

SBC INSIGHT – HORSE RACING ODDS

COMPARING BETFAIR SP WITH ODDS IN THE LIVE BETFAIR MARKET

AUTHOR: PETER LING DATA ANALYSIS: MARK KEMP

ADVICE ON WHEN AND HOW TO BET ON THE EXCHANGES

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For many of us unable to bet with bookmakers when it comes to horse racing, the best course of action is to use a betting exchange such as Betfair, who are widely renowned to be the market leader in this sector and ahead of rivals Smarkets, Matchbook and Betdaq.

Not only does Betfair have the most money traded (liquidity) but it also allows winners to continue to place bets as opposed to traditional bookmakers who at some point may well either close you down or limit your stakes.

When betting on horse racing at Betfair you effectively have three main options available to you as to the odds on offer when backing a horse:

- 1) Take the best odds available in the pre-race or in-play market
- 2) If the odds you want are not available – you can request them should they become available in the live pre-race or in-play market. There is no guarantee these will be matched.
- 3) Simply take Betfair SP.

Now many people for ease of use simply choose the latter and Betfair SP, which is a price revealed at the start of the race and based on the Betfair market and the weight of money traded on any given horse.

The benefits of taking Betfair SP is that you are guaranteed to get matched on your bet and you can even put in a minimum odds requirement stipulation. For example, if you want to take odds of at least 5.0, you can request that your bet is taken as long as Betfair SP is 5.0 and above.

Yet when we consider that Betfair SP is the most accurate reflection of each horse's chance of winning the race in question, then we must ask ourselves if this is the best way to bet?

After all you don't know the Betfair SP odds until the race has started and your Betfair SP bet has been matched. You are betting blindly when it comes to the value you take.

Steve Jones from CD Systems explained the issues well in our recent review of his Daily Bargain service at Betfair SP:

"Betfair SP is perhaps the closest thing we have to true chance, albeit retrospectively.

Given that the aim of the game is to make bets at better than true chance, my job is to unearth bets that can be placed at prices bigger than perceived true chance.

Clearly, the most basic rule of betting is that we cannot possibly win in the long term if we don't consistently make bets at greater than true chance odds.

On that basis, I don't feel that producing performance stats in comparison to true-chance prices (such as Betfair SP) is beneficial.

No professional would dream of making bets at true chance and any variation between Betfair SP (a 100% market) and true chance would only be either temporary, coincidental or the result of some outside factor (such as an influential tipster or a trader manipulating the market)."

COMPARING THE PRE-RACE BETFAIR MARKET

With all of the above in mind, we commissioned a study comparing Betfair SP with the live prices in the Betfair racing markets to discover the optimal time to place your bet.

First of all we wanted to know how well Betfair SP compared to the pre-race odds in the Betfair market.

We also wanted to know at what point the odds might be better before the race.

For example, how exactly do the prices 120 minutes before the off in the pre-race Betfair market compare when set against Betfair SP?

Furthermore, we also wanted to discover if there were any differences in terms of the odds bands.

For example, if betting at over 10/1, were you better taking Betfair SP or live market odds?

To help answer the questions, we used the excellent Betfair price resource up at the free website [betmover.com](https://www.betmover.com) to provide us with a significant data set for analysis based on all racing seen during 2020. This included 30,861 horses in total up to the end of June 2020.

Bet Mover's data told us the best Betfair prices for each horse in each race at the following time periods:

- 120 minutes before a race started
- 60 minutes before a race started
- 30 minutes before a race started
- 15 minutes before a race started
- 10 minutes before a race started
- 5 minutes before a race started
- 3 minutes before a race started
- 1 minutes before a race started
- Betfair SP

Our massive thanks to Nigel at [betmover.com](https://www.betmover.com) for his help in supplying the data for this article. You can sign-up for free at his website to explore more at <https://www.betmover.com/>

COMPARING ALL RESULTS

To begin with, here are our findings based on comparing ALL 30861 horses and the average odds available at each time period before each race began.

We have broken down this data by odds banding, alongside each time to post (ttp) odds.

