

How Markets Repriced Event Risk

The H1 2026 chart pack, annotated for journalists

JULY 2026 · SIX CHARTS · DATA THROUGH JUNE 30, 2026

The events that increasingly drive portfolios – elections, geopolitics, the path of the Fed – have no quotable instrument. There is a futures curve for interest rates and a VIX for volatility; there is nothing comparable for a ceasefire, a redistricting ruling, or control of the House. Prediction markets price these events continuously. Belief Indices make that signal citable: rules-based indices of market-implied event probabilities, computed every 30 minutes, with a point-in-time archive that cannot be rebuilt after the fact.

This pack is a fixed retrospective of the first half of 2026: six charts showing how markets repriced conflict risk, monetary policy, and election expectations. Every annotation on every chart has been verified against contemporaneous reporting. Each page pairs one chart with two short sections – what the chart shows, and why it matters – written to be skimmed.

How to read the charts. Every series is rebased to 100 at the start of its window, so a line at 28 means expectations have fallen 72% since the window opened. All figures in this document are percentage changes; raw index levels never appear.

Free to reuse. Every chart carries its attribution line and is cleared for editorial use. The underlying point-in-time data is downloadable at beliefsystems.xyz/data. If you need a different window, series, or format on deadline, we will cut a custom chart – details on the last page.

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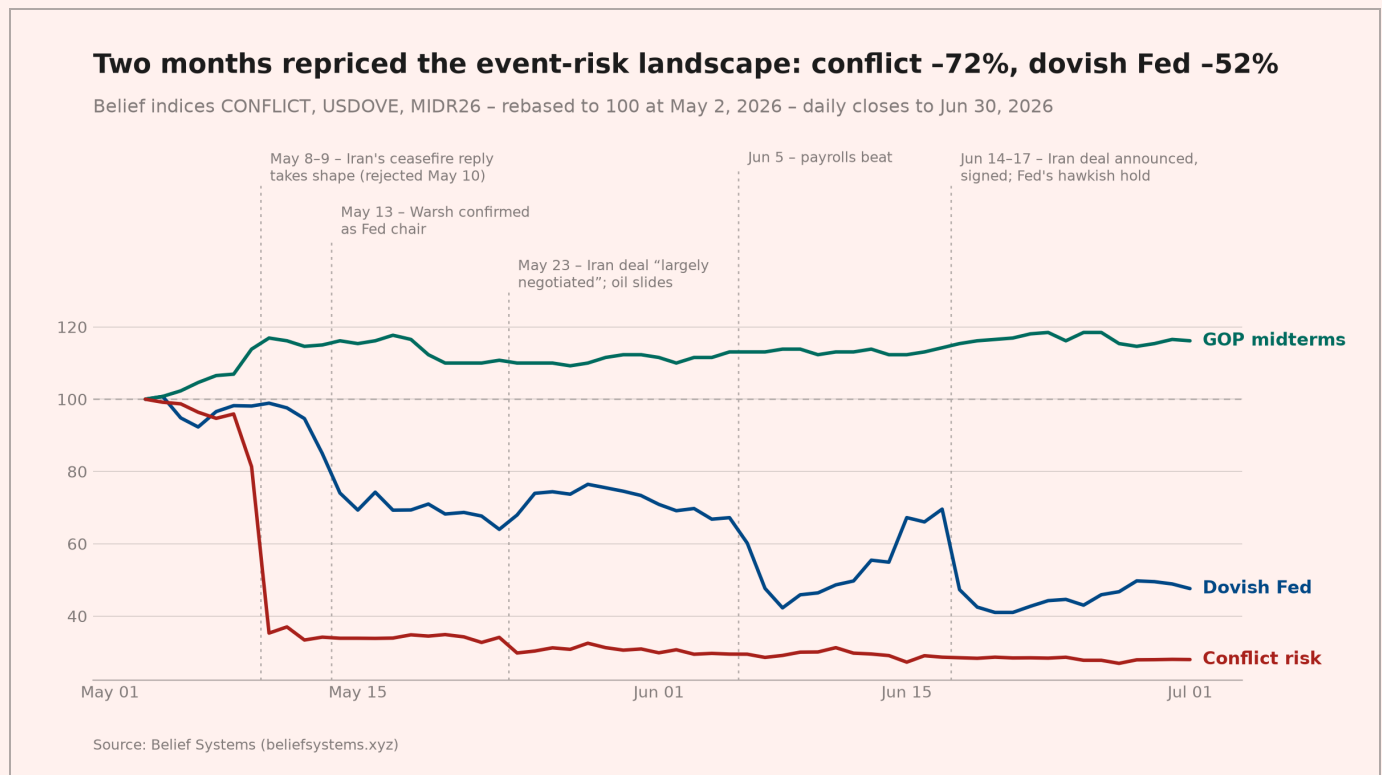
04 **The midterms** A round-trip driven by war news and redistricting rulings

