

## Extrade

*The subject of gambling is all encompassing. It combines man's natural play instinct with his desire to know about his fate and his future. -- Franz Rosenthal*

*One of the healthiest ways to gamble is with a spade and a package of garden seeds. --Dan Bennett*

Extrade is the biggest [prediction market](#) of Extropia, a hypercorp represented across the solar system.

Information markets allow people to trade on predictions (e.g. that Cognite will release the Menton 2.0 before August 10, that there will be a TITAN attack against an inner system habitat over the next year, that the mass of the iota exotic meson will be above 45 TeV or that the Coprates Cougars will win the Marineris League). People buy bets on the outcome, earning money if it comes true. However, the purpose is not just gambling but to actually use the price of bets to get accurate probability estimates. People are motivated to make correct bets since they make money from them (unlike normal predictions, where there is usually no cost of being wrong). Overall, the prediction performance tends to be very competitive compared to asking experts.

Extropians have since their beginning favored prediction markets, since they involve making money from being rational and knowledgeable and simultaneously provide useful information to the community. In fact, among extropians experts tend to be those people who do well on the prediction market rather than have the most impressive credentials. If you know something, you ought to show it by being able to make money from it.

The larger the market is, the better chance that it can pick up information (if only a few bet on something, only their knowledge will come into play) and remain unbiased - it is possible to bias a prediction market with enough money if there are just a few players. If it is large enough, biasers will instead be ruthlessly exploited by players who recognize their bias: the market stabilizes itself, and automatically punishes the manipulators. There can be problems such as communications lag, speculative bubbles, moral hazard (i.e. making a bet on a terrorist attack and then committing it) and cognitive biases, but this is where the different market companies get their competitive edge by setting up trading rules that minimize them.

Extrade is relatively new, emerging in AF 7 from the merger of Breezeblock and Exiton. It is owned by Banque de Nectaris, IEMDX Agorics and Scalia Associates. The default imagery used in corporate mesh, AR and physical presence tends to be rustic gardening-based: bets are represented as seeds and bulbs that might flower into high payoff, the corporate representatives have a homespun farmer or gardener style, probability charts tend to involve weather symbols and deviations are pests. The corporate "offices" in Extropia are a literal hanging garden. However, many people choose among the other numerous skins: it is easy to experience the corporation as shining math, radical expanding nanodesign or a Chinese celestial bureaucracy distributing luck and destiny.

To many Extrade is just gambling, but it also has another face as a forecasting corporation. Many groups want to find out things: what morphs will be popular next year, whether the Jovian Junta will hold together, whether crime will increase or decrease if the Planetary Consortium passes a certain bill or which reputation markets will remain stable. They pay Extrade for setting up markets on the questions and enticing their customers to bet on them. Extrade also does very careful data mining, detecting both suspicious patterns and early signs that something interesting is happening. There have been instances where Extrade was the first to notice significant events.

Prediction markets can be used for other things, and Extrade can supply the functionality. Futarchy runs organisations by having prediction markets predict what the best policy is. Some hypercorps use them internally to estimate the best course of action... and the probability that the stock price will rise if the CEO leaves - when that number starts to rise, shareholders take notice.

Firewall is of course a customer of Extrade (through some intermediaries). A great deal of information about emerging existential risks can be gathered this way: the current odds for transhuman survival over the next decade are at an optimistic 75%, but some risks such as human-triggered seed AGI swarms or alien threats have been creeping up worryingly. Firewall actually encourages sentinels to cautiously play: by being right about the magnitude of threats they make other groups take big risks more seriously. But it is dangerous to reveal too much: while sentinels who know of an Exsurgent outbreak might make some money from betting on it, they also afterwards reveal that they had insider information. This is also why it rarely pays for terrorists or criminals to bet on their deeds - they signal them beforehand and leave a money trail.