Odds banding	Popn	Sample	Time to post (ttp)										Best	Optimal
			120m	60m	30m	15m	10m	5m	3m	1m	BSP			
1.01	1.99	407	1.4%	1.68	1.69	1.67	1.66	1.66	1.65	1.64	1.64	1.64	1.69	60m
2.00	2.99	1078	3.8%	2.55	2.56	2.55	2.54	2.54	2.54	2.52	2.52	2.53	2.56	60m
3.00	4.99	3049	10.7%	3.98	3.99	3.98	3.99	4.00	4.00	3.99	3.99	4.01	4.01	BSP
5.00	6.99	3202	11.2%	5.91	5.91	5.90	5.91	5.90	5.90	5.90	5.91	5.92	5.92	BSP
7.00	9.99	4323	15.1%	8.36	8.36	8.35	8.34	8.27	8.31	8.31	8.32	8.35	8.36	60m
10.00	14.99	4538	15.9%	12.05	12.07	12.04	12.07	11.98	11.99	11.95	11.94	12.17	12.17	BSP
15.00	21.99	3497	12.2%	17.80	17.79	17.79	17.75	17.87	17.87	17.85	17.81	18.00	18.00	BSP
22.00	33.99	3413	11.9%	26.74	26.73	26.69	26.63	26.71	26.62	26.67	26.67	27.09	27.09	BSP
34.00	49.99	2454	8.6%	40.56	40.61	40.68	40.17	40.17	40.41	40.26	40.22	40.56	40.68	30m
50.00	99.99	2638	9.2%	68.19	68.63	68.98	68.73	67.70	67.73	67.67	67.53	69.25	69.25	BSP
100.00	1000.00	2262	7.9%	230.78	243.83	288.45	313.76	314.84	322.44	325.46	329.53	392.44	392.44	BSP

TABLE KEY

Odds banding – All horses between set odds for example 1.01 to 1.99

Popn – The number of horses in this sample

Sample – The percentage of horses set against the full data sample

120m, 60m, 30m, 15m, 10m, 5m, 3m, 1m, BSP – The average odds of horses at this time to post

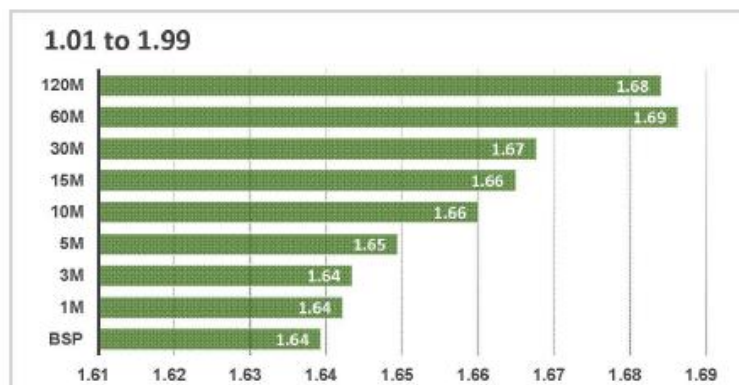
Optimal – The ttp odds that offered the best price

From this table we can quickly gauge a couple of key points.

In general - at the lower odds ranges, the earlier you bet, the greater the odds you will take.

For example, if viewing the odds for those between 1.01 to 1.99 you can get odds as high as 1.69 a full 60 minutes before the race vs 1.64 at Betfair SP. That might seem a small change, yet it equates to a 9.3% difference, which over time can have a great impact on your overall profits.

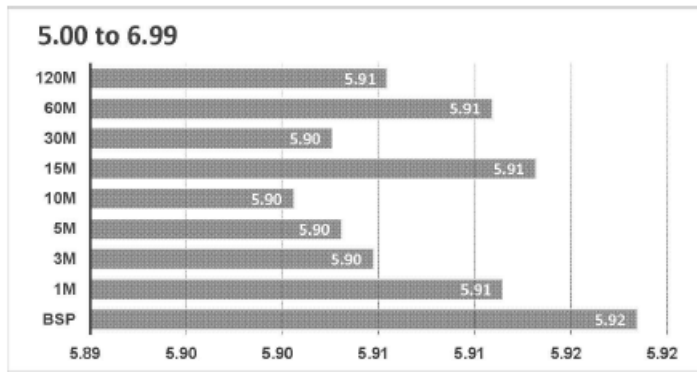
Betfair Average Prices: 1.01 to 1.99



As we go up into the higher odds bands - between approximately 3.00 to 9.99 the difference between Betfair SP and taking odds pre-race flattens out with minimal adjustments.

For example, if viewing the odds for those between 5.00 and 6.99 the difference ranges from 5.90 to 5.92 – a very small jump in percentage terms. It would appear there is little advantage in taking an early price vs Betfair SP here.

