



Getting Bullish on Longshots

Webster's Dictionary defines "longshot" in three ways:

1. A horse, team etc, that has little chance of winning.
2. A return or undertaking that offers much, but has little chance of success.
3. An attempt or guess that is unlikely to be successful.

While the word longshot no doubt originated from horse racing, these definitions primarily describe the *chance* of success, not the payoff. Most horseplayers would easily give the definition of longshot as a *high priced winner*, without regard to the horse's actual probability of prevailing. Many high priced horses, as we all know, are perfectly logical contenders and are the very best bets in racing.

For our purposes a longshot will be defined as any winner that paid \$20.00 or more to win. We are going to explore the circumstances and probabilities surrounding these important contenders. Important because the longshots are critical to everyone's yearly bottom line. Indeed, if I have a positive year at the races, I can look back at a handful of key high priced wins that provided most of the profit through exotic wagers.

Is it possible to show consistent profits by betting only to win and/or place on horses with low to medium odds? I sincerely doubt it nowadays. This is a difficult reality to accept for many players in the 1990's. In the late 1970's, when I began to wager seriously on horses, the focus of the "expert" or "pro" handicapper was to identify solid class/speed plays and bet heavily to win and place. All wagering was at the track and there was no simulcasting. Exactas and Daily Doubles (the only exotic wagers available) were considered "junk food" and were generally avoided. Most races were passed until a very strong contender with odds in the 5/2 to 4/1 range was found and bet to win & place. The results were good until the *information revolution* destroyed the odds.

Today those spectacular 3/1 shots we got in the 1970's and 80's are now 8/5 or less on the tote-board. All serious players have speed, pace and class figures and most of the people that wager enough to affect the tote, are using the Internet or their computer prolifically. The \$1 bettors you see digging in the trash are not the ones that wagered down a favorite from 5/2 to 4/5 on the board!

Oddly, the high-tech handicapping revolution is offering unusual opportunities that have never been seen before. Some of our fellow handicappers are serious and impetuous about betting big on anything that is a "stick out" regardless of odds. The thrill seems to be in the winning, not the money. I am often shaking my head and asking - "who is betting all the money on these horses?" - when another 3/5 shot that should have been 5/2 has lost. If I asked out loud, would anyone admit to betting and losing on odds-on favorites? There are many well-meaning players who believe what a famous *guru* of handicapping once said: "any winner is an overlay". Methinks the guru needs a lesson in practical racetrack reality.

The information below refers to the HTR printout and result chart on the facing page.

VBET- *Value Bet* - the fair betting odds for any horse based on the probability of winning the race. To make money in the long run, a successful investor must only wager when the return will exceed the probability of winning (*positive expectation betting*). The VBET gives you the break-even threshold. When the tote odds exceed the VBET, the public has made an error in the assessment of the horse's chances of winning. I strongly suggest you stay away from low probability horses (PRB below 12%) when looking at the VBET. The idea is to find horses with a good chance of winning that have been over-looked in the wagering – not just to bet on anything because the odds are higher than they should be. The VBET and PRB% are found together on screen <2> and <4> in HTR software.

Kalookan Queen is the 7/5 morning line favorite in the seventh race at DMR on August 5. As the K2 screen (menu item <4> in HTR) displays, she is a deserving favorite with a strong 31% probability of winning the race. Her fair odds (VBET) is about 2/1, so the morning line is not unreasonable considering the takeout. Not surprisingly, the DMR bettors pummel the horse down to an unreasonable 3/5. This is inexplicable for many reasons. **Kalookan** is an *E* or early running type, but she does not appear to have a lock on getting the lead easily in here as there are other speedy types on both sides of her. Her shown class numbers and performance ratings are not overwhelming by any means. Deserving wagering choice – sure, but 3/5 is awful.

When the favorite is over-bet, there must be a corresponding rise in the odds to other horses. The other obvious contenders in this race are **Lady Cadet**, **Rayelle** and **Mountain Medly**. The VBET for **Rayelle** is 6/1, but she is far below those odds on the board (7/2) and not a good play. **Lady Cadet** is a fair value at about 4/1 according to the VBET and her tote odds are 6/1, a possible play. It is **Mountain Medly** that attracts the eye though – VBET fair odds are listed at 6/1 and she has drifted up past 15/1 on the board! More than double the VBET recommendation.

