

HTR Monthly Report
Thoroughbred Handicapping Newsletter
February 2004

Brought to you by –
KM Software
Handicapping Technology and Research

This Month

[1] This page

[2] *Opinion - Magna, Racing Channel and the NTRA*

[2] Tournament *The National Handicapping Championship
Tournament Research and Preparation*

[6] Advanced Velocity Topics *Early Energy%*

[9] Handicapping *3yr Msw Races*

[11] Software *HTR2 Software Update*

[12] Late News – *Tournaments /HTR Users in the News*

The HTR Monthly Report is converted from a Microsoft Word Document to a .pdf file for viewing with the free Adobe Reader. The newsletter may be viewed while on-line or the file can be downloaded to any computer hard-drive for off-line reading and printing.

Each month, the current edition of the HTR Monthly Report is available on the Internet from our members' web site only. This is not a free newsletter, it is included as part of a paid subscription to HTR's monthly download service (\$119/mo). Selected articles and past editions of the newsletter can be found on the free HTR web site (see back page for web addresses). The HTR Monthly Report is expected to be available around the fifth of each month.

All proprietary rights to this material belong to KM Software. No portion of this product may be reproduced, copied or transmitted on the Internet without the express written consent of KM Software. All articles and information in this newsletter are written by Ken Massa unless otherwise stated. Test data files are provided with permission from Handicappers Data Warehouse and Equibase Corp. The test results, analysis and opinions found herein are those of KM Software only - Handicappers Data Warehouse and Equibase Corp are not responsible for the written contents of this newsletter and cannot be held accountable for any claims made in it.

KM Software 2004

*Opinion***Magna, Racing and the NTRA**

It has been a reactive start to the new year in the thoroughbred racing business. A disappointing backward step for regular bettors when *Magna Entertainment*, owners of Gulfstream, Santa Anita, Golden Gate and Laurel, decided to cut off as many sources of live wagering and video as possible. Then the announcement by the popular *Racing Channel* that the information service would shut off its free tote to the public unless they signed up with their pay service. With *TVG* blackballed from *Magna* as well, it is difficult for most North American bettors to watch races live from popular Gulfstream Park this year, let alone get scratches and live odds.

Magna seems to have made a thoughtless decision. Instead of negotiating with tote providers such as *WinTicket*, *YouBet* and *BrisBet*, they suddenly just pulled the plug on them and then resorted to extortion to try and lure thousands of content customers over to their own *XpressBet*. This aggressive business move didn't create new customers for *Magna*; instead it resulted in backlash among bettors, many of whom have boycotted or severely cut back wagers on *Magna* tracks. Handle has been reported down 20% for Gulfstream and Santa Anita and purse cuts are imminent. There is no other reason for the severe drop as the weather has been generally good and the competition no worse than last year.

The big beneficiaries in all this are the offshore betting shops. They are not cutoff from such actions and continue to offer free on-line wagering, generous rebates and other attractive benefits such as avoiding IRS sign ups. How can a savvy thoroughbred bettor resist such amenities? The apparent 'boycott' against *Magna* may really be due in part to the migration of betting dollars toward offshore wagering.

So how does the NTRA figure into all of this? They are supposed to represent the interests of all thoroughbred tracks and the fans that support them. Many people feel the NTRA fumbled the ball when all this went down. I don't think they ever got in the game. It's doubtful they were consulted prior to the *Magna* decisions and were caught by surprise like everyone else. A check of the NTRA website "press releases" shows no mention of the *Magna* situation. This would be analogous to the NFL having no comment if the Raiders pick up and move back to Los Angeles some night, or the MLB Commissioner's office remaining silent while George Steinbrenner suddenly pulls the plug on all televised games from Yankee Stadium.

What is the NTRA doing to increase the exposure of thoroughbred racing in the marketplace or even to hold on to its battered and diminishing fan base? I looked around their website for any solutions or efforts underway to assist the serious thoroughbred bettor, there isn't much, but to their credit they did form a "Players Panel" to address major concerns among regular players. An excellent idea. The recommendations of the group were intelligent, workable and should be seriously addressed. Yet there seems to be no follow up. Just as there was no lasting follow up or corrective action after the scandalous *fix-6* from the 2002 Breeders Cup. The NTRA is paralyzed to act on its own. Racetrack owners are not going to respond until they feel the sting of financial loss. This year's unusual counter-attack by bettors against *Magna* tracks seems to be the only solution for stimulating change. But maybe there is something the NTRA could do to encourage regular horseplayers.....