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The Iran ceasefire repriced everything

FILE 01-event-risk-repriced-h1-2026.png



The story is the cliff on the left: on May 8–9, as Iran's ceasefire reply took shape, conflict risk collapsed 63% in two days. Everything after is the aftermath – running through the Fed outlook via oil and through Republican midterm expectations.

WHAT THIS CHART SHOWS

Three Belief Indices – conflict risk, dovish-Fed expectations, and Republican midterm expectations – over the same window, each starting at 100 on May 2. The move that matters comes first: the two-day conflict-risk collapse as the ceasefire reply took shape. It never recovered, ending the half **-72%** (-74% from the series' own April inception).

The other two lines trace the aftermath. Republican midterm expectations stepped up in that same week and held their gains (+16%; redistricting rulings share the credit – chart 04). The Fed line fell 52% on its own catalysts – the Warsh confirmation, a payrolls beat, the June hawkish hold – but two of its biggest single days came from the Iran arc itself: the oil slide when the deal was "largely negotiated" (May 23) and a +22% jump the day the accord was announced (Jun 14).

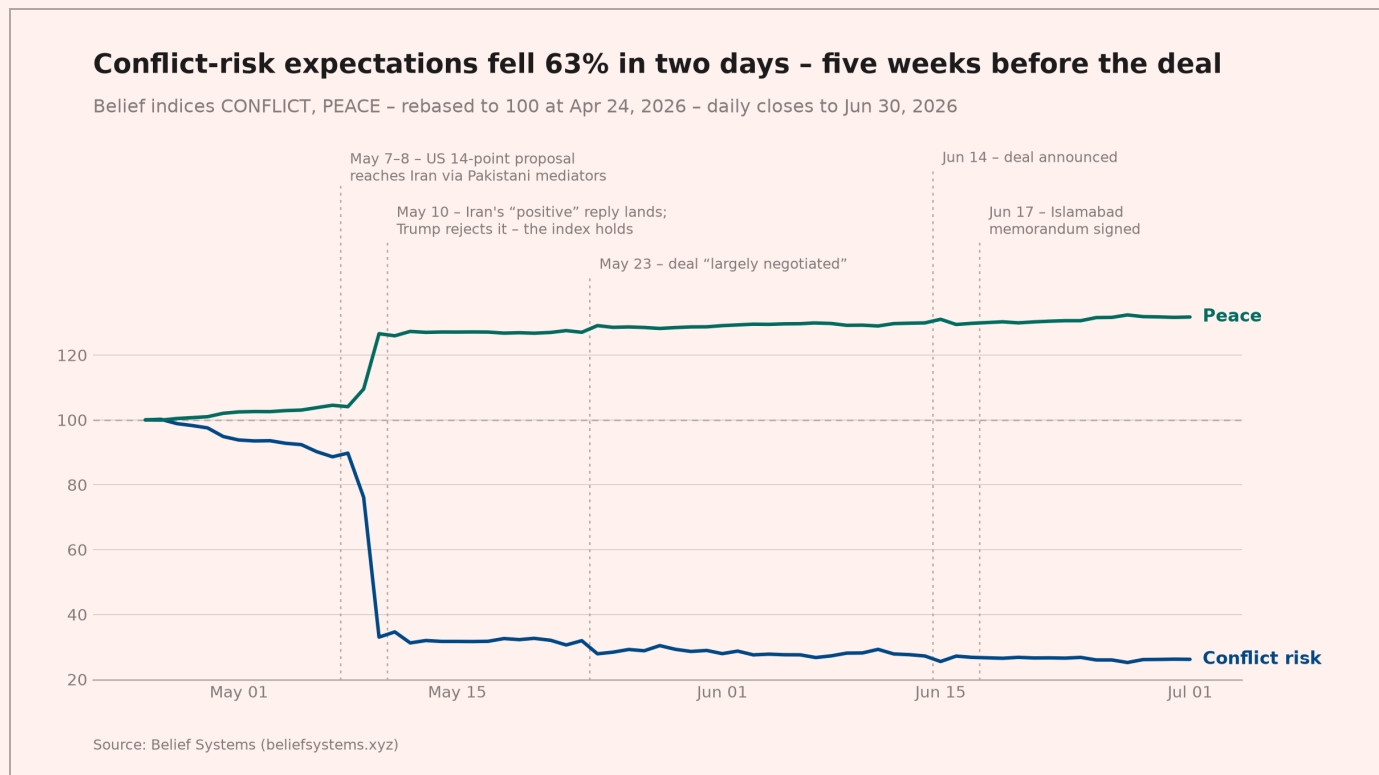
WHY IT MATTERS

This is the evidence for the story of H1: one geopolitical event repriced three markets at once. A piece arguing "the Iran ceasefire changed the landscape" usually rests on quotes and hindsight. This chart is the receipt: a dated, measured two-day collapse in conflict risk, followed by dated, measured aftershocks in the rate-path and election outlooks – each annotation a verified event.