Is **Mountain Medly** a \$33 winning longshot because she has little chance to win here? No way. She is #3 (K) rating and is just one point lower than the heavy favorite class-wise. Even the morning line was 6/1. It is the public that created this longshot *illusion*, the horse had a decent chance to win this race all along but was overlooked in the frenzied over-betting of the favorite.

Important key to finding value on the board is when the public goes nuts over the chalk as in this example - and this seems to happen in almost any race with a morning-line-favorite that is 2/1 or less. The current phenomena of *chalk-hammering* is perplexing, but providing terrific wagering value all the time.



Longshots - The Morning Line

When looking for good priced winners, it is just as important to analyze the public wagering patterns as it is to handicap the race. Most successful longshots have reasonable clues as to their chances of success. Many are solid second and third choices that were allowed to drift up beyond their fair odds (VBET), as in the previous example.

Perhaps the most difficult psychological barrier that handicappers must overcome is the belief that bet-down runners are *hot*, *steam* or *insider* plays. Horses that are hammered on the board are compelling, and often win. Yet, there is overwhelming statistical evidence that we will lose big-time by betting on them. To make money, we need to turn our attention to outmaneuvering the public, not jumping on the low odds bandwagon.

The morning line odds exert more influence on the public than any other source. Indeed that is the purpose of the morning line, to stimulate wagering – as much as possible. Winning horses that pay \$20 or more are usually found within a narrow ML odds range of 5/1 to 12/1. The 5/1, 6/1 and 8/1 morning line numbers are particularly potent for finding winners above \$20 while maintaining a reasonable win rate overall. Horses that have ML odds at or above 15/1 have little chance of getting to the finish line first.

This chart breaks apart the MLO odds and determines what percentage of winners above \$20 come from each ML odds range. Exactly 100,245 horses were tested from 12,283 races run in 1999. The data is primarily from major racing circuits. The final column – %WinningLongshots - is calculated by dividing the number of \$20+ winners by the total number of winners. All races – in North America, the percentage of winners that pay \$20 or more is 17.7%. The number in () is the total number of longshot winners in that category from the overall sample.

<u>MLOdds</u>	<u>%Horses</u>	<u>I.V.</u>	<u>Win%</u>	<u>%WinningLongshots (\$20 +)</u>
ALL	100.0	-	-	17.6 (1765)
1/5 – 9/5	02.6	3.1	38.7	00.0 (000)
2/1 – 5/2	08.7	2.3	28.1	00.2 (005)
3/1 – 7/2	12.3	1.6	20.0	01.2 (030)
4/1 – 9/2	11.1	1.3	15.3	04.5 (077)
5/1 – 6/1	17.0	1.0	11.9	15.5 (316)
7/1 – 8/1	11.5	0.7	08.2	34.4 (325)
9/1 – 10/1	09.8	0.6	06.8	44.5 (298)
12/1 – 14/1	08.1	0.4	05.4	64.1 (282)
15/1 – 19/1	08.0	0.3	04.0	71.3 (227)
20/1 – 99/1	10.9	0.2	02.2	86.1 (205)

Had to do a double take when I saw the numbers roll out on the morning line data. There were five winners that paid \$20 or more that had ML odds of 2/1 or 5/2. I found two of these at Charles Town and another at Mountaineer Park, so they must have no faith in their track odds-maker in West Virginia!

I have developed a formula that instantly reveals the potency of any handicapping factor or data item with longshot winners. This algorithm utilizes the overall winning impact value and the percentage of longshot winners (\$20+) hit within the overall sample. A score of **127** is average. A higher score indicates that the balance of winners is tilting toward long-priced horses without being diminished in the win percentage vs. population sample. I'll spare you the math on this – just observe the charts on the next few pages and you will easily grasp an understanding of the longshot rating.

Using this formula the 5/1 – 6/1 group receives an excellent score of 295 points. The 8/1 group comes in second with a solid 223. The 10/1 group gets a good score of 176. The others are not above the 127 average score. Horses with ML odds of 5/1 – 6/1 are expected to pay about \$12 to win – yet a sizable percentage of them (15.5%) actually pay \$20 or more, and are probably excellent overlays in every case. The 8/1, 10/1 & 12/1 groups do not perform as well in their overall winning impact, but this group is best for locating winners in the \$25 and up range. The majority of high-mutuel winners in the \$30 up range, were most often ML 8/1 - 12/1 but had drifted up far beyond their fair gambling value because of an over-bet favorite. Horses with ML odds at 15/1 or more are virtually always fat prices on the tote-board, but they win so seldom and are so unpredictable, that they are best ignored for the win.

