 Jul; Europe resolved Yes.

The continent-of-the-winner market is the cleanest structural bet the World Cup offers exposure to footballing geography without picking a team. Europe opened near 70%, never surrendered the lead, climbed through each elimination round as UEFA sides filled the bracket, and resolved to certainty with Spain's win. South America's line is Argentina's run in miniature; Africa's brief flicker is Morocco's quarter-final push. This market is a useful consensus check: when the continental and team-level books disagree, one of them is likely mispriced.

5.3 OFF THE FIELD: THE CULTURE BOOK

The culture markets were tiny and telling. The **halftime-show performer market traded $905K across 52 candidate outcomes;** the stage led by Madonna, Justin Bieber, Shakira and BTS (with the Muppets, improbably, appearing) at the first halftime show in World Cup history. Beneath it sat a lattice of micro-markets: which song each artist would open with ($27–41K per market), what phrases announcers would say, and markets around the U.S. president's appearance at the final, which resolved eventfully, as Trump attended and presented the trophy. Prediction markets now price the entire cultural surface of a mega-event, not just its scoreboard.

WHY THE SMALL MARKETS MATTER

Prop and culture books are the venues' R&D lab. The halftime and announcer markets are structurally identical to the awards-show, album-release and political-appearance markets that fill the calendar between tournaments. The award markets showed that even mid-sized books can price sharply. Liquidity follows familiarity; familiarity is built here. Liquidity follows familiarity; familiarity is built here.

06 What to expect after the World Cup boom

As we have seen above, the tournament did not just set records; it reset the baseline. Going forward, we expect the prediction market landscape to evolve significantly, with the following forces likely to shape the second half of 2026 and beyond.

1. Significant growth across smaller markets/countries

Prediction markets could become a mainstay in the sports betting world following the World Cup. With current volumes heavily concentrated in North America, there could be a shift to the rest of the world, and the World Cup proved it. While Kalshi (which is predominantly for the U.S) registered record volumes in June, Polymarket International registered its record volumes, offering its services to the rest of the world.#

It's important to remember that Polymarket is blocked or restricted in France, Germany, the UK and Italy, with Portugal and the Netherlands also placing enforcement actions this year. With the U.S leading, the next largest market for prediction platforms will not be Europe but the rest of the world.

What makes this a genuine inflection rather than a continuation is who the World Cup recruited. The Super Bowl recruits Americans; the World Cup recruits Lagos, São Paulo, Jakarta and Karachi. For the first time, the sector holds a large cohort with no cultural attachment to American sports or American politics, the two verticals both incumbents are built around.

2. Every marquee event is now an advertising war.

Polymarket aired 45 ads during live matches and Kalshi 36, together dwarfing the entire rest of the U.S. betting industry, which managed 22 (link). Kalshi added pitch-side boards, a Times Square billboard, a Timothée Chalamet national campaign, a J Balvin spot and a stadium partnership with ADI Predictstreet, reaching an estimated $32M of national linear TV spend(link) for the year by the final World Cup weekend.

Prediction markets ad spend is annual and the users tournament-attributed. However, that still implies an acquisition cost far below what sportsbooks historically paid per funded account. That arbitrage is the entire commercial logic of the current land grab, and it is temporary.

When DraftKings, Rothera and Underdog bid against the incumbents for the same finite inventory, cost per acquisition rises for everyone, and rising CPA mechanically favours whoever already has scale to amortise it. Expect the marquee calendar, the NFL season, March Madness, Super Bowl LXI, and futures already trading on Euro 2028 and Copa América, to convert from opportunistic buys into fixed annual spend, and expect that inflation to eliminate the long tail faster than any regulator will.

3. Prediction market platforms will continue to grow in number

Four significant entrants arrived inside three weeks: Rothera, the Robinhood–Susquehanna venture built on MIAXdx, 3.44B total contracts and ~7% U.S. share; ProphetX cleared as a DCM and DCO on 11 June; Novig licensed on 16 June; DraftKings launching DKeX on 26 June — with Meta reportedly greenlighting an internal app, "Arena."

Approvals are lumpy by nature, but four landing in one month, timed to the tournament, reflects a race to be live before the audience arrived. Expect the count to keep climbing, likely clustering again around the

U.S midterms. The caveat: Kalshi and Polymarket still hold more than 95% combined market share, so more platforms need not mean more competition.

4. Is the centre of gravity rotating from sports to politics?

The rotation has already begun. So far on Kalshi, combined U.S midterm election volume has crossed $197M across 1,408 markets.

