

HTR Monthly Report
Thoroughbred Handicapping Newsletter
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KM Software 2004

*Handicapping***Extreme Favorites (XFAV) - Defined**

XFAV = Abbreviation used in this article for *Extreme Favorites*. This month we are going to work with a specific group of heavily bet horses – mechanically defined below – that attract the most action in every parimutuel pool, but win at a much higher rate than regular favorites. We'll start by identifying them with a clear set of rules and run all the facts and figures. The performance statistics for *XFAV* are impressive and every horseplayer must deal with the continuous impact they make in all wagering pools.

For this article I tested 43,642 races run between Nov 20, 2003 and Nov 19, 2004. I eliminated races with low purses and those at very minor tracks. All types of races were used. Why only test a 365-day sample here? The dynamic nature of pari-mutuel wagering is exerted with maximum impact on the lowest priced favorites. We have witnessed some amazing trends during the last year with late action tending to hammer the *chalk*. Simulcast expansion, offshore influence, rise in home betting and technology advances (i.e. *spiders* and *robots* that bet directly into the tote) are having a significant effect on the final odds and exotic payoffs. No sense in mixing in earlier data when the trends are changing so rapidly in this game, particularly with low odds runners.

The public is highly attracted to wager on or include in their exotic bets horses that have any or all of the following characteristics. These are ranked in order of influence for the public →

- **Morning Line favorite 2/1 or less.** Almost without exception, these horses are heavily bet late in the wagering. They are nearly automatic includes for most bettors in the horizontal exotics (DD, pick-3,4,5,6), are thrown into the majority of exacta and trifecta boxes. Larger trifecta and superfecta players rarely toss them out of the top slot on a multi-step ticket.
- **Top recent speed figure.** The vast majority of horseplayers, particularly those with serious intentions, will place a high priority on final time speed figures. Whether they peruse the popular *Beyer*, *Ragozin*, *Thorograph* or any other source such as our Cramer figs or the PER ratings, the last race gets the most scrutiny. If you were able to rank the last race figure from each of these sources, the same horse will emerge the majority of the time. This makes sense because the horse with the highest last race speed figure is typically also the one with the best finish last out.
- **Top jockey.** The top riders and hottest jocks on the circuit will attract immediate attention to the bettors. But not as much as they used to. I raised the bar very high for this aspect of my analysis.
- **Recency.** Bettors tend to shy away a bit from horses laid off more than 45-days. Why 45 days and not 30-days as the benchmark these days. Two reasons: 1) the *Racing Form* selected 45-days as its 'activity gap' (underline the running line) for layoffs. You should be aware that there is no statistical relevance to the 45-day period. It was chosen as a nice round number for their purposes and the public uses it as gospel. 2) Thoroughbreds are racing less often than in previous eras. We could go into a lot of information about this, but we'll save it for a future article on layoff, freshening, and activity patterns.
- **Obvious Consensus choice.** Horse bettors believe in the power of consensus. Whether it is human selections or computer factors in the mix, there is something compelling when a single horse tends to combine all the elements in its favor.

As we'll see on page-3, a **combination of these factors will create the XVAV.** The MLO choice at 2/1 or less is the key item in the mix. A layoff of 45-day or less and one additional item from above seals the deal for almost all bettors.

*Handicapping***Extreme Favorites (XFAV) - Defined**

Now that we are clear on the mindset of how the public establishes the *XFAV* we can make a clear set of parameters to define and research this category of horses →

1. MLO Choice at 2/1 or less. Note that we are talking about a single horse that has the lowest ML odds. If there were two horses listed at odds at or below 2/1, the lower one is our target.
2. Layoff 45-days or less.
3. Any one of the following items:
 - Best last Cramer speed figure; OR
 - Jockey rating ≥ 350 ; OR
 - HTR = 1 (HTR Consensus top rank).

For the third category, any one of the three items will qualify the horse as an *XFAV* provided the horse is also listed as 2/1 MLO favorite and has not been laid off more than 45 days.

