

***HTR Report***  
**Thoroughbred Handicapping Newsletter**  
**May/June 2007**

Brought to you by –  
*KM Software*  
Handicapping Technology and Research

Contents

[1] Front Page

[2] Seminar 2007

*Latest Information on our Annual Seminar*

[3] Handicapping with HTR

*Dominant Jockey and Trainer*

[4] HTR Research

*Factor and Spot Play Analysis Month by Month*

[8] Handicapping

*The Lowdown on Layoffs  
Surprising Stats and Facts*

[13] FAQ

*Common Q&A*

[14] Back Pages

*Late News and Tournament Doings*

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The newsletter is available bi-monthly. The current edition of the HTR Report is available on the Internet from our members' web site only. The newsletter is included as part of a paid subscription to HTR's monthly download service (\$119/mo).

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*Seminar 2007***HTR Annual Seminar 2007 in Las Vegas**

Make your plans to be with us in Vegas this year for the annual HTR summer seminar. It is a great opportunity to meet other HTR members, talk about handicapping and learn about latest tools added to the HTR program in 2007.

**When** Wednesday July 25; 10am–10pm (see tentative schedule below)

**Where** Gold Coast Hotel, Las Vegas (on Flamingo Blvd, right off the Strip, adjacent to the Rio Hotel)

**Cost** \$40 includes entry in the HTR handicapping contest, pay at the door, no reservations required.

*HTR makes no profit from the seminar; all seminar receipts are used for expenses and to compensate our speakers. The remaining funds are used as contest prize money.*

We will probably be assigned the same conference room as last year, Salon “A”. It is upstairs in the banquet/convention area. Bring laptop to Donnie’s evening session only. We provide coffee and water in the room, but plenty of breaks provided for nearby eating and betting.

Tentative Schedule

- |                |  |
|----------------|--|
| 10:00-10:30am  | Introductions, preview and handout materials.  |
| 10:30-12:00am  | Q&A with Ron Tiller (HDW), Software Upgrade overview and Robot Techniques  |
| 12:30- 3:30pm  | Advanced Handicapping Topics with Ken Massa<br>New perceptions on Pace & Speed<br>Overcoming the Time Warp of Intense Analysis<br>Annual HTR Seminar Handicapping Contest                  |
| 4:00pm –5:00pm | Tournament Session anchored by Mel Moser   |
| 5:45pm-10:00pm | Export HTR / Access db with Don Nadermann<br>Come early with your laptop for prep and software installation.<br><i>Contact Donnie if you have any material you would like him to cover</i> |

Helpers: Ernie Logsdon and Rick Bush

Tournament

The Summer Gold Coast tournament begins the day after the seminar and runs through Saturday. It is not necessary to enter this tournament to attend our seminar on Wednesday. The GC tournament fee is \$400/entry. HTR has had enormous success with our seminar/tournament back-to-back including a 1-2 finish last year by John Buckley and Gary Brous winning over \$100,000 between them. We will cover wining strategies and point totals during the seminar.

Hotel Rooms

If you are staying for the Gold Coast tournament, call the Coast Contest Line and book your room at the special player rate: 866-566-7223

If you are *not* attending the Gold Coast tournament, but want to stay at the hotel for the seminar only, try booking your room on-line at this website =

<https://reservations.synxis.com/LBE/rez.aspx?Hotel=11290&Chain=5325>

Rates are about \$60/night at the Gold Coast. If you would like an upgrade in quality, there are two excellent hotels within walking distance: *The Rio* and *The Palms*.

Software Download and Laptops

We will upload the new version of HTR2 a few days before the seminar. It is not necessary to bring your laptop to the morning or afternoon sessions. Handouts and big-screen visuals are provided. Laptop strongly suggested for the evening db session.

*Handicapping with HTR*  
**The Dominant Jockey or Trainer**

Let's see if we can use our jockey (JKY) and trainer (TRN) ratings to quantify an overwhelming edge in ability. One of the popular jockey angles is noticing a top rider who stays for the final race on the card – usually an insignificant maiden claimer. Why he is staying late for a short purse to ride a cheap horse with no future? Not to mention the extra risk of tangling with a group of inexperienced riders.

