

***HTR Monthly Report***  
**Thoroughbred Handicapping Newsletter**  
**May 2005**

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*KM Software*  
Handicapping Technology and Research

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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 can be found on the free HTR web site (see back page for web address). The HTR Monthly Report is normally available by the 5th of each month.

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*Seminar News***HTR Seminar 2005 – Access Users Workshop with Donnie and MikeDee**

For the last five years, the HTR seminar has presented an incomparable opportunity to learn the nuances, solutions, and fine points of dealing with our software data exports and manipulation in the MS Access db platform. Don Nadermann and Mike DeRienzo conduct a workshop that has no real limits on time or material. Everything from the basics of export and import to producing your own reports from the HTR data are covered. Beginners to advanced are welcome and workshop is tailored to your needs. Be sure to contact Don and Mike via our discussion board if you have any feedback from past events or suggestions for material to cover this year. The data seminar takes place Wed July 13 starting about 4pm.

Last year I sat in on the entire afternoon/evening session. We were still there with 20 other survivors after 10pm at night and there was no lack of enthusiasm. As the programmer of everything in HTR2, I am very impressed with the depth of additional information that Mike and Don bring to the seminar. There are no books written on the subject of “Access and horse handicapping” so everything is self-taught and knowledge gained from actual use under fire with real races. Other users in the group also have good ideas and shortcuts to share. Here are some highlights for those of you considering attending →

- Laptop or notebook computer with Access installed is strongly recommended if you attend the Access workshop. Share with a friend if necessary. Overhead projector will display the speaker’s computer, but this is a hands-on experience and you’ll want to work on your own screen along with the group as problems and solutions are displayed. Asking questions throughout is encouraged. Announcement for the version of Access and recommendations for acquiring it will be coming soon.
- If you are a beginner to Access and data handling through HTR2, contact us ahead of time. They may be able to cover the basics in the first hour. You should definitely read the on-line manual, originally written by Donnie and later updated by Mike; you’ll find it in the HTR Library on-line. It is the perfect resource for those wanting to get started in their own advanced data analysis using Access. If you need more resources on this or want some initial advice, please leave a message on our discussion board: Access forum.
- The database workshop is not a primer on Access software alone. Donnie and Mike will show you several methods of dealing with all that data from the HTR2’ exports. Learning techniques to query and test data for progressive handicapping is the goal. While the ‘robot’ in HTR2 is a useful test facility, it cannot compare with the flexibility of creating your own parameters for analysis – the sky is the limit and knowledge is power with db.
- I’ll be releasing some new export options for the seminar. They include the complete past-performance of the velocity data (same as the –FPS– screen) as well as the raw data from the charts such as fractional times and winner’s beaten lengths for a one-year period at every track, taken from our 1-year Track Profile files. Additional data might be added to HX4 if there are significant new factors to be released. It will no doubt be referred to during the data workshop.
- Donnie and Mike can also cover advanced topics such as programming the database, creating macro shortcuts and producing your own reports for daily handicapping. If you have a request, be sure to let them know ahead of time. Although we provide 5 hours for this session, it is barely enough time, so we want to cover the topics that attract the most interest to those in attendance.

Comments from attendees to previous data workshops have been extremely positive. There is just no substitute for live learning sessions. Take advantage of this opportunity. Professional fees are \$300/hr or more for similar classroom learning at *New Horizons* where Donnie teaches for a living in Des Moines, Iowa; this is an invaluable opportunity for learning the maximum in state-of-the-art horserace handicapping research. Your \$40 seminar fee will help cover expenses to Las Vegas for our presenters. Please contact me if you plan to attend to insure you receive any printed handouts.

*Wagering***Exotic Wagering Strategy – Exa/Tri/Super Box**

*MikeDee* (Mike DeRienzo, OH) ran some interesting wagering stats through his database for us this month. He had configured his output to correctly tabulate the parallel \$2 payoffs for the exacta, trifecta and superfecta at all tracks. This would allow a direct comparison of these wagers using various strategies. My choice was to box the horses with the highest K-ratings in reasonable cost scenarios with a maximum of a 5-horse box in each case. The chart below has the details and costs.

