

Prediction-Market Event Direction Model

Three-hour event-direction ranking using executable post-signal trades.

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Executive Summary

This note reviews a monthly walk-forward event-direction model evaluated on the first observable post-signal trade. The current-regime result is positive after stated costs, while development-period and baseline comparisons remain mixed.

Research horizon	3h
Net mean return	2.75%
Event t-stat	11.13
Date HAC t-stat	4.88
15m fill fraction	67.8%

1. The 2026 true-OOS net mean is 2.75% at the selected 15-minute entry window.
2. The result remains positive at two and three times the stated cost proxy.
3. The paired increment over the always-long benchmark is small, so the result is retained as secondary research.

Data and Research Setup

UNIVERSE

Non-sports Polymarket events with point-in-time completed-hour features and observable post-signal trades.

INPUTS

Historical probability, trade-flow, liquidity and event-state fields available before each signal timestamp.

CADENCE

Hourly event review with a three-hour exit horizon and explicit 5-, 15- and 60-minute entry windows.

COMPARISON BASIS

Monthly expanding walk-forward folds, event purging, a three-hour embargo, executable trade marks, cost stress and paired benchmark comparisons.

The source files were used for historical research extraction only. This note does not include current markets, contract lists or live recommendations.

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Signal Methodology

Without disclosing the exact functional, the construction proceeds along three conceptual steps.

1. **Event measurement.** Measures the probability, flow, liquidity and event-state configuration at each completed research hour.
2. **Signal ordering.** Orders event directions using monthly expanding out-of-fold estimates and a fixed confidence policy.
3. **Forward evaluation.** Evaluates the first observable post-signal trade through a three-hour exit under multiple entry windows and cost assumptions.

The description is intentionally conceptual. Formula details, exact construction rules and implementation parameters are not disclosed.

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Results and Execution Context

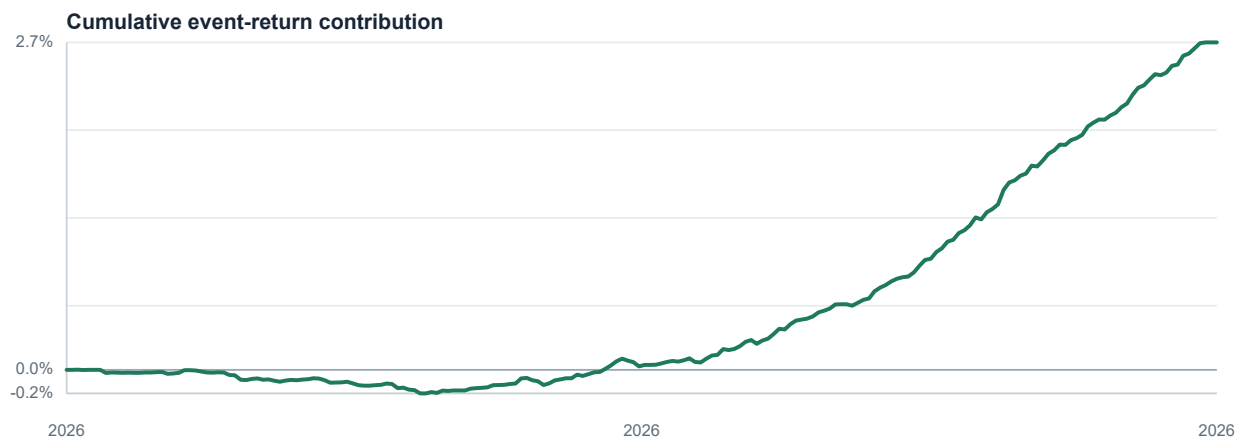


Figure 1. Cumulative contribution to the full-sample mean event return, with each event observation weighted equally. The series starts at zero and is a diagnostic decomposition, not a standalone portfolio NAV.