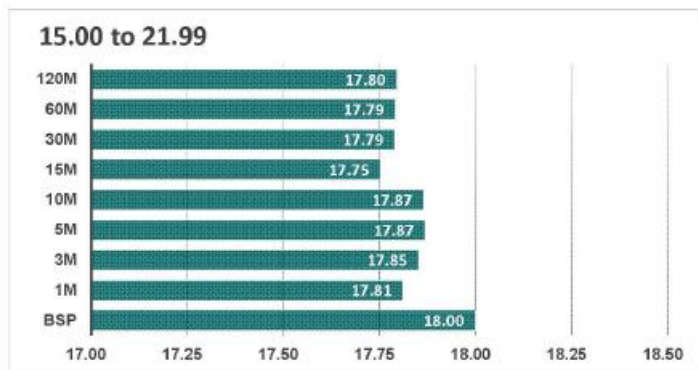
Betfair Average Prices: 5.00 to 6.99



At odds of 10.00 we start to see evidence that Betfair SP represents the best set of prices and this only grows as we get to the largest odds ranges.

For example, if viewing the odds for those between 15.00 and 21.99, then Betfair SP is 1.5% bigger at 18.00 compared to between 17.75 to 17.87 before the race.

Betfair Average Prices: 15.00 to 21.99



This patterns only then repeats itself across and gets more pronounced as you go into the odds 22.0 and above. For example, of the 2262 bets priced at 100.0 and above, the average Betfair SP was 392.44 vs the average odds of 230.78 a full 120 minutes before the race starts.

EXAMINING WINNERS ONLY

The above data is based on all 30,000+ horses in this sample, yet we also wanted to know how these prices stacked up if looking into winners only.

Assuming the betting market is efficient, would we see more evidence of the odds shortening in the pre-race market as each race approached?

Taking the same results from Betmover.com, we investigated how the 3223 winners of these races compared at each price point.

		Time to post (ttp)												
Odds banding	Popn	Sample	120m	60m	30m	15m	10m	5m	3m	1m	BSP	Best	Optimal	
1.01	1.99	248	7.7%	1.68	1.68	1.66	1.65	1.65	1.64	1.64	1.64	1.63	1.68	120m
2.00	2.99	411	12.8%	2.54	2.54	2.50	2.51	2.51	2.50	2.49	2.49	2.49	2.54	60m
3.00	4.99	756	23.5%	3.91	3.94	3.94	3.95	3.95	3.95	3.96	3.96	3.99	3.99	BSP
5.00	6.99	536	16.7%	5.85	5.90	5.89	5.88	5.86	5.83	5.82	5.82	5.84	5.90	60m
7.00	9.99	508	15.8%	8.30	8.29	8.28	8.26	8.23	8.28	8.20	8.24	8.27	8.30	120m
10.00	14.99	365	11.4%	11.98	11.98	11.89	11.93	11.94	11.87	11.81	11.73	12.09	12.09	BSP
15.00	21.99	179	5.6%	17.66	17.65	17.73	17.65	17.78	17.95	17.56	17.55	17.75	17.95	5m
22.00	33.99	124	3.9%	26.81	26.61	26.26	26.59	27.18	26.59	26.73	26.54	26.54	27.18	10m
34.00	49.99	56	1.7%	38.21	38.26	39.75	39.68	39.68	39.17	39.35	39.75	40.46	40.46	BSP
50.00	99.99	31	1.0%	63.55	63.23	61.96	65.78	63.61	64.63	66.67	66.53	62.80	66.67	3m
100.00	1000.00	9	0.3%	180.00	161.00	167.50	215.00	204.55	223.00	207.50	217.69	275.12	275.12	BSP

First of all, it is important to make clear that as we break this down into different odds bandings, our sample size gets that much smaller.

There were just 9 (0.3% of all winners) that fell into the 100.00 to 1000.00 range so drawing iron-clad conclusions from these smaller samples is something we must be very wary about.

Having said that, we did see some of the same patterns emerge from the ALL sample with those horses winning under 2.99 being available at bigger odds earlier in the day, than at Betfair SP.

In fact, the same pattern also applies in general to those under 9.99 with the earlier prices seemingly having a clearer edge over Betfair SP.

