



# Prediction Markets

How retail behaviors are reshaping  
the new financial interface



Data by  Dune

## Executive Summary

Prediction markets in 2026 are scaling beyond niche use cases into retail-driven, high-frequency financial activity, with participation today largely shaped by individual users. Analysis of 1.29 million wallets on Polymarket in the first quarter of 2026 shows that participation is broad-based and dominated by smaller traders, reflecting a structure closer to consumer platforms than traditional financial markets.

User behavior follows a consistent pattern. Crypto markets provide the primary entry point due to low friction and familiarity, while engagement deepens through participation across categories. As activity increases, users shift toward markets tied to recurring real-world events, particularly sports, which drive repeat interaction and sustained volume.

At the same time, the role of prediction markets is expanding. Beyond trading, they are increasingly used to reflect real-time expectations on macro, political, and cultural events, with growing visibility in mainstream media and financial analysis. As market depth and diversity increase, understanding how users engage – what drives entry, retention, and expansion – becomes central to evaluating the next phase of growth.

## Key Takeaways

- **Retail-led growth defines the market:**

The majority of activity comes from small, frequent trades rather than large institutional positions. 82.3% of users traded under \$10,000 in Q1 2026, indicating broad-based participation rather than institutional concentration.

- **Engagement scales through breadth:**

Users deepen activity by participating across more categories and returning more often. Active days increase from 2.5 (micro users) to 9.9 (mid-tier), alongside category expansion from 1.45 to 2.34.

- **Crypto is the entry point:**

Low-friction, familiar markets drive onboarding but are not the primary source of retention. Crypto represents 39.6% of activity among micro users in Q1 2026, gradually declining for mid-tier users as participation deepens.

- **Recurring events sustain activity:**

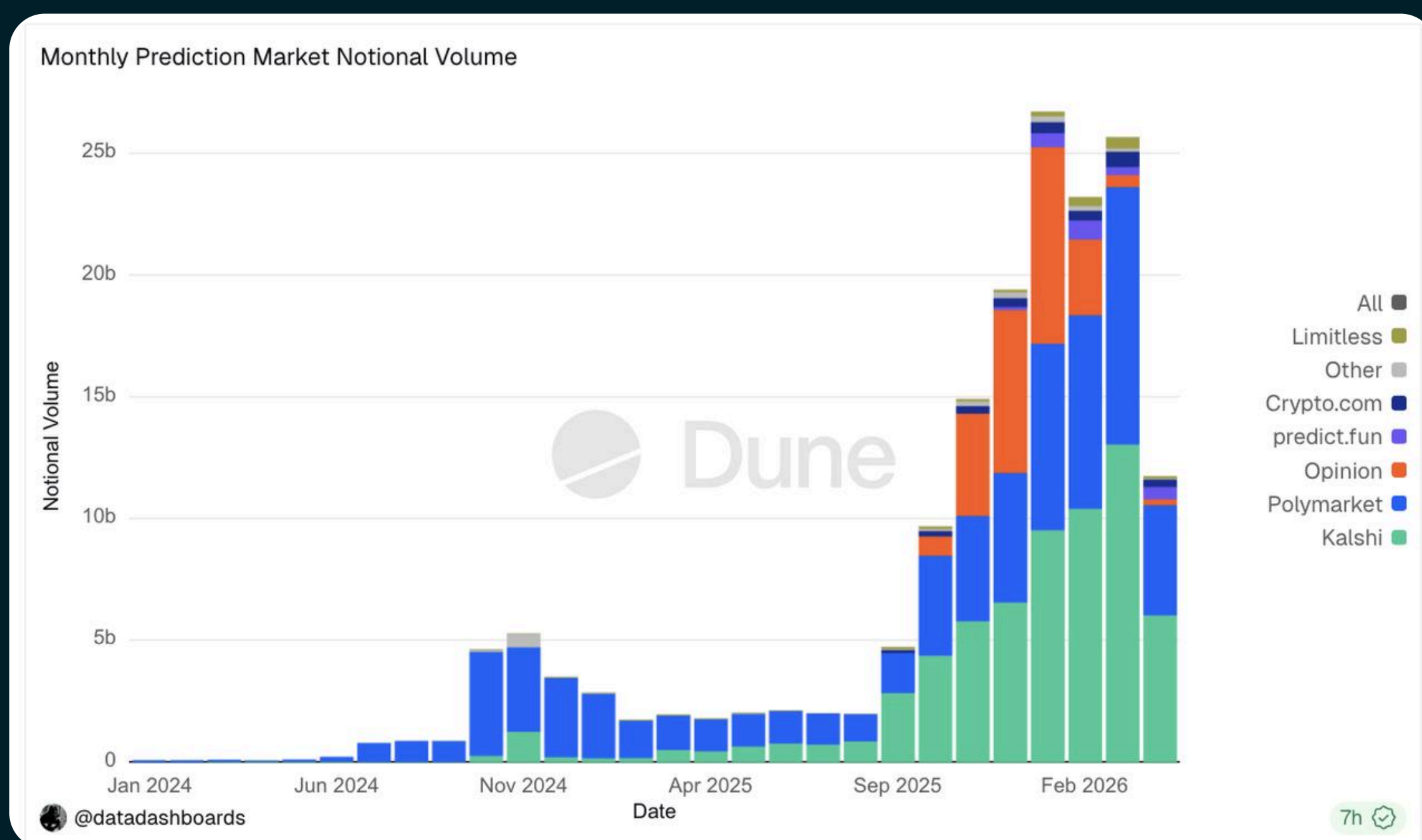
Sports and other high-frequency categories create repeat engagement loops. Sports generated \$10.1B in Q1 volume, with participation rising from 22.7% (micro) to 29.2% (mid-tier users).