And every number is checkable. Each line is a rules-based index over a themed basket of prediction markets, computed the same way every 30 minutes and archived as it happened – so "conflict risk fell 63% in two days" is a statistic that survives a fact-check, with the underlying data published alongside it.

Markets priced the Iran wind-down five weeks early

FILE 02-conflict-risk-deescalation.png



Conflict-risk expectations collapsed 63% in two days – May 8–9 – as Iran's ceasefire reply took shape. The deal was not signed until June 17. The market called the ending five weeks before the diplomats did.

WHAT THIS CHART SHOWS

The conflict-risk index (with a related peace-outcomes basket) through the wind-down of the 2026 Iran war. The decisive move is early: **–63% across May 8–9**, as Iran's reply to the US 14-point ceasefire proposal took shape. When the reply was publicly rejected on May 10, the index barely moved – and the accord announced June 14 and signed June 17 validated that read. Over the full window, conflict risk ended **–74%** and the peace basket **+32%**.

WHY IT MATTERS

The diplomatic record says the war ended June 17 in Islamabad. The market's record says the turn came on May 8–9. Expectations collapsed while the reply was still being publicly rejected, held through the rejection headlines, and were validated by the deal five weeks later. For any retrospective of how the war ended, that is the data point: the moment it actually turned, dated to the day, while officials were still saying no.