Mike extracted this data only from races that offered all three wagers at once. This occurs less often than you might expect as many tracks limit the superfecta availability or restrict it to certain minimum field sizes. We also limited the sample to Fast-Dirt races with purses above \$10,000 in an effort to hold down the possible volatility of the sample. In other words, we wanted a test result that could reliably be reproduced going forward. At minor tracks, pool sizes can create strange payoff scenarios and situations with no winning tickets (ALL on the bottom wins it). Grass races at major tracks are often the source of astronomical payoffs in the superfecta, but such a result could skew our data and would be unlikely to be repeated by the reader.

The K-rating was chosen for the box wager because it has no ties and is the most consistent factor found in HTR2. It's important to produce a sample result that will likely carry forward in the future. Chances were slim that the top rated K horses (boxed together) would produce a *boomer*, an outrageous payoff that would distort the ROI and overestimate the upside potential. That could easily have happen if we had chosen FR1 or the PED rating, or any number of other factors that produce big longshot winners all the time. But the outcome, especially for the superfecta could have been overstated and not reliable going forward with those factors. Our main goal was to find out which of the three wagers offers the best opportunity for profits when all three are on the menu.

Some items from the chart below

The *Box* item, **K1-K4** for example, indicates a 4-horse box of the top four K ranks.

*Cost* is the amount per wager based on a \$2 investment.

The *Best* column relates the highest \$2 payoff from that category.

K Rating

<u>Dirt Fast - Purse \$10k+</u>			<u>Exacta - Trifecta and Superfecta Offered</u>				
<u>Wager</u>	<u>Box</u>	<u>Cost</u>	<u>Plays</u>	<u>Hits</u>	<u>Win%</u>	<u>ROI</u>	<u>Best</u>
EXA	Box (2) K1-K2	\$04	483	074	15%	0.95	\$40
EXA	Box (3) K1-K3	\$12	483	170	35%	0.91	\$77
EXA	Box (4) K1-K4	\$24	483	233	48%	0.71	\$165
EXA	Box (5) K1-K5	\$40	483	311	65%	0.75	\$295
TRI	Box (3) K1-K3	\$06	483	049	10%	0.76	\$211
TRI	Box (4) K1-K4	\$24	483	119	25%	0.69	\$567
TRI	Box (5) K1-K5	\$60	483	221	46%	0.76	\$1223
SUP	Box (4) K1-K4	\$24	483	047	10%	0.70	\$810
SUP	Box (5) K1-K5	\$120	483	144	30%	0.92	\$4597
SUP	Box (6) K1-K6	\$360	483	246	51%	0.78	\$8037

Analysis

Big thanks to Mike Dee for providing this data for us. The disappointing reality of running stats on trifecta and superfecta wagers is the typical test result that produces ROI between 0.65 – 0.80. This is not unusual considering the ridiculous takeouts extracted from these pools. When takeouts exceed 22%, as they do in most of North America for these wagers, it is a nearly impossible to net a positive outcome with any systematic approach or spot play methodology. (more on page-4).

*Wagering*  
**Exotic Wagering Strategy – Exa/Tri/Super Box**

Continuing the analysis from the chart on page-3. All my past studies of exotic wagers using a systematic approach have shown that *less is more* – the lower the output of money into the bet, the better the results. This occurred in Mike's data as well, the two-horse exacta box produced the best ROI of all the wagers shown and the three-horse exacta box did much better than most of the others. The surprise in the study was the five-horse superfecta box producing a 0.92 ROI. The exacta generally has a lower takeout than the super', so the result is interesting but not conclusive.

The superfecta sample (5) was small enough to believe that a few strong hits could have pumped the ROI to over 0.90. This is a wager that just cannot be played with a systematic approach. You need to be aware of some important realities when playing the super →

