UDX

UDXMLBGAMEWINSWP

Official Product Name: Will MLB <team> win MLB <game> without its win probability falling below <threshold>?

Scope: These terms govern the trading of the Major League Baseball (“MLB”) Win Probability Event Contract (the “Contract”), a type of “Event Contract” listed by the Exchange.

Underlying: The Underlying for this Contract has two components: (i) the official outcome of <game>, specifically whether <team> scored more runs than its opposing team in <game>, as reflected in the first official final result and/or official box score published by Major League Baseball; and (ii) the Reference Win Probability for <team>, as derived from the values published by Kalshi for <oracle market>. Revisions to either component made after Expiration will not be accounted for in determining the Expiration Value.

Source Agency: This Contract has two settlement conditions, and a separate Source Agency applies to each. For the game outcome condition, the Source Agencies are, in hierarchical order, Major League Baseball, ESPN, CBS Sports, Fox Sports, the Associated Press, The Wall Street Journal, and the official broadcaster of <game>, applied in that order. For the win probability condition, the sole Source Agency is Kalshi, a designated contract market registered with the Commission, and specifically the “mean_dollars” value published by Kalshi for <oracle market> through Kalshi’s public market candlestick application programming interface. For the avoidance of doubt, no source other than Major League Baseball and the secondary sources listed above may determine the game outcome condition, and no source other than Kalshi may determine the win probability condition, except as expressly provided under “Data Interruptions” below.

Type: The Type of Contract is a swap.

Issuance: The Contract is based on the outcome of a recurrent sporting event. Accordingly, Contract iterations will be issued on a recurring basis, and future Contract iterations will generally correspond to subsequent scheduled <game> or similar games within the same league or season as specified by the Exchange.

<team>: <team> refers to an entity participating in <game>, specified by the Exchange. <team> shall be a Major League Baseball team; teams of any other league, association, or level of competition are not eligible under this Contract. <team> may refer to a singular team, multiple teams using AND/OR logic, a team within a set of teams, or teams defined by distinguishing characteristics (e.g., "any AL team," "the home team," "teams with winning records"). <team> may also take the values "Any" or "None." The Exchange may list iterations of the Contract corresponding to variations of <team>. If a team name changes, relocates, or undergoes organizational restructuring while maintaining substantial continuity, <team> shall track the successor entity. This will be announced by the Exchange in the event it is relevant.

<game>: <game> refers to a specific Major League Baseball contest or set of contests specified by the Exchange. This may be defined by exact matchup (e.g., "Milwaukee Brewers vs. Chicago Cubs"), date and time, location or venue, playoff round or tournament stage (e.g., "2025 World Series Game 3," "NLCS Game 5"), game number within a doubleheader (e.g., "Game 1" or "Game 2"), or other distinguishing information. <game> shall refer only to games sanctioned by Major League Baseball; games of any other league, association, or organized baseball competition are not eligible under this Contract. <game> may refer to a singular game, multiple games (even if non-consecutive), an element in a set of games, or games defined by distinguishing characteristics (e.g., "any playoff game," "all games on March 3, 2025," "home games"). <game> may also be used to refer to the overarching tournament as a whole (e.g. "The World Series"). <game> may also take the values "Any" or "None." The Exchange may list iterations of the Contract corresponding to variations of <game>. The Contract has not been endorsed by any league or association as of self-certification. The use of any names of leagues or associations does not indicate an endorsement of this product.

<threshold>: <threshold> refers to the win probability floor specified for the Contract, expressed as a percentage (e.g., 20%). The Exchange may list iterations of the Contract corresponding to variations of <threshold>. A <threshold> is specified in whole or half percentage points and may not be less than 1% or greater than 99%.

<oracle market>: <oracle market> refers to the Kalshi market ticker, specified by the Exchange, for the Kalshi market that resolves to whether <team> wins <game>. The Exchange will specify and publish the <oracle market> ticker for each listed iteration of the Contract at the time that iteration is issued, and the <oracle market> for an issued Contract does not change thereafter. Kalshi is not affiliated with the Exchange and has not endorsed, sponsored, or otherwise participated in the Contract or in the selection of <oracle market>; the use of the name Kalshi does not indicate any endorsement of this product.

