

Contents

Introduction

The Diagnosis

Why Do We Gamble? By Geoffrey Hutson

There is No School for Punters

Exclusive Interview: The Badger

Trading Systems & Staking Plans

My Favourite Trade

Alternative Trades

How The Badger Trades – 15 Systems

It All Comes Down to Money Management

54 Trading Videos You Should Watch

Introduction

Surely the ultimate challenge is to be a winning punter; after all, statistically you have more chance of successfully climbing Mount Everest.

There certainly is no better feeling than cheering home a winner and with 33% of every 2/1 (3.00) chances winning, the task is a simple one. The difficult essay is to finish the day as a winner, or the “impossible” task of being profitable over 12 months. This eBook sets out to find the real reasons why the mountain is too high for most punters and if it is possible to be remedied, and how can you be a regular winning punter.

How many punters can compare gambling with a form of self-punishment, or even a substitute for masturbation? Do you think you are neurotic driven by an unconscious wish to lose, or set on a path of self-destruction with a desire for punishment which turns into chronic masochism, craved with an uncontrollable passion?

Geoffrey Hutson’s stirring piece gives us some reasons why we love to gamble, and gurus “The Badger” and “The Munster” outline what punters do wrong and what they should do to get it right.



“Trading is all about accumulation and minimizing losses. It is all about having a big year, not a big day,” Author Scott Woodward

It is not rocket science and just because you have read all the manuals, completed all the training and watched the videos you do not automatically inherit a winning ticket to financial freedom, but you will be better prepared and your expectation of success should be and will be greatly enhanced.

A punter will drive an extra mile for cheaper petrol but he will not ensure that he has bet at the best price or staked his money correctly based on his bank and a system.

Curiously Tony (The Badger) Hargraves and Ed (The Munster) Kennett both focused on similar fundamentals that a punter should do. They are both in different parts of the world but have become very successful in the treacherous gambling world through sound business practices, planning and common sense.

The common sense should start with watching the trading videos (see below) of how it is done. Play them over and over and make notes. When someone is about to climb such a steep mountain you have no chance of reaching the zenith without the correct tools, and top of the list should be to use the Betfair App “Evolution”.



It is easier to climb Mount Everest than win gambling

Decide on what system you want to use and choose a staking plan that compliments it, and here comes the boring bit, start small. If you start from nothing and have done everything that is suggested then your mind will be in information overload. You only have so much bandwidth to process everything which often will incur split second decision making. Take it as a given that you will make mistakes so it is best to make them while you are working with pound or \$2 bets. Think of it as money spent on training, which is exactly what it is. Be happy to win 15 pence a day, then try and repeat it

many times until you have minimized your losses and built steadily on your bank. Ideally when you are starting out, a day's trading book should look something like this:

Scratch (Break Even), Loss 30 pence (Stop Loss), Win 15 pence, Win 15 pence , Scratch (Break Even), Win 15 pence, Win 15 pence, Scratch (Break Even). TOTAL Win 30 pence
--

Eventually you will gradually eliminate the losses and build up your stakes.

Everest is waiting, and is within your reach.

The Diagnosis

You cannot learn how to win unless you understand why you lose.

The proverb YOU CAN LEAD A HORSE TO WATER, BUT YOU CAN'T MAKE HIM DRINK traces back to John Heywood's 'A Dialogue' in the English Tongue (1546), but not a lot has changed for the punter in almost 500 years, as backing a horde of winners is not a guarantee that the day will end in profit.



I used to get this hot set of tips once via a mate I will call “Thongs” and another mate big Roscoe also got the same set and after the three specials all won I rang Roscoe to congratulate him on his big day and was gob smacked to find that the big fella had actually found a way to lose as it seems he got another tip and had some exotics.

This is a common theme and is typical of how a punters mind works, and until we can diagnose the problem and find an antidote, tips from “Thongs” and the like only prolong the inevitable agony.

Have you ever wondered why most people lose punting? It is not only punters who fail to win over a given 12 month period but also traders.

Until you can determine why you lose regularly, you have no chance of ever turning the odds in your favour, so let's try.

The availability of information technology has made it much easier for punters and traders to be better informed and as information equals intelligence punters are more confident to bet today. There is no question that there are some outstanding judges in all sports and often their expertise is available to the public. It is easier to back more winners now, but does that mean we have more punters winning over a 12 month period?

With punters better informed and backing more winners these days then why are the big bookmaking firms getting bigger?

The answer has nothing to do with expertise or even the ability to back winners; it has everything to do with poor money management and the greedy mindset of the average punter.

I personally know some of the **best sports and horse racing judges in the world** , and I also know some guys who know nothing about sport but understand the power of MONEY MANAGEMENT. Guess who wins year in and year out?

Without a doubt the most successful guys I know and have studied are money managers who know nothing to very little about their product. Try asking the world's biggest punter Zeljko Ranogajec who will win the Champions League or Steve Fletcher about the last horse race replay he watched and you would get a glum look.



The world's biggest punter, Zeljko Ranogajec, relies on other people to do his analysis.

I devised a spreadsheet that automatically advises exactly how much should be invested based on your starting bank and the difference between my rated price and the best price that is available.

It is all very well getting “over the odds”, but unless you stake your investment based on the right percentage of your betting bank you will not benefit long term.