One Reasonable Marketing Suggestion (aside from "Go Baby Go")

A major opportunity for the NTRA to build its credibility and attract loads of activity would be to offer a one-stop free thoroughbred information service on their website -- something akin to the *Racing Channel*. No one would care if there was a free registration requirement or even background advertising, as long as the horseplayer could access a single user-friendly screen to get up-to-date scratches, changes, live odds, perhaps even delayed video or replay archives, and have the information available for every racetrack. There is little hope of attracting new fans to thoroughbred racing unless the currently frustrated hardcore players remain involved in the game, but when bettors are blocked from getting information and making bets, they will find alternatives for their wagering dollars outside of the parimutuels.

*Tournament News***The National Handicapping Championship at Bally's**

Thousands of horseplayers eagerly tried to get there, but only 261 made the finals at Bally's for the *National Handicapping Championship*. The record number of participants overwhelmed the Bally's race-book and there were some complaints and problems. You can read about those issues on our website discussion board. Aside from the logistical difficulties, the lack of prompt updates to the scoring and standings is irritating.

Despite these problems - and a prize-money structure that is inadequate - the *National Championship* is still the true Mecca for every tournament junkie. A sense of personal satisfaction and confidence is apparent with most of the players. It seems that everyone takes home a beneficial handicapping education and vows to come back and do better the next year. That's a positive outcome. The cocktail party and the awards banquet are lavish and memorable as well. Old friends are discovered again and new ones made every time. It is the people and the 'buzz' that give Vegas tourneys that special allure.

HTR set its own record with nine players making it to the grand ball this time. Nine out of 261 is about 4% of the total field, incredible for such a relatively small organization. In the five years of the 'Championship' more than 20 HTR subscribers have competed. Unfortunately none has ever cracked the top-10, but a few have taken some decent prize money. This year Henry ("dehere") Damgaard from Virginia won \$6250 as part of the winning Colonial Downs group in the team competition. Ronnie Hopkins from Kentucky also grabbed \$1000 in the Head-To-Head side contest on Saturday tied with four others that picked 100% winners in the two horse match-ups.

We enjoyed a sumptuous buffet dinner at the Paris Hotel on the Thursday night before the tournament. The nine HTR finalists all attended along with friends and spouses. Ernie and Bob Barbaro also joined us as they had been competing in the Barbary Coast contest across the street that day (no luck getting any prize money in a rather uneventful format). From there we took the elevator up to an elegant Bally's ballroom for the welcome cocktail party; I thank Mike Mayo and his wife for inviting me as it was a great party and I ran into many old friends and people in the business. Everyone that attended the awards banquet on Saturday night also expressed nothing but praise for the dinner, service and ambience. No question that Bally's is a first-rate hotel and I heard no one complaining about the service and the customer treatment outside of the betting area. All qualifiers to the NTRA receive travel and hotel expenses from their host track and the tournament itself has no fee. Lots of reasons besides prize money to try and make the 2004 version of the '*Championship*' next year; with pride ranking at the top of the list.

Henry kept a detailed diary of his experience during the tournament and posted it on his personal website. You can access his diary and selections from the tournament at: <http://horseracing.typepad.com>

The final standings for the nine HTR subscribers appear below ==>

<u>Name</u>	<u>Overall Finish</u>	<u>Points</u>	<u>Prize Money</u>
Henry Damgaard (VA)	25	139	\$6250 (team)
Daven Turner (OH)	71	112	
Kathleen (Mike) McKee (OR)	78	108	
Mike Mayo (TX)	107	097	
Paul Navratil (MN)	109	096	
Bob Ramos (IL)	143	079	
Doug Craft (CA)	151	075	
Suzanne (Donnie) Nadermann (IA)	249	020	
Ronnie Hopkins (KY)	255	007	\$1000 (head to head)

*Tournament Strategy***Researching for Tournament Play**

There are several issues to keep in mind when researching data prior to a big tournament. The most important is to realize that statistics are traditionally researched for long term trends, but a tournament gives us no time to get into the long-run and realize profits through patience and persistence. Winners have to be hammered out right now and points accumulated without time to wait for long term trends to manifest. The testing and research itself is only half the battle. Organizing the information for quick visual identification is critical, particularly when many tracks are in play.