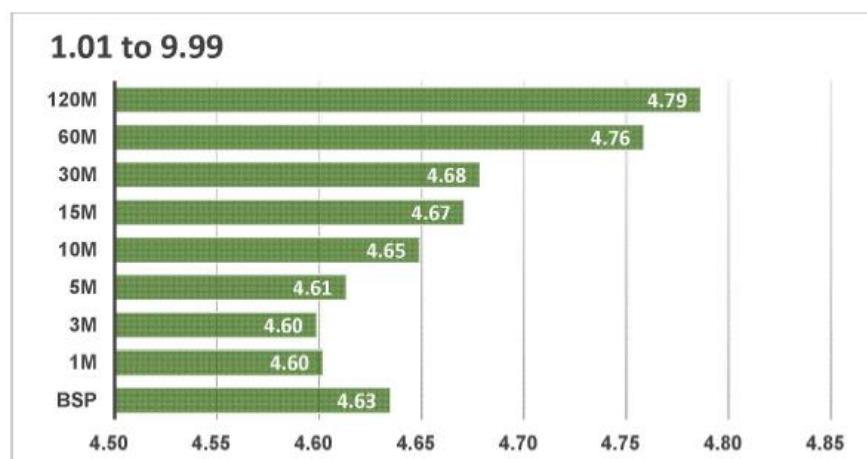
To illustrate this further, below you can see the stats based on 3 larger bandings whereby those between 1.01 to 9.99 have average odds better than Betfair SP if taking a bet at least 10 minutes before the race starts.

Of the 2459 bets this sample includes if betting 120minutes before the race, you get average odds of 4.79 vs 4.63 at Betfair SP.

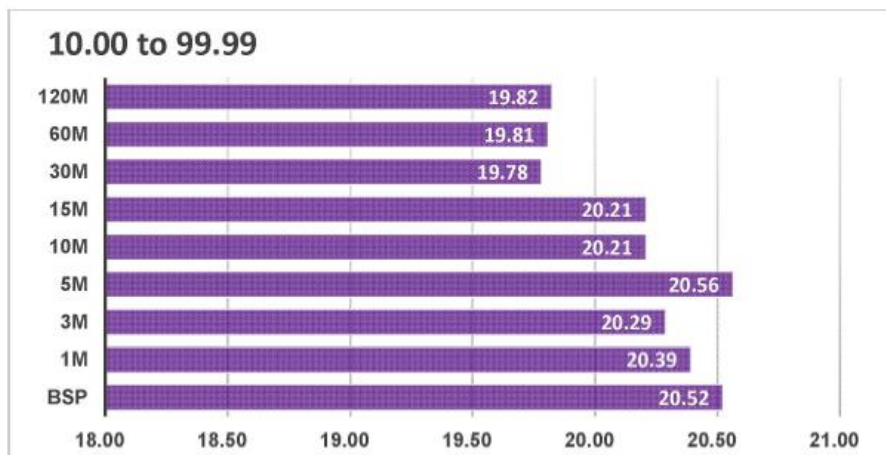
		Time to post (ttp)												
Odds banding	Popn	Sample	120m	60m	30m	15m	10m	5m	3m	1m	BSP	Best	Optimal	
1.01	9.99	2459	76.3%	4.79	4.76	4.68	4.67	4.65	4.61	4.60	4.60	4.63	4.79	120m
10.00	99.99	755	23.4%	19.82	19.81	19.78	20.21	20.21	20.56	20.29	20.39	20.52	20.56	5m
100.00	1000.00	9	0.3%	180.00	161.00	167.50	215.00	204.55	223.00	207.50	217.69	275.12	275.12	BSP

As we go up to those 10.00 to 99.99 once again, we also find that Betfair SP appears to be the best approach, despite one outlier 5 minutes before the race, which blurs the data somewhat.

Betfair Average Prices WINNERS: 1.01 to 9.99



Betfair Average Prices WINNERS: 10.00 to 99.99



EXAMINING LOSING BETS

To round off this exercise, we also investigate the patterns observed based on those horses that lost the race.

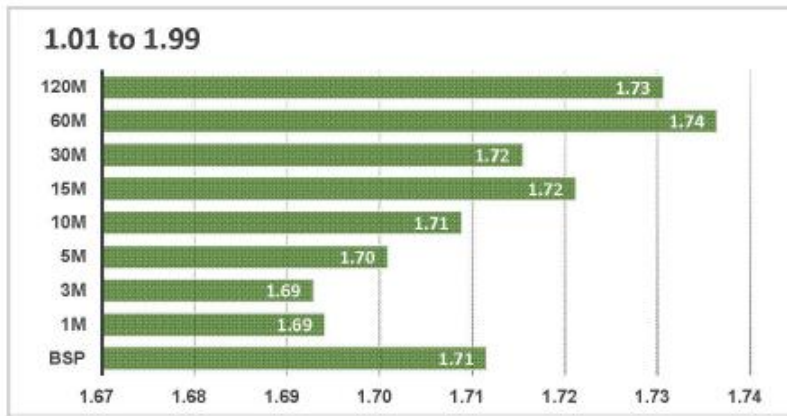
Below you can find the same chart for the large sample size of losing bets:

Odds banding	Popn	Sample	Sample %	Time to post (ttp)									Best	Optimal
				120m	60m	30m	15m	10m	5m	3m	1m	BSP		
1.01 - 1.99	159	0.6%		1.73	1.74	1.72	1.72	1.71	1.70	1.69	1.69	1.71	1.74	60m
2.00 - 2.99	667	2.6%		2.57	2.58	2.59	2.56	2.56	2.55	2.54	2.54	2.56	2.59	30m
3.00 - 4.99	2293	9.0%		4.01	4.01	4.01	4.02	4.03	4.02	4.01	4.02	4.02	4.03	10m
5.00 - 6.99	2666	10.5%		5.92	5.92	5.92	5.92	5.92	5.92	5.92	5.92	5.94	5.94	BSP
7.00 - 9.99	3815	15.0%		8.38	8.38	8.36	8.34	8.28	8.31	8.32	8.32	8.38	8.38	60m
10.00 - 14.99	4173	16.4%		12.08	12.10	12.08	12.08	12.02	12.01	12.00	11.99	12.22	12.22	BSP
15.00 - 21.99	3318	13.1%		17.78	17.79	17.80	17.76	17.88	17.88	17.86	17.82	18.01	18.01	BSP
22.00 - 33.99	3289	13.0%		26.73	26.74	26.73	26.61	26.69	26.68	26.65	26.60	27.16	27.16	BSP
34.00 - 49.99	2398	9.4%		40.45	40.60	40.67	40.12	40.12	40.43	40.24	40.20	40.61	40.67	30m
50.00 - 99.99	2607	10.3%		68.13	68.38	68.55	68.18	67.30	67.29	67.33	67.68	69.43	69.43	BSP
100.00 - 1000.00	2253	8.9%		233.99	245.68	286.15	309.90	310.30	317.76	322.27	326.93	385.61	385.61	BSP

Many of the same patterns we saw across ALL and WINNERS only samples persisted here with evidence of an edge taking earlier prices at shorter odds, versus taking Betfair SP at the bigger odds ranges.

For example, of the 159 losing bets priced between 1.01 to 1.99, the best odds were available 120 and 60 minutes prior to the race at 1.73 and 1.74 respectively. This is set against just 1.71 Betfair SP. The difference between the early prices and Betfair SP is slightly smaller than when examining the WINNERS only group, yet this might be skewed by the relatively limited sample sizes.

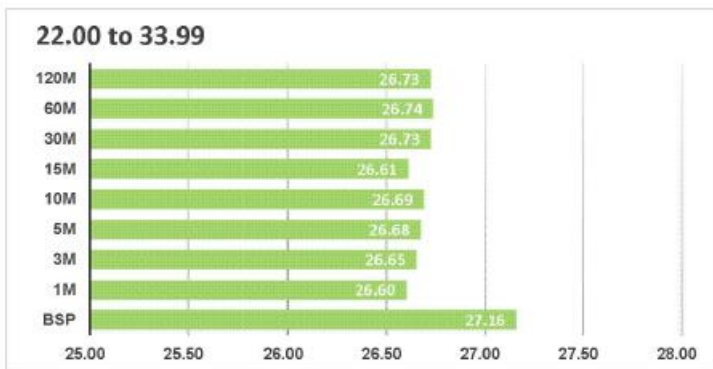
Betfair Average Prices LOSERS: 1.01 to 1.99



Then once again as we go up into the higher bands, we see that same pattern of bigger odds being available at Betfair SP.

For example of the 3289 losing bets witnessed between 22.00 and 33.99, the Betfair SP of 27.16 beat all of the pre-race prices by a significant margin with the next best 26.74.

Betfair Average Prices LOSERS: 22.00 to 33.99



BETFAIR SP VS TTP – WHICH IS BEST?

As part of a further sector of analysis, we also compiled these very illuminating tables which indicates the percentage of occasions when Betfair SP was better than at each TTP (time to post).

For example, in the below table featuring ALL results, a full 120 minutes before the race started, 61% of bets would have had a better price if taking Betfair SP. The closer you get to the race in general the better the pre-race compares.

