

HTR Monthly Report

Thoroughbred Handicapping Newsletter

September 2000

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[Handicapping Technology and Research](#)

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News from Thoroughbred Racing
E-Commerce and Thoroughbred Handicapping

If you watch the nightly news or read the business section of the newspaper you are aware of the current meltdown in e-commerce Internet sites. Just a few short years ago the expansion of Internet retail was heralded as the next great revolution in world-economics. A new marketplace was dawning that would change our lives forever. We could shop on the Internet, prices would be lower, selection of goods would increase and there would be no sales taxes either. *Cyber-shopper* and *e-consumer* became household buzz-words. Billions in eager investment dollars flowed to these new Internet startups. We now know that the boom never happened and almost all Internet vendors have been unable to make any money. Internet consumers are not spending big and most Americans are unwilling to buy significantly on-line.

The enormous losses absorbed by Amazon.com have become the stuff of legend. Amazon, the mammoth cyber-bookseller, is one of the world's most popular Internet destinations and a mass volume on-line vendor of many products - they have yet to make \$1 of profit. While Amazon gets much of the media attention, thousands of smaller Internet retail sites have gone bust. The overwhelming majority of those that survive the year 2000 will still be losing money. This critical situation hardly affects most everyday people at all. The average consumer is perfectly happy with their local mall, supermarket or WalMart. The Internet has helped to create more choices and to keep prices low, but few of us are spending large amounts of money buying on-line.

Handicapping Retailers Face Even More Difficult Odds

If it is tough for general retailing on the Internet, then the handicapping cyber-market must be facing even more difficulty. Consider the following points –

- Equibase has a virtual monopoly on the thoroughbred data market. But this is really a necessary situation in the industry. Fragmentation of horse racing data sources would be a loser for everyone. The market is already static (not growing) and multiple sources of raw-data production would price everyone out of making any money. The *Daily Racing Form* people understood this when they sold their data business to Equibase.
- TrackMaster was recently acquired by Equibase. The official line from both factions is that *this is mutually beneficial marriage of two high quality companies.* TrackMaster has handicapping software products and has spent heavily on promotion and advertising over the years. The intention was to saturate the thoroughbred media market and become the key brand name for on-line handicapping. Things did not work out as planned. It is obvious that the company has been frustrated by weakness in the demand for sports related Internet services, vicious competition that undercut data pricing below profitability, and general disappointment in the on-line business sector. TrackMaster's primary thrust for revenue now seems to come from selection touts – that is a shaky leg to stand on.
- There are too many Internet gambling and racing web sites trying to compete for a very limited amount of potential revenue. In Economics 101 you learn the fundamental premise that building more lemonade stands does not produce more lemonade drinkers – yet it may lower prices enough to increase activity among the current consumers. This is exactly the case with thoroughbred handicapping on-line, it is a buyers market because the sellers of data, selections, software and literature have to cut prices so low (often free of charge) to keep customer activity levels high. This situation will eventually lead to most Internet gambling-related retailers going belly-up.
- Retail demand for handicapping software has completely dried up. There is an obvious reason for this – there are dozens of free thoroughbred software products available on-line and many of them are equal in quality to programs that cost hundreds of dollars. Of course, these free applications require data fees for usage or they are worthless – but so do the expensive ones. So how do those few still retailing their software manage to sell any at all? They sometimes use a marketing technique called *Griffin's Paradox* and I will explain it on the next page.

Thoroughbred Handicapping Businesscontinued
Griffin's Paradox and the \$1000 Handicapping Software

Griffin's Paradox is a clever economic method that is simple to implement and understand, but more complicated when dealing with the underlying psychology behind it. To drive home the point about *Griffin*, let me pose you a choice: I create two identical versions of a new HTR software, twins in terms of output and material. I make one of them generic looking with no outward frills and price it at \$49.95. The second one is packaged and advertised more attractively at a cost of \$1,999.00. The first version is called "**HTR Standard**", the second is titled "HTR Titanium - Exclusive Nitro Propagation Algorithm - the ultimate in handicapping power for the top professional player only - Limited First Edition \$1,999.00".

Which of the two software programs sounds the most compelling to you? You want to get your hands on that \$1,999.00 version don't you? If your credit card was zeroed out, you might go for it – even if there is the rip-off 20% *restocking fee* for refunds!