Morning Line Odds helps us to understand and benchmark the statistics, but it is hardly a good handicapping source. Lets look now at the Longshot Scores of various HTR items and see where the high priced winning horses can be found in the software.

The same sample used for the morning line was used to test all the HTR factors for longshot potency. Listed below are the top 10 factors in sorted order of longshot power. I only tested HTR data that with rankings of 1,2, or 3. As always, I use paceline mode 5 to test the velocity data. The non-velocity factors are not affected by paceline selection. Comments to follow on the next page.

<u>Item</u>	<u>Longshot Score</u>
Ev-1	511
TRN-1	361
Ev-2	357
VEL-2	324
E/P-1	310
S/P-1	286
HTR-3	235
Lv-1	228
(K)-3	193
JKY-1	188

The longshot ratings shown on the previous page point out the value of that factor in consistently and prolifically finding high priced winners. It may be helpful to benchmark these high value factors against other ratings that we are familiar with – and to make it fun - I'll rank the ten worst items for longshot power. Again, the expected normal or average rating for any factor is **127** points. A factor with a 127 rating would be considered “neutral” or “balanced” with regard to predicting longshots in a large sample of data. A higher figure indicates the factor predicts more than a normal share longshots within the expected impact range. A lower score means the factor is selecting primarily lower priced horses when it predicts the winners.

Software Update - Longshots

HTR screen <4> and the Stardust Ratings (screen <3>) have a "\$" marking for the high potential longshot factors. I am currently updating the Longshot Ratings based on the new statistical information I have shared with you in this article. An August update of the HTR software and the LONGSHOT.EXE program will have the latest information included and computed into the output. Also, there will be a "\$\$" for those longshot plays that appear particularly strong – "key" or "prime" plays will be marked with the double dollar sign for greater emphasis.

Here are the 10 least productive Longshot factors found in HTR.

<u>Item</u>	<u>Longshot Score</u>
MLO-1	004
PRB-1	034
MLO-2	075
PER-1	077
(K)-1	078
POW-1	083
HTR-1	088
A/P-1	092
PRB-2	101
POW-2	109
CLA-1	116
VEL-1	120

All of the factors listed above are very predictive and select a high percentage of winners. The listed longshot-score values reveal the item's strength with winners that paid \$20 or more only.

I write about the incredible value of **Ev-1** (fraction one, ranking 1) just about every month in this newsletter. The 500+ longshot points it receives is an eye opener and is far beyond any other factor. Why does Ev-1 get such an amazing total score, when at the same time, a factor such PER (similar to any other good speed rating) performs so poorly in picking high priced winners? **The answer is: the public can't see it.** While most horse players can scan the Daily Racing Form and eyeball the likely speed of the race by looking at position calls or fractional times, the Ev-1 is a far more complicated algorithm – taking into account daily track variant, track-to-track adjustment, distance adjustment, track-class and an energy adjustment. It is highly unlikely that anyone can look at raw past-performance lines and make such a calculation without a computer.



When to Swing For the Fences

We are now aware of the all the factors from the HTR-software that will point the way to big priced winners. And we should be continually alert to the public's betting errors, particularly when they overplay the favorite and inflate the odds on other logical contenders. We'll turn next to the various race situations and score each item as we did before. If we are going to hit a *home run*, we need to wait for the right *pitch*.

Ranked below from best to worst, are the field size/age/sex/class/distance/surface situations that and their longshot ratings. The higher scores indicate a greater tendency for a longshot winner to occur. There are not that many enlightening distinctions here. Most of these rankings could have could probably have been guessed at correctly by experience handicappers. We don't need a statistical test to tell us that a field of twelve 3yr male claimers going 6.5 furlongs is a wide open event!

Field Size

1. 11 or more	203
2. 08 - 10	131
3. less than 8	088

Age/Sex

1. 3yr Males	156
2. Older Males	132
3. 3yr Fillies	130
4. Older F & M	114
5. 2yr Fillies	097
6. 2yr Males	092

Distance/Surface

1. dirt sprints	135
2. turf sprints	129
3. dirt routes	122
4. turf routes	100
5. wet dirt races	082

Class Levels

1. Claiming	134
2. Maiden Clm	127
3. Alw/Stk	106
4. Mdn	081