Bookmakers' Nightmare – Inside Secrets of Horseracing Professionals.

The Complete Report

Prepared By

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Part One

First things first…

Let's have a serious look at why putting your money to work is a very desirable option, instead of working harder for your money.

The information in part one is really what got me thinking and is the main reason which started me on this quest.
I was never a gambler or a betting person. What I was looking for was for the best possible way to put my money hard to work.

This report is the result of all my research.
The rest is up to you.

Sam Roberts

Why are we so excited about this?
Where Else Can You Double Your Money in a day?
It's money you can make any day of the week.
Do it when you want.
Invest as much or as little as you choose.
No waiting to be paid.
You don't have to sell anything to get a profit.
You don't need large amounts of capital.
You don't need any specialist knowledge.
You can do it from home.
You can spend it straight away.
You just need to understand the principles we explain.
All you need is access to the internet, a pencil and paper and a calculator.
We call it 'reading the money'.
You can do it anywhere in the world
It's the alchemist's dream – turning something into gold.
The experts do it all the time.
Now it's your turn.

The Pace of Change

We live in times of extraordinary change. My grandfather was thirty when the motor car was invented. We went from paper and fabric aeroplanes that looked like flying kites to passenger jets in barely fifty years – slightly longer than the working life of one adult. From the development of the jet engine to walking on the moon took twenty-five years. Just twenty years ago, the Internet was a glimmer in somebody's imagination. Today you can sit at your computer while on holidays and monitor the movement of money around the world.

We are lucky to experience these developments. Change is always exciting. But it can also be threatening. What's happening? Where is it all going? Where are we headed? Have I missed the boat?

Fortunes have been made by anticipating the direction of change or being among the first to take advantage of new opportunities.

Technology is not the only thing changing. Society has undergone fundamental changes in the last twenty years. Populations are ageing everywhere. Ten years ago, there were six working adults for every two retired people. In ten years', time the numbers will be close to reversed – two working people for every six retired.

This change alone means two things: there will be no aged pension except for the almost destitute. And we will all have a much longer retirement to provide for and to enjoy.

In the meantime, life has become considerably more expensive. Fifty years ago, a family had a wireless set. Forty years ago, the new luxury was a television. Ten years on and teenagers were starting to afford cars.

Now the definition of 'average' is quite different. How many households have one television? Most would have a TV in some or all of the formal lounge, family room, Kitchen, Office, Parents bedroom, maybe even one in the children's room.

Most households need two cars. We can now have a vast array of entertainment and technology in our homes. We have Pay TV, DVDs, home theatres with plasma screens, game stations. Our computers have all the latest gadgetry – and they need to be upgraded every two years. We all want the latest and the best.

As technology changes, we want the new stuff.

80% of world credit card debt is spent on things unavailable 20 years ago

Communications is changing so fast it's hard to know where it will be in five years' time. We already need multiple phone lines – fax lines, modem lines, we have internet fees, mobile phones, email on the go...

Companies are already manoeuvring to have their own fleets of satellites surrounding the globe. Computers using the satellite owner's operating systems will communicate directly with each other without using any phone lines.

These developments won't come for free. Companies aren't setting this up for our benefit. We will have to pay more and more. We'll soon find we can't afford **not** to be on board.

So, it is becoming more and more expensive just to keep up with average. If we really want to get ahead, we need to find new ways of generating income.

We need more money than ever before just to stay average

And who wants too just be average?

We can no longer stand still and survive. There are too many people trying to push past us. We can't wait for things to change. We must be the ones to change things.

WE CAN EITHER WORK HARDER FOR OUR MONEY, OR MAKE OUR MONEY WORK HARDER FOR US

Planning for the Future

Society has already started adapting. People see the need to earn more now and put more and more away for the future.

What Is an investment?

People often have the wrong idea about investing. It is not about having lots of spare cash you need to do something with. It is about improving your life. It might be about making a profit, but it can also be more personal. You make an investment any time you use some money to gain a better result. You have made an investment when you bought this E- Book. If you buy a book on personal growth, you are making an investment. A family holiday is an investment in well-being. Some people see buying a Lotto ticket as an investment.

Investment is not just for the big guys. Most people will try a few small investments here and there. For anyone who hasn't tried it before, it's important to start off with small amounts. Once you see a return, and you're comfortable with the process, you can invest a bit more. For people who don't invest large amounts, it's important that it's safe, you see the returns fairly quickly and you get to use your money again.

How Do People Usually Invest Their Money?

Money typically goes into a business, into shares, into property, or into Pension (also known as Superannuation) Funds.

As you read this section on traditional forms of investment, you might feel a little disheartened. I know I was. But there is light at the end of the tunnel. This is why we went looking for a better way to use our money, a way to improve our lives.

By the time you finish this book, I promise you'll be excited. Your spirits will be renewed and. Like me, you'll be itching to start.

Typical Investments

The key areas for investment are:

- **Business**
- **Pension Funds**
- **Stock market**
- **Property**

These are traditional, conservative areas of investment. Each offers some opportunity and some risk. Let's just see how good they really are.

The Four Pillars of Good Investment

In any form of investment there are certain things we should look for:

- **OPPORTUNITY –** something one step ahead of the crowd
- **RETURN –** anyone can earn bank interest rates – a good investment must offer a much better return
- **CONTROL** – you should be able to make the decisions on how your hard-earned capital is used
- **SAFETY –** The safety and increase of your capital must be assured

There are other important concerns too. What is the **Cost** of the investment? That is, how much capital is required to get started? If it requires large amounts of money, then it's of no use to most people.

What is the investment **timeframe**? Will it take 5 years to turn a profit? Can it work for me in a short time? Or am I happy making a profit much later? Will it tie up precious capital for too long? How often can I re-use my capital?

What is the **risk**? Think of the worst possible scenario. How badly off can it leave you? Could you lose your home?

Business

For the right person, establishing a business or investing in a friend's or relative's business can be a reasonable way to use your capital.

If you have the health, access to capital and a good idea, you might turn it into a profitable business.

Most businesses either succeed or fail within the first 12 to 18 months.

The success or failure of many small businesses depends on the amount of time the owner or his family put in. Instead of working a 40 hour week, the typical businessperson might be working 80, 90 or even 100 hours a week. This makes the business profitable. The owners provide lots of free labour. If the labour was costed, the business might appear much less profitable.

Only 5% of all new businesses survive beyond the first 12 months.

There are a few typical reasons for this. They are not the obvious ones. It's usually not because the idea wasn't sound, it's not because the owners are lazy. It might be because a much bigger competitor puts them out of business. But more likely it will be because they were either inadequately capitalized, or they failed to plan their cash flow.