Griffin's Paradox is a form of marketing that creates the illusion that an average or inferior product is awesome and exclusive. The primary tool is pricing the item very high. The expensive price tag convinces us that the software must be incredible despite the fact that there is no evidence or documentation to prove it. Elevated pricing creates a powerful psychological perception of quality.

Advertising is the second phase of implementing *Griffin's Paradox* to consumers. Masculine and high-impact wording is the key. *Ultimate, explosive power, genius, masterful, platinum or gold, for professional players* are phrases designed to make us believe that the exorbitant price is justified.

Keep this in mind when meditating about handicapping software. It took several hundred of the finest programmers on earth working for years to create an application such as Microsoft Excel. Excel is utilized by the largest corporations and top executives in every field of business. It sells for under \$150. For a handicapping app to be worth \$1000 it should pick 50% winners with the top selection in all races!

Several things have reduced the workability of *Griffin's Paradox* in the handicapping software market. The Internet is responsible for much of it due to easy availability of free products. More importantly is word of mouth among players. It is quite common to find messages on public boards stating that "all the software is the same" or "*XYZ-gold* for \$899 is no better than *Horse Magic* is for free." Software users who have been disappointed by high priced programs are rarely shy about expressing their disdain to others. When the program is free, there is much less temptation to cry foul if you don't win with it.

With so many choices in an over-saturated handicapping market, how will those in the business maintain trust and loyalty of their customers and survive? The answer is not complex, but it will never become clear to those that think the strategy of success lies in clever marketing such as *Griffin's Paradox*. The secret of long-term success in this or any other business is the ability to communicate genuine integrity to the customer. You can't fake it for very long anymore, and we have the Internet to thank for that.

Systems and Angles Tests
Lasix at SAR and DMR

The rest of this issue is devoted to analysis of various spot plays and angles. I have a new format for statistical reporting and want to begin by explaining it. It won't be boring though as the data below comes directly from the 2000 Saratoga and Del Mar meetings.

1st Time Lasix

Test Location and Dates: **Saratoga 2000 meeting through Sept 2**

Races Types: **All**

Number of Races Tested: 310

<u>Horses</u>	<u>Win</u>	<u>Pla</u>	<u>Sho</u>	<u>WnP</u>	<u>ITM</u>	<u>ROI</u>	<u>ImpV</u>	<u>Longp</u>
186	028	019	024	15%	38%	\$1.10	1.26	36%

I'll utilize this new format in all research in the future because it gives solid information for handicappers and researchers to analyze and document. The top section will detail the test item (1st Time Lasix) and then give you details about the test parameters: tracks used (SAR), dates of test data (2000 meeting only), race class, distance/surface, age groups etc. In this case I took all the races without filtering for anything. The number of races tested is the exact sample size.

Horses: this is the exact number of runners that qualified for the test parameter. In this case, there were 186 horses that ran in a race with 1st time Lasix at SAR during the time specified.

Win: lists the number of test horses that finished first in their race. In the above sample, 28 runners won their race while listed with first-time-lasix.

Pla: number of test horses that finished exactly second.

Sho: number of test horses that finished exactly third.

WnP: the win percentage (**Win / Horses**) of the test group horses. In this case, 28 winners divided by 186 races = 0.15 or 15% winners.

ITM: the In-The-Money percentage (finished 1-2-3) of the test horses. The win, place, show is summed and divided by the number of horses that ran (above: $71 / 186 = .38$)

The above statistical items at face value can be deceptive: for example there is often more than one horse in a particular race that is getting 1st time Lasix, yet only one at a time can win. Also, there may be many races in the test sample that did not have any horses with the 1st time Lasix. The statistical items below help us to make better sense of the data and find out if it is effective and/or profitable.

ROI: *return on investment*; simply stated, if we bet \$1 on each **Horse** to win, how much money will we get back per dollar wagered. An ROI of \$1.00 is break-even. When the win percentage is low (below 17%) and the ROI approaches 1.00, the item being tested is producing many long priced winners. If the win percentage is high (above 25%) and the ROI is below 0.90 then the tested factor is hitting primarily favorites. Remember, that in the case of first-time-lasix, this will mean betting more than one horse in a race quite often. Notice that there is a positive ROI (\$1.10) for the test sample above. This means you could have bet every 1st Lasix runner at Saratoga this summer and made money with no other handicapping required.