The jockey agent for the top rider sticking around for the finale will want a firm promise from a trainer that the horse is *live* and worth riding in the nightcap. Loyalty to the trainer when he asks may be enough motivation to take a weak mount in hopes of getting first call in the future. Whatever the reason, it catches the attention of the public and the horse is usually bet heavily.

The stick out rider in the last race of the day is one obvious example of an advantage we can spot quickly with the JKY rating. There are many other races that are probably less obvious to the public featuring one rider with a definitive talent advantage. Let's see if they produce any revenue for us.

Here are the parameters to the test for the item: "Dominant JKY=1"

- JKY = 1 (top ranked jockey in the race)
- JKY rating is 100 points or more higher than the second rank.

<b>All Races Purse \$10,000+      May 1, 2006 - April 30, 2007</b>			
<b>Item</b>	<b>Plays</b>	<b>Win</b>	<b>WROI</b>
<b>Any JKY=1</b>	<b>38596</b>	<b>21%</b>	<b>0.82</b>
<b>Dominant JKY=1</b>	<b>3322</b>	<b>28%</b>	<b>0.82</b>
<b>Dom JKY=1 Favorite</b>	<b>1496</b>	<b>41%</b>	<b>0.85</b>

Analysis

The dominant jocks get 28% winners vs. 21% wins for all top riders. But the ROI does not go up. This clearly indicates heavy betting on the advantage rider. About 4 out of 10 of these horses with the dominant pilot end up the wagering favorite and they win a whopping 41% of the time – still, the ROI does not climb much.

The conclusion is simple: a jockey advantage is an obvious angle for most bettors, but does little for our bottom line. Most horseplayers are persuaded by feedback from races they see, and in this case they get plenty of evidence from watching frequent winners, especially the chalk, so they bet these jockeys heavily without understanding the long-term losses involved.

Next are the results of betting the "dominant trainer". They are defined as a TRN=1 with a 100 point or greater advantage over the second ranked TRN in the race.

<b>All Races Purse \$10,000+      May 1, 2006 - April 30, 2007</b>			
<b>Item</b>	<b>Plays</b>	<b>Win</b>	<b>WROI</b>
<b>Any TRN=1</b>	<b>38699</b>	<b>22%</b>	<b>0.82</b>
<b>Dominant TRN=1</b>	<b>5433</b>	<b>30%</b>	<b>0.85</b>
<b>Dom TRN=1 Favorite</b>	<b>2675</b>	<b>42%</b>	<b>0.89</b>

Analysis

The 100+ point advantage is more common with the trainers than the jocks (5433 vs. 3322 plays). The dominant trainers are able to win a strong 30% of the time – but the ROI only increases to 0.85. Still, that is at least some improvement, and when favored they do even better. About 50% of the plays *are* favorites; the public is not fooled when there is standout trainer in the race.

*HTR Statistics***Charting the Calendar for Spot Plays and Data Query**

One of the interesting additions to the Robot' *Learn All* for the July 2007 seminar update is a month-by-month breakdown. You'll find several examples of the output below. The printout now separates by each of the twelve months and is very enlightening. This is particularly true for Spot Plays. Export and database users will find the calendar breakdown to be a highly useful pre-query information.

I tested a dozen profitable spot plays that showed a positive ROI with 365-day tests. Two of them are listed in this text later. After looking at the calendar breakdown I would probably toss about half of them despite the 365-day positive ROI. Only one of the spot plays that I tested showed a profit for all 12 months. Most of the others had mixed results, sometimes wiping out for several consecutive months.

The chart below reveals the monthly breakdown of K=1.

<b>K=1 All Races Purse \$10,000+</b>				<b>April 2006 - March 2007</b>	
Month	Plays	Win	WROI		
APR 06	02993	30%	0.86		
MAY 06	03880	30%	0.85		
JUN 06	03956	29%	0.82		
JUL 06	04068	32%	0.88	(best month)	
AUG 06	03718	30%	0.82		
SEP 06	03748	31%	0.85		
OCT 06	03291	30%	0.84		
NOV 06	02906	30%	0.86		
DEC 06	02389	30%	0.85		
JAN 07	02222	29%	0.82	(weakest month)	
FEB 07	02167	31%	0.87		
MAR 07	02917	30%	0.85		
AVG	03100	30%	0.86		

Analysis

The (K) rating is the most reliable factor to run a 365-day "all burger" test on. K=1 has proven consistent with all types of races at most tracks/distance/surface winning 30% since the year 2000 when the current formula was applied. The hit rate is solid for a factor that is applied to every horse and has very few ties. The ROI has definitely dropped during the last few years for K=1 though. In the early years K=1 would produce about 0.90, but it has declined about a half-penny per year since.