- One needs to identify the tracks and types of races that will produce points in a hurry. This means winners that pay \$15 and higher but particularly those paying \$30 and up ("bombs") that will propel the point total immediately as well as give the player a dose of confidence and momentum.
- Identify high point production trends with broad samples. If the query is narrowed too far, such as "3yF C20 6.0D" there won't be enough samples to recognize solid trends toward point production. The other problem with querying too specifically is that there may not be any races carded with those conditions during the tournament. My suggestion is always to start with racetrack + general distance/surface categories. Usually there are enough fast-dirt-sprints to enable further separation, such as splitting up maiden and non-maiden races as I did in the chart on page-4.
- Tournament players must be decisive. A game plan based on clear research can help tremendously if able to eliminate a fair quantity of races from early consideration. Obviously the format of the contest will determine the plan. If a single track, or many mandatory plays are involved, there is no choice but to play the unproductive ones with lower priced selections. In a typical Vegas style tournament with 100% optional plays and 6 or 7 tracks in play, "cleaning up the noise" (ignoring unproductive types of races) will have a marked effect on decision making.
- Create hierarchy lists from the data to help quickly identify the choice spots. Take a look at my list on page-4 that was developed for the players at the *National Handicapping Championship*. A quick browse of the top situations helps with the successful handicapping adage "pick your spots".
- No matter how accurate and compelling the data may seem, the short-run may disappoint. For example, turf claimers are statistically the very best races for longshot production overall - yet during any given contest of short duration all such races could end up being taken by the favorites. Your game plan should include a variety of race situations and factors to choose from in case the flow of the tournament turns in an unexpected direction, such as bad weather wiping out some tracks.
- The HTR Vi rating is a huge ally in choosing races to play in tournaments. The lower the Vi, the more difficult the race will look to other handicappers and the chances are stronger that a longshot or overlay will win. On the contrary, the higher the Vi, the lower the probability that a pricey horse will prevail. Check the January 2004 issue of this newsletter for a detailed study of the Vi and win price.

As mentioned, I organized some research for the players in the Bally's tournament last month. Here are the preliminary steps I took to prepare for the research.

1. Created a new folder on my hard drive: **C:\BALLY'S or C:\HTR\BALLY'S**
2. Copied all races for the last 365 days for the tournament tracks into that folder. Some shorter meetings I used 730-day data, such as OP. In the case of AQU only the inner-track races were used by copying the known file dates for the "inner" between Dec - Mar.
3. With the data stationed in one place, I can now use the HTR2 Tester for all my work. The Tester interface contains the filters needed to separate specific race types. The Tester output includes the "Longs" column that tallies the number of winners that paid \$15 and up for each factor, and overall longshot % for the sample is listed at the bottom of the Test report.

*Tournament Strategy***Researching for Tournament Play Using the HTR2 Tester**

I ran four different tests for each track [fast dirt sprints, non-maiden]; [fast dirt sprints, maiden]; [fast dirt routes]; and [turf routes]. The one exception was a specific test on Santa Anita's Turf Sprints. The goal is to get a minimum of 100 races into each sample. In all cases, races for 2yr olds were ignored as they are not running this time of year. The data for 3yr was included and females and males were mixed. Route races on the dirt and grass have such a small percentage of maidens involved that I did not filter them, but I did separate the dirt sprints into maiden/non-maiden. Wet tracks were not used in my tests. Luckily the weather was good that weekend; had their been wet tracks, the "fast" research is useless.

Everything above can be improvised when you run data on your own. You may, for instance want to separate 3yr, females or claimers. But don't be tempted to reduce the sample size too far below 100. Perhaps 50 races should be the absolute minimum for tournament research. You want definitive long-term trends that longshots are plentiful.