- You are going for the homerun, the bomb, the boomer and the *whole enchilada* every time you play. Be aware of this before dabbling. You cannot grind this wager for profits, the risk and the takeout are too high. It is essential to understand that the super' is really a structured "Hail Mary" attempt. The random aspects and intangibles of horse races will interfere tremendously when dealing with horses finishing worse than second. Don't play this bet if high-risk is not in your personality or budget.
- To catch a big price, you need to heavily populate the bottom of the ticket (3<sup>rd</sup> and 4<sup>th</sup> spots) with longshots, even random picks based on high odds alone. Concentrate on forming a logical exacta scenario first, using between 2 and 5 horses in the top two spots. Then throw in the works on the bottom rungs. My experience has been to use the same bombs in the 3-4 spots, any horse that runs well enough to finish fourth, can also finish third in the race. Don't get wiped out because you were too stingy to that 50/1 in the 3<sup>rd</sup> spot. Do not waste your money on a superfecta box that pins low probability horses on equal footing with real contenders. Sure, fluke outcomes happen, but it is a stab.
- Toss out the low priced horses from the bottom positions on your superfecta tickets; don't concern yourself with a "saver". Yes, the favorite does finish 3<sup>rd</sup> about 11% of the time, but so what if you don't hit it, most people are boxing 4-5 horses in the superfecta and will have included the chalk and payoff will be lousy. Ignore your instinct to try and break-even. The long run will eat you alive if you are wasting money including those low priced horses in the lower tiers. Either save the money, or add more longshots. This is a bet that demands you hit a big payoff, so play it for a big payoff or skip it.

Ten-Cent Superfecta

There are many positive aspects to the new dime superfecta. The most important appears to be the ability to get around the IRS signer. You are required to sign only if the payoff is \$602 or more. If the superfecta pays \$5100 and you have it 10 times for a dime each, you get the whole five grand, while the guy with the \$1 ticket gets stuck at the IRS Window, has a 28% withholding and has to report it later on his taxes. The dime play allows you far more latitude with adding marginal longshots to the ticket and an increased shot at big payoff as discussed above. However, the ten-cent minimum will inspire lots of bettors to increase their chances of hitting a big one by including more high odds horses. Perhaps this could depress prices on winning tickets that include longshots and even ruin a big payday for those that might have caught a \$1 "all burger" (have the only winning ticket and take down the whole pool).

You may rightfully be thinking that the superfecta is a bad wager for the investment minded horseplayer. True enough, it is a gamblers bet with high risk and horrifying takeouts everywhere. Yet big payoffs are the momentum and psychological leverage we need to make money in this game - everyone needs a nice score now and then to boost our confidence. Next page, we'll look at the *horizontal* wagers and how they can be used to overcome hefty takeouts and get that occasional fat return.

*Wagering***Horizontal Wagers – DD, P3, P4 / Taking on the Takeout**

The outrageous takeouts that decimate the long-term trifecta and superfecta profits cannot be overcome. The only upside to those wagers is a big score now and then. Yet, the horizontal wagers, the Daily Double, Pick-3 and Pick-4 can, in effect, overcome the takeout since they involve overlapping win bets and still provide opportunity for a sizeable payoff. We'll leave the Pick-6 out of the discussion below as it is a very high-risk wager that requires sufficient pool size to attempt with a large investment.

The typical takeout for straight wagers in North America averages about 17%. If you play a parlay with two horses in consecutive races, the wager will be subjected to the takeout twice. For example →

Consider a \$2 parlay with an \$8 winner (3/1 odds) in the first leg, and a \$10 winner (4/1) in the second event. The parlay means you will take the \$8 payoff from first win and bet it all on the second horse. The second horse won and paid \$10. The parlay pays \$40.

During the parlay both of the win pools extracted 17% of the money before the payouts. In essence you gain no edge from making this wager, except perhaps, a pat on the back for picking two consecutive winners! However, if the Daily Double on the same two races pays \$56 or more, which is possible, the bettor has overcome the takeout 17% x 2 versus the parlay. Look at the small chart below.

*Premium Needed* is the approximate percentage increase over the parlay required to negate the effect of the takeout on the win pool. In our example above the parlay pays \$40. If the daily double pays more than 35% above the parlay price (\$56 or more), the wager has produced an excellent gain because the effect of the win takeout has been absorbed. If the Double pays less, especially if less than the parlay, it was a terrible bet and the bettors gain nothing for taking the extra risk in the Double.

<b>Wager</b>	<b>Premium Needed</b>
<b>Daily Double</b>	<b>35%</b>
<b>Pick3</b>	<b>50%</b>
<b>Pick4</b>	<b>70%</b>

On page-6 you'll see a recent Santa Anita race day that featured rolling Doubles, Pick-3's and a Pick-4 on the final four races. The chart shows you how much each paid vs. the parlay and how often you would have beaten the takeout. I chose Saturday April 16 at SA for the example. This was an 11-race card that had a normal mix of payouts without any bombs. The key for choosing this card was the large number of rolling wagers that could be tallied for the example.