Lots of profitable businesses go broke

This is because they don't have the income to pay their bills as they fall due. Given more time, they'd be fine. Over many years a business builds up operating capital. This happens slowly because anything that shows on paper as profit is taxed. The 'profit' might be tied up in inventory or infrastructure. You can't take it off the shelf and spend it. But you pay tax on it anyway. It can take many many years to build up sufficient operating capital in a business.

Certain media magnates have made lots of money buying up businesses that were fundamentally sound but had cash flow problems. They inject capital and the business thrives.

This doesn't help the person who invested their modest capital in it.

Managing how you allocate your capital is essential in any investment

Investing in a friend's or relative's business is more likely to be for their benefit than yours. How much control do you have over the way your money is used?

So how does Business stack up as an investment?

The opportunity might be there. However, it can be destroyed by changes in the business environment, by political changes, by changes to economic conditions and by competition from larger competitors.

The return will depend on the individual business. Week to week returns on many businesses are inadequate. This is nearly always under-costed. One advantage of a business is that after many years of building it up, you might be able to sell it for a lump sum. This of course depends on conditions remaining similar – e.g gradually increasing rents can erode a business's viability over time. Then you have to find a buyer who considers it a good investment. And finally, you have to pay tax on what you get for it.

If the business is your own, you should have **control** over the use of your money. But in practise you might find you are always trying to raise more money rather than paying yourself adequately. If the money is in someone else's business, you have all the problems associated with the business and very little say over how your money is used.

How does a business measure up on safety? Remember our earlier statistic? Only 5% of new businesses survive the first year. This means 95% of new businesses fail and therefore **95% of all investment in start-up businesses is lost**.

Let's just repeat that – **95% of all investment in start-up businesses is lost**.

Pension Funds

Most of us have money in some sort of pension fund. It might not be from choice. In many countries this type of investment is compulsory.

Forcing people to put some of their income into Pension Funds has created some of the biggest slush funds in history.

So, what happens to our money in these funds?

Typically, our money is spread across a variety of investments – the money market, stocks, property, business investment. There is supposed to be a well-balanced mix. There should be lower yield but secure investment offset by reasonable speculative investment. The aim is to grow your capital so that it can ultimately be used as an income.

These funds usually operate within some form of Government regulation. Does this make them safe? All business operates within some form of Government regulation. Does that make them safe?

Ultimately, we have to trust the fund's managers and their auditors. These are the professionals. These are the people in whose judgement we invest our capital.

So how do these funds measure up as an investment?

Results are mixed, but there are clear danger signals.

Opportunity is very limited. Results depend completely on the general economic environment. You can often select the type of portfolio mix you want, but beyond that you are in the hands of the 'experts.

Return is inextricably linked with **control**. Your return is out of your hands. You hand over your money and have faith. So, what is their track record?

Last year most Pension funds lost money.

These are funds supposedly managed by the best financial brains in the country. So why are they such a poor investment? There are several reasons. The first reason of course is – **it's not their money**. It's easy to play with someone else's money. Too many of the companies they invested in (and often these are major companies) are, let's say, not totally straight. They cook the books. We are starting to see them fall like dominoes.

What else happens to your money? **They pay it to themselves**. We all see the reports of millions and millions of dollars paid to pension funds managers. That's **your** money they are paying themselves with and you have no control over how much. Let's not forget the commissions paid out to companies and salespeople who promote these funds. Makes you wonder how much of your money is actually put to work.

And what about **safety**? Pension funds are supposed to ensure your living standard as you age. Here they let us down badly. How many people do you know who are surprised to find the fine print didn't guarantee anything? How many pension funds have gone completely broke? And this isn't limited to any one country. How often is the money completely gone because of stupid or reckless decisions?

Pension funds are showing themselves to be very poor investment.

Stock market

There are plenty of people who have made lots of money on the stock market. When times are good and prices are rising, all we have to do is buy, wait for the price to go up, then sell for a profit. Sounds easy, doesn't it?

If we could anticipate when prices are going to turn, we'd all be billionaires.

The stock market is a bit like a pyramid marketing scheme. Every time someone goes in, they rely on there being someone else lower down the food chain who will come in afterwards and make their investment profitable. If you can't sell your stocks, they're worthless.

When prices start to go down, it's a bit like someone shouting 'fire'. There's a rush to save yourself. Last ones out get burned.

What about 'Blue Chip' stocks?

There's no doubt these are a reasonably good long-term investment. That means you might not be able to sell just when you want. You must pick the right time to sell, or you risk selling them for less than they're worth. You don't want to sell them during a recession.

You must also decide exactly what is a Blue-Chip stock. In the past we thought we knew. Now we find some major companies, even those which performed particularly well for a while, turn out to be houses of cards. We don't know which companies will go next. We can no longer trust some of the big accounting firms. Auditing has become unreliable

Specialist Knowledge

The stock market also requires good understanding and information. Some people have the time to acquire this knowledge. Most rely on professional advice.

These days with the rise of Internet broking, mums and dads everywhere are trading shares, often with virtually no advice. Because of this money flooding the markets, it's becoming harder for even the experts to accurately analyse what's happening.

So how does it compare with other forms of investment?

Depending on the times, **opportunity** in stock market investment can be good. If you're in for the 'up' part of the ride, and manage to get out at the right time, you might do well. If you get it wrong, you can watch your money disappear.

Investment in Blue Chip stocks offers less profit than trading in shares, and your money must be in for the long term. However, they offer less **risk**. A trader is someone who buys and sells shares for profit, rather than as a long-term investment. A trader looks for more profit but takes much greater **risks**.

So, what about **return**? Trading shares offers greater returns on capital but also risks losing large amounts. The **return** on Blue Chip shares is more modest. It's better than taking fixed interest on your money because your capital isn't being eroded by inflation. However, when you buy shares now and sell in ten years' time, you must discount the profit you get for the effects of inflation. What are you really making?

Are shares **safe**? This all comes down to which shares and when you buy and sell. Ask anyone who went through the 1920's how safe shares are. Or even more recently, September 11th. Shares are a good investment when times are good. But they are subject to booms and recessions. Anyone can make money from shares when times are fat. But most people lose when times are tough.

All the indications are that we are moving into the worst downturn in share prices since the depression. Governments are trying to disguise this. At the time of writing, the **Dow Jones has dropped 20% in the last 3 months.** In the future we'll look back at these times, along with the 1890's and the 1920's as the great share market collapses.

Property

As an investment, property has some advantages and some disadvantages.

It is generally inflation-proof. This means that in times of high inflation, the value of most property will keep pace with inflation. So, your capital is protected. However, if you're looking for capital gain, you'll have to wait ten years or so, and then it depends on you getting it right.

The returns on property can be fairly mixed. You might for example, get around 5% rental return, before costs and taxes. After taking these out, you'll be lucky to get 2% return on your investment. This is a very poor **return**.

