

HTR Monthly Report
Thoroughbred Handicapping Newsletter
January 2005

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KM Software
Handicapping Technology and Research

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KM Software 2005

*News and Views***Top-10 Events of 2004 that Impacted Horseplayers**

Happy New Year! Thank you for continuing to read this newsletter and for subscribing to HTR.

Let's start 2005 with a look back at the events of last year that made a difference in the game of thoroughbred handicapping and how they might portend what happens in the coming twelve months.

[10] Seabiscuit Nomination for Best Motion Picture

Seabiscuit, the excellent motion picture based on Laura Hillenbrand's best-selling book of the same name, was one of five films nominated for Best Picture in 2004 (films released in 2003). No one expected it to win and it didn't. But the film brought back considerable positive and sentimental feelings about the thoroughbred sport that had been lacking for so long. Most Americans and Canadians have a strong affection for horses as part of our culture. The credibility of thoroughbred racing has never suffered due to the strength and beauty of the animal athlete, it is the greed and corruption of humans that has soiled it. *Seabiscuit* was a reminder of the roots of a great game and what a champion is made of. Now we see regular advertising using thoroughbreds as an image of power and speed and the news media and the public seem to have softened somewhat in their cynicism. Whether or not this translate to more horseplayers and increased betting handle remains to be seen.

[9] Gold Coast Tournament in July

This tournament came at an important crossroad for the *Coast Hotels*. Having recently been acquired by new ownership, *Coast* management had something to prove after some recent tourneys at the *Barbary* and *SunCoast* had been flops. After announcing its "World Series of Handicapping" during the *Orleans* tournament in March, the *Gold Coast* attendance would be a critical measurement of response from the public in terms of the enthusiasm for qualifying. Finally, there was our own HTR seminar that was sponsored by the *Gold Coast* racebook. They were holding their breath that everything would go well

The public responded beyond expectation. The contest filled way over the anticipated 500 spots and there were over 730 total entries. The tournament banquet rooms overflowed into the hallway; the *Gold Coast* hotel was an active beehive all weekend. The HTR seminar delivered as well. More than 60 attended and we provided over 45 entries into the tourney and 7 subscribers finished in the top-30. A big win all the way around and *Coast* management was very pleased. We have been invited back again next year (Wed July 13, 2005) and the *Gold Coast* July tournament has been renewed for five more summers.

The *Coast* was now optimistic about the January 'World Series' filling to the 1000 players. But they pulled a boner by announcing that they would lower the fee for the World Series from \$2000 to \$1000 prior to the *Orleans* October contest. That reduced attendance as many players cancelled and stayed away figuring a \$1000 was best spent coming in January to compete in the big one.

[8] Breeders Cup World Championship at Lone Star

The early voices of dissention for a Breeder's Cup championship day at Lone Star were dispelled after a terrific, weather-perfect day of racing. The competition was excellent, the crowd was enthusiastic and the NBC television coverage, led by Bob Costas, was super. The Dallas track and its fans had a banner day and Lone Star was now "major league". Perhaps most important was the gigantic mutual handle that now included wagers taken from all across the globe. A big boost all around for thoroughbred racing.

[7] Smarty Jones Triple Crown Bid

A Triple Crown victory by *Ky Derby* and *Preakness* winner *Smarty Jones* would have added to the aura of good feeling about thoroughbred racing that started with the popularity of *Seabiscuit*. *Smarty* couldn't pull off the toughest challenge in sport a year after *Funny Cide* also was unable to win the trio. Yet the interest was there and the media and the crowds were big and genuinely hoping to cheer a new hero -- a positive indicator that the *Sport of Kings* still attracts some passion and interest with the general public.

*News and Views***Top-10 Events of 2004 that Impacted Horseplayers – #6, #5, #4****[6] Magna Shuts Off Betting**

Magna Entertainment, owners of the key winter tracks Gulfstream and Santa Anita, took a nasty swipe at horseplayers in 2004 by attempting to shut off all outside wagering sources and live video feed. They wanted an exclusive for their own *XpressBet*. This resulted in an angry outcry from thousands of bettors that were expecting to get action from on-line providers and then being cut off. The backlash was considerable and many called for a boycott. Other players sought offshore accounts. It was a public relations debacle for *Magna*.