Round	BETTING BANK		Scott's	Bet	Market	Your	
1	8,000		Rated	%	\$1.92	Investment	Collect
GAME	TEAMS		Line				
Fri	BRONCOS		-7.50		-8.5	-	-
	COWBOYS		7.50		8.5	-	-
Fri	BULLDOGS		5.5	5.00%	6	400	768
	TIGERS		-5.5		-6	-	-
Sat	PANTHERS		-5.5		-6.5	-	-
	KNIGHTS		5.5	5.00%	6.5	400	768
Sat	RAIDERS		-7.00		-8	-	-
	SHARKS		7.00		8	-	-
Sat	ROOSTERS		No Line		No Line	-	-
	RABBITHS		No Line		No Line	-	-
Sun	STORM		-6	5.00%	-5.5	400	768
	SEA EAGLES		6		5.5	-	-
Sun	TITANS		No Line	2.50%	2	200	384
	DRAGONS		No Line		-2	-	-
Mon	WARRIORS		-4	2.50%	-5.5	200	384
	EELS		4		5.5	-	-

A punter that would receive my NRL ratings (see above) and would only have to replace the 8,000 with his personal betting bank, everything else is automatic including how much should be invested. The green games represent the betting games or the games that I have assessed value or over the odds.

The biggest trap that most punters fall into is putting too much on short priced favourites and then when they get beaten, they chase and generally put a ridiculous amount on the next favourite anywhere to try and stop the bleeding.

The only problem is that the bleeding can get worse and often does as the desperate punter thinks that if he can back the next winner anywhere he can get out of trouble. The idea that there is another meeting on the next day when they can collect their thoughts is not an option.

It should be pointed out that there is nothing wrong with backing short priced favourites providing they are not “under the odds” and you staked your bet in proportion to your betting bank.

The other fundamental mistake is to NEVER bet unless you can afford to lose. I know a guy who would think nothing about having \$100k on a horse or \$200k on a footy team on credit and it would never cross his mind that his bet may lose and he cannot pay his bookie.

Money Management for horse racing is fundamentally different to trading and requires a specialized staking plan.

Most people turn to trading because they can't win at punting, but still fall into the same trap, lacking patience and staking their investments.

Even if you are trading and a complete dunce, you still have a 50% chance of the price going your way. It is like tossing a coin in the air and calling heads. If you have the right trading tools and can read the trends with a high degree of certainty then it should not be difficult to make a small profit. A consistent small profit is all we need, but the key focus is to not lose.

I am not one for tossing coins and with trading I have been hell bent on eliminating the “luck factor” to win.

Punting and trading are like playing football, we have three different possible results. We can win, lose or draw; draws in trading is called a scratch bet or break even, and is considered a good result because we had an opportunity to win and did not lose.

If you have a near **foolproof trading strategy** that will either make you a small profit or break even then that would be ideal, and what all traders should aim for. Our trading tool has a **Stop Loss**

function so we can never get into trouble and if we have accessed the trend incorrectly, then we should only ever lose a tick or two.

Getting your mind around not being greedy is a difficult emotion for most punters to grasp. Take this example:

If you walked onto a track with 100 pounds in your pocket, most punters would be looking to at least double it or even treble it.

Very few know in advance exactly what bets they will have and how they plan to stake their money.

Therein is the problem.

It is an unrealistic expectation to treble your money. It is certainly possible for the punter to walk away with 300 pounds in his pocket, but he will not do that every day and after 12 months he will lose a fortune. Mathematics dictates that you cannot double your punting bank on a regular basis betting into 120% plus markets.

Now a trader with money management skills and a good staking plan would only be looking to win a measly 3 pounds, finishing the day with 103 pounds.

Compare the mindset of the greedy punter with no staking plan to the trader with money management skills. The punter wants to finish with 300 pounds and the trader with only 103 pounds – a massive difference.

Guess who has the most successful year? It is the hare and the tortoise all over.

Why do we Gamble?

This insightful article **by Geoffrey Hutson** was first published as Great Questions of Our Time No. 22: Why do we gamble? The Age, 19 January 1994. It was reprinted in Great Questions of Our Time, edited by M. Connolly and P. Schumpeter, David Syme & Co. Ltd, Melbourne, 1994.

Geoffrey Hutson was born and bred in Melbourne. He left university in 1998 to pursue a career as a full-time punter. He now bets on the stock market for serious money, and on racehorses for serious fun. He answers the question: **Why do we gamble?**



“I gamble to live. I live to gamble”, **Geoffrey Hutson**

Various scientific disciplines have had a go at explaining this phenomenon, including psychiatry, economics, sociology and psychology. Sigmund Freud was one of the first to stick his oar in. He reckoned that gambling was a form of self-punishment, arising from Oedipal conflict. He even went so far as to suggest that compulsive gambling was a substitute for masturbation. Edmund Bergler, another psychoanalyst, treated 60 compulsive gamblers and concluded that they were neurotics driven by an unconscious wish to lose.

Repeated gambling was seen as a self-destructive desire for punishment which turned into chronic masochism, craved with an uncontrollable passion. However, the prevailing psychiatric model is less depressing and describes compulsive gambling as an addictive behavior which is categorised along with other addictive behavior patterns such as excessive alcohol intake, over-eating, smoking and

drug dependence. The overall implication is that compulsive gamblers are different from other gamblers and are mentally ill.

But when scientists have actually compared regular heavy gamblers with compulsive gamblers they find few differences. Mark Dickerson at the ANU found that the demographics, personality, forms of gambling outlet, amount of time and money spent gambling and self-control were all much the same.

Dickerson's view, which is gaining increasing scientific acceptance, is that compulsive gamblers are a subset of the population of normal regular gamblers. They are different only in that they have sought help from a helping agency and in the process attracted the label "compulsive". A gambler in this situation accepts this label because the financial disaster can then be blamed on factors beyond the gambler's control and some self-respect can still be retained. This in no way is meant to undermine the seriousness or reality of the personal problems such gamblers may face. However, as science comes to recognise that compulsive gambling is not a mental illness, but an extension of normal behavior, then so the treatment does not have to have the primary goal of abstinence. I was immensely heartened to read recently that Professor Alex Blaszczynski of Liverpool Hospital has found that controlled gambling as well as abstinence were successful outcomes of treatment programmes for pathological gamblers and that controlled gambling was not a temporary response which was followed by a return to continued uncontrollable gambling.