The Tester includes a Vi range filter. I set it at [10-35]. This tosses out the most undesirable races that are likely to have short fields and/or low priced winners. You might want to set this much lower, such as [10 - 29] or even [10 - 25]. The entire tournament game plan can be organized around the Vi. By itself the Vi is an outstanding prognosticator of price potential. But remember not to overdo it with the Vi and overly diminish the sample size

After running the tests and printing out the data I devised a formula that took into account the LONGS column results from the key HTR factors in the test. The overall rate of longshots for that race type (shown on the bottom of the Test printout as "Longshot Win%") was also part of the formula.

I won't go into the specifics of the scoring algorithm as it would take several pages of explanation. It also contains a second computation that composites the results into a 01-99 comparison number with about 53 as an average. But I won't leave you in the dark with the technology, I coded the formula and built it right into the tester (see page 11). The "TOURNAMENT RATING = " figure will be listed for every test you run at the bottom of the report. (The Tester now includes Pedigree stats additions in this update as well).

The final step after accumulating all the scores is to organize in a list that displays the best to the worst. Below is the top-10 from my tests for the tracks at the NHC tourney. Now it is easy to remember and identify the race situations that will probably produce the most points during the tournament.

Track	Type of Race	Tournament Rating
OP	Maiden, Fast Dirt Sprint	76
GP	Any, Turf Route	75
TP	Maiden, Fast Dirt Sprint	69
SA	Any, 6.5 Turf Downhill	66
HOU	Maiden, Fast Dirt Sprint	65
GG	Any, Turf Route	64
HOU	Non-Maiden, Fast Dirt Sprint	64
OP	Any, Fast Dirt Route	61
GG	Maiden, Fast Dirt Sprint	60
AQUi	Maiden, Fast Dirt Sprint	59

*Handicapping with HTR***Understanding Early Energy%**

Early Energy percentage (Ee%) is a simple concept with very complex applications to pace handicapping. Advanced velocity and pace practitioners are often perplexed by it. I have researched and studied it for years with the desire to quantify the concept into some clear implementation for HTR but have yet to pin it down into something workable. We'll discuss this curious factor from all angles this month and include some new ideas on the subject.

The formula for Ee% is easy enough to compute. It is the ratio of 2nd-call feet-per-second (E/P) to the overall velocity as represented by E/P + Fr3. Formula = $(E/P) / (E/P + Fr3)$. The (/) is the programmer's symbol for divide. Example:

$$E/P = 58.00 \text{ fps}$$

$$Fr3 = 50.00 \text{ fps}$$

$$Ee\% = [58.00 / (58.00 + 50.00)] \text{ or } (58 / 108) = .537 \text{ which is represented by percentage as } \underline{53.70\%}$$

If you are an HTR user, all of the math is done for you in the software. The Ee% is found on the [VEL] screen in the second section. Above the column for the individual horse's Ee% is a number that is the average for the entire field. The entire Ee% past-performance history can be viewed in the [FPS] screen. The BIAS or Track Profile utility also has an early energy display that averages the Ee% for winners. We'll discuss the uses for each in this article.

Assuming the above 53.70% was an actual representation of a horse's race performance, what does it reveal about the effort? The problem with Ee% is that we cannot easily apply it as a comparative device between horses. Most of you with experience using Ee% are tempted to think that this is a very high ratio, in other words, the horse is likely to have expended a high portion of its overall available energy in the early stages. Yet 53.70% may be completely normal for some racetracks.

An important aspect of Ee% analysis is knowing the typical ratio for the track/distance/surface the horse was coming from. Early energy cannot be used without a benchmark to help us understand if the percentage was higher or lower than normal. The physical geometry of the racecourse, which consists of the turn(s) and the length of the stretch exert the greatest influence on energy%.

Take a look at the charts on page 7-8. These are tracks currently in operation that run 6f and 8.5f on dirt. The Ee% numbers were taken from the "1 Year Data" [Track Bias] option in HTR2. I selected the options for non- maiden races on fast dirt and jotted down the average Ee% for winners and then sorted them by highest Early Energy%. You can do the same thing in HTR2 after downloading the 1Year or 30Day Track Profile files from the subscriber file archives.

For Your Information

HDW updates the 30-day track profile files almost immediately after the day's results are posted; the 1-year files are updated for an exact 365-day rotation at all tracks overnight.

