



Nick Pullen's Guide to Spread Betting
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Under starter's orders: Your guide to cashing-in on horse racing

Spread betting can appear complicated on first encounter. But it's really not. And once you get your head round the way the spread markets work – and get used to the language - it offers another dimension to your race punting.

Buy or Sell

The first spread betting concept you need to adjust yourself to is '**Buying**' and '**Selling**'.

Think of it in the same way as Buying or Selling shares. The price of an individual share in a company – let's call them 'ABC Ltd' - may be quoted in the newspaper as **350p**. This is known as the 'mid-market price' – and, if you spoke to a stockbroker, he'd give you a quote you the share of **348-352**.

So if you thought the share price was going to grow, you would **Buy @ 352p**. If you thought the share was going to shrink, you would **Sell @ 348p**. The gap between the two prices is the stockbroker's profit margin.

Spread Betting works in exactly the same way. The spread betting firm predicts the result of a sporting event. This prediction is represented by two numbers – and Sell price and a Buy price - and is called the '**spread**'.

It is then your job to simply choose to bet higher or lower than then the spread betting firm's prediction.

If you think the actual outcome of the event will be **higher** than the spread firm's prediction, you **Buy**. And if you think the actual outcome of the event will be **lower** than the spread firm's prediction, you **Sell**.

If this seems complex, don't worry. It will all become much clearer when we look at a few markets the spread firms offer and analyse exactly how they work.

Winning Distances

This market is the spread firm's prediction of what the aggregate TOTAL distance of ALL winning margins in each race at a specific meeting will be – and is measured in lengths. Let's have a look at a fictional example. ..

Let's say there's a jumps meeting at Newbury, with 8 races.

The spread firm might price up the Total Winning Distances market at **64-69**. Remember that this spread refers to lengths between all 1st and 2nd placed horses for EVERY race.

Now, you might take the view that heavy rain over the last couple of days has turned the Berkshire track into more of a test of stamina than usual. You think that the horses will get tired and finish strung out, putting a lot of distance between the 1st and 2nd placed runners.

How you win...

So let's say you think the Total Winning Distance will be **Over 69 lengths**. In this case you would **Buy @ 69** for a stake of, say, **£2 per length**.

Now let's say that the races take place and your thinking proves to be bang on the nail. The Total Winning Distances clocked up by the race winners eventually equals **79 lengths** – a full **10-lengths** more than the spread betting firm thought.

This means you would stand to **win 10 times your £2 stake (10 x £2 = £20)**.

And how you lose...

Now for the flip side, let's see what happens when you get it wrong.

Let's imagine that the Newbury track wasn't as affected by the heavy rain as you'd reasoned. At the end of the final race the Total Winning Distances clocked up by the individual race winners was only **61 lengths** – that's **8-lengths** less than your 'Buy' figure.

This means you've got it wrong and now you have to pay out **8 times your £2 stake (8 x £2 = £16)**.

Flat v National Hunt

Obviously Flat and National Hunt races are very different. Generally, races over fences and hurdles are run at much longer distances than flat races. The spread betting firms factor this in when making predictions.

The maximum winning distance for a Flat race is set at 12 lengths. Over the jumps the maximum winning distance is set at 30 lengths.

And for winning distances under a length - these are recorded as fractions. For example a short head is 0.1 of a length... a head is 0.2... a neck is 0.3... half a length is 0.5.... three quarters of a length is 0.75.

Individual Race Index

This market is based on the performance of individual horses in individual races. Horses are **awarded points** on the basis of their **finishing position**. This market also gives you the opportunity to back a horse or **bet against it** – something you can't do with a traditional fixed odds bookmaker.

A point structure is applied to finishing positions in order to settle the bets. This varies depending on how many runners there are in a race.

In races with **12 runners or less** the point structure will be:

1st place = 50 points

2nd place = 25 points

3rd place = 10 points

4th place or worse = 0 points.

In races with **more than 12 runners** the point structure will be:

1st place = 50 points

2nd place = 30 points

3rd place = 20 points

4th place = 10 points

5th place or worse = 0 points.

To see how it works, let's take a look at a fictional race - the 2.45 at Haydock Park...

The spread firm have priced JO THE GYPSY at **9-12 points**. What this means in practice is that the spread firm reckons the horse is good enough to make the frame.

So based on how you think the horse will perform, you now have to choose to bet higher (Buy) or lower (Sell) than the spread.