<minutes>: <minutes> refers to the number of consecutive one-minute periods used to calculate the Reference Win Probability, specified by the Exchange. <minutes> is a whole number of not less than one and not more than ten. The Exchange will specify and publish <minutes> for each listed iteration of the Contract at the time that iteration is issued, and <minutes> for an issued Contract does not change thereafter.

Reference Win Probability: The “Reference Win Probability” is the measure of <team>’s win probability used by this Contract. It is calculated as follows, and only as follows:

- Kalshi publishes, for each one-minute period in <oracle market>, a value called “mean_dollars.” That value is the average price of all trades in <oracle market> during that one-minute period, weighted by the number of contracts traded (a volume-weighted average price), expressed in dollars from $0.000 to $1.000.

- The Reference Win Probability is calculated on a rolling basis, once for each one-minute period. At the close of each one-minute period, the "Rolling Window" consists of that one-minute period together with the <minutes> minus one one-minute periods immediately preceding it. Each successive Rolling Window therefore adds the most recent one-minute period and drops the oldest one.
- For each Rolling Window, the Reference Win Probability is the simple average of the "mean_dollars" values of the one-minute periods in that Rolling Window. That is: those values are added together and the sum is divided by <minutes>. It is not a volume-weighted average across the Rolling Window, and a one-minute period with more trading is given no more weight than a one-minute period with less trading.
- By way of illustration of the rolling calculation, if <minutes> is three, the Rolling Window closing at 1:02 p.m. Eastern Time consists of the one-minute periods beginning at 1:00 p.m., 1:01 p.m. and 1:02 p.m. Eastern Time; the next Rolling Window, closing at 1:03 p.m. Eastern Time, consists of the one-minute periods beginning at 1:01 p.m., 1:02 p.m. and 1:03 p.m. Eastern Time.
- A dollar value is converted to a percentage by multiplying it by 100. For example, $0.210 is 21.0%. The Reference Win Probability is calculated to four decimal places of a dollar (equivalent to one one-hundredth of one percentage point) and is not otherwise rounded.
- If Kalshi publishes no "mean_dollars" value for a one-minute period because no trades occurred in <oracle market> during that period, the most recently published value is carried forward and used as that period's value. No Knockout may occur on a Rolling Window whose most recent one-minute period is a carried-forward value.
- No Knockout may occur until "mean_dollars" values are available for a full Rolling Window of <minutes> one-minute periods following the Measurement Start Time.
- The final Rolling Window is the last Rolling Window closing at or before the end of <game>. Values published after the end of <game> are disregarded, and no Rolling Window closing after the end of <game> is evaluated.

Measurement Start Time: The "Measurement Start Time" is the close of the one-minute period during which the first official statistic of <game> is assessed, as reflected in the official box score and/or play-by-play published by Major League Baseball for <game>, and that occurs after the issuance of the Contract. No Knockout may occur before the Measurement Start Time, and no Rolling Window closing before the Measurement Start Time is evaluated for a Knockout. If no official statistic of <game> is ever assessed after the issuance of the Contract, no Knockout may occur and the Contract will be resolved solely on the basis of Condition 1 (game outcome).

Knockout: A "Knockout" occurs if, for any Rolling Window, the Reference Win Probability is strictly less than <threshold>. If the Reference Win Probability is exactly equal to <threshold>, a Knockout does not occur. A Knockout is evaluated at the close of each one-minute period, beginning at the Measurement Start Time and continuing through the end of <game>, including any extra innings. Upon a Knockout, the Contract resolves to "No" immediately, and expiration is moved to an earlier date and time as determined by the Exchange, without regard to the subsequent outcome of <game>.

Worked example. The following example illustrates the calculation and is provided for clarity:

- A Participant holds a Contract with a <threshold> of 20% and <minutes> of five. Kalshi publishes the following one-minute "mean_dollars" values: $0.240 at 1:05 p.m., $0.230 at 1:06 p.m., $0.190 at 1:07 p.m., $0.180 at 1:08 p.m. and $0.210 at 1:09 p.m. Eastern Time.
- The Rolling Window closing at 1:09 p.m. consists of those five one-minute periods. The Reference Win Probability is ($0.240 + $0.230 + $0.190 + $0.180 + $0.210) ÷ 5 = $0.210, which is 21.0%. Because 21.0% is not less than 20%, no Knockout occurs — even though two of the five one-minute values were themselves below 20%.
- Kalshi then publishes $0.150 at 1:10 p.m. Eastern Time. The Rolling Window closing at 1:10 p.m. drops the 1:05 p.m. value and adds the 1:10 p.m. value, so it consists of $0.230, $0.190, $0.180, $0.210 and $0.150. The Reference Win Probability is ($0.230 + $0.190 + $0.180 + $0.210 + $0.150) ÷ 5 = $0.192, which is 19.2%. Because 19.2% is less than 20%, a Knockout occurs and the Contract resolves to "No" at that time, even if <team> goes on to win <game>.