There is currently no export mechanism for the information from the Track Profile files. There is a wealth of raw data available however and I plan to create a comma-delimited export that will let you utilize it. This will become a part of the [TRACK BIAS] utility screen. The output files will include the raw times and Ee% for every winner by track, date and race number for the last 365-days. You can use this information to benchmark early energy and winning beaten lengths profiles as well as create your own pars from the raw fractions and final times. The release of this new export will be in July at the seminar.

*Advanced Handicapping with HTR2***Early Energy - Advanced Topics**

The first chart below displays the average Ee% for winners at 6.0f fast dirt. The list is sorted highest energy% to lowest.

Track	6.0f Non-Mdns	Early Energy
MNR		53.45%
SA		53.35%
PHA		53.20%
TP		53.09%
HOU		53.06%
GG		53.03%
GP		53.01%
TUP		52.98%
TAM		52.97%
OP		52.47%
FG		52.28%
AQUi		52.00%

There is quite a variance in the average winning energy% between the top and the bottom of the list. Consider the horse that ran an early energy rating of 53.70% from the example on page-6. Would your conclusions about its performance be different based on knowing the Ee% was from a 6.0f at AQUi or from MNR? If the horse had run 53.70% at OP is it likely to have faded late whereas at Santa Anita it could have held on longer?

Suppose our 53.70% horse was moving from a 6.0f race at TP and is today entered at FG at 6.0f. Assume for a moment that this shipper with the high energy% shows performance ratings that are similar to the other entrants. Do you like his chances? Normal winning Ee% at FG is low at 52.28% - how will this effect a shipper that has raced in a much higher energy requirement from TP?

The mistake most handicappers make with Ee% is the assumption that horses will translate their energy dispersal perfectly from one track to another. It may be that the track surface, banking and length of the turns, stretch distance and timer placement are all factors in the eventual Ee%. If we could set a vehicle in motion that would run exactly the same real time speed throughout, and we positioned it to run precisely 6.0f at each of these tracks, would the differences in the Ee% shown on the chart be manifested by the physical nature of the 6.0f course or would the Ee% return much closer to a standard figure?

I'm sorry to tell you that I don't have the definitive answer to all these questions. There is probably a relationship between faster surfaces and higher energy%. But not always. There is likely a correlation between cheaper horses and higher energy% - yet that is not entirely cut and dried either. Unlike speed figures where we always find Grade I horses running stronger numbers than maiden-claimers, the early energy is not so easily sequenced by class and ability.

The other difficulty with handicapping Ee% is that we tend to look at it out of context. We know that our pace and speed numbers are adjusted for track-to-track and distance differences (variants). But Ee% remains pretty much in its raw state. In order to make sense of it we need to ask these questions ==>

1. What track and dist/surf did the Ee% come from and what is the average winning Ee% there?
2. How far from the norm was the horse's Ee% in that race? Was it considerably higher or lower than the average? How was the overall performance affected?
3. Considering (1) and (2) above, and knowing the average winning Ee% at today's track or dist/surface, will this horse face *energy shock*? - in other words: will the horse be unable to keep up early or face rapid meltdown due to an entirely unfamiliar energy dispersal requirement?

*Advanced Handicapping with HTR2***Early Energy Advanced Topics**

Next chart displays the same tracks average winning Ee% at 8.5f (fast dirt). We can delve into a different set of issues by looking at the characteristics of route races.

Track	8.5f Non-Mdns	Early Energy
MNR		52.60%
SA		52.57%
PHA		52.53%
GG		52.51%
TUP		52.28%
TP		52.26%
GP		52.12%
TAM		52.03%
OP		51.92%
AQUi		51.70%
HOU		51.55%
FG		51.27%

These tracks all run 8.5f around two-turns with a similar starting point that has a short run to the first turn; the 2nd-call (6f pole) comes while racing on the second turn. If the energy% is relatively high (52.50%+) does this indicate that early speed is critical and a late run is futile? Does lower energy% in routes give us evidence that closers will predominate?

Again, the answers are not entirely clear, but the distinctions are more definitive with routes. An examination of some low energy% tracks for winning running styles in the routes will sometimes show that horses with early speed prevail anyway. But the opposite is rarely true -- in cases where the average winning Ee% is high; these tracks almost always have an early speed bias. Class distinctions are definitely more apparent with routers too. The better quality horses will usually run lower energy% in the routes without exception. Cheap horses de-accelerate rapidly around two turns but can still win races by showing forward position because their opponents tire just as quickly.