Here are the data abbreviations used on the chart. All payoffs shown are based on \$2 bets rounded to the nearest dollar for simplicity of display.

**DD** – the \$2 Daily Double payoff that ended on that race.

**PAR2** – the 2-horse, \$2 parlay payoff played during the same sequence as the Daily Double races for direct comparison.

**PICK3** – the \$2 Pick-3 payoff that ended on that race. Note: SA offers a \$1 base wager on the Pick-3.

**PAR3** – the 3-horse, \$2 parlay wagered on the same sequence of races as the Pick-3.

**PICK4** – the \$2 Pick-4 payoff that ended on that race. Note: SA offers a \$1 base wager on the Pick-4.

**PAR4** – the 4-horse, \$2 parlay wagered on the same sequence as the Pick-4 for direct comparison.

The number in parenthesis after each of the wager payoffs, i.e. (+40); is the percentage gain or loss from playing the horizontal wager vs. the parlay. A (\*) indicates the track takeout was effectively beaten.

*Wagering*  
**Horizontal Wagers – DD, P3, P4 / Taking on the Takeout**

**Santa Anita – April 16 – All Prices \$2 Base, Rounded to Nearest Dollar**

<b>R#</b>	<b>\$Win</b>	<b>PAR2</b>	<b>D/D</b>	<b>PAR3</b>	<b>Pick3</b>	<b>PAR4</b>	<b>Pick4</b>
01	15						
02	3	23	30 (+30)*				
03	11	17	15 (-12)	126	128 (-33)		
04	15	83	45 (-35)	127	86 (-33)		
05	14	105	100 (-5)	581	348 (-40)		
06	4	28	29 (+2)	210	210 (+0)		
07	18	36	41 (+13)	252	267 (+6)		
08	16	144	142 (-2)	288	452 (+57)*		
09	13	104	204 (+96)*	936	2890 (+308)*		
10	11	71	124 (+75)*	572	1572 (+275)*		
11	7	39	53 (+36)*	248	630 (+254)*	2002	6780 (+338)*

Analysis

There was an interesting range of payoffs this day. Race sequences 3-4-5 and 8-9-10 had similar price structure, parlay return and beaten favorites in all three legs. Bettors that hit the Pick-3 from races 3-4-5 may have been rightfully upset with their payoff (\$179 for \$1 bet) as a parlay on the same three races paid considerably better. However, if they hit the Pick-3 that included races 7-8-9 or 8-9-10 or 9-10-11 they received a substantial gift with a big edge over the win prices in the sequence.

The Pick-4 was a generous premium over the parlay too. None of the winners paid more than 7/1 and yet the return was \$3390 for \$1. The favorite won only the final leg. The Pick-4 appears to be the best exotic bet in horse racing due to the excellent risk/reward ratio it offers.

The Daily Double payoffs in the late races beat the takeout but the early part of the card was a mixed bag with several returns very disappointing. What causes this discrepancy with the DD and Pick-3 prices?

- An obvious and heavily bet singleton will ruin the price. If the chalk loses, particularly low odds favorites in the first leg of the sequence, the payoff can fluctuate wildly as in races 7-10 here.
- Horses that are second or third choices in the MLO, even if they pay overlay win prices, are included on most bettor's DD and P3/4 tickets. The MLO rank has a substantial influence on the exotic wagers as most players are handicapping the first leg and then winging it blindly on the others races using the MLO, *DRF*, newspaper and televised selectors. This was the effect in races 1-6 on the chart, even though some of the win prices were good, the majority of bettors had used them in the DD and Pick-3.
- When a relatively low seeded MLO choice wins, even if this winner was a bet down underlay, the P3 and P4 payoffs will be likely be inflated above the win prices. This is what happened in races 7-8-9-10. All of these horses were the fourth or fifth choices on the MLO. The winners in races 1-6 were all top three morning line ranks. Don't underestimate the power of the MLO on the payoffs in the horizontal wagers. (see page 7 for more on the exotics and the Pick-4).