Property is essentially a long-term investment. It is not a generator of income in the short term. It is necessary to set up a large portfolio and to hold them for some time, until the rental income starts to overtake the mortgage costs.

Most people who put money into property are doing it for the long term. They hope that the increase in value will be greater than inflation. This means they'll make a (taxable) real profit at some stage. The pressure for this increase comes naturally from population pressure.

There are many other downsides to property. A building has a limited life. Sooner or later, it has to be replaced. Maintenance costs increase with inflation and with age.

You are dependent on finding reliable tenants. Particularly with commercial property there's the problem of oversupply. Everywhere you can see commercial premises for lease. After the dotcom bubble burst, some Silicon Valley communities were like ghost towns.

Unlike shares, you can't sell part of your investment. If you need $10,000, you can't sell off the stairwell. In most countries, the costs associated with buying and selling property are substantial. These eat into any profit.

As an **opportunity**, most property investment is passive and long-term. Relatively few people have the capital needed to develop their property.

In general, it allows you reasonable **control** of your investment. You decide what to buy, and you decide when to sell. Naturally you can't control the economic environment, and that will affect your investment. And banks are known to turn predatory when times are tough. They won't hesitate to sell you off if they want their money back.

What happens if a supermarket opens a few kilometres away and the value of retail premises in the main street of town collapses? We are already starting to see that some major cities will run out of water, jobs, and ultimately, population in the foreseeable future. These clearly are **risks**. But you can take them into account.

Property is a bit like Blue Chip shares. If you choose carefully and are there for the long term you can hope for a modest increase in your capital. Provided nothing goes wrong.

But neither of these is much good for generating income or making a substantial profit on your money. Neither will change your standard of living now.

The Search for New Opportunities

So much for the bad news. Now let's get to the good news! We're all looking for new opportunities. We all know money must be used to generate more money or it just loses value. You need to generate income while protecting and preferably increasing your capital.

Technology

The search for new opportunities brings us back to technological developments. What might new technology open up that isn't yet widely known?

The internet opens vast amounts of information to us. But it's overwhelming. There is so much that it's hard to take in, let alone try and see some pattern.

Opportunity

I went looking for opportunity. I had a few conditions. It had to be legal. The environment it operated in had to be well regulated and reliable.

I was looking for areas of investment where large amounts of money changed hands. This suggests stability. I wanted investments which allow some people to make a substantial profit. And I see no point in finding just another way to spend 80 hours a week trying.

I used a team of researchers to help me find where unexpected pools of money existed. Without the development of the Internet, it would have been much harder to find and compare them. My analysis shows the opportunities are spread around the world. They are not unique to any country, although there are better chances of substantial profit in some places.

The results astonished me. The amounts of money I am talking about are so large that lots of people can benefit without reducing the returns.

But first, my findings.

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The Complete Report

Part Two

Where is the Money?

Outside of the stock market, the largest pools of money can be found in various gambling pools. (We restricted our search to legal pools)

There are certain forms of gambling common to most non-Muslim countries.

I found some form of Lottery, Lotto, Slot Machines and Horseracing in most places I looked. So, I made a study of the movement of money within them.

The amount of money involved is hard to comprehend.

Lotto and Lotteries

Lotto is generally conducted by having a machine select numbered balls (usually five or six) from a barrel of some sort. Participants who have all numbers matching those drawn win a first division prize. If no-one wins, it usually jackpots. There are a range of diminishing consolation prizes for those who had all numbers but one, all but two, etc.

The number of balls (and therefore the odds) varies from country to country.

How Much Is Returned to the Investor?

The amount of money paid out varies from country to country. In most places, these 'games' are Government run. Often a large part of the pool is given over to 'good works' – e.g. local education funding in the USA.

Everyone knows of the Sydney Opera House. How many people realize it was completely paid for by the profits from a lottery? That's right – there was an Opera House Lottery and by the time the building was finished, it was completely paid for.

Does this make you wonder how much is actually returned as prizemoney? It certainly should.

The Facts - Mega Millions

Mega Millions is a U.S lottery held across New York and eight other states – New Jersey, Massachusetts, Virginia, Georgia, Michigan, Maryland, Illinois and Ohio. By combining they have created one of the largest lottery pools in the world.

A record was set recently when the prizemoney jackpot grew to 115 million dollars. This was after a month of jackpots when no-one was successful.

I have calculated the odds against winning as 135 million to 1.

Lotto Odds

The odds of winning at Lotto vary from game to game (depending on the number of balls - and whether the last ball comes from the same group as the early balls). The following are some that I investigated: Super Lotto (California), Super lotto Plus (California), Big Game (7 states), Powerball (21 states), New York Lotto, Lotto Texas, Oz Lotto (Australia) and Powerball (Australia).

The odds against winning the major prize are

Oz Lotto:	**8,145,060**
Switzerland:	**8,145,060**
Camelot (U.K):	**13,983,816**
Canada:	**13,983,816**
Super Lotto:	**18,090,460**
Lotto Texas:	**25,827,165**
Super Lotto Plus:	**41,416,353**
New York Lotto:	**45,057,474**
Powerball (Aunt):	**54,979,158**
Big Game:	**76,275,360**
Powerball:	**80,089,128**

These odds on their own don't tell us the whole picture. We need to know the odds in relation to the pools. And here I got a real shock. From the list above, the game which gives you the best chance of winning is Oz Lotto – 1 chance in 8 million. So, what is the prize? A guaranteed minimum of one million dollars. What does this mean?

It means that for every 8 dollars you invest, you'll lose 7!

This figure makes two assumptions – that the prize is the minimum (no jackpot) and that you are the only winner.

In the U.K., you have approximately 1 chance in 14,000,000 of winning. The average weekly pay out per person for 1sat prize is 2,000,000 pounds. The odds are 7 to 1 against. What does it mean?

It means that for every 8 dollars you invest, you'll lose 7!

It's impossible to know what the overall odds are because each jackpot can be different. Obviously the more the prize has jackpotted the bigger the first prize. But when there are large jackpots, they are widely advertised, and many more tickets are sold.

If three people share the prize, the odds are far worse.

New York Lotto has an estimated minimum jackpot of $3,000,000 and odds against winning of 41,000,000

Powerball (Australia) has a guaranteed minimum of $1,000,000. Its highest jackpot prize has been $24,000,000 – still far less than the odds against winning (54 million).

So, what happens to all the money? Some goes to costs; some goes as profit, and some goes to taxes. In New York, for example, 40% of the money is paid out in Lotto prizes (this is set by the state legislature). Of that 40%, 70% goes to the jackpot pool. This means **the jackpot pool is only 28% of ticket sales**.

In New York only 28% of money collected is paid out as first prize.