More on Statistics and Lasix at SAR

ImpV: *impact value*; this is the key statistic that helps us understand the predictability of the factor regarding selection of winners. In our sample above we tested 186 horses with 1st time lasix. If we compare the test horses with the population of all horses running in our study, we can derive an expected win rate for the test runners. The expected win rate is divided by the actual win percent of the factor to come up with the **ImpV** ratio.

If the math is over your head regarding **ImpV**, then just remember the chart below to help you understand what the impact value numbers mean.

ImpV

1.00 no evidence of predictability, the factor is entirely neutral.

1.00 – 1.50 factor has a mild positive tendency toward positive prediction.

1.50 – 2.00 factor is moderately effective in finding winners.

2.00 - 2.50 factor is strongly predictable in finding winners.

3.00 + extremely strong predictability.

0.76 – 0.99 the factor is mildly negative. This means horses will tend to win at lower than expected rates when the item is present.

0.75 or less – factor is strongly negative and most of the horses will not win.

Our impact value for the SAR first-time-lasix group was 1.26. This indicates that these horses will win a slightly higher rates than expected by their population.

Impact value and ROI work well in tandem to help us understand the value of specific factor or spot play. I have also added an additional factor (**Longp**) that I think may be the most important of all to some of you. I selected \$15 as the minimum mutuel price for longshots. While \$15 may not be a *longshot* to some folks, the figure creates a workable benchmark for test data and finding good priced winners.

Longp: *longshot win percent* This column computes the percentage of winners, from that factor, that paid \$15 or more. The benchmark number to remember is about 20%. The actual percentage of races that pay \$15 or more for the winning horse is about 23% for all tracks and all races. Factors that are near or above the benchmark 20% for longshots, and have a positive impact value, are where the overlays can be found. If the data shows the longshot ratio below 10%, then you will not be finding many price horses with that method or angle. That may not be an issue if the ROI or Impact Value is already high. For example, ML Favorites have a 1% **Longp**, yet an Impact Value of **2.65** in North America. This means that ML favorites win far more than their normal share of races, but that \$15 mutuels are very rare.

In our data for 1st time lasix at SAR the **Longp** was a whopping **36%**! This tells us instantly that big prices can be found among the winners with that factor. The positive ROI of 1.10 verified this (despite a low win percentage). The combination of Impact Value and **Longp** may be more indicative of overlays than ROI alone.

Now hold on to your hat and take a look at 2yr maidens and first-time-lasix at Saratoga this year --

1st Time Lasix with 2yr Maidens at Saratoga

Test Location and Dates: SAR 2000 meeting through Sept 2

Races Types: 2yr Maiden races only, all distance and surface.

Number of Races Tested: 053

<u>Horses</u>	<u>Win</u>	<u>Pla</u>	<u>Sho</u>	<u>WnP</u>	<u>ITM</u>	<u>ROI</u>	<u>ImpV</u>	<u>Longp</u>	
097	016	012	012	16%	38%	\$1.36	1.46	44%	(wow!)

Defining a Sharp Recent Race

I know what you are thinking – why the heck didn't you tell me about the first time Lasix at Saratoga *before* the meet started, rather than when it is over! The dynamic nature of horse racing makes reliance on statistics in the short term a very shaky foundation to stand on. What happened this year, might not occur again next year, or ever again. The best we can do is to track down tendencies and patterns that seem to predict well for all horses, then apply them to the current meeting and hope the discovered model holds some water awhile. This is why weekend players face enormous odds of success if they don't follow a race meet or cycle of races from start to finish. There is just no substitute for continual follow up each day after the races are over. Players that subscribe to an unlimited download service, such as HTR, place themselves in an immediate logistical advantage over the public for finding winning patterns.

In his 1979 book that launched the computer age of handicapping, Dr. William Quirin described a simple set of criteria to define a "good" race for any horse. He then attached the "good" horses to other sets of criteria and tested them. Many of those original studies are still found in computer handicapping programs and various systems today. I am going to do something similar and define the "sharp recent race". Then we will test it by itself and also attach it to various criteria to improve the results.