Magna has just announced that it will now allow video and wagering access to outside providers. They earlier had expanded the live signal to a popular satellite dish network. The capitulation was no doubt due in part to the public backlash from last year, but may also have been an outreach for exposure to the newly remodeled Gulfstream Park (see page-6).

[5] [4] Slots – Winners and Losers

We'll combine the 5th and 4th ranked events here because the slots are having an increasing impact on the game and there are both winners and losers involved. In 2004, the states of New York, Pennsylvania and Florida have turned on the green light for the inclusion of slots at racetracks through the legislature or the referendum process. Maryland and California have put the brakes on.

With expansion of gambling in PA and NY, and the already successful racetrack slots in Delaware and West Virginia, Maryland racing would seem to be surrounded and teetering on collapse. Pimlico and Laurel are already experiencing declines. Racing is flat and starting to look like Northern California with small uncompetitive fields and a few obvious barns dominating. There was even talk of moving the *Preakness* to another location – unbelievable – but that would be the final nail in the coffin for racing in Maryland.

Racing in Pennsylvania would certainly get a huge boost from slots after decades of mediocrity and scandal at Penn National and Philadelphia Park. But it doesn't happen over night. The two PA tracks have lacked attendance and handle for so long and been kept on life support with simulcast wagering only. How the new dynamic with slot machines affects racing in the state will be interesting to follow. If things go well, it could have an impact on regional slot tracks: Delaware, Mountaineer and Charles Town.

California residents voted to leave the slots in the hands of the Indians and nearby Nevada. The race-tracks in CA will probably never get them. Horse racing in Southern California continues to thrive due to the enormous following that fuels those massive p4 and p6 pools. The favorable climate, time zone and the absence of geographical competition helps. But weekday racing in Los Angeles (SA and HOL) is miserable and not improving. The purse structure in SoCal is 'top-heavy' (most of the money goes to Stakes and Alw, Msw and state bred races) and the good claimers are being snatched and taken east to the slot tracks for bigger purses. Northern California racing deserves the same comment as Maryland and is suffering terribly from lack of horses – there are just no incentives to race there and little motivation for bettors to get excited about BM and GG these days.

New York and Florida racing would seem poised for a major explosion of purse values with slots. But corruption and legal issues could be wrangled over for years before any tangible results are seen. NYRA continues to act like a secretive criminal organization and Florida has to deal with Dogs, Jai Alai and Harness interests. Everyone comes out of the woodwork to lobby for a slice of the slot revenue pie.

Hopefully something good will come of slot expansion for the thoroughbred sport. But my feeling is that casino gambling will inevitably suck out more than it gives back to horse racing. Perhaps Kentucky and California tracks are wise to stay out of the fray in the long run. But for LRL and PIM, it may be impossible to compete and attract horses in the future.

*News and Views***Top-10 Events of 2004 that Impacted Horseplayers – #3 and #2****[3] Super Trainers**

2004 was the year of drug allegations in nearly every major sport, including widespread incidents of cheating at the Olympics. The phrase 'performance enhancement' has become part of the vocabulary of athletic competition. We have witnessed an astonishing rise of a small group of trainers in thoroughbred racing that exceed normal winning statistical expectation. These conditioners succeed at a consistent high level and have a remarkable ability to turn around a losing thoroughbred. Are they doing it honestly with vitamins and hard work? I'm not making any accusations here, but there is strong sense that the playing field is not level.

Drug testing and greater scrutiny has the effect of making the cheaters more resourceful. Development of performance enhancement drugs is far beyond stimulants or painkillers. It is a fact that many trainers have used illegal 'cocktails' on their horses. These are simple sodium bicarbonate solutions that reduce lactic acid build-up during the race. The 'cocktails' dissipate quickly from the bloodstream and are hard to detect after the race is over. Additional additives in the 'cocktails' can be masked by lasix. Steroids are not a specific performance enhancer for race day, but if used in training, they accelerate recovery and allow more aggressive workouts and muscle power. Unfortunately this is an alarming reality in horse racing and all sports. As handicappers, we can either bury our heads in the sand – or deal with it head on.

