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A Mystery \$30 Million Wave of Pro-Trump Bets Has Moved a Popular Prediction Market

Four Polymarket accounts have systematically placed frequent wagers on a Trump election victory

By Alexander Osipovich

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Vice President Kamala Harris and former President Donald Trump are neck and neck in the polls. But in one popular betting market, the odds have skewed heavily in Trump's favor, raising questions about a recent flurry of wagers and who is behind them.

Over the past two weeks, the chances of a Trump victory in the November election have surged on Polymarket, a crypto-based prediction market. Its bettors were giving Trump a 62% chance of winning on Thursday, while Harris's chances were 38%. The candidates were in a dead heat at the start of October.

Trump's gains on Polymarket have cheered his supporters, and they have been followed by the odds shifting in Trump's favor in other betting markets. Elon Musk flagged Trump's growing lead on Polymarket to his 200 million X followers on Oct. 6, praising the concept of betting markets. "More accurate than polls, as actual money is on the line," Musk posted.

But the surge might be a mirage manufactured by a group of four Polymarket accounts that have collectively pumped about \$30 million of crypto into bets that Trump will win.

"There's strong reason to believe they are the same entity," said Miguel Morel, chief executive of Arkham Intelligence, a blockchain analysis firm that examined the accounts.

The big bets on Trump aren't necessarily nefarious. Some observers have suggested that they were simply placed by a large bettor convinced that Trump will win and looking for a big payday. Others, however, see the bets as an influence campaign designed to fuel social-media buzz for the former president.

Polymarket is investigating the activity in its presidential-election markets with the assistance of outside experts, a person familiar with the matter said.

Prediction markets allow bettors to wager on various future events, with prices that reflect

how the market assesses the probabilities of different outcomes. Although prediction markets have a mixed record of forecasting election results, Polymarket has scored some recent successes, such as its users' early bets that President Biden would drop out of the race.

Polymarket users place bets using stablecoins, a type of cryptocurrency for which each coin is worth \$1. For each contract purchased—an answer to a yes or no question such as “Will Trump win the 2024 presidential election?”—users get \$1 if their bet turns out to be correct, and nothing if they were wrong. They can also sell contracts without waiting for the question to be resolved, allowing them to exit a bet for a profit or a loss.

The accounts betting big on Trump—Fred9999, Theo4, PrincessCaro and Michie—were all funded by deposits from Kraken, a U.S.-based crypto exchange, according to Arkham. They behave in a similar fashion, systematically placing frequent bets on Trump and stepping up the size of their bets at the same time, Arkham found. The oldest of the accounts was created in June, while the newest was created this month.

The accounts have plowed most of their money into straightforward bets on Trump's winning the presidency, but they have also put millions of dollars into bets that he will win such swing states as Pennsylvania, as well as long-shot bets on Trump's winning the popular vote—smaller side markets also available on Polymarket.

Even many die-hard Trump fans consider it unlikely that he will win the majority of votes cast. Trump lost the popular vote in 2016 and 2020, winning the presidency in 2016 by capturing enough swing states to triumph in the Electoral College.

Adam Cochran, a veteran crypto investor who has monitored the activity on Polymarket, said the betting spree appears to be an attempt to generate a sense of momentum for Trump going into Election Day. If Trump loses, his favorable odds in the betting markets could bolster arguments that the election was stolen from him, said Cochran, who described himself as a right-of-center voter backing Harris.

While \$30 million might seem costly, it is sufficient to swing the odds on Polymarket and not a large outlay for a deep-pocketed individual seeking to influence the election, added Cochran, managing partner of the venture-capital firm Cinneamhain Ventures.

“It is by far the most efficient political advertising one can buy,” Cochran said.

Harry Crane, a professor of statistics at Rutgers University, said that other betting markets, such as the U.K.'s Betfair, also show Trump with an edge in the race. There are plausible reasons why bettors might favor Trump, and it is common for a few big accounts on betting markets to swing the odds with their wagers, according to Crane.

“Purchasing a large number of shares on one outcome does not require any ulterior motive or effort to manipulate the market,” Crane said.

The betting spree has echoes of the “Romney Whale,” an unknown trader who placed a flurry of bets on a Mitt Romney victory during the closing weeks of the 2012 election, using Intrade, a now-defunct prediction market. The trader lost nearly \$7 million, according to a

2015 paper by a pair of economists from Microsoft and Barnard College. The authors concluded that the bets had characteristics of manipulation, potentially aimed at shaping public perceptions.

Rajiv Sethi, one of the paper's co-authors, said the recent bets on Polymarket followed a similar pattern: steady accumulation of a huge wager that gradually lifted Trump's chances of success. The simplest explanation is a giant bettor who expects Trump to win—but the possibility of manipulation can't be ruled out, according to Sethi, a professor at Barnard.

"If I were trying to manipulate a market, this is exactly how I would do it," Sethi said.

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