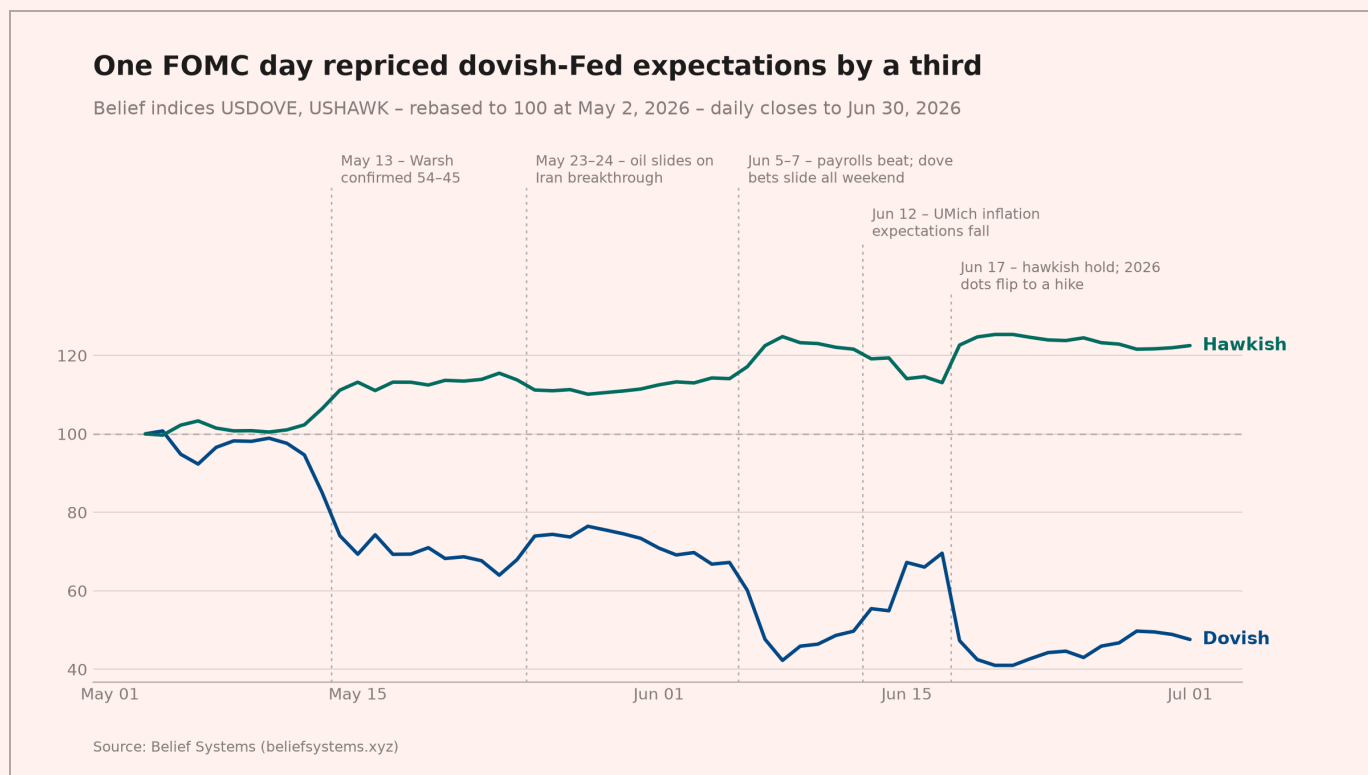
And it is evidence no after-the-fact commentary can supply – the repricing was recorded and timestamped as it happened, before the outcome was known.

POSTSCRIPT – AFTER THIS CHART'S WINDOW

The June 17 accord did not hold: the ceasefire was declared over on July 8–9, after this pack's June 30 cutoff, and conflict-risk expectations have since repriced roughly +11% off their June 30 close – still about 70% below April. The story did not end, and the index keeps scoring it. That live repricing is the strongest argument for a continuous benchmark.

One FOMC day repriced dovish expectations by a third

FILE 03-monetary-policy-hawkish-turn.png



The June 17 "hawkish hold" – no move, but 2026 dots flipping toward a hike – cut dovish-Fed expectations 32% in a single day, capping a 52% slide that began with Kevin Warsh's confirmation.

WHAT THIS CHART SHOWS

Dovish-Fed versus hawkish-Fed expectations across the Fed chair transition, built from rate-path prediction markets. The slide starts with the Senate confirming Warsh (May 13, dove index –23% over two days), whips around on oil, payrolls, and inflation-expectations data through June, then breaks on the **June 17 FOMC: –32% in one day** as the dot plot flipped to imply a 2026 hike. From inception to June 30, dovish expectations fell –52%. The two series launched as complements – they are one signal expressed two ways, not two findings.