If you fancied JO THE GYPSY to run *better* than the spread firm think then you would **'Buy' @ 12** for, say, **£2 per point**.

Now let's suppose that I thought the spread firm were guilty of over-valuing the horse. And I believe that the horse has little chance of finishing in the first four and will come much further down the field. And because of this, I would **Sell @ 9** – for **£2 per point**.

Calculating your winnings – or losses

In this fictional example, let's say that JO THE GYPSY runs like a donkey and finishes last - you were wrong and I was right.

Let's take a look at what the result means to your pocket and then to mine...

You chose to **'Buy' @ 12 for £2 per point**. In the event the horse scored no points – or 12 *less* than you bought at. So your losses are calculated like this: **the difference between zero and 12 = 12 x £2 = a £24 loss**.

I, on the other hand, chose to **'Sell' @ 9 for £2 per point**. As it turned out I was right to Sell as the horse trailed in at the back of the field and scored zero points. So my winnings are calculated like this: **the difference between zero and 9 = 9 x £2 = £18**.

Alternative outcomes

Now, let's reverse the roles for a minute – and look at the payout if YOU had called it right and I got it wrong...

Let's say JO THE GYPSY romped home in 1st place. The spread firm award 50 points to the winner, so your **'Buy' @ 12 for £2 per point** all of a sudden looks a very good decision – and your winnings are calculated like this: **the difference between 50 and 12 = 38 x £2 = £76**. And very nice too.

But not so good for me. I chose to **'Sell' @ 9** so now have to face up to a loss – calculated like this: **the difference between 50 and 9 = 41 x £2 = a loss of £82**. Ouch.

As with all spread betting the more *right* you are, the more you *win* - and the more *wrong* you are, the more you *lose*. So it is extremely important to take your maximum potential loss into account and stake your spread bets accordingly.

Match Bets

In some races the spread firm will select two horses and allow you to bet on which will finish first – just out of the chosen two.

It doesn't matter where they finish with regard to the field - they could finish 7th and 9th out of 9 horses. The finishing positions are irrelevant. You are simply betting on their performance relative to each other.

The maximum distances for the purpose of match betting are 12 lengths on the flat and 15 lengths over fences and hurdles.

Let's go back to our race at Haydock Park...

JO THE GYPSY might have been paired with BILLY BUNTER in a Match Bet.

Let's say that the spread firm made BILLY BUNTER the favourite to finish ahead of JO THE GYPSY by between 0-1 lengths. If you thought BILLY BUNTER was a much better horse than JO THE GYPSY and easily good enough to beat him by at least 1 length, then you would go high and **'Buy' BILLY BUNTER @ 0 – 1 lengths** for – let's say - **£5 per length**.

Let's imagine that BILLY BUNTER beat JO THE GYPSY by 10 lengths. Your 'Buy' of BILLY BUNTER @ 0 – 1 lengths, you'd be getting paid out at 9 times your stake (**the difference between 10 and 1 lengths = 9 x your £5 stake = £45 winnings**).

Not bad for predicting one animal's supremacy over one other in the race. You don't even have to pick the race winner - where they finished in the race isn't important. It's the distance between them that's relevant here.

Bear in mind, however, that had you got it wrong and JO THE GYPSY finished 5 lengths ahead of BILLY BUNTER, then you would have lost 6 times your stake (**5 lengths plus the 1 length you bought at = 6 x your £5 stake = losses of £30**). So again, not only is getting it right important but managing your stakes is vital too.

Favourites Index

The Favourites Index gives you the opportunity to take on the betting experts.

If you reckon they've got it wrong when it comes to the market leaders for individual races - this is the market for you to cash-in!

It works like this... The spread betting firm awards points to the Favourites based on where they finish in the race. **Winners get 25 points... 2nd-placed horses get 10 points... 3rd place finishers get 5 points.** Favourites finishing in any other position get **zero points**.

Let's look at an example...

At a Wincanton jumps meeting consisting of 6 races, the spread firm might predict that the race Favourites will score **56-60 points** between them.

This means that there needs to be *at least* the following outcomes from the 6 races:

- **2 x 1st place and 1 x 2nd place = 60 points**
- **1 x 1st place and 3 x 2nd place = 60 points**
- **1 x 1st place and 4 x 2nd place = 65 points**
- **6 x 2nd place = 60 points**

If you've had a good look at the trends, the stats, the form and the profiles of the Favourites you might decide that the Favourites will perform better than the spread firm have predicted. In that case you'd **'Buy' @ 60** – say, for a stake of £2.