That dismal science, economics, has also had a go at explaining gambling behavior. Economists argue that people gamble for monetary gain. However, here is a paradox, because as we all know, the only sure winner in the gambling stakes is the Government, and 99.9 per cent of all other gamblers lose. Why do we keep gambling if we lose? Two possible economic explanations are that punters are not aware of the true odds, or that the potential "utility of wealth" outweighs the poor odds on offer.

The lack of awareness argument is easily dismissed as several large scientific studies of thousands of race results have confirmed, that at least for horse racing, the market is a fairly accurate indicator of a horse's true chance of winning. There is only a slight tendency for punters to bet too much on long shots and not enough on favourites.

The utility of wealth idea was suggested in 1948 by Milton Friedman and L.J. Savage who argued that individuals will gamble if they place high value on the chance of achieving a major increase in wealth that will allow them to improve their socio-economic position. Subsequent tests of this idea suggest it may have some credence for lottery and Tattsлото enthusiasts, pursuing a potentially life-changing outcome, but no significance for all other forms of gambling. Also, explaining gambling by saying it has "utility" doesn't really explain much anyway.

That softest of sciences sociology, has also had a go. Although hampered initially by views of gambling as deviant behavior, recent sociological studies have made rapid progress. John Rosecrance (Gambling Without Guilt, 1988) has studied casino and racetrack gamblers in their natural setting - at the casino and racetrack. Rosecrance reported that gamblers in these settings were normal people carrying out conventional behavior in a social setting. Gambling was associated with social rewards, including group membership, social interaction and the formation of satisfying and lasting social relationships.

Psychologists have studied gambling behavior, risk taking and decision making in the laboratory. These studies have usually used college students, betting with play money in fake casinos. The outcome of these types of studies has been concepts such as “risky shift”, which suggest that individuals risk more in the company of others. However, these studies have been criticized on the grounds that the subjects, American college students, are notoriously more conservative than real gamblers and don’t risk their own money.

Recently, psychologists have ventured out into the field and studied gamblers in their natural setting – the racetrack, casino and pokie halls. Igor Kusyszyn, in his classic paper “How gambling saved me from a misspent sabbatical”, has probably got the closest of any academic. He spent his study leave gambling- horses, cards and blackjack - and in between times interviewed real gamblers.

His conclusion, gambling behavior is an expression of the need to search for meaning in life - “a need that may be so powerful, pressing so hard for fulfillment, that the individual is willing to suffer financial loss, social isolation, and even personal tragedy in responding to it.” Gambling confirms our existence and our self worth. Gambling confirms that we are alive.

This view of gambling is best illustrated by the apocryphal story of the sociologist approaching the winning punter who has just had a huge collect. The sociologist asked the punter how he picked the winner. Replied the punter: “Who do you think I am a no body?”

“Gambling confirms our existence and our self-worth. Gambling confirms that we are alive.”

Why do I gamble? Well, I’ve read all the literature, and I know all about Oedipal conflicts, masochism, addiction, sensation seeking, arousal, excitement, escape, partial reinforcement effects, subjective and objective probabilities, utility, risk taking and decision making. I probably gamble for all of these reasons.

I also know that only 0.01% of gamblers finish ahead in their lifetimes. I gamble for this reason too. I want to be part of that 0.01%. I want to be a player in the hardest of games, the ultimate intellectual challenge. I want to be a winner. I want to be somebody!

As a rational scientist I also know that my gambling behavior is unproductive, uneconomical and irrational.

But when my horse bursts from the pack at the Flemington clock tower, and hits the front, full of running, what do I care? Go, go you beauty, go!

Therefore, I gamble to live. I live to gamble.

Geoffrey Hutson is also the author of [Watching Racehorses A Guide To Betting Behaviour](#)

There is No School for Punters

Could you imagine backing a football team that had never been coached or sending troops to war without training?

The only coaching that the majority of punters ever receive is getting tips from the newspapers, Radio, TV and the Internet and only about 1% of these tipsters keep a public record of the history of their

tips, so the punters have no idea if they have a profitable record. If public records were published it is doubtful if they would be offering tips and if they did they would lose many of their followers.

These tipsters who offer their advice to punters free of charge are often high profile media types but offer no tangible evidence that will support the proposition that they can win you any money. They will offer a set of tips and then their best bets and that's it. The real advice that you need is what price you should take for it to be rated as value. The other problem with listening to high profile media tips is that curiously they have a big following which can mean the tip will be much shorter than it should be and you will be forced to take "under the odds" which is a fast lane to the poor house. Because of this fact, you have a much better chance of winning if you actually LAY the tip to get beaten.

There is no school for punters, which is fundamentally why they lose.

If someone told you that they could double your bank in just 24 days what would you say?

The fact is, with Trading we only have to win 3% of our bank every day for 24 days to double it. Now winning the 3% is the easy part, not losing or minimizing losses is the key focus.

You only have to slip up on one tiny mistake and it could cost you your month's winnings, and often it is something silly and everyone is a candidate at some time as it is human nature. I have sat alongside high profile punter Steve Fletcher when he has clicked the LAY button instead of the BACK TO WIN button, everyone does it. One of my favorite trading strategies is to LAY a horse for 125 Units and try and BACK it to win for only 100 Units at a higher price. If you are in a hurry and not focused, it is easy to reverse this staking method and find you have a high risk book.

The chart below shows how you use compound interest and staking to double your money every 24 days.