Luckily, we have two HTR ratings that can help us uncover these possibilities. A trainer rating (TRN) greater than 400 points is an instant identifier for a 'super trainer'. The workout rating (Wk) when rising above 85 points may be pointing out a horse 'on the muscle' with more than carrots in its diet. Considerable testing with both these ratings by myself and many other HTR users has proven success with tipping off many surprise winners at high prices.

[2] Pinnacle 7% Rebate

When Pinnacle began its current rebate system in October of 2003, there were many doubters and cynics that said it wouldn't last long. The 7% rebate policy continued into 2004 with thousands of horseplayers signing up and becoming believers. A 7% rebate is the tremendous boost for the average bettor. The payback on Pinnacle is nearly unrestricted except for Place and Show payoffs of \$2.20 or \$2.10 (to prevent 'bridge jumpers' from killing them). Any amount of wagering, no matter how large or small is eligible – that is unheard of elsewhere - nearly all other rebate plans require minimum levels of action. The Pinnacle rebate is paid on any wager type and the money is deposited every morning without fail. A prompt posting of the 7% is a major benefit to the Pinnacle players that allows immediate 'churning' of the funds. Many 'break-even' horse bettors have now become profitable players on Pinnacle.

There are a few negatives and unanswered questions regarding Pinnacle, despite their massive popularity and revenue stream. It is an offshore company; the player funds are not guaranteed by law, there would be no recourse in the unlikely event that the money disappeared. It is rumored that winning big bettors are cut off or that their bets are added to the pari-mutuel pools, therefore lowering the mutuels. It is hard to find solid evidence for this however. The Pinnacle race wager interface leaves something to be desired, but it is not that difficult and has a welcome batch-bet feature. Rumors of 'past posting' are common and that is a bit unsettling if bets are sent to the simulcast pools where late action (after the race starts) on the tote is suspicious anyway.

No question that the Pinnacle 7% rebate is having an effect on the North American racing industry. Racetracks are reluctant to issue their own percentage payback to players for fear of angering state officials or horseman, but they are taking notice and will have to do something to stop the bleeding of betting funds from going out of the country. All on-line providers, many race books in Las Vegas and some racetracks have responded with special bonuses and comps as a way around the pure rebate to reward their loyal players. It's about time. Hopefully the ultimate effect of the Pinnacle 7% rebate will be that it was a catalyst for eventual legal rebates direct from racetracks and OTB outlets.

*News and Views***Top-10 Events of 2004 that Impacted Horseplayers – #1****[1] World Series of Handicapping**

The *World Series of Handicapping* has not even been held yet. It first was announced in March of 2004 to be contested January 27, 2005 for its inaugural run. The event could be a critical boost for the sport of thoroughbred racing and the ramifications could reach far beyond 'just another tournament'. Let's look at the background and the chain of events that led to it.

Poker is the hottest game around right now. From college dorms to old ladies homes, everyone is playing. Texas Hold Em sets were big sellers this Christmas. How did this happen - poker has been around for a long time, why the sudden surge? Three key reasons: television exposure, Internet access and big money. Those ingredients seem to be intact with thoroughbred racing as well, but the sport has not made a similar comeback. The National Thoroughbred Racing Association (NTRA) was formed seven years ago to address this situation.

The NTRA was created primarily as a publicity organization for thoroughbred racing. Aside from "Go Baby Go" commercials - a laughable failure - the NTRA's most public claim to fame has been the annual "National Handicapping Championship" (*NHC*). The January tournament requires players to qualify at local racetracks, OTB or on-line contests. The top finishers at the local events are rewarded with a free trip to Vegas to compete for big prize money in 2-day tourney. While the *NHC* proved very popular with the tournament sub-culture, it did not catch fire with the typical horse bettor, let alone the public at large. Except for a sliver of coverage on TV-G, there was no television. It was even difficult to find results on the Internet (in fact it has often been frustrating for participants to get results after the first day). The tournament format, requiring 50% mandatory race selections, and the prize structure have been criticized widely. Finishing 11th at the *NHC* was a tremendous accomplishment, but it paid zero in prize money!