Now let's check out the raw stats on *XFAV* and they are amazing.

Total number of races tested = 43,642.

Number of *XFAV* = 12,617

An *XFAV* is found in about 30% of the total races carded in North America in the last 365-days. So they are common and part of nearly every daily racing program.

**Percentage of *XFAV* that become
actual tote wagering favorite = 92%**

A small but reasonable percentage of the *XFAV* (8%) did not end up the final betting favorite. Regardless, nearly all of them end up at odds below 2/1 and attract major dollars to the exotic pools.

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Why not use actual final odds for this study? First, we don't have the tote odds for races we are betting early, or exotics such as the double, pick3, pick4 or pick6 and we need a quick method to spot the *XFAV* ahead of time. For a current race, the final public favorite is usually apparent a few minutes to post, but not always, and some actual favorites are not known until after the race starts and the *simulcast dump*. The *XFAV* is going to attract significant money in all betting pools anyway and ends up the actual tote favorite nearly every time (92%). We want a mechanical method of identification for research and the statistics confirm that *XFAV* is a good one with a large sample of horses to consider.

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All (tote) favorites Win-Place-Show rates: 33% 22% 10% ITM = 65%

***XFAV* Win-Place-Show rates: 40% 23% 11% ITM = 74%**

The *XFAV* statistics are far superior to the average tote favorite. The *XFAV* win over 40% of their races and hit the board nearly 3 out of 4 tries. For those that study Impact Values, the winning I.V. for the *XFAV* was off the charts at over 3.3 since there are no ties in the sample.

All Favorites ROI = 0.81 Avg. Win Mutuel \$4.91

***XFAV* ROI = 0.85 Avg. Win Mutuel \$4.22**

The *XFAV* return more money than betting tote favorites due to the exceptionally high win percentage. The average win mutuel for the *XFAV* is much lower as we would expect.

*Handicapping***Extreme Favorites (XFAV) - Facts and Stats**

Let's sum up so far, as we have a long way to go in this article. We have isolated a sub-group of favorites that are irresistible to the betting public and labeled them *XFAV*. The public hammers these horses in all wagering pools for a lot of good reasons, particularly since they win about 40% of the time and finish in the trifecta about 3 out of 4 tries. Here are some other factoids about the *XFAV* =

- They will most likely be the lowest price on the "probable payoff" list in the DD, pick-3,4,5,6.
- They will be part of nearly every exacta, trifecta and superfecta box played. It is wagering suicide to throw them out as they finish in-the-money over 75% of the time.
- These horses comprise the bulk of "singles" or "key" horse in the exotics.
- Almost without exception they are wagered heavily in the final minutes until post-time.
- They are the primary selections for Place and Show bettors attempting the "rebate grind" and are the obvious picks for those playing parlays of all types.

Taking a shot against an *XFAV* is real gamble. Anytime an *XFAV* loses it is an upset and players that took a stand and bet against it are rewarded with great payoffs. Later we'll discuss factors that can isolate the losing *XFAV* effectively. Right now we want to scrutinize these horses by class/dist/surf and with all the HTR factors and locate the most optimal situations.

With such a large sample of horses and consistent results, the *XFAV* are great fodder for statistical research. Here are the parameters you need if you want to test *XFAV* with the HX4 export.

nMLO <= 2

rMLO = 1

nLAY > 0 and nLAY < 45

rLCSF = 1 OR rHTR = 1 OR nJKY >= 350

The HTR2 "Robot" does not have the exact filters needed to test the *XFAV* directly. However you can duplicate the *XFAV* closely and even improve on the results with a specific set of filters that we will cover in detail on page-8.

