

# Swissnoise: Aggregating Opinions to Predict the Future

Semester or Master project

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## Description

We have developed a prediction platform called swissnoise (<http://go.swissnoise.ch>), which uses the wisdom of the crowds to predict outcomes of future events. One prediction technique is based on a prediction market. Users trade shares of the outcomes for an event with virtual money. The current market price of an outcome is interpreted as an estimate of the probability of the outcome.

For instance, the event “Will it snow during Christmas Eve?” has outcomes “yes” and “no”. If a user is confident that it will snow, he will buy shares of “yes”. If he changes his mind because he saw a new weather report, he can sell his shares of “yes”, and make a potential profit. The user gets \$10 per share if he has the correct outcome. The current market price of one share of a given outcome is interpreted as the predicted probability of that outcome.

The goal of this project is to implement a new prediction market algorithm, and study its performance.

## Tasks

1. implement a new prediction algorithm.
2. analyse and evaluate the prediction accuracy.