Trading and Settlement: During the Event Contract trading hours, Participants are able to adjust their positions and trade freely. After trading of the Event Contract has closed, UDX will determine the Expiration Value and whether the Payment Criteria encompasses the Expiration Value (i.e., whether the outcome is "Yes" or "No"). The market is then settled by UDX, and either the long position holders or the short position holders are paid the Settlement Value. In this case, "long position holders" refers to Participants who purchased the "Yes" side of the Event Contract, and "short position holders" refers to Participants who purchased the "No" side of the Event Contract. If the Expiration Value is "Yes," then the long position holders are paid an absolute amount proportional to the size of their position and the short position holders receive no payment. If the Expiration Value is "No," then the short position holders are paid an absolute amount proportional to the size of their position and the long position holders receive no payment. Specification of the circumstances that would trigger an Expiration Value of "Yes" is included below in the section titled "Payment Criterion". The Expiration Date of the Contract is designed to account for multiple possible contingencies regarding the timing of the determination of the event.

Payment Criterion: The Payment Criterion for the Contract encompasses the Expiration Value where both of the following conditions are satisfied:

- Condition 1 (game outcome): <team> is the winner of <game>, meaning <team> scored more runs (a strictly greater number) than its opponent in <game>, including any extra innings. A tie is not a win, and a tie resolves the Contract to "No."

- Condition 2 (win probability floor): No Knockout occurred at any time from the Measurement Start Time through the end of <game>.
- If either condition is not satisfied, the Contract resolves to “No.” Both conditions must be satisfied for the Contract to resolve to “Yes.”
- If <game> is shortened, called, or otherwise ended before the regulation number of innings has been played (e.g., due to weather, curfew, or a mercy rule), and Major League Baseball declares the game official and records a winner, Condition 1 will be determined by that official result, and no Rolling Window closing after the end of play will be evaluated for a Knockout.
- If <game> is abandoned, cancelled, or suspended and is not resumed within 48 hours of its originally scheduled start time, the Contract will resolve based on the last fair market price as determined by the Exchange, unless a Knockout occurred beforehand, in which case the Contract remains resolved to “No.”
- If <game> is suspended during play and resumed within 48 hours of its originally scheduled start time, the Contract will remain open, no Rolling Window that includes any one-minute period occurring while play is suspended will be evaluated for a Knockout, and evaluation will resume when play resumes.
- If <game> is postponed from its originally scheduled date but is rescheduled and commences within 48 hours of its originally scheduled start time, the Contract will remain open and evaluation of a Knockout will apply to the rescheduled game. If <game> does not commence within that 48-hour period, the Contract will resolve based on the last fair market price as determined by the Exchange, unless a Knockout occurred beforehand, in which case the Contract remains resolved to “No.”
- If a team forfeits <game> before the first pitch, the Contract will resolve based on the last fair market price as determined by the Exchange, unless a Knockout occurred beforehand, in which case the Contract remains resolved to “No.” If <team> forfeits <game> after the first pitch, the Contract will resolve to “No.”
- If the venue of <game> is changed but the designated home and away teams remain the same and the game commences within 48 hours of its originally scheduled start time, the Contract will remain open. If the home and away designations are reversed, or if the game does not commence within 48 hours of its originally scheduled start time, the Contract will resolve based on the last fair market price as determined by the Exchange, unless a Knockout occurred beforehand, in which case the Contract remains resolved to “No.”
- A Knockout that has occurred and been determined by the Exchange is final and is not reversed by any subsequent event, including any postponement, suspension, cancellation, forfeit, venue change, or revision to the data published for <oracle market>.

