

## The Tip Sheet

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### Election Fever

Dublin-based Intrade (intrade.com), the online prediction market that not only forecast President Bush's reelection in 2004 but called all 50 states correctly, is seeing a tremendous uptick in betting activity as the 2008 election draws closer; wagering as of this summer was up 600 percent compared to the months before the '04 election. These binary contracts are by far the best way to play this race (also see "Playing Politics,"). Anyone who bet on Barack Obama back in late 2007, when the Intrade market gave the Illinois Senator a 5.8 percent chance of winning the general election, watched the value of that bet increase 798 percent by the end of August, when the odds of an Obama victory hit 52 percent. If you support him, that should make you happy; if you like McCain, vote with your wallet.

### Fast Money

Options traders need up-to-the-second price information. An increasingly popular software product purports to be the market equivalent of lightning in a bottle. Recently infused with capital from Goldman Sachs and Susquehanna, three-year-old Derivix (derivix.com) has a front-end system that provides its customers real-time options pricing, as well as broker-neutral access to execution providers. The biggest players in the derivatives game (such as Goldman and Susquehanna) spend millions developing this kind of technology just so they can crush you. Maybe this is their way of giving back.

### Expert Market

KnowledgeBid (knowledgebid.com) was founded in spring 2007 by Rob Webb, a former product manager at online ad firm ClickShift, who envisioned developing a platform that enables portfolio managers and analysts to compete for industry experts' time. Experts, meanwhile, could offer their services to the highest bidder. After 18 months, the company's network now boasts thousands of "consultants." But unlike like the traditional players in this space -- Gerson Lehrman is the biggest -- KnowledgeBid charges per transaction, eschewing up-front fees. Remember, on Wall Street it's about who you know. So what if you have to pay them to be your friends?