

Ich Bet Eich: May One Wager in Prediction Markets?

Adapted from the writings of Dayan Yitzhak Grossman

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Mishpacha Magazine reports:

An IDF reservist...held a golden opportunity—a chance to turn obligation, duty, and danger into profit...

The app open on his phone was Polymarket, a decentralized prediction platform where the world's most cynical and most certain gather to trade on the future. And he had just seen military orders indicating that an unlikely attack had been set in motion.

The app screen asked a simple question: "Will Israel launch an attack on Iran before the end of the month?" The "yes" button offered speculators the chance to buy "shares," or contracts to get paid \$1 if the attack happened. Because popular sentiment on the market was that the attack wasn't likely to occur, the contracts were offered for just 15 cents each.

But this young man had just seen the mobilization orders, and he knew the attack was coming. He hit "buy," spending about \$30,000 on 200,000 shares...

Within a day, the planes rolled, bombs dropped, missiles flew...and his 200,000 shares each matured to a dollar's worth...

[The IDF reservist is] facing an indictment on charges of exploiting classified military information and risking operational security during wartime. This case, which was under gag order for months, has put a spotlight on the vulnerability of prediction markets to insider information, and to potential exploitation by hostile actors tracking patterns in real time.[1]

A sidebar to the article broaches several halachic problems with betting on prediction markets:

"This is classic gambling, just like betting on a horse," says Rav Chaim Meir Roth, *Rosh* Bais Din at Bais Din Maysharim in Lakewood, who says that a G-d-fearing person should steer clear of any involvement with prediction markets...

But while Rav Roth (with whom this author had the privilege of serving on Bais Din Maysharim) disapproves of betting on prediction markets, he does not flatly assert that it is prohibited—for, as we have previously discussed, the Gemara records an unresolved dispute about whether gambling constitutes theft. Although the Rambam, Shulchan Aruch, and other Sephardi *poskim* rule that it does and is unequivocally prohibited, Ashkenazi *Rishonim* rule leniently, and the Rama rules in accordance with their view.[2]

Mishpacha cites Lakewood *dayan* R' Avrohom Gutman as ruling that it is proper to consider the stringent view of the Rambam and many *Acharonim*. But as we noted two weeks ago, "there is a German tradition condoning—if sometimes grudgingly—gambling on Chanukah (and sometimes on certain other festive days) that extends back at least six centuries,"[3] about which

the Chasam Sofer wrote: "I therefore said that the Jewish people are *nevi'im*, and the early authorities established this minhag (to tolerate gambling)..."[4] Indeed, Mishpacha attributes a more lenient stance on prediction markets, based on the position of the Rama, to R' Yitzchak Berkovits.

We have also noted, however, that even according to the lenient position, games than involve skill are potentially more of a problem, because if players are relying on their skills, the agreements into which they enter may be void as *asmachta* (a conditional obligation to which the obligor does not really intend to commit himself).[5] The same would clearly apply to trading in prediction markets, where traders certainly rely on their skill. On the other hand, many authorities maintain that any type of transaction that is widespread and generally respected is not *asmachta*, due to minhag,[6] though some disagree.[7]

In addition to theft, the article discusses a second problem with gambling, and potentially with involvement in prediction markets:

Yirei Shamayim are instructed to be contributing members of society (*oseik beyishuvo shel olam*). One who derives his livelihood from frivolous, meaningless pursuits, such as empty betting, violates this rule and is even disqualified from being a witness. For Sephardim, this is a forbidden activity; for Ashkenazim, while recreational gambling is not forbidden, professional gambling is.

Rav Berkovits considers an interesting possibility: Since derivatives trading on stocks and commodities is widespread and not really any different than prediction trading, could that become *yishuvo shel olam*? He does not go so far as to allow it based on that reasoning, and he cautions against the "psychological games" and the addictive nature of speculating in both stocks and predictions.