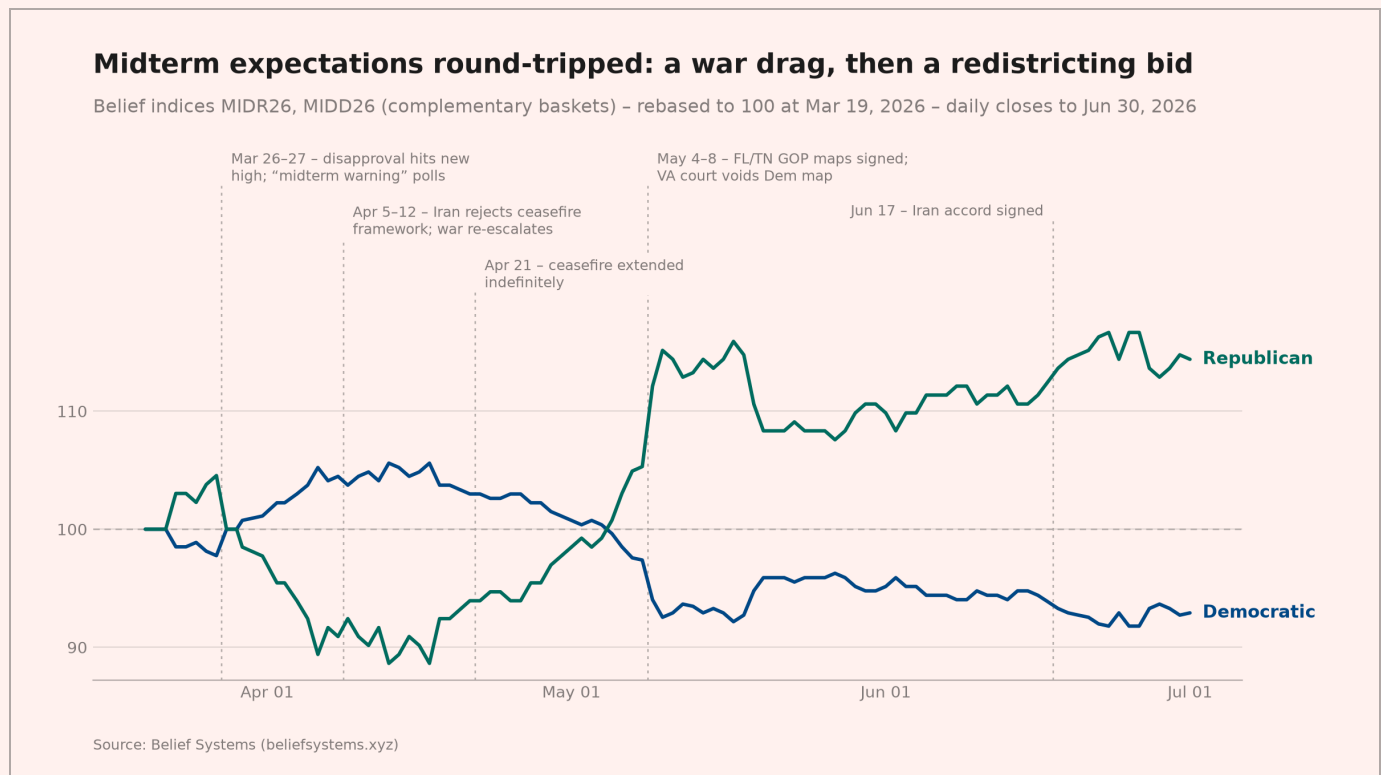
WHY IT MATTERS

It puts a number on how surprising the Fed actually was. Fed commentary is abundant; a measured, market-implied "how much did expectations move, and on which day" is not. A one-day, one-third repricing is a precise, citable measure of a genuine policy shock – bigger than the reaction to the chair change itself.

There is a second data point inside the wiggle: dovish expectations rallied 31% off their June low straight through a three-year-high CPI print, because sliding oil (the Iran deal's dividend) and falling inflation expectations outweighed it. Kevin Warsh's own confirmation moved expectations –23%; his first FOMC moved them –32% – by the market's measure, the dots were a bigger shock than the chair.

The midterm round-trip: war drag, redistricting rebound

FILE 04-midterm-expectations-roundtrip.png



Republican midterm expectations fell 13% into April's war escalation, then recovered and jumped 9% in a single redistricting week to finish H1 at +14%. Every leg traces to dated, verifiable events.

WHAT THIS CHART SHOWS

Republican and Democratic midterm expectations – each an equal-weight bundle of the four House and Senate control markets. The Republican series fell 13% from its late-March high as the Iran war re-escalated in April, recovered with the ceasefire extension, then jumped ~9% in the May 4–8 redistricting week: new maps signed in Florida and Tennessee, and Virginia's supreme court striking down a Democratic redistricting amendment. H1 close: Republicans **+14%**, Democrats **–7%**. The two series are exact complements by construction – one signal viewed from both sides; the asymmetric percentages are base-level arithmetic, not independent findings.

