

# Political Prediction Markets: A Structural Growth Opportunity

February 20, 2026

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- FiscalNote's ability to successfully launch new product and service offerings in, or otherwise achieve the expected benefits of its expansion into, political and policy prediction markets;
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- the risk that further U.S. government shutdowns or other public sector funding disruptions impact FiscalNote's ability to enter into or renew public sector subscription contracts or generate advertising and events revenue as anticipated;
- concentration of revenues from U.S. government agencies, changes in the U.S. government spending priorities, dependence on winning or renewing U.S. government contracts, delay, disruption or unavailability of funding on U.S. government contracts, and the U.S. government's right to modify, delay, curtail or terminate contracts;
- demand for FiscalNote's services and the drivers of that demand;
- the impact of cost reduction initiatives undertaken by FiscalNote;
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- FiscalNote's ability to introduce new features, integrations, capabilities, and enhancements to its products and services, as well as obtain and maintain accurate, comprehensive, or reliable data to support its products and services;
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- FiscalNote's ability to maintain and improve its methods and technologies, and anticipate new methods or technologies, for data collection, organization, and analysis to support its products and services;
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- FiscalNote's ability to retain or recruit key personnel;
- FiscalNote's ability to adapt its products and services for changes in laws and regulations or public perception, or changes in the enforcement of such laws, relating to artificial intelligence, machine learning, data privacy and government contracts;
- adverse general economic and market conditions reducing spending on our products and services;
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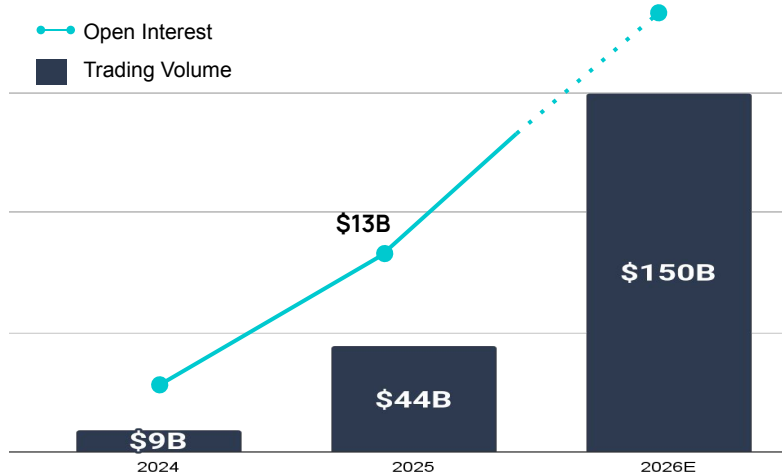
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# Rapidly Scaling Market at an Inflection Point

Prediction markets are emerging as a meaningful new category for outcome-based insight, driven by growing interest in policy decisions and demand for real-time, data-driven forecasting.

## Trading Volume & Open Interest (2024-2025E)

Volume scaling rapidly; open interest accumulating



Political and macroeconomic contracts are increasingly central to this expansion:

- ~\$7.2B of 2025 volume came from political markets.
- Non-election political markets generated ~\$3.5B in 2025, signaling activity beyond major election cycles.
- Political and macro contracts hold ~2.5× more open interest than sports contracts on Kalshi.

Long-term U.S. market volume is estimated in the hundreds of billions, potentially approaching \$1T+ in a mature state.

**While major events continue to drive periodic surges, baseline liquidity has strengthened throughout the year – supporting the view that prediction markets are evolving into a durable and expanding financial category.**

# Political Markets Now Drive Sustained Year-Round Liquidity

## Year-Round Demand Beyond Election Cycles

While the 2024 presidential election generated \$3.7B+ in volume, the more important signal is the emergence of sustained non-election liquidity. In 2025 alone:

- Central bank policy contracts exceeded \$1.5B in volume.
- Legislative, fiscal, judicial, and geopolitical contracts traded consistently throughout the year.
- Leading platforms maintained strong monthly engagement even outside major events.

## Institutional Validation & Regulatory Momentum

- Intercontinental Exchange (“ICE”, NYSE parent) made a multibillion-dollar strategic investment in Polymarket.
- Prediction probabilities are being distributed via ICE and Dow Jones products.
- Bloomberg has integrated prediction market data into the Terminal.
- The CFTC has signaled a constructive regulatory posture toward event contracts and dropped its appeal on election derivatives.

**Together, these developments suggest that political prediction markets are gaining credibility, visibility, and structural support.**

# From Retail Trading to Institutional Risk Infrastructure: The Structural Shift in Prediction Markets

1

## Phase 1: Retail-Driven Adoption (Today)

- Speculation around elections and sports
- ~\$44–\$63B annualized volume in 2025
- High engagement, improving liquidity
- Early monetization through transaction fees

2

## Phase 2: Institutional Integration (Emerging)

- Hedging of policy, regulatory, and macro risks
- Binary event risk exposure not priced in traditional markets
- Integration into brokerage and risk-management systems
- Prediction probabilities distributed as financial benchmarks
- Data and benchmarks become monetizable infrastructure

### Market Asymmetry

Prediction  
Markets

~\$50B

Global  
Derivatives

~\$845T

*Even minimal integration into institutional derivatives workflows would imply a market several multiples larger than today's ~\$50B annual volume.*

# Leveraging FiscalNote's Core Strengths in an Expanding Category

<b>Unmatched Depth and Breadth of Policy Expertise</b>	<b>Market Design &amp; Resolution</b>	FiscalNote's policy and regulatory expertise enables clearer market design and more credible resolution of complex political outcomes. In a category where ambiguity can undermine confidence, disciplined definitions and settlement standards become meaningful differentiators.
<b>Proprietary Data, Intelligence, and Analytics</b>	<b>Forecasting &amp; Signal Layer</b>	Comprehensive policy intelligence and AI-driven analytics support subscription-based forecasting products and structured policy signals. This positions the company to monetize insight alongside – and not solely through – trading activity.
<b>Built-In Audience of Policy Professionals</b>	<b>Credible Early Adoption</b>	An established ecosystem of policy professionals and advocacy organizations provides a credible foundation for early participation. This enables informed engagement and supports expansion beyond purely retail-driven activity.
<b>Institutional Trust &amp; Credibility</b>	<b>Responsible Market Expansion</b>	A reputation built in high-stakes policy environments reinforces governance, transparency, and accountability. Partnerships – including 365Prediction – enable capital-light participation across infrastructure and product development, supporting disciplined expansion into an adjacent, fast-scaling category.

**Political prediction markets rely on structured policy intelligence – an area where FiscalNote has built durable, defensible capabilities over more than a decade.**

# Contact

[ir@fiscalnote.com](mailto:ir@fiscalnote.com)

FISCALNOTE  
1201 Pennsylvania Ave NW  
6th Floor  
Washington, DC 20004  
202.793.5300