- **Prediction markets become signal layers:**

Prices increasingly reflect real-time expectations on macro and real-world events. Political markets reached \$5B in Q1, including \$2.41B in geopolitics, reflecting continuous macro engagement.

# Market Context

Prediction markets have entered a phase of rapid expansion, transitioning from niche platforms into a fast-scaling financial category. Monthly trading volume has surged from approximately \$1.2 billion in 2025 to over \$20 billion by early 2026, supported by a sharp increase in participation, with unique active wallets tripling to more than 840,000 within six months. Market activity continues to accelerate, reaching \$25.7 billion in March 2026, up 10.6% month-over-month. This growth reflects improving accessibility, expanding market categories, and increasing user participation across real-world events.



Looking ahead, industry projections suggest continued expansion, with Bernstein estimating prediction markets could reach \$240 billion in annual volume in 2026 and scale to \$1 trillion by 2030. These forecasts are driven by broader use cases beyond traditional event trading, including applications in policy, macroeconomic, and real-world risk markets, supported by blockchain-based infrastructure. While the long-term trajectory points toward greater institutional involvement, current market activity remains largely shaped by retail participation and usage patterns.

## Prediction Markets Are Scaling Through Retail

Prediction markets are expanding through widespread retail participation rather than institutional dominance at their current stage of development. In Q1 2026, among 1.29 million active wallets on Polymarket, 82.3% of users traded less than \$10,000, while only 2.5% accounted for high-volume activity above \$100,000 in quarterly trading volume. This structure differs fundamentally from traditional financial markets such as derivatives or ETFs, where liquidity is typically concentrated among a small group of large players. Here, growth is driven by high participation at small ticket sizes, closer to consumer platforms than institutional trading environments.

### Polymarket User Number and Trading Volume in Q1 2026

Tier by User Trading Volume	Number of Active Users	Share	Avg. Trading Volume
Whale (>\$100K)	31,705	2.5%	\$1.35M
Heavy (\$10K-\$100K)	196,463	15.2%	\$27.5K
Medium (\$1K-\$10K)	392,803	30.4%	\$3.6K
Light (\$100-\$1K)	351,926	27.2%	\$392
Micro (<\$100)	319,637	24.7%	\$35

(Source: Dune Analytics)

## Engagement Deepens Through Category Expansion

Prediction market growth is driven by expanding participation across categories rather than increasing bet size. As users become more active, engagement scales through frequency and breadth of interaction.

User behavior shows a clear progression. In Q1 2026, micro users average 2.5 active days and 1.45 categories, while mid-tier users reach 9.9 active days and over 2.3 categories. This pattern is consistent: as users engage more, they return more frequently and expand across more markets.