The *Coast Casinos* and the *Orleans* had all of this in mind prior to announcing the new "World Series of Handicapping" in 2004. They had a lot of advantages going in →

- The *Orleans* has run the most successful and highest payout tournaments over the last decade.
- Had the advantage of observing the wide success of the televised poker tournaments.
- Received feedback from players regarding the good and the bad about the *NHC* tourney.
- Understood that a \$1-million prize pool would be a lure that reaches beyond tournament players.
- Recognized the importance of media and television exposure.
- Allow "all comers" to enter the tournament for a \$1000 fee, as well as having qualifying contests.

The "World Series of Handicapping" has had some growing pains since the initial announcement. Mistakes and changes could be expected for an event of this size going forward, but they seem to consider the suggestions and opinions from players and have the tournament setup and format in good order now. However, they have not revealed what network will be televising the event, and whether that coverage will be live or just a taped show. The media coverage will be critical if they want to spread this event beyond hard-core horseplayers and contest junkies.

The \$1-million prize offering is a psychological draw that should be irresistible for gamblers everywhere as there is no easier opportunity to turn \$1000 into \$500,000 (estimated first prize). All tournament fees are returned as winnings and the hotel is adding additional money for one-day contest on the final Saturday. In terms of a cost/benefit analysis, this is a positive expectation gamble from the start with no take-out and only 1000 others players to beat for a life changing top prize.

If the "World Series..." is a big success in terms of draw and publicity and media coverage, the event could provide a needed shot in the arm for the sport and hopefully attract interest from a wider audience. Complete pre-coverage with the nuts and bolts of winning the contest starts on page-7.

Handicapping
Dealing with a New Gulfstream Park

Gulfstream has emerged as the number one winter track in North America. Large fields, lots of daily races and handicapping challenges abound. Trainers ship in from all over the east coast and New York barns. The turf racing 'on the hedge' was longshot paradise. Things could get interesting at GP in 2005 with a host of new changes...

Magna Entertainment (MEC Corp) has invested a lot of money into the Gulfstream Park property and racetrack. This is an interesting decision for many reasons. First and foremost they want to position themselves for the potential of casino gambling coming to the track. They have apparently decided that Gulfstream, not Santa Anita, will be the centerpiece of racing for the company. The main (dirt) track has been lengthened and the turf course completely refurbished. Let's look at each of the issues and make some predictions on how this might affect us as handicappers.

Slot machines at horse tracks, dog tracks and jai alai frontons, narrowly favored by Florida voters in the November 2004 election, could soon become a reality. This is a major ray of hope for *MEC Corp* and Frank Stronach. They had purchased more than a dozen racetracks in the last decade with the potential of slot machines eventually becoming installed. A remodeled Gulfstream Park + slots = \$\$\$\$.

The decision to pour a major monetary investment into the overall plant reflects not only the potential of slots at the track, but the clear resolution that Gulfstream Park will become the icon of Magna Corp. Is this a slap in the face to Santa Anita? Certainly historic Santa Anita was the pride of *MEC* when purchased and it was expected that they would spend lavishly on refurbishing. The SoCal track did get a facelift and efforts were made early on to draw more horses from around the country with various incentives. However, the lure of racing in California has denigrated for a lot of reasons and field sizes and the quality of the cards has shrunk alarmingly at SA, especially on weekdays. Slots are never likely to be placed at California racetracks due to the powerful opposition from Indian and Nevada casino lobbies. This put Gulfstream in a better light and the hammer dropped after the 2004 meet was over. No doubt the Breeders Cup will return there soon and often as a showcase American racetrack.

The main dirt track at GP has been lengthened to 1-1/8 miles (previously it was a standard 1-mile oval). Gulfstream's dirt surface was not entirely overhauled. The refurbishing mirrors the similar transformation of Hollywood Park in 1984, with most of the track remaining intact and lengthened on one side only. A 1-turn mile chute has been installed which will be the most radical change for the main track. The turf course has been lengthened to 1-mile in circumference and completely overhauled with high-tech sod and root methods and widened with a lot more real estate.