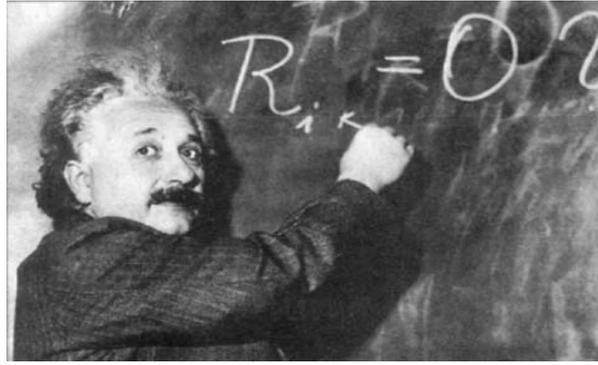
Daily Aim:3%
Starting Bank 100

	Win	Stake	Total
1	3	100	103
2	3.09	103	106
3	3.18	106.09	109
4	3.28	109.27	113
5	3.38	112.55	116
6	3.48	115.93	119
7	3.58	119.41	123
8	3.69	122.99	127
9	3.8	126.68	130
10	3.91	130.48	134
11	4.03	134.39	138
12	4.15	138.42	143
13	4.28	142.58	147
14	4.41	146.85	151
15	4.54	151.26	156
16	4.67	155.8	160
17	4.81	160.47	165
18	4.96	165.28	170
19	5.11	170.24	175
20	5.26	175.35	181
21	5.42	180.61	186
22	5.58	186.03	192
23	5.75	191.61	197
24	5.92	197.36	203

So with just a starting bank of 100 Units and only aiming to win 3% of your bank every day, the Trader would have accumulated 203 Units in 24 days (see above). How do you think the punter would have gone with no plan?

It is worth taking the time to study the above chart to understand how you can double your money in 24 days through the power of compounding your money.

Compound interest is a great ally in catapulting you toward achieving your financial goals.

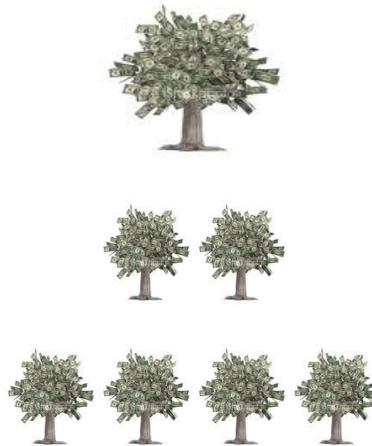


Here is a free tip from the smartest man the world has ever seen. Albert Einstein (above) once called compound interest “the world’s most impressive invention” and dubbed it the “eighth wonder of the world.”

Compound interest for the smart punter means all the money you have invested earns interest when you make a profit and then the combined amount of the original investments plus your interest earns more interest.

Compounding means interest added to interest. Compound interest does not produce linear growth like the pattern 1, 2, 3, 4, 5, 6, and so on; it produces geometric growth through compounding like the pattern 1, 2, 4, 8, 16, 32, and so on.

The Money Tree





Compound interest is a Traders best friend

Usually, the more frequently your money compounds when earning interest, the better. In racing terms it is better to turn over your money every race as opposed to once daily or compounding your money once a week. More is good for compounding, but the trick is to not lose, or if you do to ensure it is minimal.

The same strategy can be applied to real life.

If a 20yr old starts investing just \$100 per month (\$23 p/w) at a return of 15% pa, by the time they retire at age 60 they will have accumulated a sum of \$2,455,144.63.

Exclusive Interview: The Badger

“The mental discipline is the hardest part to learn”

Tony (The Badger) Hargraves is arguably the best Betfair Trader in the world; certainly he is unrivalled with his insightful knowledge on the various concepts of trading and how to profit from it.

The backward gambling laws in Australia did not allow The Badger to trade “in the run” so he packed up his family and moved to Scotland where he has taken over **Racing Traders** and developed the state of the art trading software BetTrader Evolution. He has recently been appointed Director of the London Sports Trading Academy for Centaur where he has established a \$50m Trader Club.

SCOTT Tony tell us how you became a Trader and why?



Due to my Australian upbringing I had a natural love of all sports. From betting on the horses and football in my late teens, with the introduction of Exchanges in 2000 it allowed me to take out my frustration at only being allowed to bet on something to win. I could now identify a loser and make money and from that the penny dropped that I could back and lay the same selection and make profits no matter what the outcome of the event was, with zero money at risk. Nirvana!

SCOTT Can anyone be a successful Trader?



Yes. If they set their mind to it and that sentence is the key. You need the ability to take off the punting hat and replace it with the discipline required to take a small loss even if your team may go on to win. And when they are in front to be able to take a smaller but certain profit and eliminate risk. Trading is not about winning money. It is about reducing, minimizing and eliminating losses.

SCOTT What is the number one mistake most newbie Traders make?



They try to make \$1000 with \$100 rather than trying making \$100 with \$1000. They aim too high too soon. They should feel their way into how the markets move and react before they try to dominate or manipulate them.

SCOTT How important is training and having the right trading tools?



Training is vital if you wish to take less than 4 years to learn the ropes. It is like a Uni student saying “I won’t pay to go to Uni, I will just do it myself”. Now that person may achieve what they want to achieve but they will take twice as long to do it as the guy who goes and gets taught the lessons and shown the mistakes up front. A course worth \$500 for a day will save you \$5000 in mistakes and time wasted. The trading tools and

software make trading like driving a BMW when without them, just on the Betfair site; you may as well be on a skateboard.

SCOTT Apart from UK Horse Racing what are the best sports to Trade on?



Cricket and tennis for volatility, and football for more certain steady and consistent profits.

SCOTT Do you have a preference to Trading early or in the run?



You need to be able to do both, but the bigger and easier profits are in running. There were two recent one day games between England and Bangladesh. I laid England both days at 1.12 and exited at 1.30 on both. England won the first game and the Bangers won the second. I won, both games, no matter the result just by trading the inevitable movement once a game starts. The price could hardly go down, it only had 11 ticks to move before it hit bottom, so I traded it to move up. This happens every day in sports trading and this was far easier than trying to trade the match pre match. Horse racing however is far easier to trade pre race but that is a whole other technique (that can be taught in one day).