XFAV performance by Dist/Surf

<u>Category</u>	<u>XFAV</u>	<u>WINp</u>	<u>ROI</u>	<u>ITM</u>
Fast Dirt Sprints	5925	40%	0.85	75%
Fast Dirt Routes	3294	40%	0.85	74%
Turf Sprints	0368	42%	0.90	73%
Turf Routes	0971	37%	0.79	71%
Any Wet Dirt	2059	40%	0.87	72%

Analysis

There are several interesting stats here. First, note the high number of wet races that featured an *XFAV*. This could be a result of reduced field size, and although the wet track winners won at the normal rate (40%), they paid a bit better than the average ROI for all *XFAV* (0.87 vs. 0.85 ROI). The wet tracks statistics are good news for those that want to bet these horses in the winter months. The Turf Routes are the negative here and the key group to remember when trying to beat the *XFAV*. The dirt race stats remained consistent with normal expectation and they comprise the bulk of the plays. Turf Sprint numbers were very good, but the sample size was too small to confirm any trends.

*Handicapping***Extreme Favorites (XFAV) - Facts and Stats**

Next let's have a look at the *XFAV* separated by general class categories.

XFAV performance by Class Category

<u>Category</u>	<u>XFAV</u>	<u>WINp</u>	<u>ROI</u>	<u>ITM</u>
Alw/Stakes	4918	43%	0.87	75%
Claiming	4477	36%	0.83	69%
Msw	1704	43%	0.85	76%
Maiden Claiming	1518	40%	0.84	74%

Analysis

A clear trend is found here that favors the Non-Claimers. Although the Claiming category has the most disappointing statistics it surprisingly did not have the highest sample count either. The Alw/Stakes races have a larger number of *XFAV*. Interesting that the same is true with the maidens. The Msw group had more *XFAV* than the Claiming Maidens. Why would this happen? Smaller field size is one explanation, but also most claiming races have less obvious favorites and tend to be more wide-open larger fields.

If we lump the Non-Claiming and Claiming categories together, here is how the numbers look →

XFAV performance by Claiming / Non-Claiming

<u>Category</u>	<u>XFAV</u>	<u>WINp</u>	<u>ROI</u>	<u>ITM</u>
Non-Claiming	6622	43%	0.86	75%
Claiming	5995	37%	0.84	72%

Before we move on and study the various HTR factors with the *XFAV*, let's break them apart by Male and Female and with Age categories and see if there is a further trend. Maybe we can contrive a 50% winning spot play with the information we have so far.

XFAV performance by Gender

<u>Category</u>	<u>XFAV</u>	<u>WINp</u>	<u>ROI</u>	<u>ITM</u>
Males	7159	40%	0.86	74%
Females	5458	40%	0.83	74%

XFAV performance by Age Category

<u>Category</u>	<u>XFAV</u>	<u>WINp</u>	<u>ROI</u>	<u>ITM</u>
2yr	1335	42%	0.83	73%
3yr	1929	41%	0.85	76%
Older	9353	39%	0.85	74%

Analysis

Males out-perform the Female *XFAV* group in ROI, but the Win and ITM rates are exactly the same. Not much separation with the age groups, although the younger horses do slightly better. No serious distinctions, but let's try a quick spot-play based on the best of the above so far....

- Dirt Wet and Fast
- Non-Claiming
- Males

XFAV performance w/ category Spot-Play

<u>Category</u>	<u>XFAV</u>	<u>WINp</u>	<u>ROI</u>	<u>ITM</u>	<u>Place ROI</u>
Spot-Play	3143	43%	0.88	76%	0.92

*Handicapping***Extreme Favorites (XFAV) - HTR Factors Tested**

Before we begin this section, a few comments on the Spot-Play at the bottom of page-5. The sample size is very impressive for a 1-year study (3,143 plays) and the win percentage (43%) and the ITM (76%) are outstanding. However, the ROI is well below the level needed to make any money with them, even using a liberal rebate. The Place ROI (0.92) was pretty good however, and a little tweaking might get us something to work with. The section below should help.

Next we'll take a look at which HTR factors have the most influence on the XFAV. The stats below are results of an XFAV combined the HTR factor listed. I used PL-5 for all these statistics.