Despite the unshakable results obtained with K=1 over time, it had its ups and downs over the course of a year as you can see from the chart. The peak month for thoroughbred racing is July – there were over 4000 races with purses of \$10,000 or more – that's a lot of betting action. K=1 had its best month last July with 32% winners and the ROI hitting almost 0.89. But followed with weak results in August. The lowest win rates were June 2006 and January 2007 when the win percentage slipped below 30%. Yet overall, the win rate was highly consistent throughout the year.

If K=1, our most solid performer, has its share of blips throughout the year, imagine the surprises we will find with more volatile factors. We'll look at two of them on the next page.

The monthly breakdown has several benefits with data analysis →

- Checking for phony results that may have spiked during peak months and will not go forward.
- Noting consistent performance month-by-month that yields far greater confidence in a spot play.
- Checking trends and differences with winter vs. summer racing (grass racing in particular).
- Tracks that run most of the year (such as MNR or CRC) a cyclical bias effect can be noted.

*HTR Statistics***Charting the Calendar – Early Speed**

No question that early speed tends to run in cycles throughout the year. During the peak profit era of Fr1 (Fraction-one velocity) in the late 1990s, we would notice a trend that would usually peak in the warmer summer months with fast dirt races. This may have had as much to do with the annual racing schedule as the weather though, as DMR, SAR, MTH and the California Fairs tended to be early speed bias during that period. As the year wore on toward winter, the trend of front-running winners would fall apart.

During the current decade, the trend has been more erratic and not easy to follow, but perhaps we can uncover a pattern with the data below. Here we'll look at the PAC (pace figure, 2nd call rating) and Fr1 by calendar month. Note that this test was targeted on fast dirt/poly tracks only. All class levels and distances were used.

**PAC=1 Fast Dirt/Poly Races Purse \$10,000+ April 2006 – March 2007**

Month	Plays	Win	WROI	
APR 06	02312	22%	0.89	
MAY 06	03081	21%	0.89	
JUN 06	02958	22%	0.90	
JUL 06	03246	21%	0.79	
AUG 06	02912	22%	0.86	
SEP 06	02937	22%	0.87	
OCT 06	02529	21%	0.88	
NOV 06	02464	20%	0.87	
DEC 06	02389	22%	0.92	
JAN 07	01789	19%	0.79	worst
FEB 07	01847	21%	0.99	best
MAR 07	02550	21%	0.80	
AVG	02500	21%	0.87	

**Fr1=1 Fast Dirt/Poly Races Purse \$10,000+ April 2006 – March 2007**

Month	Plays	Win	WROI	
APR 06	02036	20%	0.89	
MAY 06	02762	20%	0.91	
JUN 06	02661	20%	0.84	
JUL 06	02883	20%	0.81	
AUG 06	02570	21%	0.89	
SEP 06	02623	19%	0.85	
OCT 06	02215	20%	0.85	
NOV 06	02155	19%	0.96	
DEC 06	01904	21%	1.01	best
JAN 07	01585	17%	0.77	worst
FEB 07	01658	18%	0.84	
MAR 07	02262	19%	0.80	
AVG	02300	20%	0.86	

**Analysis**

There is high volatility in the monthly results with early speed. Reminder – this test was run on fast tracks only; the lower play-count in the winter reflects wet weather and cancellations. Notice that PER=1 had a terrible month of January this year, only to be followed by a near flat-bet profit in February. While FR1 had an excellent November-December 2006 but then was also a failure in January.

Attaining an ROI > 0.90 for any one month reflects considerable success with longshots. Notice the win rates tend to remain stable for each monthly period (about 20%) but when the ROI is high, that tells us overlays and prices are clicking on the front end. Early speed can get hot or cold without any seasonal patterns these days.