Veteran routers tend to be more transient racers than sprinters and this can muddle the study of their past-performance and Ee%. They ship more often to other tracks, they run a greater variety of distances including sprints, and are usually tried on the grass as some point in their careers. This will produce a wider variety of energy levels that makes it difficult to pin them down

Grass races are an entirely separate area of study with Ee%. The E-percentages will be low for turf winners - often right around 50.00% - that means, unlike dirt races, the balance between early and late energy is almost equal. Higher class grass horses will accelerate in the final quarter to their maximum race speed, something that is almost unheard in typical dirt races where the highest velocity occurs in the first half mile. This disparity between grass and dirt energy% makes comparisons impractical when horses switch surfaces. Regular grass runners of any quality are also more agile and can quicken at any point in the race; their energy% can be highly volatile and probably meaningless.

Comparing the average Ee% for a field of horses

One of our veteran users - *jungle* - suggested that displaying the average energy% for the field might be useful in understanding the pace scenario. The field Ee% average appears on the top of the Energy column on the [VEL] screen. Those horses with extremely highs or lows when compared to the average will theoretically have pace difficulties. This same notion could be applied by comparing the individual Ee% with average winning energy% from the Track Profile [BIAS] report. With both these approaches be sure that the all the horse's running lines are coming from similar race circumstance as today, preferably the same track and distance. PL-4 can help with that. A mix of different dist/surf running-lines confuses the a whole-field Ee% analysis.

*Handicapping***3yr Maiden Special Weight (Msw)**

At major tracks, during the first half of the year, the 3yr Msw races are the solid barometer for the near-future of the sport. These sophomores are the cream of the crop and will eventually compete as older horses for the major purse money after their 3yr old year. The vast majority will not have competed in the Triple Crown chase and will have been patiently brought along by their stables with the long run in mind. As the thoroughbred racing year moves forward through the summer, most tracks begin to card "3up Msw" that include all ages and that is a separate analysis. This article will deal only with the maiden special races restricted to 3-year-olds.

The fat 2-year-old purses that lure trainers to rush their fragile youngsters into the "meat grinder" are cause for concern in a sport where career longevity is disappearing among the breed. There is ample evidence that prolific 2yr racing is hurting the older ranks down the line and too many horses are worn down by age-3. There are a few farms, stables and trainers that still believe in patience though. They understand that taking it easy on a developing thoroughbred pays rewards for a longer and healthier career. It is a difficult decision not to push for the Kentucky Derby, but the patience to wait until after the 3rd birthday for competition is almost always beneficial for the horse - and certainly humane.

Using the newest version of the Tester (see page 11) I ran a test specifically to look these at 3-year-old maiden races. You can run the exact same study by checking the following items on the Tester interface -

- 3yr (only)
- Msw (only)
- Male + Female (it might be worth a look to test them separately, but my interest was generic)
- Purse 10k+ (filters out cheaper Msw at minor tracks that do not have quality 3yr's)
- All Tracks
- Fast Dirt Sprints (90% of 3yr Msw are carded as sprints, but a separate route or turf test is worth a look too)

These races are filled with a mix of first-time-starters and lightly races horses. While some will have raced as 2yr olds and have more than four lifetime races, the majority of winners will not have a long past-performance profile and won't have run their best race yet. To predict the class edge, maturity and improvement needed to win these races, there are four factors that all the entrants will have in common-

- Pedigree. Does the pedigree rating clue us in to class and an early tendency to break the maiden?
- Trainer. Top trainers should be able to get the most out of a young well-bred runner. Does a high trainer rating consistently indicate strength with quality 3yr maidens?
- Jockey or positive jock switch. Will the selection of the rider tip off a big effort?
- Workout rating. This would seem to be the strongest indicator for "live" performance. As a young horse matures physically, its workouts will improve and his desire to run faster apparent.

For those horses that have raced a time or two, early speed would seem to be a critical factor. Almost any thoroughbred that can display Fr1 velocity higher than 59.00 fps will eventually become a multiple winner. But 3yr Msw are usually destined for longer races and the turf where the purse money is higher so many winners will not be speedballs. A powerful late run from a 3yr maiden is a rare occurrence, but is usually a tip off for impending class and success.