XFAV performance by K-Rating

<u>Category</u>	<u>XFAV</u>	<u>WINp</u>	<u>ROI</u>	<u>ITM</u>
K-1	9632	42%	0.86	75%
K-2	2266	35%	0.81	68%
K-3	0551	29%	0.76	63%
K-4	0142	30%	0.82	62%
K-5	0023	17%	0.61	43%
K-6	0003	00%	0.00	00%

Analysis

Nearly all the XFAV are K-1 or K-2. The performance of the K-2 thru K-6 definitely erode the performance of these heavily bet horses. If you encounter the rare XFAV that is a K-3 or worse, it is a solid chance to beat a low odds horse.

XFAV performance by various Velocity Factors

<u>Category</u>	<u>XFAV</u>	<u>WINp</u>	<u>ROI</u>	<u>ITM</u>
Fr1=1	3270	43%	0.87	77%
Fr1=2	2552	40%	0.83	73%
E/P=1	4146	44%	0.86	76%
E/P=2	2768	41%	0.85	72%
A/P=1	6354	44%	0.87	77%
A/P=2	2854	38%	0.83	72%
S/P-1	4798	45%	0.90	79%
S/P-2	2977	39%	0.82	73%
L/P-1	3464	44%	0.88	77%
L/P-2	2780	42%	0.88	76%
VEL-1	6265	44%	0.87	76%
VEL-2	2841	39%	0.86	74%

Analysis

Each one of the rank-1 velocity factors pumps up the XFAV results to some extent. But it is the late speed items that improve the numbers the most. An XFAV that is also sustained pace (S/P) velocity rank=1 tagged a whopping 45% wins and nearly 80% in-the-money and ROI reaches 0.90. That is an outstanding result for a 365-day sample that has nearly 5,000 plays. The L/P helped the ROI to increase in both the 1-2 rankings. Next we check the other HTR factors such as Wk, Trn, Jky and Pedigree.

*Handicapping***Extreme Favorites (XFAV) - HTR Factors Tested****XFAV performance by various Velocity Factors**

<u>Category</u>	<u>XFAV</u>	<u>WINp</u>	<u>ROI</u>	<u>ITM</u>
Wk-1	2538	43%	0.89	77%
Wk80+	3961	43%	0.88	76%
Trn-1	5265	42%	0.86	73%
Trn400+	2101	40%	0.81	74%
Jky-1	4526	42%	0.86	75%
Jky-2	2683	39%	0.90	73%
Ped-1	4798	44%	0.90	76%
Ped-450+	4253	41%	0.86	74%

Analysis

Again we get a small improvement in the results when the XFAV combines with a positive HTR factor. The Pedigree rating (*Ped*) was the best performer and had the largest play count.

Spot Play

From the information learned on the previous pages we'll try to contrive a spot play that pushes the statistics to the maximum for XFAV while retaining a respectable sample size.

- XFAV
- Dirt Wet and Fast
- Non-Claiming race only
- K=1
- S/P=1

XFAV performance Spot-Play

<u>Category</u>	<u>XFAV</u>	<u>WINp</u>	<u>ROI</u>	<u>ITM</u>	<u>W+P</u>	<u>Place ROI</u>
XFAV + Spot	3282	47%	0.90	80%	70%	0.95

The combined XFAV spot play win rate reaches 47% and the Place ROI is a promising 0.95. The Win-Place hit rate was a whopping 70%. The impressive sample size was 3,282 races in one year, plenty of action every day for aggressive rebate players.

Rebate Grind

You might be able to tweak and improve the Place ROI successfully. Assuming a 7% rebate such as *Pinnacle*, a potent hit rate of 70% with an ROI over 0.95 might allow a positive progression betting strategy to increase profits with very little downside or risk.

Daily play identification

The listed spot-plays and the general XFAV group could take some time to fish out if you have to identify them one by one with over 20 race-cards to consider each day. *Access* users won't have any problems as all of the information is found in the HX4 export file.

What about the rest of you who either don't use *Access* or don't have a lot of time? We can utilize the current HTR2 "robot" to get nearly all of them automatically on a daily basis. We'll have to tweak the filters a little, but as you'll see we can even improve on the results above (see page-8).