SCOTT Would you suggest “Scalping” as the best strategy for a beginner?



No, scalping is for experienced traders. You need a clear head, good skills with a computer mouse, good software like BetTrader Evolution which was built for just this purpose, and a thorough knowledge of how the racing markets work. This can easily be taught and shown in a day but is a sure fire loss for anyone attempting it “off the shelf” on their own. Do it at your peril.

SCOTT You have clearly put an enormous amount of work into the development of “Evolution” what was your inspiration?



I wanted to make it easier to exploit the clear advantage of being the first in the market. You used to see guys running at bookmakers to get the price before it was “taken”. This is the same principle. Get in first and make the market work for you rather than chasing it all over the shop. With Evolution you get browser based, clear and concise one click betting that would take up to 8 mouse clicks to place the same bet on Betfair. There is so much to explain so just go here and [watch the video](#).

SCOTT What stands “Evo” apart from other trading software?



Ease of use and simple design. RacingTraders were the first and are still by far the best. There are several other “apps” that have copied our ladder design. But you need a pilots licence to fly them as they have tried to be too clever and put in far too much gear that nobody ever uses or needs. Evo is simple, slick and is browser based so it can be used on any computer. It has amazing drag and drop features and it really is cutting edge. There is nothing that comes close to it for speed. It is far more advanced than any of the others and has some super cool auto trading tools that none of the others have. Yes Evo will literally trade for you and place counter trades faster than you can think of doing them. The best thing you can just download it, watch a short video of how it works and get into it.

SCOTT Having a Staking Plan is vital for all punters and traders, why do you think most people don't have one?



They think they are smarter than the system. It is well documented that a trader that risks 2% of his bank on a trade is likely to survive 20 years in the business with a decent strategy. The same guy, with the same win / loss ratio doing the same trades that risk 5% of his bank, is 99.9% certain to be broke inside 10 years. But the biggest failure is chasing losses. I have seen hundreds of guys all complaining of the same failing. They win,win,win,win,win, all small amounts and then blow the bank. Why? They fail to get out of a losing position because they usually win and they wait for it to turn around. They simply cannot accept a loss. They cannot believe they were wrong.

Be careful at all times in the market, people are in there trying to take your money. I am one of them. It is my job. You must realize quickly the markets are not a playground like the TAB where you go for a fun bet. This is deadly serious and it takes commitment, ability and confidence.

Good luck with it.



The Badger says: Always try to hedge or “green up” a profit. A favourite in a horse race will only win 30% of the time, so 70% of the time you could collect nothing. Collecting something small with 100% certainty, beats collecting a larger amount 30% of the time. And if your trade is not on a favourite, it will win less frequently. You will never go broke taking a profit.

Trading Systems & Staking Plans

What's the Best Staking Plan to Use When Trading on Betfair?

Capital preservation is just as important as the trading tools we use to generate our profits. Therefore to protect our capital we need to use an effective staking plan.

When we place a trade we should ideally never risk more than 2.5-5% of our betting bank. So if we use a staking plan of 3% per trade and have 1,000 Units in our trading account, for example, then you would be prepared to lose no more than 30 Units, some traders like The Badger design their spreadsheet to allow them to win 3% of their bank, which increases through compound interest with each win.

To aim to win 3% of your trading bank is a comfortable figure for people new to trading. However you should of course ensure you have **good trading tools** in place before you start trading with real money as the ability to operate with speed and only have to click once to bet and once to cancel is crucial.

So for instance if you were risking 3% per trade then your trading system should ideally look to take profits in the region of 6% or more, but be aim for 3%. In other words if you are risking 3% of your capital using a stop loss of 30 Units, then your target price could be 60 Units or more, but be content with 30 Units. I am actually content to break even as I know I have tried to make a profit but was unable to in my window of opportunity so I did an honorable scratch bet.

3% is just about the ideal staking plan on Betfair for horse racing. Your losses are contained by using the **STOP LOSS function** but by developing a winning system your account will grow very nicely in the long run because your stakes will go up in accordance with your trading account.



The Badger says: Betfair is the best place to start. The others do not have enough liquidity at this stage to make your trading pay as a full time proposition.

My Favourite Trade

Starting Bank = 1,000

Daily Aim to Win 3% of my Bank = 30

Horse	Price	Lay	Exposure	Bet Back	Price	Final Position
A	11.00	130	1,300	100	14.00	0
B						30
C						30
D						30
E						30
F						30
G						30
H						30
I						30
J						30
K						30
L						30
N						30
M						30
O						30
P						30

If you can follow these steps you should win 3% of your starting bank every day and after 24 days your bank will have doubled. i.e. Starting Bank is 1,000 Units and after 24 days it is 2,000 Units.

You can see that if horse A wins I break even, but if any other horse wins I win 30 Units. Obviously, I would look to sacrifice a portion of my 30 Unit win and back Horse A again for something small at bigger odds. E.g. 1 Unit at 31.00.

Depending on the circumstances you may not have been able to back Horse A back at a higher enough price to make it a winner, although every other runner is showing a 30 Unit profit. You need to make

an executive decision and it should be based on how big your exposure is on Horse A. If it is more than what you are prepared to lose then back it to win enough so that it is an acceptable loss. Remember that you have already layed it at under SP odds and partially backed it back at “over the odds” so you have mathematics working in your favour even if you have not put enough back on. You may lose this time, but long term you will win by trading at these prices.

I have often bet back at much higher odds and Horse A may be a 160 Unit winner when every other runner is a 30 Unit winner. Your two choices are to click the Hedge button on Horse A or just watch and hope Horse A looks a winning chance. I have done this many times as Horse A firms into 1.01 which means the market says that 99 times out of 100 it will win, but in the volatile “in the run” trading market place, these odds, although real, are often influenced by people wanting to balance their books and 1.01 can become 2.00 within seconds. If we stand to have a big win on any horse that is near 1.01 odds we should always lay it back, especially in hurdle racing. To lay 101 Units at odds of 1.01 we are only risking 1 Unit to lose but could win 100 Units – a no brainer.