Handicapping GP 2005 – What to Expect

- Toss out any 'horse for course' lists, track models, energy profiles, post-position stats, etc. from prior years. Everything changes now - give it a month to settle in. There will be unpredictable results as the horses and jockeys get used to things. Don't accept low odds, especially on a grass course that is entirely different now. Be mindful of the 'super trainer' at all times though, they love Gulfstream and will be pointing for this meet and using all their tricks.
- New racetrack resurfacing tends to favor early speed on the dirt. This may occur in the beginning due to the fact that the new surface has had little friction or wear and that makes it tougher for late runners to get a hold right away. After the ground has been raced over and the maintenance crew gets some feedback, this will change. Betting on early speed is always a smart gamble anyway, especially if the public is confused in the beginning. If the unexpected happens and a rally-wide bias takes place, you can clean up using late velocity factors such as *Lv* and *Fr3*.
- A brand new turf course combined with large fields will be chaotic for bettors. It takes time for the jockeys to recognize the correct pace tempo and get a handle on the grass so longshots can win in the cavalry charge. The public tends to under-bet horses with outside post-positions and you might find value there if the newly widened dimensions make it easier to run from PP 9 - 14.

Tournaments

January Tournament Championships – Basics

Congrats and good luck to all the HTR subscribers that qualified or will be entering one or both of the championship contests later this month. We'll have results and highlights in the February newsletter and hopefully some great success stories!

January 2005 may be the ultimate opportunity for thoroughbred tournament players ever. We discussed some of the broader impact of the World Series of Handicapping (*WSH*) and the NTRA/DRF National Handicapping Championship (*NHC*) on page-5, yet did not mention the very real possibility that one of these big contests may not be around in 2006. Can two major tournament events, that are both proclaiming they are the 'championship', succeed in tandem or will one put the other out to pasture?

The *NHC* is in its fifth year and has become the Mecca for tournament enthusiasts. However, the hardcore contest players that extend themselves to qualify are a small sub-culture of the overall horse race betting community. The *WSH* was created in hopes of reaching out to a larger group of handicappers and perhaps adventurous gamblers in general. The *NHC* format and prize structure has had much criticism. Whether it was feedback from players or competition from the *WSH*, the NTRA announced significant changes for this year's event. Let's look at a side-by-side comparison of the general structures →

Item	NHC	WSH
Players	214	1000*
Tournament Days	2	3
Top Prize	\$200,000	\$500,000*
Total Prizes	\$400,000	\$1,000,000*
Daily Cash Prizes	Both days	Saturday Only
Overall Prize Pay Down	Top 20	Top 30
Scoring	\$2 WP	\$20 WP
Cap on Scoring	\$42/\$22	\$40/\$20 + 10% full pay
Plays/Day	15	11
Plays/Total	30	33
Mandatory Race Plays	15	00

* Estimated and not guaranteed

Analysis

Both tourneys have plusses and minuses depending on your perspective. The first thing that comes to mind is the difference in the total number of players with respect to 'prize pay down'. Players at the *NHC* have a ratio of 20/214 vs. 30/1000 at the *WSH*. While that may be an advantage for *NHC* players, they had to qualify first at a local tournament, and that is a difficult assignment when considering the thousands that entered all the preliminary contests. *WSH* players can pay the \$1000 entry fee and compete at will. But for those who did make it into the *NHC*, their task is quite a bit easier in terms of cashing a check at the end. Prize money was increased and the pay down extended at the *NHC* this year, so that's good news, but can they share the publicity a week later when someone wins \$500,000 at the *WSH*? Very interesting politics to be sure – but our goal is to get some cash – let's move on to the nuts and bolts of scoring the points needed

The two tournaments are similar in terms of wagering and scoring. Win and Place formats that put an emphasis on hitting at least two \$30+ horses, yet remaining consistent throughout. We'll look at strategy possibilities using the *WSH* format as we'll have at least 20 HTR players involved, but the general plan of attack would apply to both contests as the relative number of points needed to cash a check is parallel. The main difference is that *NHC* players have far fewer optional chances because half the plays are mandatory races.

Tournaments

January Tournament Championships – Scoring

Let's look at a table that reveals how many points you will receive for some sample Win-Place payouts at the *WSH*. Remember there is a cap of \$40/\$20, but also a 10% full odds payout. A key question for every player is how much gain is there for hitting a high-risk 40/1 shot vs. playing higher probability runners with odds below 20/1. At the regular spring and autumn *Orleans* tournaments (Win only) there is a 20% full odds payout and it makes a huge difference in the final tournament scores and players there eagerly seeking out the biggest bombs. Does that *shoot-for-moon* attitude make sense at the *WSH* though? After reviewing the chart we'll estimate the number of points needed to win or cash at the end.

