

H I G H S T A K E S

BETTING TO WIN

A PROFESSIONAL GUIDE TO
PROFITABLE BETTING



Prof. LEIGHTON VAUGHAN WILLIAMS

To Mum and Dad and my wife Julie

Betting To Win A Professional Guide To Profitable Betting

Professor Leighton Vaughan Williams

HIGH STAKES

This edition published in May 2004 by
High Stakes Publishing
21 Great Ormond St
London WC1N 3JB
T: 020 7430 1021
www.highstakes.co.uk

www.gamblingbooks.co.uk/publishing

Copyright 2002 © Professor Leighton Vaughan Williams

The right of Professor Leighton Vaughan Williams to be identified as author of this work has been asserted by him in accordance with the Copyright, Designs & Patents Act 1988. All rights reserved. No part of this book may be reproduced, stored in or introduced into a retrieval system, or transmitted, in any form or by any means (electronic, mechanical, photocopying, recording or otherwise) without the written permission of the publishers. Any person who does any unauthorised act in relation to this publication may be liable to criminal prosecution and civil claims for damages.

ISBN 1-84344-015-6 BETTING TO WIN: A professional guide to
profitable betting

Typeset by Able Solutions (UK) Ltd, Birmingham
Printed by Cox & Wyman, Reading

Contents

<i>Introduction</i>	9
<i>Part One: Betting With The Bookmaker</i>	11
<i>Chapter 1: Fair And Unfair Odds</i>	13
<i>What's Fair?</i>	14
<i>The Way To Bet With The Bookmaker</i>	15
<i>Each Way Bets</i>	17
<i>Is Each Way Betting Good Value?</i>	18
<i>What Are Fair Place Odds?</i>	20
<i>Multiple Bets</i>	22
<i>Forecast Bets</i>	24
<i>Choice</i>	25
<i>Asian Handicap Betting</i>	26
<i>Chapter 2: Betting On The Tote</i>	29
<i>The Way To Bet On The Tote</i>	30
<i>Chapter 3: Spread Betting</i>	32
<i>The Way To Bet On The Spreads</i>	35
<i>Risk Management In Simple Sports Spread Bets</i>	36
<i>Financial Spread Betting</i>	37
<i>Question</i>	38
<i>Risk Management</i>	39
<i>Guaranteed Stop Loss</i>	39
<i>Managing Risk By Closing The Bet</i>	40
<i>Options</i>	41
<i>Chapter 4: Betting On The 'Exchanges'</i>	44
<i>The Way To Bet On The Exchanges</i>	44
<i>Chapter 5: Bookmakers And The Exchanges</i>	49
<i>Comparing The Options</i>	49
2.00 Cheltenham: Gerrard Supreme Novices' Hurdle	49
2.35 Cheltenham: Irish Independent Arkle Challenge Trophy Chase	52
3.15 Smurfit Champion Hurdle Challenge Trophy	52
3.55 William Hill National Hunt Handicap Chase	54
4.30 Fulke Walwyn Kim Muir Challenge Cup Handicap Chase	55
5.05 Pertemps Final (Handicap Hurdle)	56
<i>Punters Beware!</i>	57

Part Two: Beating The Bookmakers 61

Chapter 1: Theory And Evidence	63
Chapter 2: How To Bet When The Odds Are In Your Favour	70
Chapter 3: Should You Follow The Market?	72
Chapter 4: Was The Steamer Value At The Off?	76
Chapter 5: The Right Shape	79
Chapter 6: The Gambler's Fallacy	81
Chapter 7: Do Multiple Bets Make Sense?	85
Chapter 8: The Real Lesson Of Dettori Day	88
Chapter 9: Draw Biases	91
Chapter 10: What Goes Up, Must Come Down!	94
Chapter 11: Betting In Running	96
Chapter 12: The Difference Between Risk And Uncertainty	99
Chapter 13: Strike While The Iron's Hot	102
Chapter 14: Prescribing The Right Dosage	104
Chapter 15: The Home Ground Factor	106
Chapter 16: The Patriot Bias	109
Chapter 17: Small Is Beautiful	111
Chapter 18: The Hi-Tech Crystal Ball	115
Chapter 19: Better Late Than Ever!	117
Chapter 20: The Value Of Tipping Agencies	119
Chapter 21: Betting On The Oscars	122
Chapter 22: Second Impressions Are Sometimes Better	126
Chapter 23: The Problem With Miss World	127
Chapter 24: Looking For Patterns	130
Chapter 25: The Motivation Thing	132
Chapter 26: Noise	135
Chapter 27: Betting On A Leadership Election	137
Chapter 28: You Can't Beat Reliability	139
Chapter 29: Cricket Betting	141