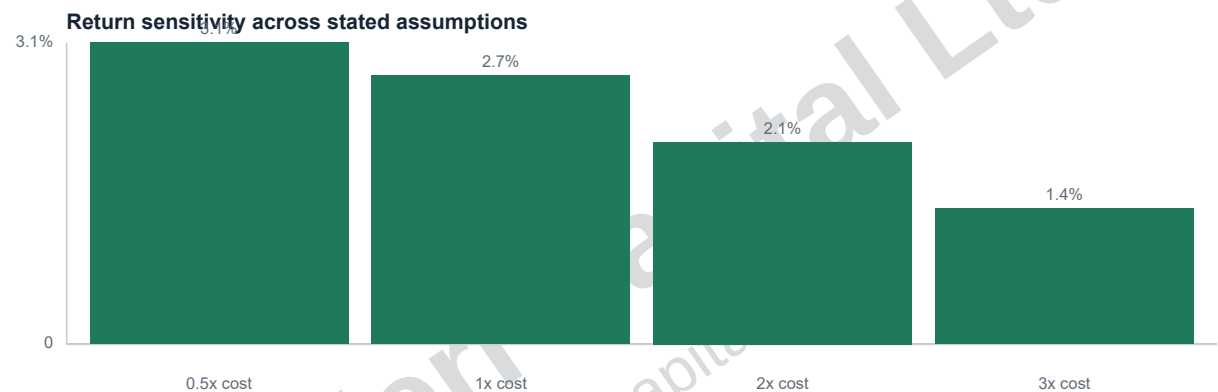


Figure 2. Mean event return across the stated cost or execution assumptions from the source validation run.

Assumption	Mean return	Event t-stat	Result
0.5x cost	3.09%	12.43	positive
1x cost	2.75%	11.13	positive
2x cost	2.07%	8.50	positive
3x cost	1.39%	5.85	positive

Stability and Robustness

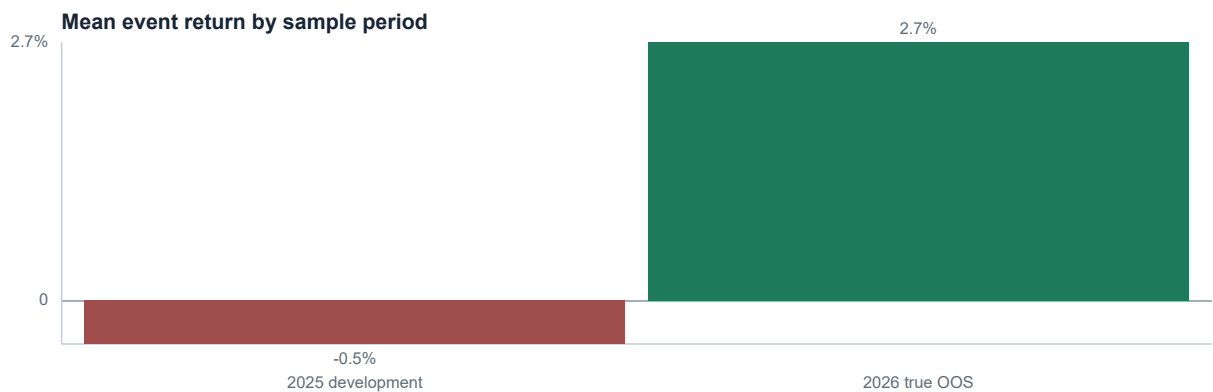


Figure 3. Mean event-return evidence across chronological research periods.

Chronological and source-level comparisons are shown as diagnostics. They do not convert the research result into a live implementation.

Evidence slice	Observations	Mean return	Event t-stat
Event-direction model	4,516	2.75%	11.13
Always-long benchmark	4,516	2.71%	11.06
Probability continuation	4,516	2.37%	9.84

Research Interpretation

ROLE IN RESEARCH LIBRARY

Secondary native prediction-market model inside the research library.

WHAT IT CAPTURES

Conditional event direction over a three-hour horizon after accounting for probability state, flow, liquidity and execution timing.

KNOWN LIMITATIONS

The 2025 development result is negative, the 2026 paired increment over always-long is not statistically distinct, and the first post-freeze forward window contains only one unfilled signal.

The evidence supports retaining the signal in the research library where it can be compared with related prediction-market components under the same assumptions.

Historical research output. Not investment advice. Not a live recommendation.

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