RESEARCH PERSPECTIVE

Sports Markets and the Cost of Being Late

Information timing, queue position and inventory in event-driven market making

If each filled position either earns $3 or loses $18 to a score, six of every seven must earn the $3 just to break even. A resting sports quote is most exposed in the moments after something happens and before it can be withdrawn, and the cost depends on the state of the game: the same basket moves a tied game's win probability several times more in the final minute than at halftime. We examine information timing, queue position and jump risk, and what a test of event-aware quoting would need to show.

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KEY TAKEAWAYS

01 Sports news arrives in jumps, and betting-market evidence shows prices absorb major events quickly and fully. A quote still resting when the news lands is the one most likely to be filled at the wrong price.

02 Small completed spreads must greatly outnumber jump losses. If each filled position either earns +$3 or loses $18, six of every seven, about 85.7%, must earn the +$3 just to break even before costs (Exhibit 1).

03 Results should be measured by game phase and game state, using the information timestamps a live trader would actually have had.

> Research framework. Live strategy trading in Polymarket US sports does not imply participation in every sport or in-play phase.

▼ **Method, sources and limitations**

Study type	Conceptual execution research
Method	Original analysis of event-time execution risks, informed by published sports-market research and official sports and order documentation, with hypothetical arithmetic. No measured latency, fill or profit result is reported.
Data period	Documentation reviewed October 27, 2026; no empirical execution sample.
Source categories	Published sports-market research; Official sports contract and order-management documentation
Limitations	The article does not establish a speed advantage, predictive model or live control implementation. Discussion of pregame and in-play mechanics does not establish that the current strategy trades every sport or game phase.

A sports market has more than one clock

The game clock, the moment an event occurs, the moment a data provider publishes it and the moment a trading system receives it can all differ. A displayed score may already be stale. A corrected play record may be accurate for history while having been unavailable to a trader at the moment of decision.

The window in which a stale quote can be picked off is short. Studying high-frequency betting prices around goals scored just before halftime, Croxson and Reade (2014) find that prices update swiftly and fully. A goal, an injury, a lineup announcement or an officiating decision can change a contract's value abruptly, and a resting quote can be selected precisely because another participant has already reacted.

Research should therefore preserve when information became available as well as the final reconstructed timeline. A simulation that uses corrected event data too early gives its strategy knowledge that no live trader had, and what looks like timing skill can be a data-alignment error.

Pregame and in-play are different research environments

Before a game, important information arrives through confirmed lineups, player changes, venue conditions or rescheduling. During play, the sequence of scores, the time remaining and the game state dominate the next price change. The two environments differ in information cadence and in what a stale quote costs.

Within play, the cost also depends on the state of the game. In Stern's (1994) model of basketball scoring, a two-point basket moves a tied game's win probability by about 7 percentage points at halftime and about 31 percentage points with one minute left. Late-Game Sensitivity works through the arithmetic. A single average spread or fill rate across these conditions conceals where gains and losses come from, so results should be grouped by phase and state, with the groupings fixed before favorable segments are selected.

Our research question is whether participation can be adjusted to the information environment: price, size, exposure and the decision to quote at all.

Being at the displayed price does not guarantee a fill

Suppose a historical book shows a bid at $0.45 and a later trade at that price. It does not follow that a newly submitted bid at $0.45 would have executed. Orders already queued may have been ahead, only a small quantity may have traded or the new order may not yet have reached the matching engine.