Watch me in a live “bread and butter” demonstration:

[“Almost Foolproof” Trading Video](#)



The Badger says: NEVER use your trading account to bet or trade on anything with which you have an emotional attachment! Have a separate “betting” account for these fun bets as you will be devastated when your team loses and you lose money and your bank suffers as a result.

The Alternative Trades

Starting Bank = 1,000

Daily Aim to Win 3% of my Bank = 30

Horse	Price	Lay	Exposure	Bet Back	Price	Final Position
A	11.00	130	1,300	130	14.00	390
B						0
C						0
D						0
E						0
F						0
G						0
H						0
I						0
J						0
K						0
L						0
N						0
M						0

O
P

O

O

As soon as you have achieved a profit with Horse A, you have the option to click the [Hedge button](#) instantly to make every Horse as near as possible an equal winner.

Remember if you are not able to back Horse A, Back to WIN within seconds, then apply a scratch trade. Don't wait. Forgive me for repeating this but it is that important – DON'T WAIT!

This is how it should happen:

* I have assumed you have been to [Pattern Form](#) and selected a back marker (we will call him Horse A) in a distance race, ideally a hurdle or steeple chase and Horse A's price on Betfair is around 6.00 to say 15.00. I find this price bracket the best as it is not too short commanding high attention from punters which can result in a difficult bet back and not too long for us to have to risk a major portion of our bank. Avoid small fields and ideally high profile stables and jockeys.

* Our aim for the day is to win 3% of our starting bank.

* Our starting bank is 1,000 Units so we **set out to win 30 Units.**

* Horse A is 11.00 so we calculate to win 30 we must Lay him to lose 130.

* We wait until they jump and we Lay Horse A @ 11.00 for 130 to lose 1,300

* To ensure we do not expose our 1,000 Bank, we put in a STOP LOSS two clicks down from 11.00 (10.00). This is optional and is entirely a personal choice but as I am confident my horse will always drift out after the start I do not use the Stop Loss. If you are unsure, it is prudent to implement a Stop Loss.

* As soon as we are matched we back Horse A Back at 14.00 for 100 to win 1,300. We should be able to do this as our horse will be a back marker and not likely to shorten. If we cannot, then get out.

* If we do nothing from here, we will break even if Horse A wins, but win 30 or 3% if Horse A loses.

Here is the bonus! If Horse A happens to look like winning and becomes a big steamer firming into long odds on, we have options. We can Lay it at the short quote or alternatively Horse A can drift to huge odds and we can have a small investment on it or click the hedge button. We have options either way.

If Horse A does not drift to 13.0 within seconds of the start, we obviously try and Lay it at a shorter price, but if that does not work we do not hesitate and get out for a scratch (break even) bet by having 100% of our initial stake back at 11.00.

As Horse A should be at the tail of the field so ideally we should have no trouble implementing a scratch trade as it will only be the leading division who will command most attention with punters, or maybe a horse ridden by a leading jockey.

If by some miracle all the favored runners fell at the start and Horse A became the new hot favourite we will only lose 1% to 3% of our bank if you have implemented a [STOP LOSS \(see video\)](#).

It is highly unlikely that Horse A will firm early in the trade as it is contesting a long distance race that will last longer than three to five minutes and will be an unattractive back maker.

Our expectation is that no one will want to back it so we should have little difficulty to place an order or several clicks higher than our Lay price and be the first in the queue. If this is not the case, then we get out and get out fast. It is critical that you do not get greedy and stay in a little longer in the hope you will be matched. There is always another race.

Sounds easy and in fact it is, but it is like anything that is rewarding, it requires practice.

My strong suggestion is that you should **start out with very small investments** (a pound or \$2) for at least a month. Try and win a few pence every day until you are confident that you can win 3% of your starting bank every day.

Try this exercise over 24 days with very small stakes and when your starting bank has doubled you are ready for the real world.

Multi Simultaneous Trading

An extension from the two about trading systems above is trading on more than one horse at the same time. This is very exciting and obviously offers you the opportunity to treble profits, but do not even

attempt it unless you have achieved to feat of doubling your original bank in 24 days by adding 3% each day.

If you have reached the stage where you are winning your desired amount each day and you feel in control then by all means add more horses but do not even think about it if you are only using the standard Betfair as the multiple clicks required to get on and then off plus the very slow speed will ultimately get you into trouble. Our motto is safety first and we must be able to get on and off with only a single click and ensure the maximum processing speed enhances our chances of success.

[BetTrader Evolution](#) will allow you to work expertly with multiple bets. The temptation to trade on more than one horse simultaneously is a fabulous opportunity to boost the bank, but only you will know if you are ready to try it. If you have doubts then do not attempt it as we must eliminate the words greed and gamble from our repertoire.

WARNING: The Badger moved to the U.K. to trade because of the friendly rules and the high liquidity compared to Australia. Be careful trading on horse races in Ireland as it is much slower than in England and it can be difficult to complete a trade in running. A Stop Loss is advised.



The Badger says: Always take the opportunity to trade out of a winning position. Trade out of losing positions as early as possible while still giving your selection every chance to win. A small losing trade is nothing to fear, everyone has them, and they are unavoidable. Work out what you want to win and how much you are prepared to lose before placing your trade and stick to it. Discipline is the most important factor of the whole trade. By trading out when in a winning position, you have eliminated losing and remember THAT is the name of the game.

How The Badger Trades – 15 Systems

The Badger examines some trading systems he uses with success including Football, Cricket, Racing (both horse and hound), Tennis, Motor Racing, Rugby League and Rugby Union.