This is typical of many countries. Here is a breakdown of where the money goes with the U.K. Camelot:

45%	**Prizes**
5%	**"Top Up' Bin**
28%	**Good Causes**
13%	**Lottery Duty**
5%	**Retailer Commission**
3%	**Costs**
1%	**Profit**

In New York 40% of ticket sales go to prizes. In the U.K. 45% of ticket sales go to prizes. Are you starting to see a pattern?

Gaining an Edge

It doesn't matter where we look around the world, these figures are typical. The odds against winning are way out of proportion to the possible return.

Is there any positive side to Lotto – is there any way we can move the odds in our favour?

There are a couple of ways. We can wait for large jackpots to increase the size of the major prize. **I did not however find a single instance anywhere in the world of the prize being greater than the odds against winning it**.

I found one other way of squeezing the odds. Studies show certain numbers are picked far more often than others. The most favoured numbers are those that can make up a birthday. Following on from this, **there is some advantage in using numbers greater than 12, and considerable advantage in using numbers greater than 31.** This does not increase your chance of winning. It just means if you have the right numbers, there is less chance you'll be sharing the prize with others.

Conclusions - Lotto

* The size of Lotto pools is substantial – from a few million to hundreds of millions

* The major prize is made up of around a quarter of ticket sales.

* The number of combinations required to pick the winning numbers is always greater than the return in dollars. Usually, the return is far less than your chance of winning it.

* It is impossible to calculate your real winning chance because you don't know how many others have chosen the same numbers.

* If you want to improve your possible return, use numbers which don't figure in birthdays

* **Investing in Lotto is like burning money**

Slot Machines

In some countries, Slot Machines are known as Poker Machines. These are easily programmed to return a fixed percentage of the money taken in (unlike games like Craps and Blackjack, where the return varies according to the luck of the cards).

There is little information available on whether these returns are made up of numerous small pay-outs, or fewer larger jackpots. Most establishments seem to have their own way of spreading the return across the different pay-outs.

Most countries have some form of government regulation controlling pay-outs.

How Do They Compare?

In general, slot machines return a much larger portion of money invested than Lotto or Lotteries.

According to the Nevada Gaming Control Board, Las Vegas Strip casinos recently increased their take to 6.67% of turnover. Six years ago, it was 5.53%. The increase was to make up for subsidized accommodation and food. The turnover on these machines is enormous – in Las Vegas Strip casinos last year the turnover on slot machines was 39 billion dollars. With this kind of turnover, increasing the house take by a few parts of a percentage can mean an extra 100 million dollars for the casinos.

A return of over 90% is good for a gambling pool.

So, is there any way to push the odds a little further in our favour?

Many players like to think the way to win is wait until you can get a machine that's been played for hours without returning a jackpot, then use it. However, a number of hours may not be significant enough to make a difference. The New Zealand Minister for Consumer Affairs recently had this to say about waiting for a slot machine jackpot:

> **"If a punter needed to spin five rhinos in a row to win the top prize, they would have to make 6.7 million button presses, play continuously 24**

hours a day over 188 years and lose $333,000 before winning the jackpot.”

There is one other approach which may be useful. Start with a fixed bank. Keep playing until either you get a win which puts your bank above what you started with, or your bank is gone. If at any stage you have more than you started with, walk away. You have beaten the odds.

Conclusion – Slot Machines

* Because the return from slot machines is relatively high, there are always some people who can say they won.

* If you play them for long enough, you can expect to lose a minimum of 7%

It’s clear therefore that you can play slot machines for some time without losing too much. It is just as clear that you will lose money at it. And I’m interested in making money, not losing it.

Horseracing

Okay. I can almost hear you sigh. I know what you're thinking – horseracing is for losers. You might be in for a surprise. What one person loses, another wins. Read on. You are about to discover there is a lot of uninformed talk about this industry. You don't have to like the business, just make money from it. Take for example Oil, Steel or Gas – they're not attractive industries, but people around the world make huge amounts of money from them.

The only question you should ask is ***'Can I make money from this industry?'***

My studies of Lotto and Slot Machines turned up very little of value. The odds are stacked against you and there are minimal opportunities for finding an edge. The fundamental problem with these pools is that everyone has an equal chance.

So, I started to investigate the betting pools associated with horseracing. What astounded me immediately was the size of these pools.

I had to check and double check the figures. Was it just some countries, or betting pools in general? So, I looked at betting pools around the world.

I looked at the money in pools in USA, Australia, Hong Kong, Macau, Japan and Singapore. The numbers vary a bit, but I started to realise I had found something.

The Size of the Pools

What sort of numbers am I talking about?

The Kentucky Derby **win** pool for 2002 – and this is the on-course pool alone – was just under 34 million U.S. dollars (this does not include all the money wagered away from the track, let alone around the world). The total on course holdings on this one race were over 45 million dollars.

In Australia approximately $90,000,000 (Aust) was bet on the 2001 Melbourne Cup. This included state-based TAB pools and bookmakers. The Victorian TABCORP held $15,000,000.

The total holdings on the Japanese Derby for 2002 was over $200,000,000. The Japanese Oaks was over 125 million dollars, and the Japanese 2000 Guineas was just under 150 million dollars. These are all

2002 figures, in U.S. dollars. And remember, **most of this money is invested over about thirty minutes**. In the case of the Japanese Derby, that's **over $11,000 per second**. Where else do you see this sort of money coming in so fast?

On the last race for the season in Hong Kong this year, the turnover was 191 million Hong Kong dollars. This was just one ordinary race. The turnover on the Hong Kong races for that day alone was 1.436 billion Hong Kong dollars. That's right. Not millions but billions. On one day. The turnover for the last racing season in Hong Kong was 78 billion Hong Kong dollars. That's 78 thousand million.

I could go on, but the numbers are so big they are numbing. In Singapore for example, the tote's annual turnover is also expressed in billions of dollars.

What is Known About These Pools?

These numbers astounded me. I started looking for any research that had already been done on these pools. To my surprise I found plenty. I found academic studies, papers, journal articles, looking at the nature of these pools and the movement of money within them. Serious economists are using these pools to study market efficiency (or inefficiency), when the betting patterns might be skewed, and why.

Okay. So, there are huge amounts of money and much serious study being done on them.

So, what sort of things do we know about these pots of gold?

What Is a Pari-Mutuel or Totalisator Pool?

First of all, I should explain what a 'PariMutuel' or 'Tote' pool is. Before 'Totalisators' there were bookmakers. They gave a fixed price for a particular horse. You could place a bet of $10 at odds of 4 to 1. If it won, you received your $10 bet back plus $40 as your winnings. This made betting a battle between the individual bookmaker and his customers. The bookmaker could lose. He had a profit margin built in but if enough customers backed the winner, he might pay out far more than he had taken in bets.

This of course led to much chicanery on the racetrack. If a bookmaker stood to lose enough money should a particular horse win, it was often cheaper to interfere with the result – by getting at the horse or the jockey.