That is orders of magnitude below World Cup volumes, and the autumn calendar explains why sports will not surrender the lead. The Premier League returns 21 August, college football 27 August, the NFL 9 September, with the NBA, NHL and MLB postseason behind them. Sports is the retention engine precisely because it resolves constantly: it manufactures repeat trading days, and repeat trading days are what convert a tournament signup into an account.

Politics contributes something structurally different and, for the venues, arguably more valuable: duration. A midterm contract holds open interest for months rather than recycling it in ninety minutes, which builds balance-sheet stability rather than churn, and it draws a different, higher-value audience: institutional desks, macro funds and media, none of whom arrived for the football.

Base case into 3rd November: politics leads attention, brand and press coverage while sports continues to lead volume. However, judging the rotation by volume alone will badly understate what politics and geopolitical markets bring to prediction markets. Expect the rotation to be U.S.-specific: Polymarket's international book, which has historically been the lead in American election cycles is expected to win out despite Kalshi being U.S-driven. The latter is still expected to lead volumes in sports.

5. Normalisation, not reversal — and the denominator decides.

The World Cup is the largest recurring event in world sport. A boom around it was the expected outcome, not a discovery. It concentrated 104 matches into thirty-nine days alongside advance, outright, award and cultural markets, and both venues peaked in the fixture-dense group and early-knockout windows before fading as unresolved matches thinned. August has no comparable supply of resolvable events, so a steep sequential decline is arithmetic, not weakness, and it will almost certainly be reported as a collapse.

The number that carries information is not August against June but August against May, the pre-tournament baseline. Kalshi's June total ran more than 70% above May, implying a pre-tournament run rate near $18bn. A post-tournament level materially above that baseline, call it $22–25bn, means the World Cup permanently ratcheted the floor, and the sequential drop is cosmetic. A reversion toward $18bn means the tournament rented an audience it did not keep.

That single comparison, not the headline decline, is the sector's most important datapoint of the third quarter. Corroborate it with active-account retention, cash traded per active account, repeat trading days, and participation outside sports

6. New challengers in the market will compete on distribution, not depth.

Robinhood routed $3.44bn of World Cup contracts to Rothera; Underdog launched 18 July on its own DCM/DCO/FCM stack. These are credible entrants, but none is attempting what Kalshi and Polymarket built. Each imports an audience rather than building a book: Rothera brings Susquehanna's market-making balance sheet — the only challenger arriving with liquidity solved — DKeX brings sportsbook customers, Underdog a fantasy base, Meta potentially unbuyable distribution.

What none can import is order-book depth, which is self-reinforcing: liquidity attracts flow, which attracts liquidity. So expect competition on the vectors that can be bought: fee and rebate structures, market-maker incentives, listing speed, product novelty (parlays, combination and player-prop contracts) and above all embedded distribution rather than on spreads. The bear case is fragmentation without consolidation, the same flow across more books, worse execution for all.

7. Regulation is the binding constraint, and the world is diverging.

The CFTC's June proposal on gaming-adjacent event contracts is the sector's largest binary, since sports dominates Kalshi's book; parallel federal–state litigation contests whether a federal licence pre-empts state gaming law. The deeper issue is classification, and it is being resolved differently across jurisdictions. The U.S. is building a derivatives framework, while much of Europe is applying gambling or consumer-protection rules.

Gibraltar is the notable exception: its Prediction Market Regulations 2026 created a dedicated licensing category that treats prediction markets as a distinct activity rather than automatically classifying them as conventional gambling or financial derivatives.

A silver lining for prediction markets globally is that most jurisdictions remain undecided. This has an uncomfortable implication for the many markets where international exchanges like Polymarket currently operates: regulatory silence is not necessarily permission, and the World Cup has made the sector more visible to authorities that had not previously engaged with it.

Expect the regulatory map to narrow as more jurisdictions define their position, with emerging markets becoming an important swing factor for the sector’s international growth.

07 Conclusion

The 2026 World Cup established a new scale benchmark for sports prediction markets, but the most defensible measure of that scale is not a single headline volume figure. Prediction Frontier's like-for-like reconstruction found approximately $5.95bn of cash traded across Polymarket's match, advance and overall winner markets, compared with approximately $2.95bn on Kalshi. Polymarket's advantage came predominantly from its per-fixture match book, while Kalshi developed greater relative strength in advancement contracts and reported a substantially higher face-value notional total.