*HTR Statistics***Charting the Calendar – Spot Play Analysis**

Next we'll take a close look at a couple of spot plays and break down the winning ROI by calendar month. Here are the specs for the first example play, this one simplified from one of the spot plays in our contest held earlier in the year →

- All Tracks, Purse \$10,000+
- Males only; 3up/4up (no 2yr, 3yr)
- Claiming Only
- Fast Dirt or Poly (no wet or turf)
- \$\$
- HTR=1

**Spot Play (listed above)      April 2006 – March 2007**

Month	Plays	Win	WROI	
ALL	01697	16%	1.17	
APR 06	00114	20%	1.23	
MAY 06	00156	22%	1.93	best
JUN 06	00165	15%	0.78	
JUL 06	00187	18%	1.18	
AUG 06	00174	14%	0.82	
SEP 06	00126	16%	1.17	
OCT 06	00137	13%	0.95	
NOV 06	00153	14%	1.29	
DEC 06	00135	19%	1.15	
JAN 07	00097	18%	1.79	
FEB 07	00106	20%	1.52	
MAR 07	00147	10%	0.63	worst

**Analysis**

Overall this play is a great performer for the entire year, averaging about 4 or 5 plays per racing day and netting about 17% profit on the dollar. But woe came if you started playing it last March as it took a big negative hit. Also had a poor month of August last summer – and that was during one of the most prolific months (174 plays). During about half the months, it rolled along with big price hits day after day, particularly last May.

Here is another one, check out the specs →

- All Tracks Purse \$10,000
- All Distance/Surface/Class/Age/Sex
- \$\$
- Blinkers OFF (bx)

The results of this play, month-by-month are listed on the next page. These spot plays that produce better than +10% return -- yet yield win percentage below 18% -- are destined to be precarious for the handicapper at various times of the year. The volatility is the tradeoff for high ROI returns.

Uncovering a profitable spot play is one thing, having the mental and financial resources to carry it through an entire year is another matter. Most horseplayers will give up after a bad month. If the spot play starts off well one month and then falls apart the next, this convinces even the most dedicated player to quit on it. Most of us are impatient and cannot withstand a long losing streak.

*HTR Statistics***Charting the Calendar – Spot Play Analysis**

<b>Spot Play (bx + \$\$)</b>		<b>April 2006 – March 2007</b>		
Month	Plays	Win	WROI	
ALL	00791	14%	1.21	
APR 06	00068	16%	1.51	
MAY 06	00068	15%	1.94	best
JUN 06	00073	19%	1.26	
JUL 06	00088	09%	0.71	
AUG 06	00096	15%	1.39	
SEP 06	00080	08%	0.70	
OCT 06	00077	13%	0.96	
NOV 06	00087	15%	1.03	
DEC 06	00036	14%	2.39	
JAN 07	00036	08%	0.58	worst
FEB 07	00046	15%	1.23	
MAR 07	00036	19%	1.42	

Analysis

This play produces an outstanding ROI for the entire year (+21%). Yet the volatility is very high. During January you might have gone broke, but perhaps more importantly, look at the period between July and September →

This is the peak 3-month period of the racing calendar. During July the results were poor, followed by an excellent month of August to get the money back, and then losing it all again during September. The aggregate ROI for the 3-month period = 0.90, no so bad, but the handicapper may have become very discouraged during this roller-coaster ride of profit and loss.

Some final thoughts on the calendar separation---

- Profitable spot plays with high ROI and low win%, tend to have major ups and downs during the 12-month cycle. This is problematic for a horseplayer's financial and physiological health!
- Combining several such spot plays during the year may iron out the volatility. While one play is in a funk, another may be hitting its peak and the bankroll flux can be smoothed out.
- Use a diversity of factors. As we noticed with the early speed items (PAC and FR1) in the chart on page-4, they tend to run in cycles. Don't utilize one dominant factor in all the plays, otherwise the ups and downs may occur simultaneously.

Robot Learn ALL Update Summer 2007

The Learn ALL will be an improved research and learning tool with the new summer release. Along with the monthly breakdown, there will be many other items listed on the printout including additional expanded categories of MLO and Layoffs. After the seminar we'll have another spot play contest that requires use of the Robot and an interesting twist that requires low-volatility on the calendar list!

