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An Influential Debate? Not if You Trust Prediction Markets

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Thursday night's Republican primary debate was watched by a record-shattering 24 million people, and some pundits lauded it as the "best, classiest debate ever." But for all the fireworks, nothing seems to have changed.

At least that's the message from political prediction markets, which remained largely unmoved by either the spectacle or the subsequent stream of spin, analysis and commentary.

According to David Rothschild, who runs the prediction market aggregator PredictWise.com, the top three candidates remain Jeb Bush, Marco Rubio and Scott Walker. Long odds are available for all the other candidates. No contender saw his or her odds move by more than four percentage points. Movements this small are sometimes not even meaningful, as they reflect the ebb and flow of money for or against a particular candidate.

Jeb Bush, whose lackluster performance has been dissected at length, was rated a 43 percent chance of winning the nomination in the minutes before the

debate, and he remains a dominant favorite with a 42 percent chance.

The prediction markets make Scott Walker the night's biggest loser; his chances were cut from 20 percent to 16 percent. Yet Marco Rubio's solid performance left his odds unchanged at 10 percent.

Donald Trump remains the No. 4 favorite. He began the night with a 9 percent chance, and his chances fell as low as 6 percent, before stabilizing at 8 percent. The debate didn't help him, but Megyn Kelly, the Fox moderator who asked him tough questions, appears not to have delivered a knockout blow.

John Kasich's relatively strong performance didn't surprise the markets, which had rated him the fifth-most likely nominee before the debate began, and that assessment remains unchanged.

To the extent that there was a winner, it was surely Carly Fiorina, whose performance on the undercard debate helped distinguish her from the other also-rans. Prediction markets have upgraded her odds of winning from less than 1 percent to 3 percent.

Although that's enough to put her on the map, she still remains a fringe candidate, and the latest odds only just put her in the top 10. Rand Paul's odds also improved slightly, but his price has been sufficiently volatile that I wouldn't read too much into it. Prediction market odds below 10 percent are often volatile and quite unreliable.

All told, the markets are telling us that not much has changed. Perhaps that's a rational reaction to a hard-fought draw, or if not a draw, to the absence of a clear Perry-esque "Oops!" moment. It is also possible that the debate may have shifted public opinion, but it is not yet clear for whom, or by how much. On this score, I think it's well worth watching Mr. Trump's polling numbers very closely in the next week or so for evidence of change.

But the more mundane reality may simply be that with so many more

months of campaigning ahead of us, and 10 more debates to go, last night was just one small piece in the larger puzzle of how this race will turn out. Pundits are prone to overreact, but markets move in more measured steps.

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