The Pari-mutuel (or tote) made it impossible for the holder of the bets to be in a position of losing a large amount. The original 'tote' was a series of tin cans, one for each horse in the race. Each was labelled with the name of a horse. Whoever wanted to bet had the amount recorded, and the money went into the tin for that horse. After the race, all the money except in the winner's tin was added together. This was then returned to the backers of the winner in proportion to how much each contributed to the winner's tin. Of course, whoever organized the tin cans took a small percentage of the total bets to cover their costs.

This is exactly how a Pari-mutuel or tote operates today. The percentage the tote takes from the pool varies (more on this later). But it then returns the rest of the pool to the winning bettors in proportion to how much was held on that horse and how much each bettor contributed.

This was a fundamental change to betting. It created pools of money. Bettors were no longer betting against the bank, but against each other.

It also created a situation where well-informed investors had an edge over badly informed investor.

Where Does the Money in the Pool Come From?

The answer, of course, is a variety of sources.

We know there are those who go to the races as a day of entertainment. These people tend to place money on longer priced horses. They are not making huge bets, so they're not interested in a short-priced winner. They'll spend more on their lunch than they'd make backing a favourite. If they can back a longshot and it gets up, then the return is worth having.

The next category is the more experienced, seasoned punter. These people study the form, listen to the tipsters, take it seriously, and see it as a challenge to back a winner. Still, they are usually betting with relatively limited funds. They will generally try to balance the need to back a winner with the search for the elusive longshot winner. These are the people we've all met who have endless stories about the one that got away. Because they are keen to back some winner, they will often bet inefficiently. They might take 2 to 1 on a horse whose real chance is 3.5 to 1. They will repeatedly do this until they can go home and tell their partner that all the effort and expense was worthwhile because they backed three winners. Did they make a profit? No. But at least they were right. They don't always lose, of course. If they never won, they would give up sooner or later. They do win and they win often enough. But not often enough to show a profit overall. They find it stimulating and are generally content to spend reasonable amounts of money as their form of entertainment

These people make a substantial contribution to the total betting pool. They are informed, but overall, they lose. This means they contribute money to the pool which other people take home.

Then there are professional bettors. These people, often working in teams or syndicates, use large computer databases. They analyse every aspect of form and statistics. They know the relative chance of each horse in the race. They know what an accurate price for a horse is. They work with a substantial capital base. This capital is often pooled by syndicate members. They are not trying to pick the winner of a race. They are trying to turn a profit no matter who wins. They don't even need to win on particular races, as long as they win more on some than they lose on others.

Professional bettors contribute a substantial part of any betting pool. The bigger the pool, the more of them there are. No matter how well informed these professionals are, they will lose on some races.

These professionals are like analysts on the stock market.

They do all the work. If we could track where their money goes, we would have a much better idea of the key chances.

The next group of bettors are those that know something the rest of us don't (and their friends, their colleagues, their relatives, and anyone else who has heard the whisper). These might be associated with the horse, the stable, or the trackwork jockey. We are not suggesting anything illegal here. Horses are just like the rest of us. They can have good days and bad days. They can be a bit off for a week or so then suddenly brighten up. Anyone familiar with the individual horse will know when his eating suggests health and enthusiasm. They know when he's relishing his racing and when he's not.

Even the professional bettor has to gauge this as best he can.

Of course, anyone who thinks it will run well on a certain day will put some money on. Experienced bettors will often look for ‘stable support’. It’s even possible to keep a database of previous performances when horses have been substantially and unexpectedly supported. Anyone with access to this sort of information can see whether the money has been accurate before or not.

Just because there is substantial movement of money towards a horse does not mean its necessarily informed money. Rumours can start. Tipsters can influence each other. Lots of bettors follow the tipsters. It’s important to be able to distinguish between money movement which in the past has proven accurate, and ill-informed plunges.

There is another major source of money in racing pools which we can’t ignore. This is so-called ‘black money’. Black money comes either from illegal activities, ‘cash’ businesses or is money being hidden from the tax man. It is hard for this money to be put through stock markets or other large pools because of the records kept.

Consider for a moment if you had a million dollars of ‘black’ money and you wanted to turn it into legal money you can put in the bank and spend (not that I am suggesting you do this, I just want you to understand the process). You (and your friends) could place bets on every horse in a race. You bet the money as closely as possible in proportion to each horse’s odds. The tote you are betting on takes 16% from the pool. Your return (no matter which horse wins) will be around 84% of your investment. This is now legal money, won at the races. 16% would be a very cheap way to launder money.

Large amounts of money pass through betting pools in this way, and they always have. In the days of bookmakers, the same thing happened. People would turn up with bags full of old notes and go home with nice clean bills.

The people with this money to wash are perfectly happy to lose a portion of it along the way as long as the bulk of it comes home clean.

The Five Sources of Money

So, the main categories of contributor to these massive pools are:

> The bettor who treats his day at the races as **entertainment** and a longshot winner are a bonus.
>
> The serious **bettor** who does his homework but loses overall.
>
> The professional **bettor** using computer analysis, vast databases and teams of researchers. He wants to win overall. He doesn't expect to win on every race.
>
> **Bettors with 'inside information'**. Inside information can be right or wrong – it's important to have a way of distinguishing it.
>
> **Black money**. Vast amounts of it washing through betting pools. This money does not move towards any particular horse. It is evenly distributed and is there to be plundered.

What Does This Tell Us?

In amongst this are two key sources of information.

One is the money bet by professionals. They have done more work and committed more resources to analysis than we could.

There are also informed plunges – the inside knowledge

bets. The rest of the pool is just the **golden goose**.

The Two Key Sources of Information

* **Professional Money**
* **Informed Plunges**

How Do We Identify Informed Money?

This is the key question.

I have put considerable resources into studying the movement of money in pools. I have databases which store records of price movements at intervals throughout the betting. This is the raw data I work with. I then study the price changes.

There are certain features I find common to most large pools:

> **All early money is uninformed money**. By early money I mean bets placed more than about 15 minutes before the race starts.
>
> **The later the money, the more significant it becomes**. Professionals try to balance their bets. To do this, they need a good idea of the likely final odds of the horse. The later in betting it gets, the easier it becomes to predict the final price.

Remember tote prices simply reflect the relative weight of money in the pool on each horse.

Professionals bet late.

Once the bulk of the money is in the pool (say a minute or two before the jump) it is possible for a professional to work out (from the current prices and the size of the pool) how much his bet of say $200,000 on a horse will affect the odds, and therefore what he stands to win on this horse. This is how professional bettors operate. Their computers do the calculations, and they place any bets accordingly.

They can't do this earlier in the betting because the bulk of later money in the pool will throw their calculations out.

Late price moves are the result of professional money.