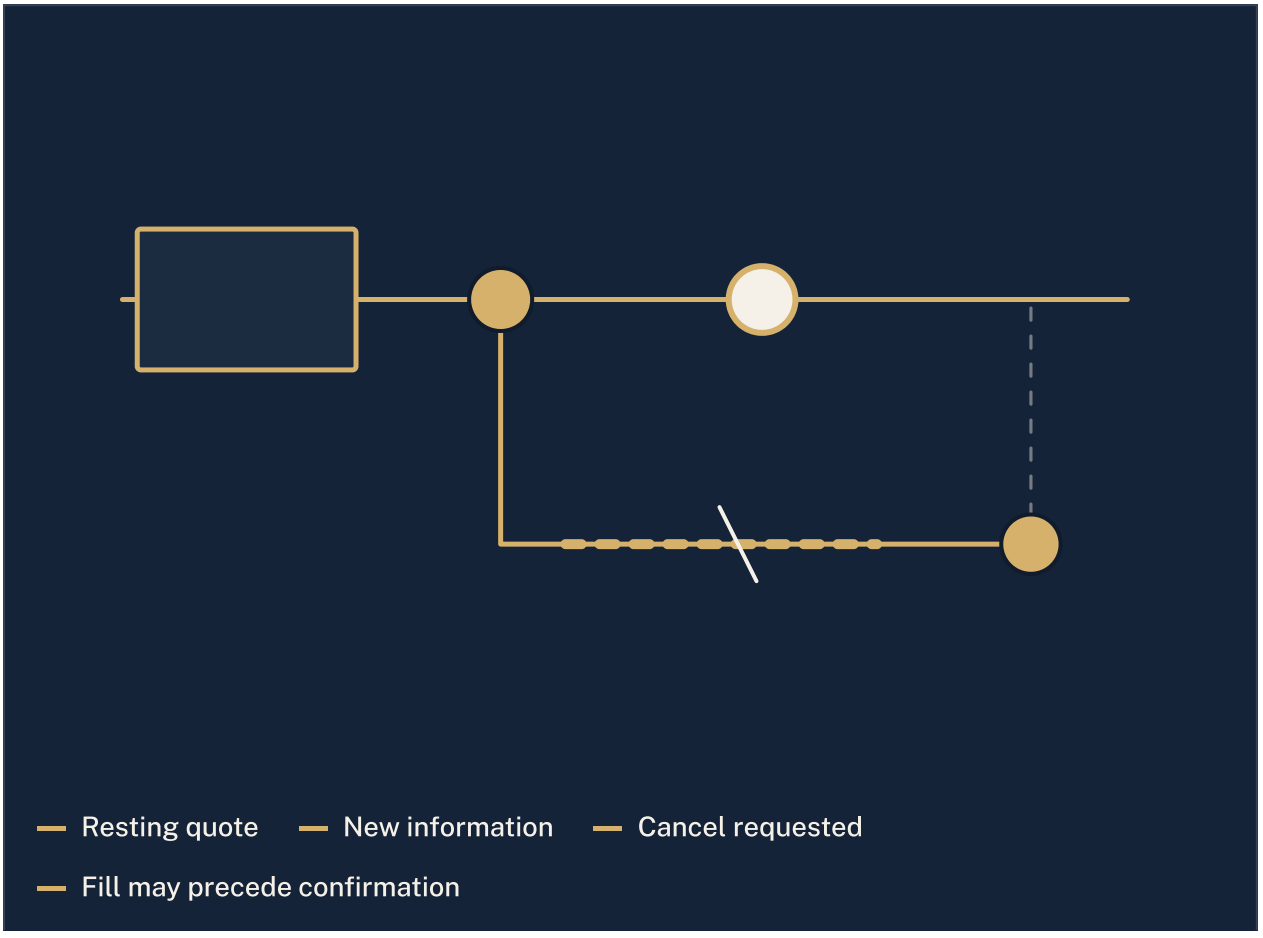
Improving a quote changes both its priority and who chooses to trade against it. Moving closer to the opposite side may attract more flow, but it also shrinks the

cushion against an unfavorable update. We judge a policy on its net outcomes, whatever its queue access or volume.

A realistic study distinguishes submission, acknowledgment, resting state, partial fill, cancellation request and final order state. Polymarket US's order-management guidance warns that an order ID returned with a success response does not guarantee the order was processed, that a replacement sent before a cancellation is confirmed can leave both orders active, and that an executed trade can later be voided as busted.