Pedigree rating amazingly strong

When testing XFAV or anything else, a strong PED rating tends boost almost any spot play that involves Non-Claiming horses (Alw/Stk/Msw) when the purse is set above \$10,000.

*Handicapping***Extreme Favorites (XFAV) - Using the Robot**Robot Emulation Play

Let's try a specific set of filters in the current robot and try to emulate that last *XFAV* spot play result. Check off the following basic items on the robot screen.

- Alw/Stk & Msw only (remove Claiming and Maiden Claiming)
- Purse >= 10k (remove checkmark for Purse < 10k)
- Dirt Wet and Fast
- K=1 (remove checkmarks for K2-K9)
- MLO 2/1 or less
- S/P = 1
- Layoff <= 90
- Options: HTR = 1; C90 = 1; Jky >= 330

The "Options" above are the closest matches to the original definition for *XFAV*. I'll list the results without the options (All) below as well as with each one added.

XFAV performance Spot-Play

<u>Category</u>	<u>Plays</u>	<u>WINp</u>	<u>ROI</u>	<u>ITM</u>	<u>W+P</u>	<u>Place ROI</u>
Robot Spot Play All	2132	50%	0.92	83%	73%	0.95
Spot-Play w/ HTR = 1	1831	52%	0.94	84%	74%	0.95
Spot-Play w/ C90 = 1	0937	50%	0.91	82%	73%	0.93
Spot-Play w/ Jky330+	0728	53%	0.94	87%	78%	0.94
Spot Play w/ Wk=1	0276	58%	1.00	88%	78%	0.99

Analysis

Wow – these are excellent results gained entirely using the "robot" filters. I threw in the Wk=1 despite the small number of plays because it featured the best result and probably represents the upper limit of winners and ITM performance with an automated spot-play. The sample size with Wk=1 is too small to guarantee future results however. It may not be necessary to use HTR=1, C90=1 or the Jockey factor as the basic parameters ("All") produce great results without further separation.

The 2,132 plays generated by the spot-play ("All") represent about 1/6 of our original *XFAV* group. I get questions all the time about relevant sample test sizes. Which do you think is more impressive here?

- The *XFAV* overall results (original definition on page-3) with 12,600+ plays in one year and 40% wins, but a Win ROI of well under 0.90.

OR

- Spot Play result ("All") with 2,132 plays and 50% wins with ROI (Place) that might produce profits with rebates.

It is tempting to think that the spot-play has more impact for real dollars. But the huge test count of the *XFAV* lends into a realm of consistency and continuity that is almost incomparable. With over 12,600 races in a year, this sample has enormous potential for two entirely different groups of horseplayers. We have looked at the positive side so far, next our task is to beat the *XFAV* and make some serious overlay money with the *XFAV* that fail.

*Handicapping***Extreme Favorites (XFAV) - Can We Beat Them?**

The XFAV is hard to beat based on the statistics we have looked at so far. Anytime they lose it is a considerable upset and will usually pay good dividends for bettors that took a shot against them. For those that want to challenge the XFAV, here is what we know so far →

- XFAV have an overall strong 40% win rate, and that goes higher when we attach certain qualifiers, but that means they lose 50%-60% of the time too. We need to find the factors in common with the losers. Beating just one heavily bet XFAV in the Pick-x will accelerate the price if you can catch the rest of the sequence.
- XFAV will finish 1-2-3 about 75% of the time. That's a tough statistic to counter if attempting to beat the XFAV out of the exacta, quinella, trifecta or superfecta!

The random nature of horse racing prevents almost any large statistical sample group from surpassing 50% winners and 75% Place. Only those horses with overwhelming dominance that are bet below 3/5 odds can boast those statistics consistently, but there is no possibility of making money with them and their population numbers are very small anyway. We have looked at fairly large samples with the XFAV and there are plenty of losers to consider in a 12,600 group, nearly all of these were *chalk* and their defeat creates some of the best overlay situations in the game.