Plunge money (informed or not) will tend to be placed gradually throughout the betting. This ensures there is no sudden and obvious move for a horse. This would cause too many people to jump on the bandwagon and spoil the odds.

This money stands out when I apply computer analysis. Many horses will shorten (by this I mean the price on offer becomes smaller) or lengthen

(The price offered increases) a little in the market as time changes. But consistent backing says something else.

A horse which gradually shortens and continues to shorten in the market shows careful, gradual, planned placement of money.

Black money in most cases has no effect on the odds. The most effective way to launder it is to place it in the correct proportions on each horse. This just increases the pool without affecting any horse's odds.

Black money has no effect on odds

So how do we monitor the late money and the relentless but carefully orchestrated plunge? And how do we know when a plunge is informed or not?

How Do We Use this Information to Make Money?

That's what it all comes down to.

The plunge is hard to decipher without some technology and historical information. In my studies, I had computers monitoring the price changes. I used software to monitor and display the exact percentage change in price. This showed me relative to the rest of the field just what the weight of money was.

The professional money is easier to see. You can sit at your computer and watch what happens with prices in the last five minutes, and particularly in the last minute. Horses which shorten in the last minute or two are invariably being supported by professional money. If you're quick enough, you could get your bet on too.

Reading the Odds

Sometimes there will be a few horses which shorten at the very end. It's not always obvious how much money has gone on. A price move from $25.00 to $10.00 looks like a huge plunge. But it takes far less money than moving a price from $2.50 into $2.00.

Why is this?

You would think a move from $25 to $10 means the price has more than halved. So, it should be much bigger than a .50c move from $2.50 to $2.00. To understand this, you must understand odds and prices.

Calculating the Real Money Movement

As you read the following, it might sound a little overwhelming, don't worry. The big picture will come together. I suggest you read on then come back and read again and the pieces will all fit.

Before I go any further, you should understand exactly how the Pari-Mutuel market (or Totalisator market) works.

You remember the tins cans? Each price represents a proportion of the total pool. If lots of people put their money into one of the cans, whatever goes into the other cans has to be divided up amongst lots of people. This is how you get a price like $2.50.

Imagine the money in the pool as 100% of the available money. To work out what percentage of the total a particular price represents, you make a fraction with 1 over the price and multiply by 100.

The formula is: (1/price) x 100

In our example above, what does a price of $2.50 represent?

The answer is: (1 ⁄ 2.5) x 100

Or 40**%**

A price of 2.50 represents 40% of the total pool.

So, what is a price of $2.00?

1 ⁄ 2 x 100, or **50% of the pool**.

Let's look at our earlier example – a price move from $25 to $10.

A price of $25 is 1 ⁄ 25 x 100 or 4% of the pool.

A price of $10 is 1/10 x 100 or 10% of the pool.

If the betting pool on the race is $8,000,000 how much money does it take to move the price by these amounts? Now you are able to work it out.

To move from $2.50 to $2.00 takes (50%-40%) or 10% of the pool. This means the amount required to force the odds in this much is 10% of $8,000,00 or $800,000.

To move from $25 to $10 takes (10%-4%) or 6% of the pool. This means the amount required to force the price from $25 to $10 is 6% of $8,000,000 or $480,000.

So, a move from $2.50 to $2.00 is nearly twice as big a move as one from $25 to $10!

Working out the exact percentages is a little more complicated than this, because the amount returned as dividends isn't 100% of the pool. The Pari-Mutuel operator takes a cut. Depending on the country, this can be anywhere from 15% to 24%.

If the operator takes 17% then the money available for dividends is 83% of the money wagered.

If you add up the percentage prices of each horse in a race, you might find they come to between about 121% and 123% (it can vary because different operators have different rules about rounding prices). Why this number? If 83% is the dividend figure, the rest is the tote's costs and profit. As a percentage, 100/83 is 120.48%.

This is what we mean by saying a market is framed to 121%. They pay out $100 of every $120.48 collected (or 83%).

This means our prices are not true percentages (or fractions of 100). They are fractions of 120.48. To turn our prices into a true percentage, we would have to multiply them by 100/121.48 – that is, by .83.

This introduces unnecessary complications into the calculations. For our purposes we find we can ignore the % removed by the Tote operator. To keep our sums simple and quick to do, we treat the market as 100%. This means that to work out a % of the market we use the formula shown in the last section – i.e. (1/price) x 100.

This is the same as: **100/Price**. You can do this very quickly on your calculator.

Taking the Market Apart

In choosing where to invest your money, you might want to check what % a particular Totalisator or bookmaker takes out of the pool. This is relatively straightforward. Work out the exact percentage of each price as described previously (using 100%). Then add them all up. What does it come to? This will tell you what the market is framed to, and therefore what % is taken out. We'll use a real example to follow the process.

Horse No	Dividend	Calculation	Percentage
1	21.00	100 / 21	4.76
2	41.00	100 / 41	2.44
3	9.00	100 / 9	11.11
4	5.50	100 / 5.5	18.18
5	9.00	100 / 9	11.11
6	13.00	100 / 13	7.69
7	31.00	100 / 31	3.22
8	5.50	100 / 5.5	18.18
9	31.00	100 / 31	3.22
10	2.80	100 / 2.8	35.71
11	61.00	100 / 61	1.64
12	31.00	100 / 31	3.22
		Total Percentage:	120.48%

This is exactly the figure we came to before.

This is the calculation to work out what % of the bets is returned:

(100 / Total Percentage) x 100

in this case, that is: (100/120.48) x 100 or 83%. **We**

now know that 17% is taken from this pool.

Once you know how much of the pool is taken out by the operators, **you can decide who you should place your bets with.**

Where are we heading with this?

What's important is not the price, it's the PRICE SHIFT – or the relative amount of money put on an individual horse during the last 15 minutes or so

The only way to monitor this is to calculate the movement of money on any horse that shortens noticeably in price.

Note: It varies from country to country whether you should use the 30 minute or the 15-minute mark as your initial price. If there are substantial holdings in your pari-mutuel (or tote) at the 30-minute mark, this can be the starting point. In certain countries the money only really goes on from the 15-minute mark. If this is the case, use the 15-minute prices as the starting point. (I have used 15 minutes in all my examples because this is a reliable figure). The total holdings are usually displayed with the prices.

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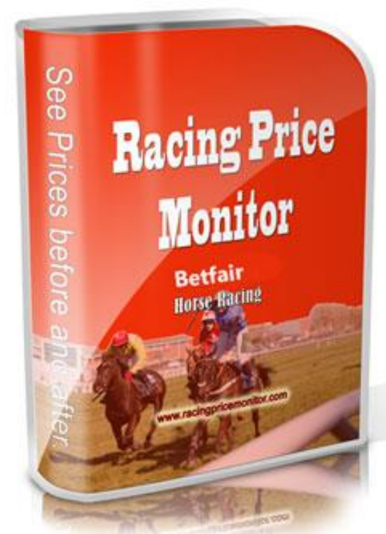

Summary – the Calculations

1) Check the websites of a few bookmakers and your Pari-Mutual or Totalisator. Work out what their markets are framed to. You should only have to do this from time to time. They generally don't change.

