NEXTPredict Community

COMMUNITY CALL OVERVIEW

Liquidity and market making

A conversation with **Bart Barden**, former UK/US Betfair Exchange managing director and co-founder of PredictSync.

65	36	35
minutes, total call duration	attendees in total	minutes on average per attendee

DATE	SPEAKER	MODERATOR	HOST
Friday, October 9, 2026	**Bart Barden**	**Luan Oak**	**Alina Moskalova**

SUMMARY

Market makers keep the shelf stocked

Bart Barden explained that market makers keep prediction markets alive by putting prices on the shelf and refilling it as trades happen.

A market maker needs automation, bankroll, an independent guiding price and a human who can catch the AI when it is wrong.

He showed a real, anonymized weather market where about 40% of orders were matched against his firm's quotes. He also argued that smaller firms can still compete in niches, and that exchanges treat market makers as partners.

The Q&A covered marketing, regulation, sportsbook price discovery, whether exchanges seed their own markets, and how Betfair compares with Kalshi and Polymarket.

THE SPEAKER

About Bart Barden and PredictSync

Bart calls himself a prediction market OG. He worked in prediction markets for nearly 14 to 15 years, before they were called that.

Betfair

Director for the UK. In 2017 he launched the first Betfair exchange execution in the United States, for horse racing.

PredictSync

Co-founded with **Pialy**. Platform innovation for centralized and decentralized markets worldwide, regulated or not.

Liquidity group

A high-frequency trading and liquidity provision group, plus a view that prediction markets have lots of room for technology and product growth.

THE BASICS

What a market maker does

A prediction market needs two sides of a trade, and a market maker makes sure both are there. **Bart** compared it to starting a car: once it is moving, it keeps going on its own.

Seed the market

Put orders on the shelf at decent prices so the first visitor can take a position. Nobody shops in a store with three things on the shelf.

Replenish it

As trades happen, refill what was bought so the next person has the same ability to trade.

Liquidity is everything sitting in the market. At the start, much of it comes from the market maker's own account.

WHAT IT TAKES

Four things every market maker needs

1. Automation

Speed matters and you cannot market make manually. AI has raised the level of automation.

2. Bankroll

A meaningful amount of starting capital. Not everything gets bought, but it all has to be posted.

3. Internal guiding price

Your own view of fair value, built on outside data. You cannot just trust a market price you helped create.

4. A human in the loop

AI can act as the quant, but someone must catch it when it is wrong. If prices go up wrong in a blink, the bankroll is gone.

You never want to react to the market. You want the market to react to you.

Bart Barden

IN PRACTICE

A real weather market

Bart showed a real market from within seven days, with the data anonymized.

40% of the orders in that market were matched against his firm's orders.

- **Yellow line:** the internal model.
- **Blue line:** the market price on the exchange.
- **Red and green:** the firm's market making quotes, placed around the model.

Once liquidity provision started, trades hopped above and below the market line, with buyers and sellers in roughly equal volume. That keeps risk low.

Without the internal model line, the firm would be reacting to the market, and a market maker should not. When liquidity provision was switched off, the market kept trading until the end.

Why weather? The data is largely free and available everywhere, and everyone understands what rain means. Weather also affects commodities, energy and even data center cooling, which gives it hedging value. Kalshi is also pushing weather internally.

COMPETITION

Smaller firms, choosing markets and volume

Smaller market makers can compete, just not at the scale of firms like SIG or Jump Trading.

They win in areas they know well, such as fantasy player markets or wide over-under spreads, and in new topics like politics or AI model releases that have not been fully dataized. The risk is becoming narrow and one-trick, so risk management matters.

Because sporting events settle the same way on every exchange, a position that goes wrong on Kalshi can be hedged on Polymarket.

Less sure of your model

Make liquid markets with lots of action, where the market itself helps you manage risk.

Very sure of your price

Light-liquidity markets pay more per trade but with less volume, and there is nowhere to hide if you are wrong.