*Wagering***Exotic Wagers – KM's Top 10 – the Pick-4 Exceeds Expectations**

All things considered, here is how I would rank the exotic wagers →

**KM's Exotic Wager Top 10**

1. **Pick-4**
2. **House Q**
3. **Pick-3**
4. **Daily Double**
5. **Trifecta**
6. **Superfecta**
7. **Track Quinella**
8. **Exacta**
9. **Pick-6**
10. **Win or Place Pick-9, Pick-All, etc.**

We'll cover the Pick-4 below in detail. The House-Quinella, offered in Vegas and at offshore racebooks, generally pays 10% higher than the corresponding parimutuel quinella or exacta box. This improved return basically covers the takeout. The quinella is a low risk / low cost bet to start with, it gets second prize on my list. The Pick-3 is usually reliable to beat the win parlay on the three winning horses and often covers the takeout as well. Rolling Pick-3 payouts are highly dependent on favorites though; if one or more of them wins, the payoff is disappointing. Trifecta and Superfecta wagers are great for getting lumps of cash, but the excessive takeout wrecks almost any reasonable hope of long-term profits. I find the Exacta and Quinella boring and big payouts are rare now, even when longshots come in. The Pick-6 is a good wager for many of the same reasons as the Pick-4 below, but the risk is exceedingly high and most Pick-6 pools are not large enough to cover the low probability of winning – wait for carryover with six-figures. The various Pick All wagers have small pools with lottery type odds that don't cover the risk involved.

Pick-4 is the all-around winner in my book for exotic wagers. While the risk and cost are moderate, the payoffs are plentiful and often surprising. The Pick-4 return almost always exceeds the four-horse win parlay in the same sequence of races and easily covers the takeout with lots of extra profit in most cases.

My advice for HTR players taking a shot at the Pick-4 is to begin by filling out the ticket with the top-2 (K) in each race automatically. Singles are definitely discouraged. With the \$1 base, this initial ticket cost is only \$16 and it generally brings home 2 or 3 of the winners. Why spend any time agonizing over the chalk, just throw in the highest probability horses to start and then handicap the remainder. Now start adding overlays and better price horses to each race as you see fit. Be sure to get some bombs and big longshots (\$, \$\$ types) involved on your ticket. Some races are best left alone with the top-2 (K) and you don't need to go any deeper (*see page-8 on XF and K110*). My typical cost is \$64 - \$192, a good investment that means I don't usually have to bet these races to win.

If you remain alive on your Pick-4 until the final leg, you can improvise and dutch additional win bets on that final race with horses you don't have on the Pick-4 ticket. Eventually you'll catch one or more of your longer priced horses in the sequence and hook a fat payoff.

The Pick-4 is also a great way for low percentage longshot players to net higher returns when one of those \$50 winners gets home. The Pick-4 payout with that horse will be in the thousands and far exceed your win wager profits for digging out that bomb. Not to mention the ability to toss all the marginal big odds runners onto the ticket and not worry about them sneaking home on you. The Pick-3 and Pick-4 are the best wagers for covering every suspicious longshot who looks iffy for a win bet, but may have some clue or angle to consider them. Can't bet them all to win, but you can throw them into the exotics and balloon your cash flow at times.

*Handicapping with HTR2***Clash of Heavyweights: XFAV vs. K110**

For a primer on the XFAV, abbreviated XF with HTR2 screens, please read the December 2004 newsletter. K110 refers to horses that have a K-rating  $\geq 109.5$  points

We have ample statistical documentation with both the XF and K110 runners. These horses are alerted within HTR2 due to the higher than normal win rates. XFAV are MLO favorites that win around 40% of the time of the time, far ahead of the usual 30% for all ML choices, and well above the typical 33% rate expected for tote favorites. Almost all XF become the betting favorite by post-time.

Normal win rate for K-rank = 1 is exactly 30%, yet K110 horses hit at better than 37%. Not all K110 or XFAV are necessarily the K=1 though. There are also instances where a K110 will be facing an XFAV and that makes for a most interesting match race.

When HTR assesses a K110 and an XF in the same race, it is going to be an interesting battle. I tested all races with a purse over \$10,000 for the stats below. Which of these two will prevail most often when the match up? How important is the K=1 assignment? How often do they finish 1-2 and complete the quinella? What about the other horses in these races, what are their chances and are longshots worth a bet against both of the titans?

Two important distinctions to be aware of -- it is not uncommon for a single horse to be listed with the XF and also have a K= 110 or higher. We'll look at those in some stats later (*hyper-favorite*). Our study below concerns races that had two different horses, one listed with an XF, and the other is a K110. There are also a few races with a coupled entry that are both listed as the XF since they represent one betting unit. These situations were eliminated from the study to avoid confusion with the results.