Football

Many systems are in use for football matches; however I only ever use three. The first one is very simple but highly effective.



Videos:

[KilmarnockCSM.wmv](#)

[Football.wmv](#)

[au.wmv](#)

[LTD.mp4](#)

[Rangers.wmv](#)

System 1.

In English Premier League and Championship matches, I use a system called “Lay the Draw”. You basically lay the draw in matches where the sides are reasonably evenly matched (meaning no odds on teams) and the draw is priced NO higher than 5.00. You lay the draw before the start of the match, and then when a goal is scored by either side, you BACK the draw and have made a tidy profit. You can then let that run as a free bet or hedge the profit to equalise the profit across all three results. As there are goals in 92% of matches in the top two tiers of English football, this system has a brilliant strike rate and works year after year.

System 2 and 3

In the correct score markets of any televised match (Sky, ESPN, BBC, ITV only) I use one of two systems. In a match I believe will be LOW scoring, I LAY the ANY Unquoted price. This market requires one side to score 4 goals in the match to lose and very rarely loses without giving ample opportunity to get out with a small loss or break even at least. How it works is before kick off, you LAY the Any Unquoted (AU) price (usually it will be between 8.00 and 14.00) and as the match progresses, the price moves out as it waits for the first goal. If there is no goal in the first 15 minutes, the price will

have doubled and you can get out with a very tidy profit. There are several videos available to see this system in action making me £300 in under 90 minutes.

Correct score system

Watch the video

The other system is the opposite when I expect a high scoring game. I lay 0-0 and 0-1 and 1-0 as if one goal is scored you have two winning bets and one still in play. If there is a second goal, and it won't matter which team score it, you have made three successful bets. As you had expected a high scoring game, you would expect that one of two things would happen. Either one side scores two goals meaning you win all the bets or both teams score one goal means you also win all three bets.

So they are the three highly successful systems I use to make very decent profits on football.

Cricket

I use three systems for trading cricket. One is for Test matches and one is for One Day Matches and Twenty 20 games. They both involve using small to medium stakes and looking for medium to large swings in prices that I can take advantage of.



Videos:

[Cricket.swf](#)

[Ireland1.swf](#)

[SBLT.wmv](#)

[SmallBanks.wmv](#)

[SmallPrices.wmv](#)

[Twenty20.wmv](#)

System 4

In Test matches, I LAY the team batting first as there is no downside over 90% of the time. A team batting first in a Test match is a great lay for two of three reasons. So we have a 66% chance of success already. Usually only three things can happen to a team batting first in a test. Firstly, they can go very well and be 300 for 0 at the end of the day. Secondly they can be all out for 200 before tea has been taken, or thirdly they can be somewhere in between say 260 for 5 at the end of the day. So looking at the prices of all three results you get the following analysis.

Looking at the first ashes test in 2009 the prices are as follows. England 3.60. Australia 2.28. The Draw is 3.30. Say England bat first and score 300 for 0 (yes I know but it is an example) what will happen to their price. Most would think they would come in to odds on. WRONG. What would happen is the draw would come in to about 1.50, England would be 3.30 and Australia would be 80.00 as it would seem the pitch is a road and the only result will be a draw as taking 20 wickets may prove impossible. So you see from 3.6 to 3.3 is very little movement and very little risk.

The second scenario of England being all out for 200 (much more likely) would see England's price shoot out to about 12.00, a great result for anyone laying first and you can exit the trade, job done, money made.

The third scenario is the risky one, 260 for 5. It says runs are possible but there is something in the wicket. Scores like this on day one usually see the match end with a result other than a draw and more often than not the team batting last loses, which in this case would be Australia. So laying England would not be the best move. But that is why we employ stop losses to get out fast if it goes wrong. If this scenario happened, England would come in to about 1.80 with the draw at about 8.00 and Australia around 3.50. Not good if you had laid them at 3.6.

So the advantage still lies with going against the side batting first as two out of three scenarios offer a profit and one a small loss. Provided no more than two wickets fall before lunch (two hours play) then you are looking at a profit. I suggest you paper trade it first and see how it goes. It will be a cracking formula for the Ashes this summer.

System 5

In one day and Twenty20 matches the swings are phenomenal and plenty can be won or lost on the swing of a bat. If the ball goes for 6 you could be well in, if he misses and gets bowled, the price will blow like a gale, taking you with it. It is by far the most volatile and exciting sport to trade and you need your wits about you to do it well.

In these matches I wait until the match has started and see what the wicket does in the first over. A quick bouncy flat wicket will see high scores and plenty of action. A low bouncing, dead wicket where the ball only just carries to the keeper is a real danger to us. If the wicket is the fast bouncy type, BACK the team batting first as the wicket usually gets flatter as the day goes on. If you were to back a team at say 2.20 at the start of the game for £100 then as they bat, start laying as they come down in price. Lay £20 at 2.00, another £20 at 1.90, another at 1.80, another at 1.70 and again at 1.60. You have now made a decent profit and can just equalise it (green up) or keep trading. If you want to keep trading, BACK them after the loss of a wicket as the price blows out and the market “over corrects”. If a team was trading at 1.70 and they lose a wicket, they will blow to 1.9. BACK THEM. They will soon be back to 1.70 as the market settles and normal trading resumes. You can then lay them again at 1.70 and increase the profit. And you can do this throughout the innings as wickets fall as long as the score is building nicely and they are not just collapsing. Here is an example of a Twenty20 market during a match. See the way the prices fluctuate, perfect for trading.

India v South Africa - Match Odds

Betting on: India

Total matched on this event: **£10,690,799**

Betting summary - Volume: **£6,275,041**

Last price matched: **3.40**

Price/Volume over time



Inverse Axis

The information on this page may be slightly delayed.