Part Three: Beating The Tote 143

Chapter 1: When Betting Longshots, Getting What You're Given Really Can Be The Best Option	145
Chapter 2: Steaming Into The Tote	147
Chapter 3: Betting On The US Tote	149
Chapter 4: US Horseracing On The TV	151

Part Four: Beating The Spreads	155
Chapter 1 : Profit Margins And Profitability In The Spread Markets	157
Chapter 2: Avoid The Christmas Syndrome	159
Chapter 3: Exploiting Disparities	161
Chapter 4: To Arb Or Not To Arb: That Is The Question	163
Chapter 5: Beware The Downside!	165
Chapter 6: Quarb Strategy: Using The Odds To Beat The Odds	167
Chapter 7: Tomorrow's Another Day	170
Chapter 8: Betting On The Election Spreads	172
Chapter 9: Control The Consequences	174
Part Five: Beating The Exchanges	177
Chapter 1: Backing And Laying On The Exchanges	179
Chapter 2: Odds Betting	180
Introduction	180
Chapter 3: Line And Range Betting	184
What Is Line Betting?	184
What Is Range Betting?	185
Chapter 4: Asian Handicap Betting On The Exchanges	186
Backing England At Scratch	187
Backing England With A Half Goal Deficit	187
Part Six: World Cup Fever	189
Chapter 1: Different Betting Strategies	191
Fixed Odds	191
Spread Betting	199
Exchange Spread Betting	207
Chapter 2: If It Looks Too Good To Be True, Then It Is Too Good To Be True!	212
Conclusion	217

Appendix 1: Some Interesting And Useful Internet Sites	218
<i>Bookmakers</i>	218
<i>Spread Betting Companies</i>	219
<i>Betting Exchanges</i>	219
<i>Sports And Betting Information And Advice</i>	219
Appendix 2: World Cup 2002 Statistics	221
<i>Group A</i>	221
<i>Group B</i>	222
<i>Group C</i>	223
<i>Group D</i>	224
<i>Group E</i>	225
<i>Group F</i>	226
<i>Group G</i>	227
<i>Group H</i>	228
<i>Round of 16</i>	229
<i>Quarter-finals</i>	231
<i>Semi-finals</i>	231
<i>3rd place play-off</i>	232
<i>World Cup final</i>	232
Appendix 3: Poisson Table	233
Bibliography	234

Introduction

IF EVER THERE WAS A GOLDEN AGE of betting, this is it. The choice is extraordinary, the opportunities are bountiful, and at last the betting man or woman has a real chance of earning money at the same time as enjoying the thrill of the chase.

In such an environment, there is a clear need for a book which is able to act as a guide through this choice, and through the opportunities on offer.

My research career, which has focused on the study of betting and financial markets, pre-dates this Golden Age, to a time when the identification of profitable betting strategies was so much more difficult. This served to ensure, of course, that the cutting edge of the analysis was sharpened all the more effectively. The tools that have resulted are based on an extensive study of the most rigorously reviewed literature from across the world, and through original work of mine that has been published at the forefront of the international academic literature. These tools are all the more valuable when applied to today's punter-friendly betting environment.

I was approached to write this book to mark this Golden Age of betting. My remit was to provide a clear and accessible guide, based on the most rigorous analysis available anywhere.

Betting has always been fun, but it has not always been profitable. Times have changed, and this book is my contribution to the new times. I hope you enjoy reading it as much as I have enjoyed writing it – and, most of all, I hope that it helps turn a pleasant hobby into a profitable investment. Let battle commence!