Growth is not driven by a small group placing larger trades, but by a broad base of users interacting more often and across more use cases. Each additional category introduces new opportunities for engagement, reinforcing repeat usage without requiring higher conviction or larger capital allocation.

### Polymarket User Activity in Q1 2026

Tier by User Trading Volume in Q1	Avg. Categories Traded	Avg. Active Days	Avg. Active Weeks
Whale (>\$100K)	3.16	37.0	7.8
Heavy (\$10K-\$100K)	3.00	16.8	5.0
Medium (\$1K-\$10K)	2.34	9.9	3.7
Light (\$100-\$1K)	1.99	5.7	3.1
Micro (<\$100)	1.45	2.5	2.0

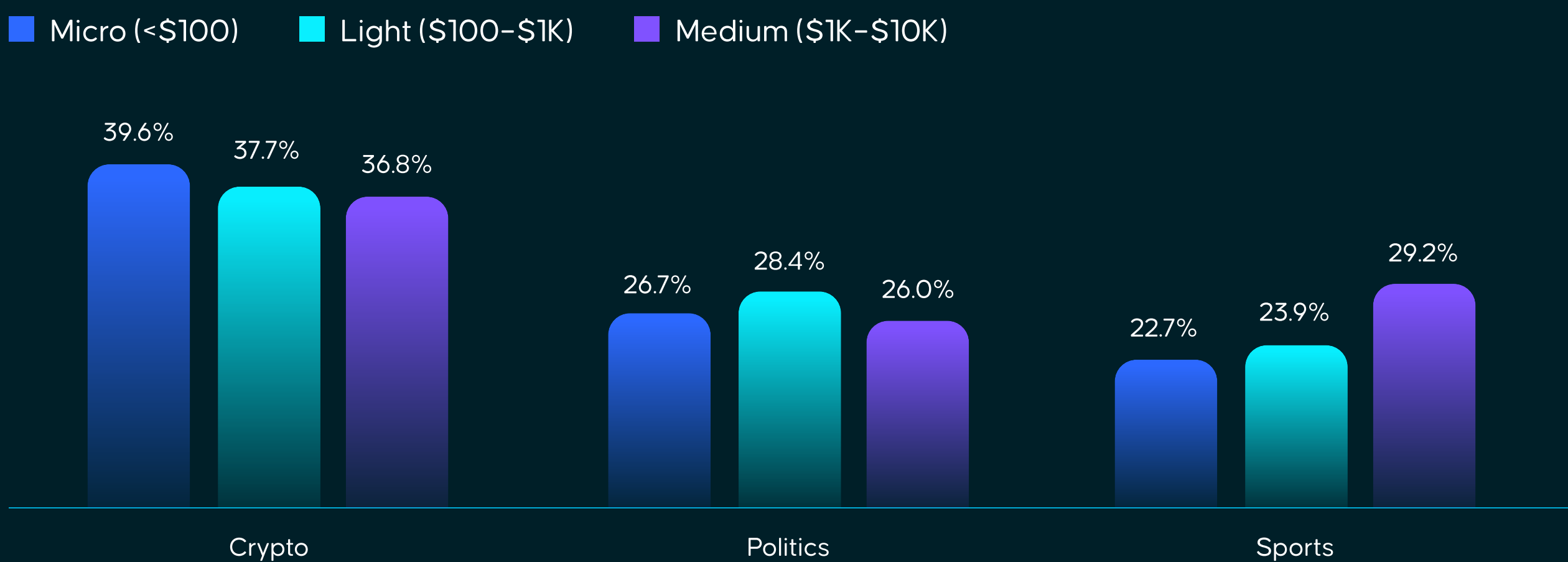
(Source: Dune Analytics)

## Crypto Brings Users In, and Real-World Events Keep Them Engaged

Crypto markets act as the primary entry point into prediction platforms, accounting for nearly 40% of retail trading activity across user segments. In Q1 2026, crypto represents 39.6% of activity among micro users, gradually declining to 36.8% for mid-tier users as participation deepens. This reflects crypto's structural advantages: continuous markets, familiar price dynamics, and low entry barriers, with median trade sizes typically just a few dollars.