To do this, work out each price as a percentage. The formula is:

100 ⁄ Price

Then total the percentages. This shows what the market is framed to (e.g. 121%).

To work out how much is returned to the investor use this formula:

(100/Total Percentage) x 100

You will end up with something like 83%. Whoever pays the highest return is who you should place any bets with.

2) Record the price of each horse about 15 minutes before the race's starting time.

3) Record each price at about 1 minute before starting time.

4) Calculate the 'percentage' change in price for any that shorten significantly. The formula is:

(100 ⁄ Late Price) - (100 ⁄ Earlier Price).

.

The Rules

Ignore all runners whose price remains much the same or lengthens.

Record prices at about the 15-minute mark, then about the one minute.

Calculate the percentage change in price for any horse that significantly **tightens** (by this I mean their price shortens e.g. from $8.00 to $4.00)

If the % change is 10 or greater, it becomes an investment.

Invest 1 unit for the win and two units for the place provided that the place dividend is $1.50 or greater. Otherwise just invest one unit for the win. (A unit can be $10, $100 or $1000, depending on your required return).

Why Is This?

If the price consistently tightens during the time period, you are looking at a plunge. This is organized betting on the basis of inside information. The money is being put on gradually to disguise its impact.

Professional money goes on in the very last minutes

You will soon discover in practice what is a significant shift in price. As a rule of thumb, 10% or greater is a very big move, 8% is significant shift.

If you find a horse with a shift of this magnitude, you know that is where the informed, or Professional money is going.

My research suggests a very high proportion of these horses win, but when one loses, it nearly always fills a place. So, by investing for a place where the dividend is 1.50 or greater, you will still get your investment back and in many cases **make a profit – even when the selection does not win.**

There is one other scenario we must look at – when there are two selections which fit the rules. How do we know which one to invest on?

Dealing With Multiple Selections

It is very unlikely that two horses will tighten by 10%. Every time one horse tightens, it causes a consequent easing of odds of other horses. However, if you ever find two horses tighten by this amount, what do you do?

The Two Horse Race

Only one of them can win. You cannot know which one, when they get such strong support. There is only one answer. **Back both if it's possible, otherwise back neither**.

Never pick between them.

If either is paying $2.00 or less, you should not back either to win. Provided they are both longer than $2.00 you can invest your normal I unit on each. As long as either one wins, you'll make a profit. Invest your usual 2 units on each for a place, provided neither is paying less than $1.50. If one of the selections is paying less than $1.50 for the place, then just invest on the other one.

Let's look at an example:

Horse A tightens from $7.00 to $4.00 (a shift of 10.72%) and $1.70 for a place.

Horse B tightens from $4.00 to $2.50 (a shift of 15 %) and $1.30 for the place.

Can you invest on both, and neither?

In this case you will put one unit to win on each of them, and two units to place on horse A. Horse B is too short for the place.

Let's say your unit of investment is $1000. Your bets will be

Horse A $1000 to win, $2000 to place.

Horse B $1000 to win.

Total outlay is $4000.

If Horse A wins, your return will be $4000 for the win and $3400 for the place. This is a profit of $3400 on an outlay of $4000 or **85% profit.**

If Horse B wins and Horse A runs a place, your return will be $2500 for the win and $3400 for Horse A's place. Your return is $5900 for an outlay of $4000 or **47.5% profit**.

Remember it is rare for two horses to be so heavily supported.

This is a pretty good return. Where else can you make? 47% to 85% on your money in half an hour?

This is how many professionals bet. They eliminate the horses with no chance and back all those with a chance, so they make a profit no matter who wins.

This is the great advantage of backing both – **you make a profit no matter which one wins!**

And the best things are, you can do it again and again.

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Some Real Race Examples

The following are not contrived examples. They are taken from one day's real racing. All the prices are exactly as recorded.

Example 1

#	-15m	-1m	0m	Win	Place
1	$38.20	$14.60	$15.10	$15.10	$ 3.10
2	$ 8.10	$ 5.30	$ 5.50	$ 5.50	$ 1.90
3	$ 6.20	$ 4.90	$ 4.00	$ 4.00	$ 1.60
4	$ 8.30	$ 7.00	$ 7.20	$ 7.20	$ 1.90
5	$26.00	$30.50	$32.80	$32.90	$ 7.10
6	$ 2.00	$ 3.10	$ 3.40	$ 3.40	$ 1.60
7	$24.40	$26.70	$29.10	$29.10	$ 5.30
8	$ 6.60	$ 6.10	$ 6.00	$ 6.00	$ 1.80
9	$67.40	$79.80	$85.80	$86.10	$15.70

The most obvious shortener in this market is No.1. It came in from $38.20 to $14.60 at the 1minute mark. Does this meet our requirements?

38.20 expressed as a % is 100 / 38.2 or 2.62% of the market.

14.40 expressed as a % is 100 / 14.4 or 6.94% of the market.

The difference, 4.32% doesn't come close to meeting our requirements.

What about No. 2?

8.10 as a % is 100 / 8.1 or 12.35%

5.30 as a % is 100 / 5.3 or 18.87%

The difference is 6.52%.

This race does not qualify for an investment.

Example 2

#	-15m	-1m	0m	Win	Place
1	$ 2.20	$ 2.00	$ 2.00	$ 2.30	$ 1.40
2	$12.40	$ 5.70	$ 6.20	$ 4.70	$ 1.50
3	$ 5.30	$ 5.80	$ 5.10	$ 4.70	$ 1.80
6	$11.70	$15.10	$19.30	$23.20	$ 3.80
7	$ 5.10	$ 8.80	$ 7.40	$ 6.60	$ 1.80
8	$38.60	$50.70	$54.90	$59.30	$ 6.80
9	$19.90	$11.10	$12.50	$13.60	$ 2.40
10	$64.50	$ 108	$ 149	$ 176	$19.90
11	$22.00	$37.60	$39.60	$49.50	$ 6.90
12	$84.30	$ 139	$ 187	$ 216	$17.10
13	$48.30	$ 111	$ 142	$ 177	$18.20

In this market, numbers 4 and 5 are missing because they were scratchings (i.e. non-starters).

Look at No.2. It came in from $12.40 to $5.70. What are the percentages?

12.4 as a % is 100 / 12.4 or 8.06%

5.7 as a % is 100 / 5.7 or 17.54%

The difference is 9.48%. This is tantalisingly close to our 10%. But it doesn't qualify.

However, the final price it paid ($4.70 or 21.28%) showed a shortening of 13.2%.