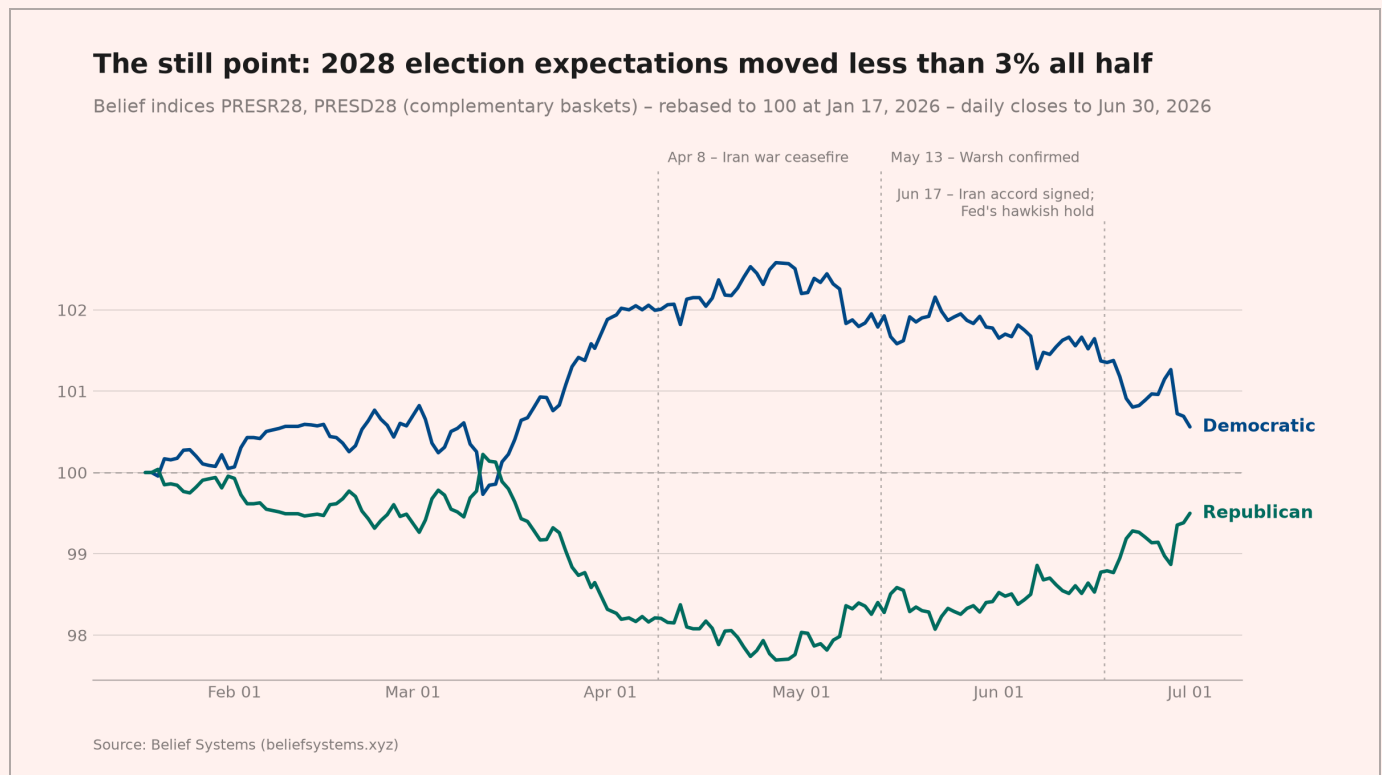
WHY IT MATTERS

Two forces moved midterm expectations this half, and both are datable. A foreign war dragged Republican expectations down 13% in April – foreign policy bleeding into a domestic race, in measured form. Then a single week of redistricting news moved them up 9% – the map-drawing arms race showing up directly in priced expectations, court ruling by court ruling. “Redistricting week moved Republican midterm expectations 9%” is a sentence no poll can produce.