Quirin's "good" race was a fairly simple idea – he used finish call beaten lengths and position only. Most of the horses that were described under the good race formula had finished in the money in their last start and therefore were obvious to the public next out. My "sharp recent race" formula is a bit more complicated and helps to find horses that did not necessarily finish in the top three.

Sharp Recent Race – criteria.

- Qualifying horse must have raced within the last 30 days – only the most recent start is considered.
- The horse qualifies if it was less than 1 length back at the 2nd call, regardless of eventual finish.
- The horse qualifies if it was less than 2 lengths back at the stretch-call, regardless of final finish.
- The horse qualifies if it was less than 3 lengths back at the finish, regardless of finish position.
- The surface from the last start must match today's surface (dirt or turf). Distance is not considered.

Take a look at the running lines of the three horses entered in the same race below. Assume today's race is taking place Sept 1 at 6.0 on the dirt track.

NagA	15Aug00	6.0D	0.1	0.0	0.8	5.5	6th	dueled betwn, tired
NagB	10May00	6.0D	8.3	5.5	4.3	1.5	3rd	came late
NagC	17Aug00	8.0T	3.0	2.0	1.0	0.0	1st	perfect trip

NagA ran his heart out two weeks ago, but under the old "good" race formula would not qualify. He easily qualifies for our "sharp" criteria as he was less than 1 length back at the 2nd call and less than 2 back at the stretch call. His last start took place less than 30 days ago on the dirt.

NagB last race was more than 30 days ago, he does not qualify for our "sharp" definition. The Quirin "good" formula would have qualified this horse.

NagC ran well recently, but the race was on grass and today's race is on the dirt. He does not qualify. This horse would have qualified under the Quirin "good" race formula as all winners do.

This "sharp" formula rewards horses that ran hard for much of the race but did not necessarily finish close at the finish. The effort by **NagA** last time would probably win a race if the pace scenario comes up softer. This formula will uncover most horses that ran their best but were defeated by a suicidal pace, track bias or bad post-position. Late runners have a tougher time qualifying because they must finish under 3 lengths back at the end. This strict requirement excludes closers, those that "ran by tired ones" and finished 3 or 4 lengths back in 3rd without really doing much work.

Testing the Sharp Recent Race Formula

Let's scrutinize the "sharp recent race" idea and see if it can help us find some winners. We'll start by testing every horse from every race with no stipulations except that the races were run this year.

Sharp Recent Race

Test Location and Dates: All tracks, year 2000 only

Races Types: All

Number of Races Tested: 7,815

<u>Horses</u>	<u>Win</u>	<u>Pla</u>	<u>Sho</u>	<u>WnP</u>	<u>ITM</u>	<u>ROI</u>	<u>ImpV</u>	<u>Longp</u>
5004	993	809	682	20%	50%	\$0.86	1.68	12%

The numbers are respectable but hardly enough to break open the piggy bank for. The impact value approaches the 2.00 strength level but the ROI is disappointing and the percentage of longshots is weak. With 5,004 qualifying horses competing in 7,815 races, the "sharp" angle produces an average of 7 plays on a 9 race card. I tested various distance/surface and age/sex/class categories and could not find anything significant, although dirt sprinters had slightly improved numbers in most categories.

Sharp Race Over the Track

The "sharp recent race" angle isn't all that useful by itself, so let's add some ingredients to the recipe and make it more interesting. At Del Mar and Saratoga the pundits often tell us to look out for those with a "sharp recent race over the track". Pretty simple to test with our current formula, we'll just restrict the study to horses that raced last out at the same track as today. Here is how they did through Sept 2 at DMR and SAR this year and then the larger study result with those 7,815 races. Analysis follows on the next page.

Sharp Recent Race over the Track – Del Mar

Test Location and Dates: Del Mar, year 2000 only

Races Types: All

Number of Races Tested: 289

<u>Horses</u>	<u>Win</u>	<u>Pla</u>	<u>Sho</u>	<u>WnP</u>	<u>ITM</u>	<u>ROI</u>	<u>ImpV</u>	<u>Longp</u>
076	019	013	010	25%	55%	\$1.10	2.09	16%

Sharp Recent Race over the Track – Saratoga

Test Location and Dates: Saratoga, year 2000 only

Races Types: All

Number of Races Tested: 310

<u>Horses</u>	<u>Win</u>	<u>Pla</u>	<u>Sho</u>	<u>WnP</u>	<u>ITM</u>	<u>ROI</u>	<u>ImpV</u>	<u>Longp</u>
093	021	017	013	23%	55%	\$0.84	1.90	14%