Mishpacha does not clearly explain Rav Berkovits's basis for considering prediction trading to be *oseik beyishuvo shel olam*. This author has long been fascinated by the question of which types of financial activity and speculation fall within that category and which do not. I have come across very little on the topic; one remarkable passage that I have encountered is by R' Eliyahu Klatzkin, who is not directly discussing Chazal's condemnation of someone who is not *oseik beyishuvo shel olam* but rather the position of the Me'il Tzedakah that there is no mitzvah for someone to move to Eretz Yisrael if in *chutz la'aretz* he is able to support himself by the labor of his hands[8] but in Eretz Yisrael he will have to live on tzedakah:[9]

It would seem that this (the position of the Me'il Tzedakah) applies where he supports himself through endeavors that are beneficial to *yishuv ha'olam*, or he supervises or directs and hires laborers who are engaged in *yishuvo shel olam*, and "the hand of a laborer is like the hand of the employer.[10]...Unlike where they are not engaged in *yishuvo shel olam* but in [unproductive activity such as] the business of securities (*eisek hashtaros*), where the price rises and falls. This is analogous to gambling, and through it the reputation of Yisrael is disgraced, and it is only the fact that poverty degrades a person and

causes him to act against his own will and the will of his Maker[11]
that compels him to engage in these affairs...[12]

In other words, Rav Klatzkin maintains that the value of supporting oneself by the labor of his hands applies only to honorable labor—whether performing it or managing it—but not to securities trading and speculation, which he does not consider beneficial to *yishuv ha'olam*.

In the following article we shall *iy"H* consider the legitimacy of trading in prediction markets on the basis of nonpublic information.

[1]Yitzchok Landa, *Trading On Tomorrow*, *Mishpacha Magazine* Issue 1102, 15 Adar 5786/Mar. 4, 2026, pp. 100-102.

[2]*Game Oiver: May One Bet on Games of Chance or Skill?* Feb. 8, 2024.

[3]*Bet Din: Gambling in Halacha*. Mar. 12, 2026.

[4]Igros Sofrim, *Kisvei Rabeinu Moshe Sofer, siman 3*.

[5]*Game Oiver* *ibid*.

[6]Shu"t Chasam Sofer *siman 66* end of *os 2* s.v. *Ums"h ma' alaso*, cited in *Pis'chei Teshuvah C.M. siman 200 s.k. 2*; *Tiferes Yosef (Rav Meisels) C.M. siman 20*, cited in *Divrei Geonim klal 24 os 15*; Shu"t Maharash Engel *cheilek 1 siman 12* s.v. *Ach be'emes yafeh kasav*; Shu"t Minchas Yitzchak *cheilek 6 siman 170* end of *os 20* s.v. *Veyeish ladun od*; *Piskei Din Shel Batei Hadin Harabani'im BeYisrael kerech 5* p. 265 (R' Yosef Shalom Elyashiv) and p. 270 (R' Ovadia Hadaya); *Shimru Mishpat cheilek 1 siman 30 os 3* p. 112.

[7]Shu"t Tshuras Shai *kama siman 208* s.v. *Va'adayin; siman 456* s.v. *Ve'efshar; siman 413* s.v. *Vegam*. But in his *Erech Shai (C.M. siman 207 se'if 15* s.v. *Haga"h*, and see also the beginning of *siman 201*), he accepts the view of the Chasam Sofer. Cf. *Piskei Din* *ibid.* pp. 267-69 (R' Betzalel Zolty); *Eimek Hamishpat: Dinei Chozim Veheskeimim siman 31 os 19* pp. 260-61; and the very erudite discussions in *Piskei Din kerech 14* pp. 36-41 and *Shu"t Meishiv Mishpat (Rav Toledano) siman 14* pp. 111-113.

This author has long argued that the Rashbash (*Tikun Sofrim sha'ar 22* s.v. *Ve'asmachta*) implies that minhag does not cure the problem of *asmachta*.

[8]See *Tehillim 128:2*.

[9]Shu"t Me'il Tzedakah end of *siman 26*. We have previously cited this *teshuvah* in *Living off the Land: May One Reside Outside Eretz Yisrael? Part II*. Aug. 11, 2022.

[10]See *Bava Metzia 10a*.

[11]*Eiruvim 41b*.

[12]*Dvar Halacha (Rav Klatzkin: Lublin 5681) siman 38* p. 54.