*Statistical Analysis***The Low Down on Layoffs**

Most of you reading this are veteran handicappers and have heard all the clichés about layoffs. During the 1970s, when I first became interested in playing the horses, all the experts, authors and system sellers all drummed home a similar refrain: “never bet a horse that has been off more than 28 days”. Later that was modified to 30-days for most methodologies. The Daily Racing Form chose 45-day layoff as the “underline” alert for layoff time.

There were voices of discontent with this simplicity, even back then. *Sullivan & Adams* were the first I recall saying something contradictory on layoffs. They defied the common statistical mantra: “80% of all winners have run within the last 30 days”. *Sullivan & Adams* proved that this elimination is largely useless. They used Impact Value (I.V.) to uncover the statistical irrelevance of the 30-day cutoff. It’s true that about 80% of all winners had a layoff of 30 days or less - but 80% of the entrants have run within the last 30-days – so there is no impact!

William Quirin was the first to recognize that long layoffs have much less influence on routes than sprints. Although his sample was very small and the data from pre-1980 races, you might find it interesting reading: see page-80 in his book *Computer Discoveries in Thoroughbred Handicapping*.

My goal was two-fold with this study to dig for the truth about layoffs →

1. Find a statistically valid separation in the layoff days. In the past we normally see simplistic layoff ranges shown as: 0 to 30, 31 to 60, 61 to 120, etc. These are easy to understand, but are not accurate in terms of grouping horses to determine impact and wagering advantages.
2. Determine the layoff groups that enhance or deter performance. We have been programmed to believe it is 30 or 45 days. The correct range would be where the ROI and Impact Value have their highest values. We’ll reveal the most productive layoff days by the end of this report.

To research layoff data I started out by running a full report on each individual layoff day. This massive final chart covered every thoroughbred that ran between April 2006 and March 2007 for a purse of \$10,000 or more. The data listed every possible layoff between 2 days and 999 days off and included all the stats including win rates, ROI, etc. After carefully grouping the impact of each layoff day I was able to form six key groupings. Let’s talk about each one below.

LAY 002 – 010 Days

This group could be titled the “quick returnees”. About 6% of all entrants have run within the last 10-days. I’m sure all of you have known an old timer that swears by the quick return layoff. The reality is that this category is a big loser. Many of the I.V. in this category were well below 1.00 (negative impact) and the ROI was poor with the exception of those returning in exactly 3-days. Part of the problem with the weak ROI is the low percentage of longshot hits with this group. Apparently the short layoff runners are generally over bet by the public and rarely overlays. The best longshot category was 9-day layoff.

LAY 011-020 Days

This category is the largest of our study as you might expect. About 35% of all race entrants will show a layoff between 11 and 20 days. The most common layoff is 14-days (over 6% of all horses). With the huge sample sizes here, the statistics are strong and consistent. The Impact Value and ROI are exactly equal to random expectation. This means the 11 to 20 day layoff has no negative or positive predictive effect on the profitable outcome of thoroughbred races – it is perfectly neutral.

*Statistical Analysis***The Low Down on Layoffs****LAY 021-028 Days**

Approximately 24% of all thoroughbred entrants (purse \$10,000 or more) return in 21-28 days. The impact is slightly stronger than the previous category with nearly the same ROI. Three to four weeks off would seem to be the ideal amount of time for thoroughbred to recover from a difficult race while avoiding staleness. That's conventional wisdom, but the results do not offer proof. Certainly this category offers clear evidence that the additional week or two is healthy, but as we will see from test results in the next category, waiting a little longer has merit.

**LAY 029-065 Days**

We can title this group "freshening". It is the category that puts to rest the accepted paradigm of short rest (28 days or less). About 23% of the horses in training today receive this optimal amount of time off after their last race. The Impact values and ROI are improved over the previous categories, dramatically in some cases. Obviously, 4-9 weeks is ample time to recover from the rigors of a hard race. But consider a few other elements of the "freshened" horse →

- Thoroughbreds are expensive to keep in training. The willingness of the trainer and owner to wait this long for another race is a sign of good care.
- This layoff range is too short to indicate injury or serious soreness.
- As we know from human athletes, steroids and various medications are most effective at accelerating recover time, not actually improving performance. Longer rest may indicate a natural recovery, rather than drug induced. OR – could it also reveal training drug use? A horse using medication in training would need a couple of weeks of dissipation to clear the blood of the evidence. Improved workouts could be the signal for that. In either case, drugs or no drugs, the extra time has a positive impact in many cases.