Volume: look at real matched trading volume, not notional volume. A market with $1M notional and only $2,000 traded cannot be market made. Volume is mostly dictated by bankroll, and exposure netting makes the bankroll go much further because you take both sides.

MULTI-EXCHANGE

The PredictSync model

Trading across exchanges is a lot of work: normalizing prices and data, plus entity setup and KYB. Polymarket Europe needs an international entity, and Kalshi needs a US entity. Most firms go all in on one exchange or go wide. Few pick one international and one domestic.

PredictSync is not a Bloomberg-style terminal and not SaaS. It offers a high-frequency engine and a trading layer built for newer and more complex markets, such as one rain market with 27 city selections.

Partners bring a model, and PredictSync makes it robust, scalable and tradable, then uses its exchange relationships to get the market listed. An exchange may skip a market nobody would price, because an empty store does not attract users.

INDUSTRY

Exchanges, marketing and regulation

Market makers tend to be friends of the exchanges, because the activity they create makes the product better for retail users. Even a firm that only drives golf markets is a valuable partner to Kalshi.

- **Do exchanges seed markets themselves? Bart** said they do indirectly: they recruit market makers and offer rewards and rebates, within what the CFTC allows.
- **Their own accounts:** whether exchanges quote from accounts they control, he could not speak to.
- **Marketing:** most market makers are mathy and quanty rather than markety, so they let the exchange promote markets and follow what exchanges push.
- **Regulation:** he expects more regulation over time, not less. Whether an exchange's own market maker should quote the markets it creates and settles could easily become a regulatory target.
- **Philosophy: Bart** and **Pialy** come from regulated places (Betfair, Republic), so they aim to stay on the up and up and be able to adjust fast.

PRICE DISCOVERY

Sportsbooks versus prediction market makers

Eugene Schupak asked how regulated sportsbooks and prediction markets interact on price discovery. **Bart** said it is a race: both rely on the same feeds and data, and it comes down to skill.

Sportsbooks

Their pricing is obscured and they can decide yes or no on each bet, for example limiting a winning bettor to $500 on a position.

Market makers

Their risk is set ahead of time, whoever takes it, but they can hedge across many exchanges.

Flow on prediction markets is anonymous, so market makers read it as trading data by price level and activity. Against a sharp trader they can only widen prices, quote smaller size, or leave the market. **Eugene** summed this up as limiting the trader's hedge.

Q&A

Betfair versus Kalshi and Polymarket

Rohini Sardana asked whether prediction markets differ from exchanges. **Bart** said Kalshi and Polymarket made the back and lay experience a simple yes or no, with better UX, and made financial hybrids such as single-game parlays and perps more visible.

They built financial-style derivatives on non-financial events too, which opened conversations with crypto platforms and internationally. Betfair's technology, though 20 years old, is faster and stronger, and features it built 10 to 12 years ago could add 1 to 3x real traded liquidity.

Where regulated exchanges exist, such as the UK, new entrants have to play under the same rules and their controls must stand up. Whether they take that route may depend on the US states versus Supreme Court outcome.

- **Sean Guillory:** should market makers drive marketing for their markets? Answered under exchanges, marketing and regulation.
- **Branko:** do the big platforms put in their own money? Answered under exchanges, marketing and regulation. He also shared that he filled his own platform's five-minute up-and-down markets with his own money to get them going, and noted that many platforms copy Kalshi and Polymarket and rely on them for price differences.
- **Rohini Sardana:** can you tell how much of a market is seeded or bot-driven? Not in practice, as matches are anonymous by design, though second-by-second tick data lets you deduce a lot.

TAKEAWAYS

Five things to remember

1. Liquidity is the shelf: seed it, then keep it stocked.
2. You need automation, bankroll, your own guiding price and a human in the loop.
3. Lead the market with your own model instead of reacting to it.
4. Smaller players can win in niches and new topics if they manage risk.
5. Exchanges want market makers, and regulation is only going up.

Next call: in November. **Alina** thanked everyone and invited them to join NEXTPredict in New York, including the charity run.