Equipment changes are rarely an issue with 3yr Msw. Almost all thoroughbreds initiate their career on Lasix and are racing on it by the time their first couple of starts are in the books. The majority of those destined to races on dirt at standard distances will try blinkers at some point as well.

*Handicapping***3yr Maiden Special Weight (Msw)**

We'll take a look at the statistics and test results now. The (K) rating result was very interesting. Here is the result of the entire (K) spectrum for 3yr Msw from the last 365 days ==>

K-1	00664	0202	30%	0.89	51%	0003	\$22
K-2	00664	0141	21%	0.93	41%	0016	\$28
K-3	00664	0095	14%	0.71	28%	0012	\$32
K-4	00664	0075	11%	0.75	26%	0026	\$64
K-5	00665	0041	06%	0.54	17%	0021	\$65
K-6	00653	0041	06%	0.80	15%	0027	\$79
K-7	00629	0029	05%	0.82	10%	0025	\$118
K-8	00567	0022	04%	0.78	08%	0019	\$146
K-9	01079	0018	02%	0.42	04%	0016	\$157

While the win rates are typical for a large sample test on the (K), notice that the ROI for K1-2 is considerably improved from an "all burger" sample. This indicates that the winners are not nearly as over-bet as we would expect from other types of races. The (K)-2 in particular has an excellent ROI sans any monster winners (the highest mutuel was \$28) and probably brought home a good number of \$8-\$15 victors. Those ranked 9 in the (K) are miserable - they won just 18 races in 1079 attempts.

This next chart extracts the top ROI situations from the test for 3yr Msw.

C90-1	00689	0212	31%	1.06	50%	0007	\$44
S/P-1	00664	0194	29%	1.06	46%	0009	\$44
FR3-1	00666	0142	21%	1.05	36%	0013	\$157
VEL-1	00677	0210	31%	1.03	50%	0006	\$32
A/P-1	00664	0204	31%	0.99	50%	0005	\$32
WK85+	00365	0066	18%	0.97	34%	0007	\$35
TRN-2	00668	0120	18%	0.95	34%	0016	\$79

The results are fascinating and contradict the conventional wisdom. The factors that were expected to perform well, Trainer, Jockey, Pedigree and Workout, were left out in the cold for the most part. Only the venerable Wk-85 held its own. Trainer rank-2 did the best of the rest. For the most part the other human factors performed poorly in the test.

The speed figure and velocity related factors did very well. Early speed velocity performed poorly. This defies typical predictive data for sprints in other tests. Not only did these factors prevail over the others, but they showed flat bet profits!

The character of 3yr Msw winners is proven power on the track. Cheap speed will be dominated by opponents that have genuine class. First time starters are in trouble if facing experienced runners with strong final time speed numbers and overall velocity strength. As with grass races, the dominant performers are those that have shown the ability to run hard at the end.

Finally, remember one other important intangible with classy 3-year-olds. The lightly races ones are at the peak of their physical health. There is no reason to suspect problems if the initial start comes during the first half of the season (Jan - July). These horses are generally free from the wounds of war (injuries) that afflict over-raced 2yrs and virtually all older horses. Improvement is certain after a couple of starts and a major leap forward is likely at some point as the youngster matures and acclimates to racing.

*Software Upgrade***HTR2 New Additions "Feb 6, 2004" version**Tester

Added some new filters and output items to the Tester.

- Purse 10k+ Only: This optional filter can be checked-off from the Tester screen and will then examine only those races where the purse value is \$10,000 or greater. This keeps out cheaper horses and lower mutuel-handle races from your study.
- Test Last 30-days Only: Check-off this one and the Tester will stop after 30 calendar days. This limits the research to recent races and I like using it to verify longer term studies to make sure the statistics are still "going forward" in the most recent month.
- Tournament Rating: This rating will be displayed in all your test results at the bottom of the output. It is great for evaluating any track, dist, surf or race conditions for longshot potential. Keep your sample sizes over 50 for best results. A rating in the range 50-55 is average. The race situations that produce a rating of 70 or more are great opportunities for consistent price production and for gathering points in tournament play, regardless of the format. One word of caution, the "5/1+ MLO" option will produce unreliable results and should be avoided when studying the Tournament Rating. The rating is based on the percentage of races that produce high mutuels (tournament points) in conjunction with the HTR factors found in the Tester. Read pages 4-5 herein for more details.
- Pedigree Statistics: added Ped-1,2 rankings and Ped-450+ to the test output. Also separated the \$ and the \$\$ (double strength longshot) in the output for longshot plays.