At the close of the day's racing, let's say 2 of the Favourites won, 2 came 2nd, 1 came 3rd and 1 finished nowhere – giving an accumulated 75 points between them (2 x 25 + 2 x 10 + 1 x 5 + 1 x zero = 75 points).

If you had decided to **'Buy' @ 60** then you would have won **15 times** (the difference between the result – 75, and your Buy – 60 = 15 x your £2 stake). Which weighs in at **£30 profit**.

However, had the results turned out differently and the Favourites accrued just 40 points between them – 1 x winner, 1 x 2nd and 1 x 3rd) then the same bet would have lost you 20 times your stake (the difference between the result – 40, and your Buy – 60 = 20 x your £2 stake). A painful **loss of £40**.

Note: In the event of a race starting with joint favourites, spread firms consider the horse with the lower race card number the favourite.

Jockey Index

For each race meeting the spread firms offer markets on how individual jockeys perform. This works in a similar way to the Favourites markets - with 25 points awarded for a winning ride, 10 points for a second place, 5 points for a third place and zero points for any other place.

Let's look at a fictional example at Cheltenham...

Ruby Walsh has six rides. Let's say the spread betting firm predict that based on the scoring system above, he will get between **41-44 points** - and set the spread accordingly.

This means Ruby would need *at least* the following outcomes from his 6 races:

- **2 x 1st place = 50 points**
- **1 x 1st place and 2 x 2nd place = 45 points**
- **1 x 1st place and 4 x 3rd place = 45 points**
- **4 x 2nd place and 1 x 3rd place = 45 points**

If you viewed his rides as particularly strong and believed he might have a couple of winners with a good chance of others finishing in the frame you might choose to bet high and '**Buy**' @ **44** for – once again, let's say - **£2 per point**.

Let's suppose the following results of Ruby Walsh's 6 rides:

- Race 1 - Unplaced (0 points)
- Race 2 - Unplaced (0 points)
- Race 3 - **3rd place (5 points)**
- Race 4 - **1st place (25 points)**
- Race 5 - Unplaced (0 points)
- Race 6 - **1st place (25 points)**

Total = **55 points**

With these results had you gone high with a '**Buy**' @ 44 you would have won 11 times your stake ($55 - 44 = 11 \times$ your £2 stake). Giving you a **£22 payout**.

But, if Ruby had only managed just 1 winner and failed to make the frame on the other 5 rides then, the make-up would be just **25 points**. So the same bet would have lost you 19 times your stake ($25 - 44 = -19 \times$ your £2 stake). A **loss of £38**.

Staking Plans

Spread Betting differs from Fixed Odds betting in that, with a traditional bookmaker you know exactly how much you stand to lose before the bet is placed. With Spread Betting your profit margin, or liability is only known after the final result – and you can lose more than your original stake.

So to avoid wiping out your betting fund, take the following measures. Always take time to calculate the **worst case scenario** before you place a bet, so you can stake your wagers accordingly. Or you could use a **stop loss** account, an account type which provides a safety net for each bet to stop you losing money in the event of a freak result.

Additionally, the amount of money you hold in your betting ‘bank’ will determine how much you are allowed to stake. Your account will have to cover your maximum expected liability of every bet you place.

As we’ve seen in the example bets, Spread Betting can be very lucrative – but please do ensure you fully understand the risks involved because you can lose more than your official stake. And if there is anything you’re unsure of – here’s a company with all the answers...

Start with a free £200 bet at Sporting Index

My preferred Spread Betting company to use is **Sporting Index**. They provide a large amount of Horse Racing markets every day – including many more than listed here.

The website is clear and easy to use - and you can brush up on anything you are unsure of at their excellent online **Training Centre**.

It includes everything you need to place spread bets on all sports, including a step-by-step guide, a glossary of terms and excellent demo.

They are also a very responsible company – and keen that you fully understand the risks involved with sports Spread Betting. Plus, their customer service team are always happy to answer questions and queries via phone or email.

And even better than that – they are happy to offer a **£200 free bet** if you open an account today. Simply click on the link below...



This will give you instant access to both the online **Training Centre** and full details of how to claim your **Free Bets**.

Look out for a series of articles focusing on how to cash-in on Spread Betting opportunities in various Horse Racing markets in future issues of *Horse Racing Focus*, my free weekly newsletter. Available here:

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