WSH Point Scoring Samples

<u>\$Win</u>	<u>+</u>	<u>\$Place</u>	<u>=</u>	<u>Points</u>
6.00		4.00		100
9.00		5.00		140
12.00		6.00		180
15.00		7.00		220
20.00		9.00		290
25.00		10.00		350
30.00		13.00		430
40.00		15.00		550
50.00*		20.00		610
80.00*		30.00*		650

* over the cap

The Place prices listed above are based on average pari-mutuel payoff ratios and can vary considerably depending on the odds of the second place finisher. I didn't list the points for Place prices alone, but they can be critical in the final tally if several of your longshots finish second. It is more unusual for the Place price to exceed the cap than the Win. The Place money is more valuable at the lower odds ranges because the ratio between Win and Place is smaller. This fact alone may encourage some players to go for high percentage horses (see *XFAV* from the December 2004 issue of this newsletter) and pile up points in small bunches – but will that strategy work?

There is limited gain in points from very high priced winners above \$50.00 with the 10% bonus in place. While small increments are often decisive in the final standings, the dilemma for the player is whether to take a shot on high-risk longshots over 20/1 at all. Notice the difference between the typical \$40 winner vs. the \$80 winner is just 100 points. \$40 winners are nearly three times as likely to occur as \$80 bombs. But the difference between the \$20 winner and the \$40 score is nearly twice the points. Where is the *sweet spot* in the scoring? – (see next page).

Using past results from similar contests and running some logical simulations (check the HTR bulletin board *Tournament Forum* for detailed results) we can make a reliable estimate the likely final winning score and points needed to cash a check in the top-30. Estimate →

2750 - 3250 **Champion**
 2250 - 2750 **Major Prize Winners**
 1750 - 2250 **Minor Prize Winners**

These scoring predictions have a wide variation for many reasons, including the fact that this tournament has never been held before and we have no past performance to go on. An unusually high percentage of winning chalk or longshots can alter the scoring considerably, especially if such a streak occurs on the final day of the contest. But the chart should help you devise a game plan that recognizes the need to score above 2000 points if you want to cash out. (*NHC* players need to shoot for 250 points).

Tournaments

January Tournament Championships – Strategy

The next chart details the win percentage needed to score around 2000 points with various average mutual strategies. I chose 2000 as a reasonable goal that will probably cash a check in this tournament. The chart is based on winners only, and probably would represent your minimum point tally, as you would also score some points with one or more horses that finish second. (Unfortunately for some, a frustrating ‘seconditus’ will plague their tournament, but it will be almost impossible for them to accumulate enough points to finish in the top-30 without at least two good priced winners included).

Avg Win = The average Win price of your tournament hits.

Points = The number of points per winner (+Place) you would typically expect.

Wins Needed = Number of winners you’ll need to get to 2000 points.

Win% = the percentage needed based on 33 attempts.

Total Points = about 2000 in all cases.

Avg.Win	Points*	Winners Needed	Win%	Total Points
\$6.00	100	20	61%	2000
\$9.00	140	14	42%	1960
\$15.00	220	8	24%	1960
\$20.00	290	7	21%	2030
\$25.00	350	6	18%	2100
\$30.00	430	5	15%	2150
\$40.00	550	4	12%	2200

Analysis and a Game Plan

Where is the ‘sweet spot’ here? It would be the intersection between a logical number of winners that could be attained (with 33 bullets) and the probability of horses in that mutuel range could actually get home. Even the hottest handicapper on earth cannot hit 61% winners with an average win price of \$6.00, nor 42% wins at around \$9.00. The players that go for a high win rate will not be hitting horses averaging \$6.00 win anyway, \$4.00 is more like it, and they are climbing a steep mountain.