Level and Pars Update

I'm going to hold off another month with the par level updates. Ran into some difficulties trying to decipher categories of races such as *STR* (Starter Allowance), *SHC* (Starter Handicap), *OCL* (Optional Claiming) and several others that have begun to proliferate in North American race cards. Racing secretaries have taken liberties with these and written all sorts of creative variations. Generally there is no key to the strength of the field such as purse value or claiming levels to benchmark the caliber of the horses. In Southern California for instance the range of performance ratings among Starter Allowance (*STR*) older males was 094-107. You just don't see that sort of a deviation with standard claiming, maiden or allowance horses. This happens because the quality of the fields that fall under the *STR* umbrella are a wide assortment due to the variety of conditions written to increase field sizes. The racing secretary does not separate this diversity through meaningful changes in purse values. The best I can probably do is locate the median for all winners of these races and use that as the level par.

Some categories of races have diminished alarmingly in quality since the last HTR par update December of 2002, including Graded stakes. We just don't have very many superstars running explosive times anymore. Grass race performance seems to have declined as well and could be due to greater number of turf races carded for cheaper horses. A few tracks have moved up or down in class - Delaware Park, Mountaineer and Woodbine for instance, card higher overall quality these days, while LRL, CRC and AP seem to be getting weaker horses. The migration to higher slot purses is real and beginning to make a significant difference in demographic thoroughbred racing strength.

Seminar Additions

There will be some terrific new tools added to HTR2 for the 2004 seminar in Las Vegas. I'll be revealing more details as we get closer to the event and will spend time going over them during the meeting. You will be able to use them immediately from the time you receive the new software.

Tournaments / HTR People in the News

Please join us in the HTR on-line Winter handicapping tournament. The grand prize is free entry in the Orleans Championship to be held in late March. Our contest starts on February 13 and runs for 11 days and includes 6 racetracks and a format that emphasizes skill over luck. You do not have to play every day, just make 60 contest wagers (10 per day maximum) during the entire tournament to compete. Standings updated daily. Details are on the HTR website and at this link ==>

www.homebased2.com/km/pdf/HTR%20Winter%20Handicapping%20Tournament.pdf

HTR 2004 Summer Seminar

We are confirmed at the Gold Coast Hotel in Las Vegas for our annual seminar. The event date is July 14, 2004 at 1pm.

The seminar is being held the day before the big Gold Coast tournament. We'll have more details as the summer nears including topic list, and itinerary and software additions. Accommodations at the Gold Coast are inexpensive and guaranteed if you participate in the 3-day tournament (Thu-Fri-Sat). Seminar participants can choose any hotel they wish to stay in though and we are not making room provisions as part of our meeting. Weekday hotel room space in mid-July is not usually a problem in Las Vegas, but early reservations (by May 15) are recommended if you are planning to remain through the weekend.

HTR is a service of –

KM Software

Voicemail: 714-366-1HTR

Fax: 714-693-3399

Email: kmssoft@earthlink.net

Free HTR website (software updates): www.homebased2.com/km

HTR Monthly Report is an on-line newsletter and is normally completed at the end of each month, then placed on the HTR member (download) web site. This is not a free publication. Monthly members of HTR can view the newsletter for no charge on-line, Adobe Reader software (free) required. If you are not an HTR download customer, or prefer a printed version mailed to you, a newsletter subscription is available for a \$79/year. Comments and suggestions are always welcome.

Products and services from KM Software

HTR Unlimited Download:	\$119/mo includes the on-line edition of this newsletter.
HTR Monthly Report newsletter:	Free with subscription. Past issues available.
HTR Software	FREE, requires download subscription for use. Download the latest copy of HTR software from our web site.

KM Software has been a licensed business in California since 1993.