Sharp Recent Race over the Track – All Tracks

Test Location and Dates: All tracks, year 2000 only

Races Types: All

Number of Races Tested: 7,815

<u>Horses</u>	<u>Win</u>	<u>Pla</u>	<u>Sho</u>	<u>WnP</u>	<u>ITM</u>	<u>ROI</u>	<u>ImpV</u>	<u>Longp</u>
3729	754	625	517	20%	51%	\$0.84	1.66	11%

Sharp Recent Race ...continued

The “sharp recent race over the track” angle works great at DMR this year and profits could be realized. You would have lost it all back betting on Saratoga however! When All-Tracks are tested the Impact remains about the same, but the ROI and longshot win-percentage drop a bit from the raw formula. This indicates that public likes to wager on these horses thus very few of the winners paid above \$15 (11%).

Well, if you can't beat em, join em. Let's test morning line favorites and see what happens with these horses that ran “sharp over the track ” last out. The normal ML favorite win rate is about 31% with 65% in the money.

Sharp Recent Race over the Track – Morning Line Favorites

Test Location and Dates: All tracks, year 2000 only

Races Types: All

Number of Races Tested: 7,815

<u>Horses</u>	<u>Win</u>	<u>Pla</u>	<u>Sho</u>	<u>WnP</u>	<u>ITM</u>	<u>ROI</u>	<u>ImpV</u>	<u>Longp</u>
991	340	210	136	34%	69%	\$0.81	2.81	00%

The “sharp race over the track” improves the win rate of favorites about 3% and the ITM about 4%. The impact value from 2.54 (all ML favorites) to 2.81. An impact value approaching 3.00 is very potent, but there is absolutely no money to made betting on these horses (ROI = 0.81).

Let's try a few more tests with this study group “sharp race over the track”. We'll stipulate in the first test that the last race had to have been a win in the first test. In the second test let's look at those that lost their last race by several lengths, in an effort to improve the ROI. Remember our formula specifies that horses that lost by more than 3 lengths can qualify as “sharp” if they ran well to the 2nd call or the stretch call.

Sharp Recent Race over the Track – Won the Race

Test Location and Dates: All tracks, year 2000 only.

Races Types: All

Number of Races Tested: 7,815

<u>Horses</u>	<u>Win</u>	<u>Pla</u>	<u>Sho</u>	<u>WnP</u>	<u>ITM</u>	<u>ROI</u>	<u>ImpV</u>	<u>Longp</u>
1971	399	316	258	20%	49%	\$0.90	1.66	13%

Sharp Recent Race over the Track – Lost the Race by 3 lengths or more

Test Location and Dates: All tracks, year 2000 only.

Races Types: All

Number of Races Tested: 7,815

<u>Horses</u>	<u>Win</u>	<u>Pla</u>	<u>Sho</u>	<u>WnP</u>	<u>ITM</u>	<u>ROI</u>	<u>ImpV</u>	<u>Longp</u>
1188	182	203	142	15%	44%	\$0.75	1.25	14%

It was quite surprising to me how badly the second test group did in the ROI column (0.75). Despite a good recent effort over the track those horses that lost by more than 3 lengths are terrible bets next out.

Looking back at the first test chart above – those runners that win and return quickly to the same track improve the ROI from the general sample but don't improve the win rate at all. The slight ROI increase occurs because most of these horses are stepped up in class after a win and the public doesn't bet heavily on that. Final verdict on “sharp race over the track” as a handicapping angle: sorry – two thumbs down.

Sharp Recent Race – The “Bounce” Factor

Let's go back to our original sample of “sharp” horses and use it to test the “bounce” theory. There are many variations of the “bounce” paradigm; we'll test the theory that suggests that when a horse returns from a long layoff and runs a hard race, it will run poorly (“bounce”) on the subsequent start if the horse is returned quickly to race again. Our sample horses in the “sharp” study must be returning to the races within 30 days off a good effort, so the only thing I needed to apply to test the “bounce” was that the previous start took place more than 100 days ago. I chose 100 days as the layoff standard here because it allows us a reasonable number of horses to study as well as being more than 3 months in length.