Crypto lowers the barrier to first interaction, but long-term engagement is sustained by markets tied to recurring, real-world events. As users become more active, engagement shifts toward real-world event categories. Sports participation rises from 22.7% (micro users) to 29.2% (mid-tier users), while politics remains consistently significant at ~26–28% across segments.

### Retail Trade Size by Category (Q1 2026)



(Source: Dune Analytics)

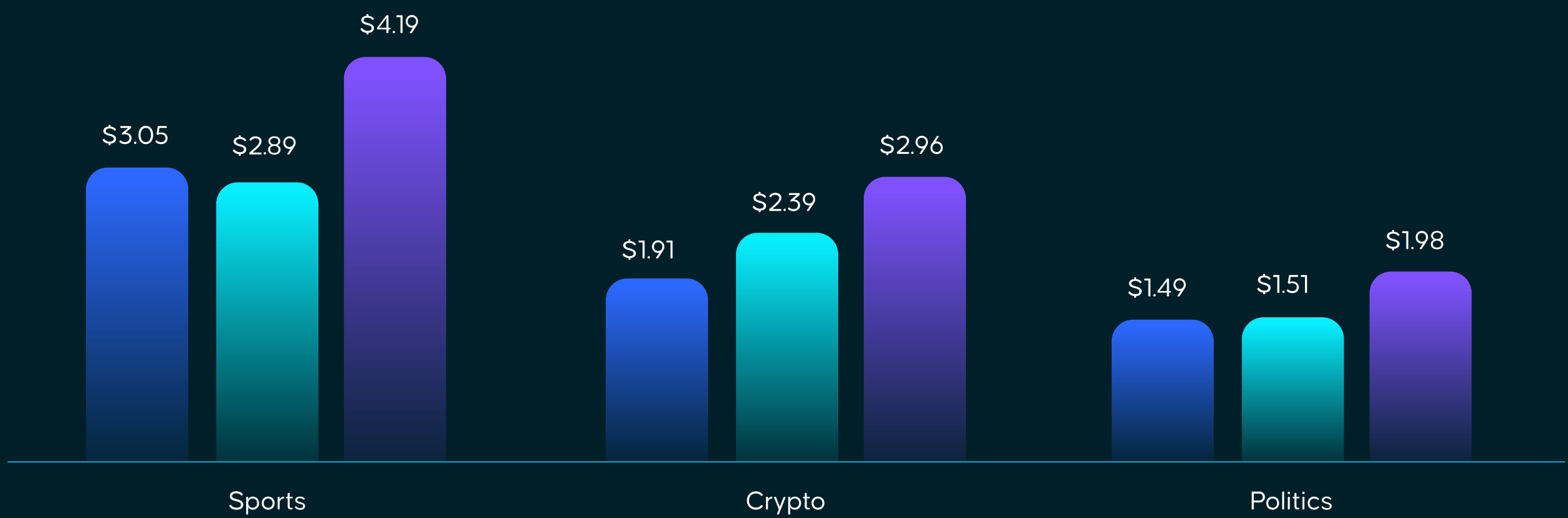
# High-Frequency Events Drive Market Expansion

Prediction market growth is currently anchored in repeatable, high-frequency events. In Q1 2026, sports led with \$10.1 billion in volume, including a 45% surge in March driven by major event cycles such as the NBA season and NCAA March Madness. Meanwhile, crypto reached \$7.3 billion (+55%) as a continuous, always-on market, and politics grew to \$5.0 billion (+33%), following steadier, news-driven cycles.

Categories with built-in recurrence are emerging as stronger engagement drivers. Weather markets, for example, surged 263% in March, supported by daily prediction loops such as temperature forecasts. This reinforces a broader pattern: prediction markets are moving from event-driven spikes to habit-driven systems, where higher event frequency directly translates into stronger retention and sustained user activity.