Data Interruptions: The following rules apply if Kalshi does not publish “mean_dollars” values for <oracle market> when expected:

- During any interruption, the most recently published value is carried forward, and no Knockout may be recorded on the basis of a Rolling Window whose most recent one-minute period is a carried-forward value.
- If the interruption lasts ten minutes or less, no Rolling Window that includes any one-minute period occurring during the interruption is evaluated for a Knockout. Evaluation resumes with the first Rolling Window consisting entirely of one-minute periods for which values were published after the interruption ended.
- If the interruption lasts more than ten minutes, no Knockout may occur for the remainder of <game>, and the Contract will be resolved solely on the basis of Condition 1 (game outcome). Stated plainly, the Contract becomes an ordinary contract on whether <team> wins <game>.
- A Knockout that occurred and was determined before an interruption began is not reversed by that interruption.

Minimum Tick: The Minimum Tick for the Event Contract shall be $0.001.

Position Limits: The Position Limit for the Event Contract is 2,500,000 Contracts for Participants. The Position Limit for Market Makers is 25,000,000 Contracts.

Last Trading Date: The Last Trading Date of the Contract is the date on which <game> is scheduled to commence, and the Last Trading Time is the scheduled commencement time of <game>. Contracts are issued and traded prior to the commencement of <game>; a Contract that remains outstanding at the commencement of <game> continues to be evaluated for a Knockout and settled in accordance with the Payment Criterion.

Settlement Date: The Settlement Date is the date on which money is paid to the account of a Participant in whose favor the contract settled pursuant to an Event Contract held until Expiration, and on which money is paid from the account of a Participant who is obligated to pay money pursuant to an Event Contract held until Expiration. The Settlement Date of the Contract shall be no later than the day after the Expiration Date.

Expiration Date: The latest Expiration Date of the Contract shall be three days after the originally scheduled date of <game>. If a Knockout occurs, or if <team> is determined not to be the winner of <game>, expiration will be moved to an earlier date and time as determined by the Exchange.

Expiration Time: The Expiration Time of the Event Contract shall be 10:00 AM ET on the Expiration Date.

Settlement Value: The Settlement Value is the amount paid to the holder of the in-the-money Event Contract on the Settlement Date. The Settlement Value of an in-the-money Event Contract is $1.

Expiration Value: The Expiration Value is the value of the Underlying, comprising (i) the official outcome of <game> as documented by Major League Baseball and (ii) the Reference Win Probability values calculated from the data published by Kalshi for <oracle market>, in each case as of the Expiration Date at the Expiration Time.

Contingencies: If the Source Agency does not actually announce a result consistent with the settlement methodology or the Payment Criterion on or before the Expiration Date due to a delay, postponement, cancellation or otherwise in such release announcement by the Source Agency, the Settlement Date, Expiration Date and Expiration Time will be delayed until the Underlying outcome or results are released or as otherwise set forth on the Exchange pursuant to Rule 5.a.v. Consistent with Rule 5.a.v, UDX reserves the right to make settlement determinations.

Trading Prohibitions: In addition to the prohibition against the misappropriation of material nonpublic information under CFTC Regulation 180.1 and the Exchange's prohibited trading practices identified in Chapter 7 of the DCM Rulebook, certain additional individuals are prohibited from trading the Event Contract. Those persons include:

- Any player, manager, coach, assistant coach, or other on-field personnel participating in or employed by a team involved in Major League Baseball, whether on an active roster, injured list, minor league assignment, or otherwise under contract.
- Any umpire, replay official, or other league official assigned to, supervising, or with authority over the referenced Major League Baseball game.
- Any front-office, baseball operations, scouting, analytics, medical, training, or clubhouse personnel of any team participating in the referenced Major League Baseball game.
- Any employee, officer, or contractor of Baseball Advanced Media, or any league-controlled or league-affiliated entity who has access to information relating to game operations, scheduling, officiating assignments, disciplinary actions, or competitive conditions.
- Any sports agent, advisor, or representative of a player or team participating in the referenced Major League Baseball game.
- Any immediate family member or household member of any of the foregoing persons, where such person reasonably may have access to material nonpublic information regarding the referenced Major League Baseball game.
- Any other Person who, by sole determination of the Exchange, possesses material nonpublic information relating to the Underlying.
- Any Person who enters into, or attempts to enter into, any transaction in <oracle market> or in any other market for the purpose of causing or preventing a Knockout, or otherwise for the purpose of affecting the Reference Win Probability.