I tested 40,000+ races run from May 1, 2004 – April 30, 2005. All these races had a Purse of \$10,000 or more. No other filters were applied for distance/surface/class/age. There were 1,264 qualifying races that featured a K110 vs. XFAV. No coupled entries were involved in the test.

- One in every 40 races (2.5%) has an XFAV vs. K110 situation.
- XFAV won 37% of these races. It is the clear victor in this contest.
- K110 won 25% of them, rather surprising, but see the note on K=1 below.
- So together, one or the other won 62% of these events – a very strong win rate for two horses.
- Perhaps more importantly, they completed the exacta together 36% of the time. That is a high-power *cold deuce* percentage for exacta and quinella players. An average payoff of just \$6 in the quinella would produce a profit with a two-horse ticket.
- K=1 exerts a clear influence on the outcome of these races. When the K110 was the K=1, the win rate equalized to 31% each and the XFAV loses the advantage. If the XFAV was the K=1, they won over 40%. K110's are rarely lower than K=2, but a few rare XFAV's are ranked 3<sup>rd</sup> or worse in the K, and they win far less often than if they are K-rank 1 or 2.

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Export and Database users: this is far more difficult query to perform than it appears. There are several logic problems. You cannot set it up with **nXFAV = 1 AND nK  $\geq$  109.5** for the same race. This won't work because many XFAV's are also K110 and that will give you false results that tally the same horse. A bit of programming is required to insure that the XFAV and K110 are definitively separate horses in the same race; it proved complex for me to get an honest result. Another issue is coupled entries. The XFAV can be assigned to both halves of the entry, which would cause a double tally in the same race. I eliminated these races entirely because I didn't want to write several lines of special code to separate a few instances of these. Robot users, the problems are similar, your best bet is to pull the XFAV list from GET MY PLAYS and then look at each race individually for a K110 foe.

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*Handicapping with HTR2*  
**XFAV and Longshots**

Here are some more interesting factoids regarding the XFAV vs. K110 races. We know the benchmark for winners paying \$15+ is 23% overall. With these races that only dropped to 19%. At first that seems surprising. But it is obvious why this occurs – typically the two clear favorites are heavily bet leaving nearly all the other horses in these races at odds above 6/1. The \$ and \$\$ horses won at just 5% and 8% respectively with ROI below 0.70. Unless the odds are very generous, longshot bets are risky and unprofitable in most cases if facing such a tough duo.

ROI for the XFAV and K110 winners when they clashed were about 0.85 each. The return is depleted because of the heavy betting on the twosome and the fact that they beat each other a significant percentage of the time. The better bet is to combine them in the Quinella or Exacta.

Longshots vs. XFAV

It is important for price shoppers and tournament players to notice the presence of the XFAV. You'll see them clearly marked in the Program screen (PGM) in HTR2 as well as on many other reports within the software. The high XF win rate alone (40%) is a significant monkey wrench to your chances of getting home a medium or high priced winner. Let's check the stats. I looked at the same 365-day test involving some 40,000 races with Purse > \$10,000.

Normal results with races that have winners paying \$15 or more is 23%. But when an XFAV is present in the race the rate of \$15 up winners drops to 18%. Clearly it is tougher to get a price home. Another stat is the \$ and \$\$ horses. With an XFAV in the race, it is a nearly hopeless 5% (ROI = 0.68). The \$\$ plays hit only 8% with a 0.80 ROI.

If we raise the definition of a longshot to a \$20 minimum win payoff, the normal for all races is 15%. When an XFAV is involved you'll get just 12% winners paying 9/1 or better. Why fight it when there are so many other races to play? If you like a price play in a race vs. XFAV, raise your minimum odds before making a bet.

Hyper Favorites

Here's one that all of you can test or extract with the 'Robot' or export. We'll call it the *hyper-favorite*.

- **XFAV**
- **K = 1**
- **K >= 109.5 (K110)**

I found 6,681 instances of these horses in the 365-day sample (40,000+ races) with Purse >= \$10,000. That is a healthy sample size so these results are almost certain to go forward.