The important thing to remember is that a layoff of 29-65 days is generally a *planned* event. With the exception of stakes races, virtually all healthy claimers can find a spot to run within a month's time. As we are well aware, most fields do not fill to the maximum. The cheaper claimers and maidens have even more opportunities as the racing secretary is actively seeking 'field fillers'. The downtime was probably an attempt to revitalize the horse or take a step back for evaluation.

**LAY 066-165 Days**

Our next category represents about 8% of the horses in training. The range seems very large, encompassing 100-days. What on earth do 70-day and 140-day layoffs have in common? That's the whole issue -- it is a "gray zone". These layoffs are too short to indicate major injury and too long to believe the horse was freshening. Indeed the ROI and Impact Values are a wide spread and highly volatile. Part of the problem is the decreasing sample size with such a wide range of layoff days. It's a foggy category, hard to pin down and the statistics prove it.

**LAY 166-999 Days**

Approximately 1 in 20 thoroughbred entrants, 5%, have been off this long. The "long layoff" is not nearly as puzzling as the previous category as all the stats are negative across the board. We can assume that a layoff of more than 5-months indicates problems and is costing the owners plenty to resolve and resume training.

This concludes our categorical analysis of layoffs. Now we'll use this information to study the outcome of races and develop some new insights. At the end of the report, I'll print some charts displaying the most productive layoff-days categories.

*Statistical Analysis***The Low Down on Layoffs – Sprints**

Here is a review of the six key layoff categories.

**All stats in this report from April 2006 – March 2007**

<u>Category#</u>	<u>Days Off</u>
1	2-10
2	11-20
3	21-28
4	29-65
5	66-165
6	165-999

Now we'll study results from several different race types. There will often be multiple qualifiers from each layoff category, so we'll look at two key stats: ROI and Impact Value for the assessment.

Dirt/Poly Sprints

The conventional wisdom with sprint entrants is not to bet horses with layoffs > 30 days. Let's see if this notion holds any water.

**Fast Dirt/Poly Sprints Purse \$10,000+**

<u>Cat#</u>	<u>Plays</u>	<u>WROI</u>	<u>I.V.</u>
1	07209	0.70	0.97
2	46877	0.75	1.09
3	31652	0.77	1.14
4	35247	0.78	1.17*
5	10197	0.83*	0.97
6	08803	0.64	0.82

Analysis

Clearly, the (#1) first category has issues. The impact value is below random (negative correlation) but it is the ROI that is a big disappointment (-30%). The "short layoff" horses are over bet and under-perform.

The middle groups: Cat# 2,3,4 have similar results, but it is interesting that the 29-65 days off gets the best numbers of the three, including impact value. Horses "freshened" for sprints are at no disadvantage according to the statistics.

While category #5 has a poor impact value, the horses pay well and the ROI exceeds all the other ranges. Sprinters returning from long layoffs (# 6) are clearly at a big disadvantage and the miserable ROI (-36%) indicate that generous odds are not enough to overcome the extensive time off.

Healthy sprinters at major tracks do not need short rest to run their best. There is no evidence that a turnaround of less than 30 days has any advantage over horses that have been rested for 5 to 9 weeks. In fact, too little rest is not only a negative, but the public still believes they must be sharp and definitely over bet them. The top trainers in today's sport understand the modern concept of exercise "recovery" that athletes everywhere have learned – "**less is more**".

This brings up a point about thoroughbreds of the past. Why did they seemingly run more often, less time between races, and with no apparent detriment to performance despite the lack of drugs? It is widely accepted that racehorses prior to the 1970s were heartier. The problem with this line of thinking is that it is based on perception only. We have no stats on layoffs, breakdowns, injuries, drugs etc to compare.