Election coverage this fall will lean on “what do the markets say” – usually via a hand-picked contract chosen to fit the story. This series is the alternative: all four control markets, one method, an audit trail back to March.

The still point: 2028 expectations barely moved

FILE 05-2028-race-the-still-point.png



Through a war, a ceasefire, a new Fed chair, and a hawkish shock, 2028 presidential expectations never strayed more than 3% from base. The largest daily move all half was 0.5%. The flatness is the finding.

WHAT THIS CHART SHOWS

Democratic and Republican 2028 presidential expectations – 17 live candidate and party markets per basket, exact complements – over the longest window in the pack, January 17 to June 30. The same shocks that moved every other theme are marked on the canvas; neither line reacts. Both series closed H1 within $\pm 1\%$ of base (D +0.6%, R – 0.5%). The y-axis spans about five points and is labeled – the flatness is real, not a scale trick.

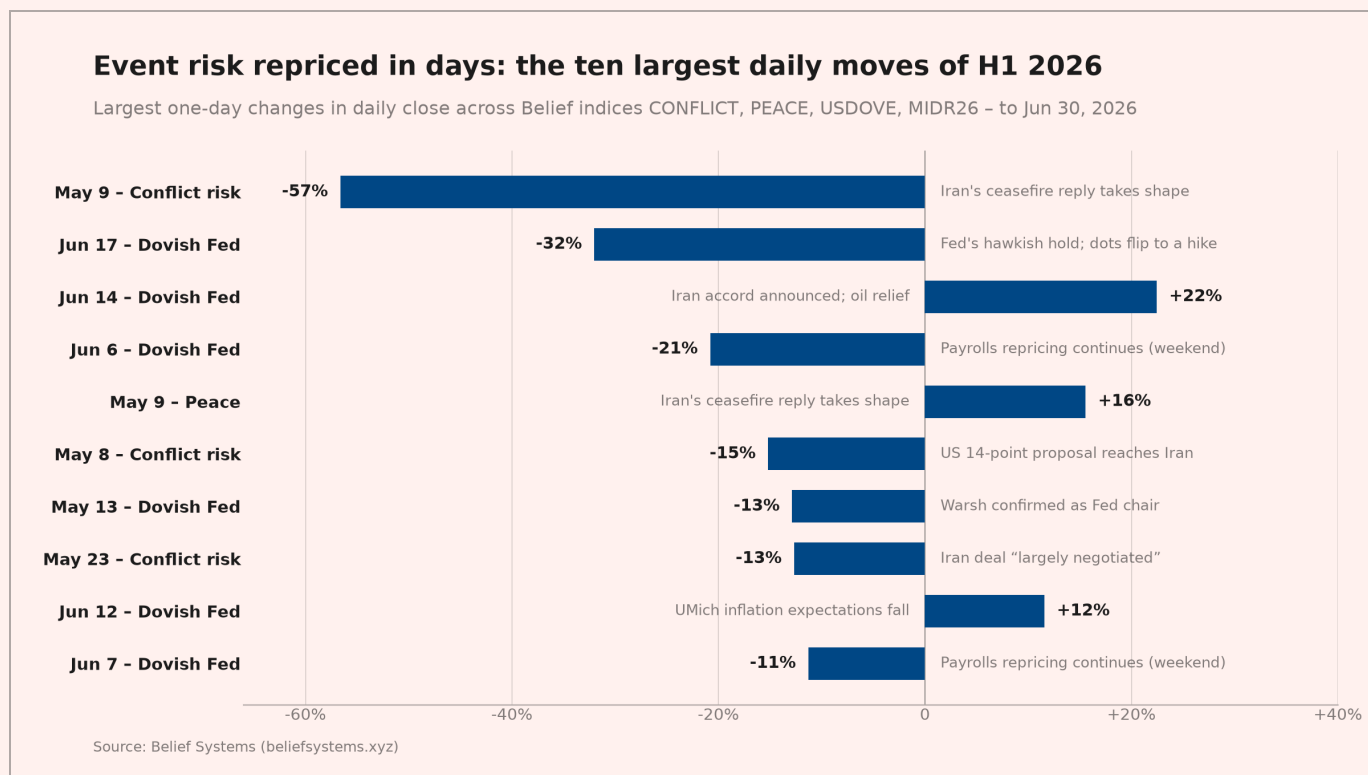
WHY IT MATTERS

For every "does this change 2028" take written this half, the market's answer was no. A war, a ceasefire, a new Fed chair, a hawkish shock – the priced 2028 field absorbed all of it without moving. That is a usable counterweight for early-cycle speculation pieces: whatever a given week's news did to the midterms or the Fed outlook, markets judged that none of it reached the presidential race.

