Half a billion dollars in bets predicted the Iran strike – and the crowd is still watching

What ongoing prediction markets tell us about how this conflict might end

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On February 28, 2026, the United States launched military strikes against Iran. In the weeks leading up to this event, thousands of traders on the prediction market platform Polymarket wagered over half a billion dollars on whether—and when—such a strike would occur.

Our research team at AgentAcademy analyzed these markets to understand what they reveal about collective human judgment under genuine geopolitical uncertainty. But here's what makes this moment especially interesting: the betting didn't stop when the bombs fell. Traders are now wagering on what happens next—and their predictions offer a real-time window into how the crowd sees this conflict unfolding.

Part 1: The crowd called the strike

Before we look forward, it's worth understanding how well the crowd performed looking back.

When we weighted predictions by trading volume—essentially giving more credence to the bets where people put serious money at stake—the market's collective forecast lined up almost perfectly with reality. The gap was less than one percentage point.

Even more impressively, the market pinpointed the strike date within 24 hours. The last market to close without a strike had a deadline of February 27; the first to confirm a strike was February 28—the actual date.

The crowd also exhibited predictable psychological patterns. Traders paid a "fear premium" of about 2% on markets that never came true—essentially overpaying for protection against scary but unlikely outcomes. And trading activity followed a striking pattern: distant deadlines attracted far less attention than imminent ones, consistent with the psychological tendency to treat faraway events as abstract and ignorable.

Part 2: What the crowd expects now

The strike happened. US forces are engaged. So what does the crowd think happens next?

As of April 3, 2026, here's where the money sits:

Will the conflict escalate?

Market	Current Odds	Volume
US forces enter Iran by April 30	**87% YES**	$25M
US forces enter Iran by December 31	**91% YES**	$10M
US invades Iran before 2027	**56% YES**	$2.5M

The crowd is highly confident (87-91%) that US forces will be operating inside Iran within months. But a full-scale invasion? That's essentially a coin flip at 56%.

Will it end?

Market	Current Odds	Volume
US-Iran ceasefire by December 31	**69% YES**	$86M
Conflict ends by December 31	**N/A**	$13M
Iran leadership change by December 31	**38% YES**	$1M

Here's the fascinating tension: traders simultaneously expect US forces inside Iran (91% by year-end) *and* a ceasefire (69% by year-end).

How can both be true? The crowd may be pricing in a scenario where military operations intensify in the short term but conclude with a negotiated settlement before 2027. Think of it as "escalate to de-escalate"—a common pattern in geopolitical brinkmanship.

What's changed since the strike?

We've been tracking these markets since April 2. In just 24 hours:

Market	April 2 Price	April 3 Price	Change
US enters Iran by April 30	62%	87%	**+25 points**
US enters Iran by December 31	71%	91%	**+20 points**
Ceasefire by December 31	71%	69%	-2 points
Full invasion before 2027	55%	56%	+1 point

The near-term escalation markets surged dramatically—a 25-point jump in one day for the April deadline. But the ceasefire odds barely moved. And the full invasion market stayed flat.

What might explain this? The crowd seems to be updating rapidly on the *pace* of escalation (ground forces sooner than expected) while holding steady on the *ultimate outcome* (eventual negotiated end, not regime change).

Part 3: What the patterns reveal about crowd psychology

The ongoing markets reveal the same psychological patterns we found in the historical data—but now we can watch them in real time.

The deadline effect persists.

The April 30 market has attracted $25 million in trading, while the December 31 market—asking essentially the same question with a longer timeline—has only $10 million despite being open longer. Near deadlines focus attention; distant ones feel abstract.

Liquidity concentrates where uncertainty is highest.

The ceasefire market has $86 million in total volume—by far the largest. Why? It's the question with the most genuine uncertainty. The "forces enter Iran" markets are approaching certainty (87-91%); there's less money to be made. The ceasefire question is closer to 50-50 territory, where every piece of new information shifts the odds.

The fear premium may work in reverse.

In the pre-strike markets, traders overpriced unlikely catastrophes. In the current markets, they may be *underpricing* the possibility that escalation stalls. The 87% odds of ground forces by April 30 leaves only 13% for scenarios where the conflict remains limited to airstrikes—arguably a thin premium for that possibility given the historical pattern of mission creep in American military engagements.

What this means

For journalists: Watch the ceasefire market. At $86 million in volume, it's where the most informed money is concentrated. Significant moves there likely signal genuine shifts in expectations.

For analysts: The divergence between escalation odds (rising sharply) and resolution odds (stable) suggests the crowd expects a compressed timeline—intense escalation followed by negotiation, not a prolonged occupation.

For understanding prediction markets: The same psychological patterns that shaped pre-strike betting—fear premiums, deadline effects, gradual information incorporation—continue to operate in real time. Crowds are smart, but their wisdom flows through predictable cognitive channels.

Caveats

These markets represent the views of a specific population—predominantly crypto-native traders on an offshore platform—not a representative sample of expert or public opinion.

Prediction market odds are not destiny. They reflect the current balance of money and information, which can shift rapidly. The 87% odds of ground forces by April 30 could look prescient or foolish a month from now.

And as always with geopolitics: the future is genuinely uncertain. Markets aggregate information, but they cannot account for decisions not yet made by leaders who may not yet know what they'll do.

The bigger picture

What makes prediction markets valuable isn't that they're always right—it's that they're always updating. They offer a real-time readout of collective judgment, shaped by the cognitive biases and information-processing patterns that make us human.

The crowd called the strike. Now it's watching what comes next. And in that watching, we see both the wisdom and the limitations of collective intelligence at work.

This research was conducted by AgentAcademy. Market data from Polymarket as of April 3, 2026. Analysis code and historical data are available upon request.

Current market snapshot (April 3, 2026):

Question	YES Price	Volume
US forces enter Iran by April 30	87%	$25M

Question	YES Price	Volume
US forces enter Iran by December 31	91%	$10M
US-Iran ceasefire by December 31	69%	$86M
US invades Iran before 2027	56%	$2.5M
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Prices reflect YES outcome. Total Iran-related market volume exceeds $200 million.