A win rate of 10% to 20% is realistic and likely for almost all those who cash a check in this contest. This means an average win price in the \$18 - \$35 range. You don’t need a lot of winners, just 5-7 good ones to cash. If you can only manage 3 or 4 winners at this payoff level, making the top-30 would still be possible if several second place finishers get home and they score about 100 points (\$10 up) to Place. You could also add a one or two lower price horses by saving bullets until the end of the day to “pad” your total and pass a few other players late in the standings on Saturday. *Conserve those precious bullets.*

Scoring points on the first day of the tourney as well getting some points on all three days is an attribute found with at least 90% of those finishing in the top-10 in past *Coast* tournaments. With this in mind, gathering points early and gaining momentum with lower risk overlays (\$9 - \$16) is one possible game plan. Nothing is more powerful in these tournaments than a player’s confidence and energy after stamping some points on that entry. However, this approach backfires if one of two things happens: (1) your logical contenders run well but don’t win; (2) a streak of longshots come in that day and dozens of other players are amassing bigger points. In either case, you have used up precious bullets and now have no choice but to begin ‘bombing’ to catch up. This is a common affliction for players that have only one entry (no partners in this case). Using the ‘bomb’ approach (wagering on horses that will pay at least \$30) from the beginning of the tournament is the riskiest approach for those with just one entry - *zero* is the most probable outcome. However, multiple-entry players have learned to thrive on the big ones by shot-gunning races that appear chaotic and likely to produce an upset that few other players will hit.

HTR players have learned that cashing and profiting at these tournaments is absolutely doable. We have tools that give us tactical as well time saving advantages over nearly all of our competition. A little luck in the short tournament time frame is always welcome too - go for it! See you in Vegas.

Handicapping
Are Late Running Sprinters – Good Routers?

This month we are going to discuss one of the most popular tenets of conventional wisdom in the lore of thoroughbred handicapping. If a horse closes strongly in a sprint – but not quite able to get up for the win - surely it will appreciate a route of ground and the extra distance?

This has been one of my favorite ‘bet-against’ angles for over 20 years. Who knows, maybe I was the first guy to discover the statistical reality of the angle! Even today, handicapping authors still mention it as a positive move, so there are plenty of obvious low-odds runners that fit this play. Let’s start with an illustration and setup clear parameters so you know exactly the type of horse we are dealing with here, they are very common. Any horseplayer that reads past-performances regularly will spot the move in a second.

HORSEX 7.0f 6.5 - 5.0 - 3.0 - 2.0

HorseX ran seven furlongs coming from 6.5 lengths back at the 1st call (2f pole) and 5-lengths back at the 2nd call (4f), was three lengths back at the stretch mark and finished just 2 lengths off the lead at the wire. This looks like a good performance and a sharp effort in the sprint, probably earning a solid speed figure. Today the horse stretches out to a two-turn 8.5f race. The touts and newspaper selectors love this angle and will promptly post “extra distance will do him good”, “stretch out will improve”, “been needing more ground, good spot for the win”, “extra furlong(s) should do the trick”.

The pundits are only thinking about logical number patterns: $A \rightarrow B \rightarrow C \rightarrow D$ that appeal to our brains at face value. The rapid de-acceleration in most dirt sprints (due to faster fractions) benefit late runners more than in routes where the energy loss is less dramatic and more spread out. Dirt routes typically have far less stress in terms of velocity changes and it is tougher sledding for a horse coming from behind as they have more ground to make up on horses that are slowing more gradually. On top of this, the late running sprinter ends up more forwardly placed on the pace in a route, which may confuse the horse and tire it out prior to the final fraction.

Now that we have the theory, let’s look at the facts. We have to qualify all of our definitions first.

Last Running Sprinter (as defined for this test)

- Last race was within last 90 days.
- Last race was a sprint at 6.0, 6.5 or 7.0 furlongs. Other sprints not used.
- Beaten Lengths at the first call (2f) in the last start ≥ 5.0 lengths.
- Beaten lengths at the finish last out ≤ 3.0 lengths.

The definition requires a minimum of five lengths off the lead the lead at the first call and a finish within 3-lengths at the wire. This means a gain of at least 2-lengths from the first call to the finish. Those attributes would certainly be recognized as ‘solid effort’ by handicappers. A majority of the horses in this study finished 1-2-3-4 in that last outing. I dwell on this point because it is important to recognize that we are dealing with horses in good form that ran well in the focus race and would be well bet in most cases when they stretched out.