A small quoted margin can be overwhelmed by one jump

In a hypothetical example, a trader buys 100 contracts at $0.48 hoping to sell at $0.51. Before the exit fills, a material game event moves the best available selling price to $0.30. Exiting all 100 at that price loses $18 before costs, against a hoped-for gain of $3. Exhibit 1 shows how often the small gain must occur to pay for jumps of different sizes.



A cancellation request does not erase the risk of a fill before confirmation.

EXHIBIT 1

How often a +$3 round trip must occur to pay for jump losses

Loss when a jump hits an open position	+$3 round trips needed to offset one loss	Break-even share of +$3 outcomes
−$6	2	66.7%
−$9	3	75.0%
−$18	6	85.7%
−$30	10	90.9%

Break-even share of +$3 outcomes = size of the loss ÷ (size of the loss + $3), assuming each filled position either earns +$3 or suffers the stated loss.

Source: Predict Here Capital calculation. Hypothetical inputs; fees and other costs excluded. Not Predict Here Capital trading results.

The distribution is the point. Repeated small completed spreads can coexist with occasional large inventory losses, and the median trade or the share of winning round trips can look healthy while the total does not. Late-game prices can be biased as well as fast: in an earlier prediction market, Page (2012) found that teams trailing late in games were priced too high relative to how often they won.

Unfavorable fills should be connected to the information available at the time, without assuming that every loss reflects a preventable stale quote. A reasonable decision can still lose, so the question we ask is whether the decision policy is well compensated across the complete sample.

Different tickets can share the same exposure

A team-to-win contract, a player scoring contract and a game total can all respond to the same development. Several positions on one game are not automatically diversified, and season or tournament contracts can tie today's game to a longer-lived position.

Exposure is better measured by scenario than by ticket. What happens if a key player leaves, the game is delayed or a team is eliminated? Two Tickets, One Risk quantifies how much a two-contract book can behave like one larger position. A hedge that looks liquid in ordinary play may also vanish exactly when it is needed, so a proposed hedge, its availability and its actual acquisition should be recorded separately.

Settlement questions outlast the final whistle

Contract terms determine whether overtime counts, how a draw is treated, what a player's participation must satisfy and what happens when a game is postponed or abandoned. These rules can matter more than the team names in the headline.

Under Polymarket US's sports guidance, if a game is postponed beyond the contract's expiration, or cancelled and never replayed, the contract settles at a last fair market price. That is the prevailing price at a specified moment, typically the official announcement, and explicitly not the last trade at market close. Trades after such an announcement execute at the trader's own risk. A cancellation should therefore not be modeled as a refund or as a normal $1/$0 result.

Timing matters after the result is known as well. Polymarket US delays settlement while an official result is under review. Inventory held to resolution keeps its capital committed until the venue releases it, although closing a position earlier may release capital under the applicable trading and collateral rules. An execution study that stops at the final whistle omits part of the inventory and capital story.

Testing an event-aware quoting thesis

We would compare quoting policies at comparable risk and capital use, with event phases, game states and information windows defined in advance, and test whether adjustments improve net outcomes after missed opportunities and whether results persist across games, sports and dates. A benefit that disappears under realistic latency and queue assumptions is not an execution advantage.

Sources and further reading

Sources reviewed October 27, 2026. Venue rules, fees and programs change; the specific contract and account terms govern. Views are the author's as of the edition date shown above.

1. Croxson, K. and J. J. Reade (2014). Information and efficiency: goal arrival in soccer betting. Economic Journal 124(575).
2. Stern, H. (1994). A Brownian motion model for the progress of sports scores. Journal of the American Statistical Association 89(427).
3. Page, L. (2012). "It ain't over till it's over": Yogi Berra bias on prediction markets. Applied Economics 44(1).
4. Polymarket US order management. Polymarket US documentation.
5. Polymarket US Sports FAQs. Polymarket US documentation.
6. Polymarket US sports schema. Polymarket US documentation.