The tournament's principal analytical finding is that price and volume are separate instruments. Volume mapped attention, popularity and disagreement: Argentina, Egypt, Morocco and Cape Verde attracted exceptional activity despite failing to win. Price mapped the market's evolving belief about the outcome, repricing Spain from an early group-stage setback to near-certainty only as the bracket resolved. High volume did not necessarily represent conviction, and the eventual winner was not the most-traded team.

The World Cup also showed that product architecture can matter as much as audience size. A deep catalogue of individual matches made Polymarket the larger venue in cash terms, while Kalshi's broader mixture of match, advancement and tournament contracts produced a different distribution of activity. As more exchanges and broker-linked interfaces enter the market, future analysis will need to distinguish between the platform where a customer places an order, the exchange where it executes and the convention used to report its volume.

The lasting importance of the tournament will therefore be decided after the final, not during it. The immediate benchmarks are whether World Cup users return for European football, college football and the NFL; whether activity transfers into macro and political markets; whether spreads and depth remain competitive as venues multiply; and how the developing U.S. regulatory framework affects sports-contract availability. By the November midterms, the industry should have a clearer answer to its central post-World Cup question: whether the tournament created a larger recurring market or temporarily concentrated an extraordinary amount of attention around one global event.

For Prediction Frontier's readers: read volume and price as separate instruments; weight venue structure as heavily as venue prices; and never compare two venues without first fixing the metric — reported notional and measured cash can rank them in opposite orders. Watch the next six months — NFL season into the U.S. midterms — as the first true test of whether the World Cup built an audience or merely borrowed one.

— Andrew Lujan Odera & Edwin Munyui, Prediction Frontier Research · Nairobi, 28 July 2026

08 Appendix: methodology, sources & definitions

A. Polymarket measurement. Figures derive from on-chain CLOB fills in polymarket_polygon.market_trades (Dune), restricted to is_taker_side = true so each matched trade is counted once. Notional = Σ amount (USD cash at trade price); implied probability = daily volume-weighted Yes price. Match, team-to-advance and outright markets are isolated via the 2026 FIFA World Cup tag in market_details (the Games sub-tag denotes match markets; Tournament Futures the outright), excluding Club World Cup, Women's and cricket variants.

B. Kalshi measurement. Figures derive from the public trade API across the three World Cup series (KXWCGAME, KXWCADVANCE, KXMENWORLDCUP). Daily cash is reconstructed from candlesticks as Σ volume × mean trade price per market-day across all 422 markets; series totals reconciled to 97–100%. Reported-notional figures quoted for context are the venues' own headline metric and run several times larger than cash.

C. Stage windows (cash, both venues)

STAGE	WINDOW (2026)	DAYS	KALSHI CASH	POLYMARKET CASH
Group stage	11–27 Jun	17	$1.32bn	$2.83bn
Round of 32	28 Jun – 3 Jul	6	$549M	$1.08bn
Round of 16	4–8 Jul	5	$570M	$866M
Quarter-finals	9–11 Jul	3	$93M	$368M
Semi-finals	14–15 Jul	2	$89M	$289M
Third place & final	18–19 Jul	2	$89M	$288M

D. External sources. Total World Cup volume on Kalshi >$12bn and 3M new users (CNBC / Quartz, 20 Jul 2026); Polymarket World Cup markets ~$6bn, with its Winner contract ~$4.25bn (opened Jul 2025) and Kalshi's Spain–Argentina final ~$1.9bn (Deadspin / CryptoTimes, Jul 2026); World Cup-specific cross-platform volume ~$5.4bn by late June, of which Kalshi ~$2.9bn (CryptoBriefing) — corroborating our cash measurement. **Scope note:** the larger figures in circulation — Kalshi ~$31bn, Polymarket international ~$10.8bn, ~$45bn combined, Rothera ~$2bn (CNBC, 4 Jul 2026) — are total-platform volumes across all markets during the tournament month, not World Cup-specific, and mix notional with cash conventions.

E. Definitions & limitations. Notional/cash — USD value at trade price; reported notional — venue headline volume, inflated to differing degrees across venues. Implied probability — Yes price read as probability; daily figures are volume-weighted. Limitations — Polymarket's match bucket is identified by the World Cup Games tag and may include a small share of game-level props; Kalshi candlesticks use mean daily price; stage attribution uses calendar windows, so inter-round rest days sit outside stage buckets.

09 Disclaimer

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