- Hyper-Favorites (HF) win 45% of their races. Not the 50% level I was hoping for, but if combined with certain HTR factors, you can push the result to better than 50% winners. The best factors for ratcheting up the win rate are the late speed items, such as Lv and Fr3 = 1. The PED rating raises the ROI more than any factor, which is interesting, so you might try testing maidens and grass races separately if interested in a high performance rebate play.
- The HF horses also pay Place money about 67% of the time (they finish second 22%). The ROI is a solid 0.94 which could lead to rebate or exacta scenarios. These horses finish in-the-money over 80%, but the Show ROI is weak and many of them paid \$2.20 or less (no rebate).
- I will add the HF symbol to the screens in HTR2 for the next update. This is an easy one to query or extract from the 'Robot', so there is no need for a separate item to find them. *One final note-longshots are in even more trouble when the HF is in the running.*

*Systems, Angles and Spot Plays*  
**A Single \$ or \$\$ in the Race**

Do the \$ and \$\$ results improve if there is only one of them found in the race? Steve K. from Las Vegas asked me this question at the Orleans tournament. His thinking was that if there was a solo longshot designee it might be a standout in terms of a price play. Sounds like a good idea; let's look at the facts.

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For those of you that want to research and try programming with Access or other application, this one is not as complex to setup as the XFAV vs. K110, or the *double-double*, but still requires some programming to filter out races that have more than one \$ or \$\$\$. Below is code in Visual Basic to find races that feature a single \$ or \$\$\$. Count the number of horses that have nLONG > 0 (\$ or \$\$) and if the count is <> 1 then exit and test the next race. If the count = 1, then allow the race to be tested. Below is an example of VB code to show you how this might look.

```
COUNT = 0
For i = 1 to Horsesinrace
  If nLONG > 0 then COUNT = COUNT + 1
Next i
If COUNT = 1 then QUERY else NOTEST (exit and move on to the next race)
```

QUERY: *tallies only those races with one \$ / \$\$ horse in the race*

=====

- Tested 40,000+ races from the last 365-days with Purse >= \$10,000. No other filters.
- Found 5,030 races with a single \$ entrant; 5,981 with a solo \$\$ horse. No races were tested that had more than one \$ or \$\$ in the same race.
- The solo \$ won 7% with an ROI = 0.81. They finished 1-2 about 17% of the time.
- The single \$\$'s won 10% of their races and the ROI = 0.84. They managed a 1-2 finish 22%.

### Analysis

No particular breakthrough here. The win rates were about what we expected when testing all races. There are several problems with this test that have nothing to do with the concept. First, the average field size was considerably smaller for these tested races. This explains part of the reason why there was only one identified price play (\$ or \$\$) in the race – limited horses. The average odds of the solos were lower than normal due to fewer betting interests in the race. Many of these 'longshots' went off at odds below 5/1. When a single horse has multiple identifying factors and the ML looks tempting, the horse probably attracts more notice and betting action than a race where there might be a variety of longshot possibilities in a chaotic large field.

The Place results are above average, but that also could be a function of reduced field size, lower odds and greater attention on the individual horse.

This test has a very important lesson. Predictable longshot winners that pay over \$20 are horses that have been *lost in the crowd*. The more \$ and \$\$ there are in the race, the more likely that several of them will be overlays and the probability is higher that the race will be more chaotic during the running. Longshots win most often due to race circumstances falling in their favor, not because they are best horse in the race.

The key is to identifying live bombs is usually one of two things: 1) Early speed that will thrust the horse into the contending body of the race early and hope for some luck and a favorable pace scenario; 2) a change of some sort that will turn the horse's form around, such as a freshening with a strong workout pattern or a switch in trainer, jockey, equipment, distance, surface or class that signals that something is different and the horse may be better prepared or more interested than in previous poor starts.

*Systems, Angles and Spot Plays*  
**Returning on Short Rest**

Let's check out horses that are returning to race on less than a 10-day layoff. You can spot these easily in all HTR2 screens as the layoff (LAY) column will display two zeros before the digit, such as '008' for an eight day layoff. There are two basic reasons why a trainer would enter a horse again just a few days after a race: 1) the horse is sharp and they want to "fire while the iron is hot"; 2) they want to give the horse multiple races during a short meeting.

These days, the number of entrants returning on short rest is far less than in previous eras. Racehorses seem to be more fragile and less able to cope with a heavy schedule in the last two decades. Racing more than once a month is unusual for most thoroughbreds at major tracks. Physical considerations and a greater understanding of equine health issues is a good thing. Increased purse structures also allow less frequent racing for most horses to earn their keep.