We'll start by looking for factors that lower qualified XFAV groupings to less than 33% winners. Take a look back at page-6 and the K-ranking table w/ XFAV. Notice that we can assemble a group of about 700 of these horses K-ranked 3-6 that win at less than 30%. That's only about 5% of the total XFAV population (12,600) however and doesn't give us many bet-against situations.

We want to find a group of at least 1000 XFAV that drop the win rate under 33%. I first tested the logical late speed factors that had done so well with the positive assessment, but the results were not sufficient as the entire spread from rank 1-9 with S/P, L/P and Fr3 won above 35%.

Early speed is the next logical place to look. But nothing was found with either Fr1 or E/P velocity. The rankings with these factors produced no significant groupings with a win rate under 36%. Nor did any of the other velocity factor rankings. It's getting tough to make these horses lose! We'll next turn to Trainer, Jockey and even Pedigree in search of XFAV losers.

Keep in mind that to qualify as an XFAV the horse was required to have several positive attributes such as top-ranked last race speed figure or an overall consensus of factors (HTR=1) and that makes it tough to isolate something consistently negative among these horses. Below is a good example of what test results typically revealed. From top to bottom on the trainer rank, the results are consistent and there is nothing to separate the XFAV by apparent trainer weakness.

XFAV by Trainer Rank (TRN)

<u>Rank</u>	<u>Plays</u>	<u>Win%</u>	<u>ROI</u>
1	5265	42%	0.86
2	2812	39%	0.83
3	1724	38%	0.85
4	1162	38%	0.82
5	0808	37%	0.85
6	0438	38%	0.83
7	0236	40%	0.92
8	0109	41%	0.90
9+	0063	42%	1.17

*Handicapping***Extreme Favorites (XFAV) - Can We Beat Them?**

After experimenting with just about every aspect of HTR2, it was becoming apparent that the XFAV was very tough to beat no matter how low they rank on any individual factor. The (K) rating is a reliable factor to beat these horses if the rank was K 3 - 9, but there were very few XFAV that ranked that low and thus not many eliminations.

The best eliminator factor I found was the C90 (best Cramer speed rating last 90 days) as it resulted in some of the highest negatives for the lower ranked XFAV. Take a look →

XFAV by C90 Rank

<u>Rank</u>	<u>Plays</u>	<u>Win%</u>	<u>ROI</u>
1	7633	43%	0.87
2	2704	38%	0.85
3	1138	33%	0.80
4	0473	31%	0.79
5	0260	25%	0.64
6	0103	27%	0.72
7	0041	22%	0.50
8	0023	13%	0.43
9+	0009	33%	1.02

The composite for ranks 3 – 9 is about 2,000 plays with a win rate under 33% and a bad ROI. The ITM = 64% for this group, a drop from the normal 74%. Maybe we can combine this with another factor and a good place to look is the HTR rating. The results were about the same for the HTR ranks 3 - 9, but only about 500 horses. Remember that HTR = 1 is one of the three qualifiers for XFAV so we couldn't expect many eliminations. Combining these two with the (K) results might create a broader eliminator. An XFAV that has any of the following will be considered a *chalk-buster* play →

- K-rank 3 - 9
- HTR rank 3 – 9
- C90 rank 3 - 9

XFAV w/ any chalk-buster item

<u>Category</u>	<u>Plays</u>	<u>WINp</u>	<u>ROI</u>	<u>ITM</u>	<u>W+P</u>	<u>Place ROI</u>
XFAV + Chalk Buster	3319	32%	0.80	65%	55%	0.86

Analysis

Achieved the goal here by using all three qualifiers above. In other words, when an XFAV has been identified with the basic rules on page-3, but it also shows one of the three items listed above, they win at a rate of just 32% and the ROI is lowered. The ITM% does not drop that far however and this method seems best at beating these horses out of the Win hole only.