In the event. No. 2 won the race with No.1 finishing 2nd.

Example 3

#	-15m	-1m	0m	Win	Place
2	$ 4.50	$ 5.30	$ 5.50	$ 6.00	$ 2.60
3	$ 4.10	$ 2.80	$ 2.70	$ 2.30	$ 1.40
4	$13.60	$ 7.10	$ 6.80	$ 7.10	$ 1.80
5	$12.80	$11.30	$12.60	$12.30	$ 3.30
6	$23.70	$25.00	$28.10	$30.30	$ 5.10
8	$10.80	$15.10	$13.80	$15.40	$ 3.80
9	$10.60	$24.10	$27.00	$30.00	$ 6.10
10	$17.30	$25.00	$25.60	$27.90	$ 7.10
11	$ 9.20	$ 9.10	$ 9.50	$10.80	$ 2.70
13	$16.30	$16.40	$15.10	$16.40	$ 3.80
16	$16.50	$30.70	$32.00	$34.60	$ 7.10
18	$25.90	$ 124	$ 141	$ 169	$24.40

Again, the missing numbers are scratchings (or non-starters).

The main shortener is No.3. It was $4.10 early, into $2.80 at the one-minute mark. What % movement is this?

4.10 as a % is 100 / 4.1 or 24.4%

2.80 as a % is 100 / 2.8 or 35.7%

The difference is 11.3%.

This is a substantial move of informed money. It meets our rules and therefore qualifies for investment.

In the event, our horse, No. 3 won, with No. 13 second.

It returned a profit of 130% on the Win dividend, and a profit of 40% on the place.

(The place might not have qualified for investment – it depends on whether the place dividend was $1.50 at the one-minute mark.)

Example 4

#	-15m	-1m	0m	Win	Place
2	$30.60	$30.20	$28.20	$28.00	$ 4.50
3	$ 1.30	$ 2.30	$ 2.20	$ 2.20	$ 1.50
4	$20.00	$46.10	$44.40	$45.10	$ 7.20
5	$61.70	$ 106	$ 106	$ 111	$23.20
6	$16.50	$ 3.90	$ 4.00	$ 4.10	$ 1.60
7	$13.20	$ 5.20	$ 5.20	$ 5.20	$ 1.90
8	$86.30	$22.40	$23.50	$23.20	$ 3.40
9	$58.30	$ 135	$ 144	$ 146	$15.00
10	$49.50	$ 125	$ 134	$ 134	$19.20
11	$39.10	$28.60	$29.50	$30.20	$ 4.00
13	$20.80	$ 9.60	$ 9.60	$ 9.70	$ 1.90
15	$31.30	$33.50	$35.30	$35.90	$ 5.70

The big shortener in this race is No.6 (but notice No. 7 also shortened considerably)

No.6:

16.50 as a % = 100 / 16.5 or 6.06%

3.90 as a % = 100 / 3.9 or 25.64%

The difference is 19.58. It qualifies as an investment.

What about No. 7?

13.20 as a % = 100 / 13.2 or 7.57%

5.20 as a % = 100 / 5.2 or 19.23%

The difference is 11.66%.

It also qualifies as an investment.

In this race you would invest on both, putting your money both on the win and the place.

You would invest 1 unit on each to win and 2 units on each to place (a total outlay of 6 units).

What was the result?

No. 6 came 2nd (paying 1.60) and no, 7 came 3rd (paying 1.90).

Your return is 3.2 units from No.6, and 3.8 units from No.7, a total return of 7 units.

Even though both horses lost, you still make a profit of nearly 17% on your investment!

The Later You Bet, the Better

You can see from these tables that prices keep changing even after the one-minute mark. This is partly because so much money goes on late, and partly because of small delays in processing the bets and posting the prices.

There is a limit to how late you can get your investment on – depending on whether you are doing it via phone or the internet. Clearly anyone who uses a computer to do their calculations and then place the bet is at some advantage? Even without these aids you can still make it work for you. There are usually only a couple of horses to check for price movement and they are fairly obvious.

Getting Started

You can apply this method to any horse races anywhere in the world. When there is a move of 10% of the market, everything we have said applies.

One great advantage of the technological revolution is that you can do this from anywhere. You can be sitting in India and place your investments on a race in Singapore. You can be in the USA and use racing in the UK. There is nothing to stop you moving from one country's races to another, depending on the time and the day of the week.

To do this, you will need an internet connection. You don't have to know anything about form. All you need to know is when the races are on. You also need live prices. This means you must be able to access an online Totalisator or Bookmaker. Most countries have these. You will also need an account with the Totalisator or Bookmaker.

You will find an account which allows you to place your investments via the internet is much more useful than a telephone account. The reason for this is you can wait a little longer to put your money on. You can continue analyzing the price movements and only press the 'Submit' button just before the race starts.

Print as many copies of the Worksheet on the next page as you need. Fill in the early and late prices. Use it to work out the amount of price movement. Remember you only need to do the calculations for those which are clearly shortening in price.

You can get this all done on Auto Pilot:

<table>
<tr>
<td>We cover the main horse racing countries with our live odds monitoring.

You can see where the money is going and what horses have the big money coming for them.

You can see 6 time frames, and see the price movements in real time.

Click Here
Or cut and paste:
www.racingpricemonitor.com</td>
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Worksheet

Date:		Day:		Venue:		Race No:	

Num	Name	Pr 1	Pr 2	Pr 3	Pr 4	Win	Place
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							

Sel	Early Price	% (100/Pr)	Late Price	% (100/Pr)	% Change

Investment:

No.	Win Bet	Place Bet	Total
Totals			

Return:

No.	Win Bet	Place Bet	Total
Totals			

Rule Sheet

1) When a horse shortens significantly, calculate the % of the market the price has moved by. The formula is:

(Late Price / 100) – (Early Price / 100)

2) If the result is 10 or greater, the horse becomes an investment.

3) Invest one unit on it to Win. If the Place dividend is 1.50 or greater, invest 2 units to place.

4) If two horses are selections, invest one unit on each to win, provided the price is not less than 2.00. If one is less than 2.00, do not invest in either for the Win.

5) If there are two selections, invest two units on each to Place, provided the dividend is 1.50 or greater. If either dividend is less than 1.50 do not invest in it. But put your 2 units for a Place on the other one.

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I’ve put much time and effort into researching this. The races used here are real ones, the day picked at random. I know how reliable this investment method is.

I didn’t expect to find an approach as good as this. But I am now continuing along this road. It has become an ongoing research project for me.

See our Great Betfair Betting Bot.

This is a very good betting bot for use with Betfair. It allows you to pre program your bets at the start or the day, and have them actioned just before the start. Plus many other features. Click Here Or Cut and Paste: www.easybetbot.com	

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Thanks
Steve and Michael