During short meets, such as Keeneland, Saratoga and Fairplex, owners and trainers want to race their horses multiple times, particularly if the horse seems to favor the surface. They may prepare the runner for the target dates ahead of time with a light schedule and some easy prep races, and then run the horse 2 to 4 times with short rest between. At some of the annual two-week fairs, a few horses will run more than twice and even come back on less than 5 days rest in some cases. Perhaps the intention to run several times in short intervals might be a positive sign of a sound thoroughbred, or it could be an impetuous owner that wants to see his silks on the track every day during the vacation meet.

I tested two distinct sets of data. Purse < \$10,000 to capture minor track and fair meetings with these horses. First tested the usual Purse >= \$10,000 which will include all the quality horses. No distinction was made for class, distance or surface, but we are aware that very few horses are entered in grass races on less than 10 days rest. Here are the highlights in the test results →

- There were 17,011 horses with LAY < 10 tested in the Purse >= \$10,000 group. This represents less than 5% of the total thoroughbred entries last year. They won 11% of their starts with an ROI = 0.73. Overall these are weak results and the Impact Value was 1.00 (no benefit).
- Interesting notes with the Purse >= \$10,000 group. The VEL was the best factor producing an ROI at 1.00. Both K-1 and K-2 had slightly improved ROI, but nothing profitable. The \$\$ also improved a bit. Factors that went sour with these horses were all the intangibles: Wk, PED, TRN and JKY – bad results for all of these with the LAY < 10. One more item: the XF horses with LAY < 10 won 43% and an ROI = 0.93, not bad.
- A lot more short-rest horses in the sample with Purse < \$10,000. There were a total of 28,406 horses tested and that represents about 13% of all entries. That makes sense from the discussion in the first two paragraphs above. Smaller purses and shorter meets mean more racing for cheap horses. Overall win rate for this group was 13% (I.V. = 1.15) with an ROI = 0.83.
- K=1 manages a flat bet profit when the Purse < \$10,000. There were 3,479 horses ranked as #1 K and they won 33% of their starts with a 1.01 ROI, very strong! K110 hit 38% with a 1.02 ROI. K-2 was also an improved ROI = 0.90. The two best tandem were those horses ranked VEL = 1 or A/P = 1, getting a strong 1.05 ROI with more than 3,000 horses in the sample.

**Summary**

LAY < 10 is not very common at major tracks. Don't see any significant gain from noticing it. But at the cheapies, there seems to be a positive effect in some cases, particularly with the horses that have a clear edge in K or overall velocity ratings. Why would the VEL show such improved results in both cases? Perhaps because a horse returning on short rest can hold its form; a top VEL rank gives it a big edge over the competition if the horse is sharp enough to return fast and repeat its best effort.

### Late News / Derby Stabs

I'm writing this on Wed night prior to getting the HTR file on the race, so my comments are general. If anything strikes after I look at the numbers, I'll post on our discussion board. Please do the same and you might win \$100 in our "K-Derby analysis contest".

Looks like a very contentious and interesting Kentucky Derby. I'll put my win money on horses that are 10/1 or higher. This year, that means taking a stand against the 'big three' = Bellamy Road, Alfeet Alex and Bandini. They are all formidable, but one or more may have peaked in their last win - and the 20-horse Derby field, along with all the hype, hoopla and mammoth crowd has a clear history of conspiring against the chalk. My choices are High Limit, Flower Alley and Noble Causeway. I like horses that go into the Derby a few lengths behind the best ones as they may be in line to run their top lifetime effort at a price.

Prior to the post draw, I was also interested in Buzzards Bay. He has been completely overlooked and even maligned since winning the SA Derby in slow time. His trainer is the notorious Jeff Mullins, the same guy that got caught using "milkshakes" and then blamed the "idiot" horseplayers for it. No drugs this time. Might be overlooked and sneered at; exactly the kind of horse we like to bet when the odds are way up, but he drew the bad outside box 20. Another one that is interesting and is getting no respect is Sun King, one of Zito's five entrants. Sun King and Noble Causeway are talented colts that are not getting any press due to all the attention paid to Nick's other big guns.

My bomb picks for the trifecta and superfecta bottoms are Flower Alley, Greeleys Galaxy, Wilko and Buzzards Bay. Wide-open all around and some big payoffs in all the exotics to be sure.

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