The flatness also answers the standing objection that these markets are noise machines overreacting to headlines: the same ecosystem that repriced conflict risk 63% in two days read the same headlines and left 2028 alone. The quiet chart is what makes the loud ones credible.

Every major move traces to a nameable catalyst

FILE 06-ten-largest-repricings.png



The ten largest one-day repricings of H1 2026, ranked – every one tied to a dated catalyst from the Iran wind-down or the Fed's hawkish turn. Event risk repriced in days, not quarters.

WHAT THIS CHART SHOWS

The ten largest daily-close changes across the conflict, peace, dovish-Fed and Republican-midterm indices (mirror-image complement series excluded, so the same signal is never counted twice). Selection is purely data-driven: the moves picked the events, not the other way around. Five bars trace to the Iran arc – the ceasefire reply, the US proposal, the "largely negotiated" headline, the accord itself – and five to the Fed repricing, from the Warsh confirmation to the June hawkish hold.

WHY IT MATTERS

This is a ranked list of what actually moved expectations in H1 – not what got the loudest coverage. By the market's measure, the two stories of the half were the Iran wind-down and the Fed's hawkish turn, and the table sizes them against each other: only one day all half outranked the June FOMC, and it was the ceasefire. Each bar is a ready-made lede – "the day the Fed held hawkish, markets cut dovish expectations 32%" – ranked by size, with the date attached.

None of the ten is unexplained. Every move traces to a verified, same-day catalyst (checked against contemporaneous reporting), and where there was no discrete catalyst – the weekend payrolls bars – the label says so instead of inventing one. If these series were noise, the biggest moves would be random; instead they read as a timeline of the half's news.

Using these charts

REUSE AND ATTRIBUTION

All charts in this pack are cleared for editorial use under the dataset's CC BY-NC 4.0 license with editorial grant (full terms at beliefsystems.xyz/data). The attribution line is baked into every image: **Source: Belief Systems (beliefsystems.xyz)**. The underlying point-in-time data – levels, compositions, weights, methodology, data dictionary – is downloadable from the same page.

CANONICAL CITATION NUMBERS

If you quote one number per theme, use these – each measured from the series' own inception through June 30, 2026:

THEME (INDEX)	H1 2026 CHANGE	WINDOW
Conflict risk (CONFLICT)	–74%	Apr 24 – Jun 30
Dovish-Fed expectations (USDOME)	–52%	May 2 – Jun 30
Republican midterm expectations (MIDR26)	+14%	Mar 19 – Jun 30
Democratic midterm expectations (MIDD26)	–7%	Mar 19 – Jun 30
2028 presidential expectations (PRES28 / PRESR28)	+0.6% / –0.5%	Jan 17 – Jun 30

Chart 01 uses a common May 2 window across its three series, where conflict risk reads –72%; if both figures appear in one piece, say “–74% from inception (–72% over the common window shown).”

NOTES FOR ACCURATE USE

Complement pairs are one signal. The midterm pair and the 2028 pair are exact complements (their raw levels sum to one); quote either side, but never both halves' percentage changes as independent findings. **The Iran postscript is part of the story:** the June 17 accord did not hold – the ceasefire was declared over July 8–9, after this pack's window – so no piece should present the wind-down as a settled ending (see chart 02). **All figures are percentage changes** in rebased index levels; raw levels are not meaningful outside the methodology and are never quoted.

ON DEADLINE

If your story needs a different window, a different series, an annotation set, or a specific format, we will cut a custom chart on deadline. Requests via beliefsystems.xyz/access (select press / media) – methodology, series reference, and the full point-in-time archive are at beliefsystems.xyz/data.

BELIEF SYSTEMS

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