Remember, to qualify for the “bounce” test group, the layoff of 100 days or more took place in the second start back, not the most recent race. The horse then returned from the layoff and ran well last out and now being asked to race again in less than a month. Will the animal be sore after running a hard race after a layoff?

Sharp Recent Race – After a Layoff of 100 days or more

Test Location and Dates: All tracks, year 2000 only.

Races Types: All

Number of Races Tested: 7,815

<u>Horses</u>	<u>Win</u>	<u>Pla</u>	<u>Sho</u>	<u>WnP</u>	<u>ITM</u>	<u>ROI</u>	<u>ImpV</u>	<u>Longp</u>
237	050	046	035	21%	55%	\$0.67	1.73	04%

The “bounce” horses held their own and actually improved the win% and Impact Value over the regular group. The ROI is miserable though and is proof that these runners are over-bet despite widespread knowledge of the “bounce” theory among bettors and media experts. There were few overlays among the winners as seen with the 4% **Longp** column. The sample size is small and this is why I did not extend the layoff to 6 months or more as there would have been too few qualifiers.

There are other methods of determining possible “bounce” horses. The most popular besides the above scenario utilizes speed figures. When a horse “tops”, or runs his best figure in awhile (or lifetime), the widespread belief is that the horse will most likely regress. This is part of a serious form-cycle analysis that also considers age and class in the equation. Younger horses may continue to improve, older ones have probably peaked. The best method of reviewing such information is with HTR's PRAT (option 2) software that lists Jim Cramer's speed figures in a graphic format. This is similar to the Ragozin Sheets method of analysis. I suggest you read Len Ragozin's book “The Odds Must Be Crazy” for more on the form/figures “bounce” theory.

Like many ideas in thoroughbred racing, the “bounce” theories make good common sense. However, there is no reliable test data that I have seen that proves any of the “bounce” patterns produce more losers than winners. Horses just respond differently to layoffs and peak efforts in their form cycle. Something that causes one horse to unexpectedly run lousy may actually be helpful to another. A 3 year old may move forward quickly from a peak figure, while a 6 year old horse might fall to pieces after running the race of his life. Or the opposite could be true. Many 3 year olds run choppy while improving – a good race followed by a bad one. An older horse that suddenly races strongly might have found his health again and will continue to run big for awhile. Then there is the infamous female ‘in heat’ theory. Old timers love this one and it basically says that when a consistent mare runs poorly in the springtime it is because she is having her ‘time of the month’ and will “bounce back” and run well next out. There is no proof to this idea and once again it is a case of individual temperament. Thousands of mares have run well while ‘in heat’ and some have won stakes races while carrying a foal in pregnancy.

Sharp Recent Race – and the Trainer

One aspect that might promote a “sharp” horse further is the trainer. Let’s test the same type of horses but restrict the selections to those with trainers that have been winning at a 20% or higher in the last 365 days. This trainer win rate statistic can be found in HTR on screen (8).

Sharp Recent Race – Trainer wins 20% or more last 365 days

Test Location and Dates: All tracks, year 2000 only.

Races Types: All

Number of Races Tested: 7,815

<u>Horses</u>	<u>Win</u>	<u>Pla</u>	<u>Sho</u>	<u>WnP</u>	<u>ITM</u>	<u>ROI</u>	<u>ImpV</u>	<u>Longp</u>
1019	260	176	176	26%	57%	\$0.93	2.09	07%

Excellent increases in the overall statistical snapshot. The top trainers really pump up the win percent and Impact Value. The ROI is still below break even and the longshots are scarce, but this is an example of a study that could show promising results everywhere as there are lots of plays (average about one or two qualifying horses per nine race card).

I am going to immediately mark these “sharp” horses w/ good trainers in HTR. Read more about that on page 11.

Excellent results were found at both SAR and DMR with this angle:

DMR Sharp Recent Race– Trainer wins 20% or more

<u>Horses</u>	<u>Win</u>	<u>Pla</u>	<u>Sho</u>	<u>WnP</u>	<u>ITM</u>	<u>ROI</u>	<u>ImpV</u>	<u>Longp</u>
051	012	011	010	24%	65%	\$1.19	1.97	25%

SAR Sharp Recent Race– Trainer wins 20% or more

<u>Horses</u>	<u>Win</u>	<u>Pla</u>	<u>Sho</u>	<u>WnP</u>	<u>ITM</u>	<u>ROI</u>	<u>ImpV</u>	<u>Longp</u>
052	018	009	006	35%	63%	\$1.67	2.91	22%

Here are some items I tested that increased the effectiveness of the “sharp” horse / “sharp” trainer data.