We do know that there was far less humanity in the sport and the carnage of horses breaking down was ignored and unreported, and drugs were not tested. This is a subject that will remain controversial; many people believe the breed has been weakened as racing has evolved to a sprint game and targeted for horses too young to handle the rigors of racing. There would seem to be some merit to that as well.

*Statistical Analysis***The Low Down on Layoffs – Routes**

Next we take a look the routes, both dirt and turf. Most handicappers believe the long layoff is less important than in sprints. But the real question here is whether the long layoff is actually a positive attribute to performance or has short rest become a negative.

**All stats in this report from April 2006 – March 2007**

<u>Category#</u>	<u>Days Off</u>
1	2-10
2	11-20
3	21-28
4	29-65
5	66-165
6	165-999

**Fast Dirt/Poly Routes Purse \$10,000+**

<u>Cat#</u>	<u>Plays</u>	<u>WROI</u>	<u>I.V.</u>
1	04073	0.64	0.85
2	23646	0.74	1.02
3	16129	0.76	1.09
4	16469	0.83	1.16*
5	02609	0.95*	1.10
6	01136	0.63	0.76

Analysis

That's an astonishing ROI betting every (dirt/poly) router with group #5 (66-165 days off); losing only 5% on the dollar. The impact values are better with longer layoffs than shorter rest. Categories #4-5 prove the value of a freshening for routers. Those horses returning on short rest (2-10 days) are at a decisive disadvantage and are probably over bet. Group #2, the most common layoff days, has a neutral impact but appear to be over bet also. Long layoffs over 165-days are the high negative as usual.

Turf Routes**Turf Routes Purse \$10,000+**

<u>Cat#</u>	<u>Plays</u>	<u>WROI</u>	<u>I.V.</u>
1	01399	0.94*	0.95
2	09189	0.71	0.94
3	08115	0.79	1.05
4	10030	0.78	1.15*
5	02058	0.71	1.05
6	01313	0.89	1.13

Analysis

The grass races turn the conventional wisdom about layoffs on its head. Notice the two best ROI categories are at the extreme ends. The long layoffs > 165-days are actually a positive benefit for turf runners. It probably goes without saying that grass races tend to be carded for classier horses and they don't require as much activity; the barn does not need the horse to race as often because purses are higher.

*Statistical Analysis***The Low Down on Layoffs – Summary**

Finally, we'll look at some individual layoff-day stats. As I mentioned at the start of the article, I ran my data on each individual layoff day from 002-999. The information below would be trivia except that the data tend to cluster around the same group →

Top Layoff Days by ROI

**All Races    Purse \$10,000+    Sample size 500+**

<u>Lay</u>	<u>Cat</u>	<u>WROI</u>
074	#5	1.23
066	#5	1.12
060	#4	1.04
051	#4	1.02
056	#4	1.00
038	#4	0.98

Analysis

These ROI indicate a wager on all the horses with the specific days only, no other handicapping involved. In other words, if you had placed a bet on every horse with a 74-day layoff, your return was +23%. No way would I claim that would go forward, yet all the top ROI plays cluster in the “freshening” range. Horseplayers tend to *under-bet* if the layoff is greater than 45-days (the *underline* in the *Racing Form Past-Performances*).

Top Layoff Days by Impact Value

**All Races    Purse \$10,000+    Sample size 500+**

<u>Lay</u>	<u>Cat</u>	<u>I.V.</u>
091	#5	1.32
065	#5	1.31
041	#4	1.29
056	#4	1.28
051	#4	1.27
036	#4	1.26

Analysis and Summary

Similar groups end up on this list. What does it all mean? We were taught that layoffs over 30 or 45-days were a detriment. These stats defy that notion.

This game is profitable only if you are willing to contradict the public with your wagering dollars. The “public” includes experts and authors who have hammered home the shorter layoff days for decades. As we all found out those conventional notions produce a lot of chalk.

Top trainers understand that recovery is a very important aspect of keeping a horse sound. Instead of tagging a layoff 45-90 days as ‘stale’ consider it a ‘freshening’. It’s healthy and humane care to allow a horse to have some moderate time off with a few workouts in the interim.

Owners and trainers that are patient with their horses are giving us a positive sign. It is tempting to race over and over every few weeks to try and pay the bills. If the connections are willing to protect their horse and allow it time to recover from a hard race, they have long-term goals in mind.