Dirt Route for the late running sprinter test must also be defined.

- Distance 8.0 – 9.0 furlongs around two turns.
- Two-turn routes only. 1-turn miles and Belmont routes ignored.
- Fast Dirt only. No turf or wet surfaces used in the test.

One-turn routes were ignored for this study as they would seem to be a more favorable situation for the late running sprinter. Our focus is on those late runners (based on their most recent race) that stretched out to a two-turn fast dirt route. Grass and wet races are an entirely different dynamic and not used here.

Handicapping
Are Late Running Sprinters – Good Routers?

Here are the numbers for the late running sprinter test for races run in 2004.

Plays = 2451
 Wins = 356
 Win% = 15%
 WP% = 29%
 Win ROI = 0.70 (-30%)
 Pla ROI = 0.61 (-39%)

While it is probably not common, there are going to be multiple qualifiers in some races that may skew the win%. The ROI is accurate in terms of betting a dollar to win on every qualifying play regardless of how many per race. Let's take a look at these horses broken down by various HTR factors and all nine ranks of the K-rating, which will have no ties at all.

Late Running Sprinter → Route Today / Fast Dirt 8.0-9.0f

Factor	Plays	Win%	\$ROI	WP%	High\$
K-110	107	35%	0.80	53%	\$8
K-1	383	29%	0.81	49%	\$20
K-2	405	20%	0.71	42%	\$15
K-3	355	15%	0.61	30%	\$21
K-4	302	13%	0.72	31%	\$26
K-5	326	10%	0.83	20%	\$60
K-6	290	06%	0.56	14%	\$42
K-7	169	05%	0.46	14%	\$27
K-8	117	05%	0.53	12%	\$36
K-9	104	03%	0.42	09%	\$53
S/P-1	526	24%	0.83	40%	\$34
S/P-2	499	20%	0.79	37%	\$27
L/P-1	867	18%	0.75	35%	\$53
L/P-2	561	15%	0.62	30%	\$36
FR3-1	503	19%	0.77	35%	\$53
FR3-2	497	15%	0.59	33%	\$36
TRN-400	079	27%	0.96	52%	\$17

Analysis

The top-5 K-ranks are able to hold their normal win percentages with the stretching-out late running sprinter. However, they suffer huge losses in the ROI, a clear indicator that these horses are heavily bet by the public. The energetic betting is expected as these runners look tempting on paper with a restriction to those that gained good ground and finished close up last out. From top to bottom on the K, they fail to run to their low odds. The K-110 group, with the strongest advantages over their field, returned -20%.

The three late speed velocity factors, S/P, L/P, FR3, had the highest play counts for the test group. That was to be expected considering the restriction that required a minimum of a 2-length gain from the first call to the finish for every horse in the study. S/P-1 was the best overall performer among 30 factors tested with at least a 200-play count. S/P-1 is a clear indicator of balance between early position and strength in the final fraction – but even with that benefit, the test group could only manage a .083 ROI. TRN-400 had the highest ROI by far among all factors, but the lowest play count.

Bottom Line --- solid looking late running sprinters are over bet and surprisingly weak performers when they stretch out (into a two-turn fast dirt route).

*Handicapping***Late News / HTR Names in the News**

Thank you for staying with HTR in 2005 – sincerely hope it is a big year for you!

No software upgrade this month (as previously announced). Still working on a couple of items (after a setback with the flu) and it makes more sense to wait until February for some new material that will be included in the 'robot' and export (HX4). Check the HTR discussion board for more information.

Look forward to seeing many of you in Vegas at the end of the month. I had hoped to meet with our NTRA qualifiers again on the night before the tourney at *Ballys*, but can't leave the family twice for Vegas in the same month. I'll be at the Orleans starting Tuesday night Jan 25, though and hope to visit with many of you on Wednesday in the race-book or the sports lounge. Started a new thread on the bbs for the 'championships', please check it out and contribute your thoughts and opinions.

We lost Dr. Larry Rubin and Ben Okamoto in 2004. We'll miss them very much as they were always willing to explore new things, accept challenges and share their knowledge with others. They were also patient and thoughtful men. We learned a lot from both of them and are very grateful that they crossed our paths in life.

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