- Major circuits seem to be more consistent with this angle. This makes sense as the 20% trainers are usually handling the cream of the thoroughbred crop at these tracks. Distance and surface (including the “race over the track”) did not make much of a difference in the overall statistics when separated.
- Horses that won and are now stepped up in class are excellent bets with this angle. Surprisingly these types are under-bet despite their recent win and strong trainer. My test results showed a positive ROI, but I feel the sample size is too small to make a firm judgment for you over the long run.
- The “sharp” horses exiting a “key-race” (defined next page) perform very well in limited tests. Read about “Key Races” on the next page.
- Morning Line Favorites win at much higher rates when the “sharp” angles are applied. In fact I plan to use it to help me build that 50% winning favorites system I promised last month. If you are a longshot player this information is of help also – “sharp” favorites with top trainers will probably beat you. Better to find your price horses in races where the chalk is more vulnerable.

News for HTR Users
Key Races and HTR Software Update

About a month ago, Ernie Logsdon began brainstorming to me about “key races”. The typical “key race” is found by watching the horses that return from any race that has been run in the past. If several of the returnees perform well in their next start and some of them return to win, then the race is labeled “key race.” The idea is then to follow the other starters from the “key” event and assume that they too will run well. That is a pretty blatant assumption. “Key races” may exist solely by coincidence and not because the race had some special power. More importantly, Ernie points out the fact that the public is now so aware of the “key” races that the returnees are being badly over-bet and have become underlays. The “key race” information can be found in *Daily Racing Form* and various inexpensive on-line sources.

Ernie asked me if there was a way to shortcut the public and find the “key race” before the first horse returned to race again. I think there is and I will immediately make the information available in the latest HTR program upgrade along with a special marker to find those “sharp recent race – strong trainer” runners we have been discussing. In fact, you will be able to find a rare combination of “sharp” horses that ran in “key” race by using the new screen – a powerful piece of information.

While I will not put my hand on my heart and guarantee flat bet profits with the “sharp” horse/trainer angle, my data reveals that it has been a winner on most major circuits lately. So let’s add it to HTR software and help us find these horses quickly. I’ll place brackets around the layoff days on all screens as explained below.

Added to HTR.EXE Sept 5, 2000 edition.

All screens with the **Lay** designation --

Layoff with brackets, such as [023], indicates that the horse qualified as a “sharp recent race” under the rules set on page 5 herein, and has a trainer that is winning at a 20% or higher rate in the past year. Easy to find them now and easy to check out the quality of this information if you download results files every day and review the races.

Added to HTR.EXE Sept 5, 2000 edition.

<T> screen, now combines the Key Race and Tandem Race information into one report.

The Key Race information (when applicable) will appear at the top of the screen.

Suggestions for using the Key Race screen –

- Don’t bet a horse exiting a “key race” just because it ran in a key race. If the effort was horrible with no obvious excuse, the horse is slow or has problems. Look for some signs of life before plunging.
- Major circuits especially FL, NY, KY, SoCal, NoCal tracks should prove more reliable with the “key race” information and have shown good results in most of my tests. Things can change in the twinkling of the eye however, so all I can offer you is the truth to this moment. Bottom line: check it out for yourself making serious wagers.
- The trainer win percentage is shown on the Key Race screen and may be an important factor in deciding to bet on these horses. Winning trainers know how to place their horses properly and are probably aware if their entrant ran in a quality race last time. These conditioners will be looking for opportunity with a runner that may be *better-than-looked* on paper.
- A horse that won a “key race” may be a good bet if stepping up in class and returning quickly. The public does not always jump on a horse that won the last start and steps up in class immediately. Look for a solid trainer (20%+) here also – many are deadly with this move.

Late News and Contact Information

Get the latest version of HTR software dated "September 5, 2000" from our free web site. Check out the "Key Race" and "Sharp" horse additions and see how they have performed lately at your tracks. Thanks for staying with HTR – I have some exciting surprises for you before the end of the year. *km*

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