## Polymarket Trading Volume by Category (Q1 2026)

Polymarket Trading Volume (USD Billion)    ■ Jan'26    ■ Feb'26    ■ Mar'26



Category	Jan'26	Feb'26	Mar'26	Q1 Total
Sports	\$3.05B	\$2.89B	\$4.19B	\$10.1B
Crypto	\$1.91B	\$2.39B	\$2.96B	\$7.3B
Politics	\$1.49B	\$1.51B	\$1.98B	\$5.0B
Pop Culture	\$155M	\$95M	\$135M	\$385M
Finance	\$104M	\$116M	\$112M	\$332M
Weather	\$40M	\$59M	\$145M	\$244M
Science & Tech	\$36M	\$39M	\$41M	\$117M

(Source: Dune Analytics)

## Crypto's Power Lies in Accessibility

Crypto markets play a critical role in lowering the barrier to entry for prediction markets, driven by familiarity, simplicity, and low capital requirements. In Q1 2026, Bitcoin alone attracted around 593,000 users, making it the single largest market by participation, with \$5.42 billion in volume. Across major assets like Ethereum, Solana, and XRP, median bet sizes remain tightly clustered at around \$2–\$3, highlighting how users can engage meaningfully with minimal capital.

This structure enables ultra-low friction onboarding. Users can test markets, form opinions, and transact without significant financial commitment. However, while crypto maximizes accessibility, participation is relatively concentrated on a few major assets, and smaller segments like memecoins remain niche (\$5.6M volume, 11K users). Crypto excels at bringing users in, but sustained engagement is driven by broader market expansion beyond crypto itself.

### Polymarket Crypto Trading Volume and Users in Q1 2026

Sub-Category	Trading Volume (USD)	Number of Users	Median Trade (USD)
Bitcoin	\$5.42B	593K	\$3.16
Ethereum	\$1.19B	294K	\$3.11
Solana	\$420M	185K	\$2.73
XRP	\$308M	132K	\$2.67
Crypto (Other)	\$279M	136K	\$4.28
Memecoins	\$5.6M	11K	\$1.47

(Source: Dune Analytics)

## Sports Drive Retention Through Repeatable Engagement

While category mix may evolve over time, sports currently provide the strongest engagement loop at scale. Sports markets are currently the primary driver of sustained engagement in prediction markets, supported by frequent events, clear outcomes, and emotional relevance. In Q1 2026, sports generated \$10.1 billion in total trading volume on Polymarket, making it the largest category on the platform.

This engagement is anchored in globally recognized, recurring events. High-volume markets such as NBA (\$3.11B) and NCAA Basketball (\$900M) drive basketball dominance, while football competitions like the EPL (\$540M) and Champions League (\$448M) attract broad international participation. At the same time, esports titles including League of Legends (\$657M) and CS2 (\$536M) stand out for higher median bets and strong user conviction, reinforcing their appeal among digital-native audiences.

### Polymarket Sports Trading Volume and Users in Q1 2026

Sport Type	Trading Volume (USD)	Number of Users	Median Trade (USD)
Basketball	\$4.01B	397K	~\$6.30
Football (Soccer)	\$2.84B	661K	~\$5.00
Esports	\$1.46B	198K	~\$7.00
Ice Hockey	\$691M	124K	\$5.60
Tennis	\$664M	73K	\$5.71
American Football	\$470M	108K	~\$6.70
Combat Sports <small>(e.g. UFC/MMA)</small>	\$128M	40K	~\$8.30
Cricket	\$106M	25K	\$7.99
Baseball	\$104M	31K	\$5.07
Motorsports (e.g. F1)	\$78M	37K	\$4.21
Golf	\$70M	40K	\$3.71

(Source: Dune Analytics)

## Esports is Emerging as a High-Value Vertical

Within sports, esports stands out as a structurally distinct and high-value segment. In Q1 2026, major titles such as League of Legends (\$657M), CS2 (\$536M), and Dota 2 (\$209M) collectively generated approximately \$1.47 billion in volume, comparable to leading traditional leagues. Despite a smaller user base, esports consistently records higher median bet sizes (~\$6-\$9+), exceeding most traditional sports like football (~\$5) and basketball (~\$6), indicating stronger conviction and higher per-user engagement.

This differentiates esports within the broader sports mix: while football leads in user scale and basketball in total volume, esports drives depth of participation. Its digital-native, global, and always-on nature aligns closely with crypto audiences and streaming behaviors, making it one of the most structurally compatible categories for prediction markets.