Remember that Claiming races and Turf Routes also erode the win strength of the XFAV. If we combine the Claimers, Maiden Claimers and Turf Routes with the factors above, the hit rate with the XFAV will drop to under 29%.

All in all, the XFAV are a very resilient group. When ridden by the worst jockey, or trained by the worst trainer, they still win at over 35%. They can be the slowest early horse, or the worst rank in late speed and still the win rate does not drop that far under the 40% baseline. If you want to beat them out of the Win spot, you can find a few negatives, but an XFAV finish out-of-the-money is rare.

*Handicapping***Extreme Favorites (XFAV) - Summary and Power Points**

We have spent this entire issue dealing with the *XFAV* for a very good reason – they are tough to beat and we need to recognize it. Whether you are a tournament player looking for bombs or an exotic bettor hoping for a big score, taking your shot against an *XFAV* is very risky and will cost you most of the time. For chalk players and those looking for high percentage plays for rebates or progressive betting, the *XFAV* represent the choice pickings when combined with a positive factors from HTR.

- The *XFAV*, or ‘extreme favorite’, is a clearly defined subset of regular favorites and are bet heavily by the public in all wagering pools.
- There is good reason for the public to embrace the *XFAV* as they finish 1-2-3 at very high statistical rates. The general ROI for *XFAV* is much higher than it is for all favorites.
- The *XFAV* perform best in Non-Claiming races on dirt. They are not as strong in Turf routes or in Claiming races.
- The *XFAV* combined with any positive HTR factor, particularly late speed, win at even higher rates.
- Researchers can study *XFAV* patterns with lots of angles due to the large number of horses found in the general definition (page-3). There are many spot plays with the *XFAV* that can produce 50% winners and 80% ITM in samples over 1,000 plays. Locating an ROI above 0.95 may be difficult however, and this is the minimum return needed to create a rebate play.
- Uncovering a method that consistently beats a large subset of *XFAV* to below 30% winners is very difficult task. There is some hope with a few of the HTR factors to do this, but it is still a gamble and it isn’t worth it to toss them out of the exacta or trifecta as the *XFAV* continue to finish 2-3 at very high rates in all cases. Taking a stand against an *XFAV* is a serious risk with any wager attempted, but the payoffs will be generous if they are beaten.
- In the January update for HTR2, I will include a flag to identify the *XFAV* as well as add it to the export. The HTR2 “robot” can already be used to test or create spot plays easily (see page-8) for *XFAV* emulation using the backbone criteria of “MLO 2/1 or Less”. Some spot plays found with the robot do much better than the original definition, although samples sizes will diminish. I suggest holding a sample to 500 or perhaps 1000 minimum during a 365-day test with these horses.

Finally, the *XFAV* study reminds us of the era we live in. Bettors are consumed with certain types of horses they have identified as “high production”. This manifests in every aspect of the wagering game. From the wise guys on the bet exchanges to the “bridge jumper” looking for a sure thing, bettors are ready to flood the pools if they feel the edge is there. Our task is to understand when and why our parimutuel competition is likely to jump in and shield ourselves accordingly.

Late News / HTR Names in the News

- Ben Okamoto, one of the four original members of HTR has died quietly at his home in Southern California. This is very sad news for many of us that were his friends and racetrack pals. Please check the HTR bulletin board for more info.
- No HTR2 software upgrade this month. There will be some new additions in January.
- Next month we'll discuss the two big January tournaments. Scoring strategies and other advice for anyone participating in the *NTRA/DRF National Handicapping Championship* or the *Coast' World Series of Handicapping*.

Major Winter Racing →

- Mercifully Calder ends its marathon; Gulfstream begins Monday January 3.
- Santa Anita winter meet begins on Sunday Dec. 26.
- Churchill has ended and Turfway runs all winter.
- Aqueduct-Inner Dirt surface in use starting Wednesday December 1st.
- Oaklawn Park in Hot Springs Arkansas starts on Friday January 21st.
- Fairgrounds meet continues all winter.
- Hawthorne continues throughout the winter.
- Golden Gate continues through January.

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