## FAQ

**Common Questions about HTR**

*I would like subscribe to HTR and use your Robot, but can buy a year's worth of data first?  
Can I purchase historic data from you, HDW or Equibase?*

We get variations of these questions all the time. Keep in mind our business model – monthly subscriptions. That's all we sell. If we made available large lots of historic data, we would lose many of our monthly customers. The only alternative to maintain revenue would be to charge huge fees on the past data like our competitors. Not to mention we would have to sell the software and add upgrade fees.

HDW and Equibase turn down big offers all the time to purchase historic database or raw data. No matter the offer, they say "NO". It is not in our best interest to have one-time customers. Our long time subscribers would probably agree 100% with this policy that saves them incredible amounts of money while accumulating a significant data set.

The slower acquisition of mass data allows feedback and greater understanding. Dumping 100,000 files into the computer will not make someone a better horseplayer any time soon. That is madness to assume there is wealth in raw data without a lot of experience in dealing with it.

With a 45-day archive available, a new subscriber could amass a year of data from all tracks for about \$1000. That is absolutely the best value possible in the handicapping business. To download the same number of files on BRIS would cost tens of thousands and take enormous time on the computer.

*If there are multiple (KLine) overlays in the same race, how do you separate them? Is there a formula to determine the best bet among them? Should I bet them all – maybe a Dutch bet?*

This happens all the time, particularly if there is a heavily bet favorite (big underlay) in the race. Look at this example →

	<b>KLine</b>	<b>(Prob)</b>	<b>Tote</b>
<b>#1</b>	<b>4.0</b>	<b>20%</b>	<b>5.0</b>
<b>#2</b>	<b>8.0</b>	<b>12%</b>	<b>12.0</b>
<b>#3</b>	<b>20.0</b>	<b>5%</b>	<b>40.0</b>

Remember that the KLine is simply an odds-line converted from the horse's probability of winning the race. We have documented in previous issues of this newsletter the long-term accuracy of the KLine, so we'll assume that the above ratings are correct in terms of assessing the horse's chances.

- #1 has an excellent chance to win and the tote is offering a small premium.
- #2 has a fair chance to win, with betting odds at an excellent 50% bonus.
- #3 has tiny chance to win, but gets a whopping double bonus on the odds.

What to do?

I'll give you a practical answer first, but will offer a web link on the *Kelly Criterion* for those that want to quantify the value plays. The "Gamblers Ruin" is an important reminder. Value only matters if the bankroll can sustain the long run. You need winners to stay alive – cash flow is critical. So the wager has to include #1 to ensure the best chance of cashing the overlay bet. Smaller amounts could be wagered to win on the other two (see below). If you can't get at least a 25% chance of cashing with your combined win bets, it might be better to use the value overlays in the exotics with a spread in the trifecta or exacta. There is logic to assume that an overlay in the win pool indicates the same in the exotics.

For a serious discussion on the Kelly value wagering theory, click this link found on the Del Mar web site; it also includes a link to Kelly's original paper on the topic →

[www.dmtc.com/handicapping/tools/wt\\_kelly.php](http://www.dmtc.com/handicapping/tools/wt_kelly.php)

## Late Announcements and Reminders

### Party at Prairie

I'm joining Don Nadermann at his home track, Prairie Meadows near Des Moines on June 1-3 for the annual tournament there. More importantly, we'll be having a tasty HTR bbq and get-together at the Nadermann house on Friday night! Everyone is welcome if you would like to join us that weekend. Thanks Donnie and Suze for the hospitality!

### Tournament Winners

Congrats to our members: **Wes Burquest**, **Alan Noring** and **Gordon Bergman** for their recent tournament scores. Check the Discussion Board / Tournament Forum for details and news.

### Seminar News

Stay updated on the seminar with our bbs thread in the *General Forum*. Final information will be posted in the July/Aug newsletter that will be available prior to the event.

## HTR Software

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HTR Report is an on-line newsletter and is published bi-monthly, then placed on the HTR member (download) web site around the 5<sup>th</sup> of the month published. Monthly subscribers to HTR can view the current newsletter for no charge on-line, Adobe Reader software (free) required. Past issues are available in our website archive library.

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