### Polymarket Top 15 Sport Titles in Q1 2026

Sub-Category	Sport Type	Trading Volume (USD)	Number of Users	Median Trade (USD)
NBA	Basketball	\$3.11B	300K	\$7.31
NCAA Basketball	Basketball	\$900M	97K	\$5.30
NHL	Ice Hockey	\$691M	124K	\$5.60
<b>LoL</b>	<b>Esports</b>	<b>\$657M</b>	<b>68K</b>	<b>\$9.40</b>
EPL	Football (Soccer)	\$540M	117K	\$5.60
<b>CS2</b>	<b>Esports</b>	<b>\$536M</b>	<b>72K</b>	<b>\$6.12</b>
Champions League	Football (Soccer)	\$448M	123K	\$6.65
NFL	American Football	\$401M	97K	\$5.25
La Liga	Football (Soccer)	\$368M	97K	\$5.48
<b>Dota 2</b>	<b>Esports</b>	<b>\$209M</b>	<b>35K</b>	<b>\$6.35</b>
Ligue 1	Football (Soccer)	\$162M	40K	\$5.88
UFC/MMA	Combat Sports	\$110M	28K	\$8.60
Cricket	Cricket	\$106M	25K	\$7.99
MLB	Baseball	\$104M	31K	\$5.07
Formula 1	Motorsports	\$78M	37K	\$4.21

(Source: Dune Analytics)

## Prediction Markets Are Becoming a Real-Time Macro Signal Layer

Prediction markets are evolving from episodic event trading into continuous pricing mechanisms for real-world uncertainty. In Q1 2026, political markets generated \$5.0 billion in volume, with geopolitics alone accounting for \$2.41 billion and 377K users, making it the largest sub-category. Elections (\$942M) and broader political markets (\$1.59B) remain significant, but activity is no longer concentrated around singular events, reflecting a shift toward ongoing macro and policy-driven engagement.

As participation deepens, prediction markets are increasingly used as real-time signal layers alongside traditional data sources. This dynamic is reinforced by growing integration with mainstream media and financial news, where prediction market probabilities are increasingly cited alongside polls, economic indicators, and analyst forecasts. In this context, markets are not just reflecting sentiment – they are becoming part of how macro narratives are formed, with trading activity itself contributing to information discovery and price formation.

### Polymarket Politics Trading Volume and Users in Q1 2026

Sub-Category	Trading Volume (USD)	Number of Users	Median Trade (USD)
Geopolitics	\$2.41B	377K	\$6.51
Politics (Other)	\$1.59B	340K	\$4.14
Elections	\$942M	292K	\$4.18
Trump Presidency	\$369M	105K	\$5.36

(Source: Dune Analytics)

## The Next Phase: From Market Creation to Market Access

Prediction markets are entering a new phase where growth is no longer just defined by the number of markets available, but by how effectively users can access and interact with them. As categories expand beyond crypto and politics into sports, finance, and everyday events – and as regulatory clarity, institutional tooling, and AI-driven analytics continue to improve – the underlying infrastructure is rapidly maturing.

The shift now is toward usability and distribution. As participation becomes more frequent and behavior more habit-driven, the key challenge is no longer building markets, but helping users navigate them, discovering relevant events, interpreting probabilities, and acting in real time with minimal friction.

In this environment, wallets are positioned to play a central role. Sitting at the intersection of assets and execution, they are evolving from storage tools into primary access points for onchain activity. As prediction markets become more embedded in daily information flows, the interface that connects users to these markets will increasingly define how value is created and captured.

# About Bitget Wallet

[Bitget Wallet](#) is an everyday finance app designed to make crypto simple, secure, and usable in daily life. Serving more than 90 million users worldwide, it offers an all-in-one platform to send, [spend, earn](#), and [trade](#) crypto and stablecoins through blockchain-based infrastructure. With global on- and off-ramps, the app enables faster and borderless onchain finance, supported by advanced [security](#) and a \$300 million [user protection fund](#).

Bitget Wallet operates as a fully self-custodial wallet and does not hold or control user funds, private keys, or user data. Transactions are signed by users and executed on public blockchains.

For more information, visit: [X](#) | [LinkedIn](#) | [Telegram](#) | [YouTube](#) | [TikTok](#) | [Discord](#) | [Facebook](#)

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