ALL BETS

How Betfair SP compares to TTP			
TTP	Better	Same	Worse
120m	61.0%	1.6%	37.4%
60m	59.8%	1.8%	38.4%
30m	57.8%	2.0%	40.2%
15m	56.5%	2.2%	41.3%
10m	56.4%	2.4%	41.2%
5m	55.8%	2.5%	41.7%
3m	55.9%	2.8%	41.3%
1m	56.1%	3.3%	40.6%

Yet when we examine this broken down into Winners and Losers only, we can spot how regularly with winners the Betfair SP is significantly worse off (as an average) than for losers. Informing us as to why it's so important to focus on the stats based on those horses that win their races when drawing conclusions from this data.

WINNERS ONLY

How Betfair SP compares to TTP			
TTP	Better	Same	Worse
120m	44.0%	1.9%	54.1%
60m	44.1%	1.9%	54.0%
30m	46.4%	1.6%	42.0%
15m	46.8%	2.0%	51.2%
10m	46.6%	1.8%	51.5%
5m	46.7%	2.4%	50.9%
3m	46.7%	2.7%	50.6%
1m	47.3%	3.4%	49.3%

LOSERS ONLY

How Betfair SP compares to TTP			
TTP	Better	Same	Worse
120m	62.8%	1.6%	35.7%
60m	61.5%	1.8%	36.7%
30m	58.9%	2.0%	39.0%
15m	57.4%	2.3%	40.3%
10m	57.4%	2.4%	40.2%
5m	56.6%	2.6%	40.8%
3m	56.8%	2.8%	40.4%
1m	56.9%	3.3%	39.7%

SUGGESTIONS

All 3 sets of data (ALL, WINNERS & LOSERS) provide us with a lot of food for thought, yet we need to be guided most of all by the set of data relating to those that win their race.

In general, what we find here is that the closer we get to the start of the race, the better the market gets at identifying the race winner (ignoring the rank outsiders, who clearly take everyone by surprise).

1. BACKING UNDER 3.0 – BET EARLY

Betting early is the key when it comes to those under 3.00 as the average odds available in the market between 120 minutes to 10 minutes before a race is better than at Betfair SP. This can be a difference as large as 9.3% if betting odds-on so does represent a significant improvement.

SUGGESTION:

If betting under 3.0 take a pre-race market price between 60 and 120 minutes before the start of the race rather than Betfair SP.

2. BACKING BETWEEN 3.0 AND 9.99

The same logic appears to apply, albeit to a lower margin of difference when backing horses between 3.01 and 9.99. The best edge in these markets came from taking a price between 30 and 120 minutes before a race.

SUGGESTION:

If betting between 3.00 and 9.99 there is a marginal advantage in taking a pre-race market price between 30 and 120 minutes before the start of the race rather than Betfair SP

3. BACKING AT OVER 10.0

As we move into the double figure decimal priced range, we start to see a shift as these unfancied horses are not supported in the market and therefore start with a higher Betfair SP. This logic is backed up by compelling evidence in the data we have sourced.

SUGGESTION:

If betting at 10.0 there is a clear advantage in taking Betfair SP rather than betting into the pre-race market.

This final point is a very relevant one when following any tipster as invariably if backing at odds over 10.0 you will often find the Betfair SP is considerably greater than the pre-race odds. The Betfair SP will also often be greater than any earlier advised prices taken with bookmakers.

Therefore we highly advocate exploring the option of taking Betfair SP if placing a bet at such high odds as you can often get much higher prices than those advised.

This might well be in addition to any other bets you have already taken either in the Betfair market or with a bookmaker. For example, when a tipster puts up a bet and says take 16/1 with X or Y bookmaker, you might do that AND also supplement that bet with a further small stake at Betfair SP.

The caveats to this are if you are backing a horse that is being well supported - perhaps if put up by a prominent or shrewd tipster that is known to move the market.

WRAPPING UP

Whether it be betting with bookmaker or exchange, the age-old point remains the same that the more time you put into your bet placement, the greater the edge you can develop. We have seen that with the use of Oddschecker as the simple act of using their odds matrix can quickly inform you which firm is offering the best price.

Those of you who don't have the time to do anything but take Betfair SP can do just that, but this approach won't always provide the optimal price and there is clear evidence to suggest that taking or requesting a bet in the pre-race Betfair market, rather than Betfair SP is the way to go a proportion of the time. Especially at the shorter price range.

Equally, those of you with the time and inclination might also wish to place any bets you have 10.0 and upwards at Betfair SP.