Each significant price drop is a wicket being taken or a very low scoring over has just been bowled. The massive spike at the end was when England took a wicket and the price went from 2.10 to 2.50 and next ball the new batsman hit a 6 and it came back into 2.00. All in two balls, that is how volatile it can be.

System 6

In this system I lay very short priced favourites for large sums (for small risk) and look for 1 tick movements. If you lay £5000 @ 1.05 that is a risk of £250 and if you then back the selection @ 1.06 for £5000 then you have made £50. You can then leave it run and collect the £50 with zero risk to your bank or you can hedge it (lay £50 @ 1.06 and make just over £47 no matter which team goes on to win. For slightly larger risk this system can be stretched to a maximum of three ticks. So if you lay 1.05 you can wait for 1.08 and make £150 but it is considerably more risky to try for more than 1 tick. Here is a screen shot of one such trade. I did two trades. Lay 1.06 for £5000 (risk £300) and then backed at 1.07 and then lay 1.05 for £5000 (risk £250) and then backed at 1.06 for £5000. That was £100 profit and then when hedged at 1.06 it equated to £94.34 no matter which side won the game. You see above in brackets the risk, but in reality with the match having just started, the risk was about zero as the price was never go to move down much in the first 15 minutes.

Horse Racing



There are literally thousands of systems for horse racing, you can get them ranging from choosing odd numbered saddlecloths to the most elaborate selection criteria from the day of the week they were born to the ambient temperature and the curvature of the earth at the time of the race they are in. Some work, most don't. The reason you don't find too many that do are because once a few hundred get onto it, the elements change (particularly if the criteria is price) and the system dies a slow death. And as horses don't race for more than a few years, things evolve as trainers try new ways to get their horse fitter than the next blokes horse. So what works this year, may not work next year. A legendary Australian trainer, Bart Cummings has won 12 Melbourne Cups. He swears the winner MUST run on the Saturday before the Cup, usually in the Mackinnon stakes. He should know, but recently that has all changed and trainers don't wish to put their horse through a grueling mile and a half three days

before taking on two miles on hard ground in hot conditions. But the master trainer has won it twelve times, so who can argue.

There are two very successful systems I use for horses. One is in the win market, one in the place market.

System 7

The first one involves LAYING any favourite that has not been placed higher than 4th in its last three starts. Check the [Racingpost website](#) for the race cards.

System 8

This system involves laying horses in the PLACE market. There are a few very basic rules. This system is a real bank booster and works very well. You must have a minimum of 10 runners. The price must be between 3.8 and 4.3 including those two prices. So that is a 6 tick window. There may be more than one horse in that price bracket. If so, check the price history graph and look for a horse that is drifting (moving UP in price) and avoid any that are steaming in (moving DOWN in price).

Greyhound Racing



System 9

I have had amazing success with a system of laying the favourite in races graded A3 to A10. I don't lay in A1 or A2 as the favourite usually wins or H races (Handicap) or distance races (S graded races). I wait until the last 20 seconds before the start of the race as that is when most of the money comes into the market and the favourite can change in the last 30 seconds.

Tennis

Once again I use two systems. Both work very well and both require you to be able to watch the match and trade live.

Picture credit: Martin Elliott



Videos:

[Tennis Scalping](#)

[USopentennis.wmv](#)

[USopentennis4.swf](#)

System 10

Back the Favourite

If you have an idea about who will win the match or at least perform well during the first set you can back them at the start. Using this method you can take full advantage of the drop in their price once they break their opponent's serve. I would generally expect a player's price to drop by half if they

break serve. By that I mean if they started the match at say, 1.32, I would expect their price after the break to be approximately 1.16 .

You then have the option of greening up after the break or wait until they win the first set for a bigger profit.

System 11

Wait for the break of serve.

If you're not sure who will win the match you can wait until one of the players breaks their opponents serve and then back them. You can then have the option of waiting for them to hold their own serve and greening up or you can wait until they win the first set for a slightly bigger profit.

Motor Racing

I only trade Formula One Grand Prix's. I trade in two markets. One is the Winners market and one is Overall Qualifying market.

System 12 and 13



Look at all of the races for the year you are in. Take the top two teams as far as pole positions are concerned. Then look at those four drivers. LAY the two LOWER Championship placed drivers from each team. So in 2009 so far the leading teams are Brawn and Red Bull. The Drivers are Button, Barrichello for Brawn and Vettel and Webber for Red Bull. I would then LAY Barrichello and Webber in both of the above markets and have had 100% success so far this season after 8 races.

Rugby League

In the NRL I use one system.

System 14



Look at the competition ladder for that week. Look at the home side in the match you want to trade. If they are placed HIGHER than the match opponent, BACK them.

AUTHORS NOTE:

The liquidity on NRL with Betfair is very low and does not offer anywhere near a 100% market place until a few hours before kickoff. I offer a specialized [NRL Rating Service](#) that has been profitable now for seven consecutive years.

Rugby Union

I only trade international matches. To be honest, I don't really have a set system anymore as the game has changed so much in the last five years, I have not had time to develop a new one.

System 15



The one I had the most success with was BACKING the HOME side AFTER the opponent has scored FIRST. It had a strike rate above 95% in the five years I used it. Not been tried since 2004 though! Check it out. You can check historical results easily to see if it has been working. The results have the time the points were scored so you can see who scored first and who gone on to win.

Conclusion

So there are 15 systems to use on various sports. They all work well but like anything, every now and then an upset result will throw a spanner in the works. I have used all of these systems myself at various times in my trading career and can verify they all work well.

– The Badger.

It All Comes Down to Money Management

I started my punting life as a teenager going to the greyhounds six nights a week as I worked as a journalist at the [Greyhound Recorder Newspaper](#) and having access to 25,000 manual records gave me an edge prior to computerization.



I had the conservative view that if I went home a winner on most nights I would have a big year, and I often would let a good bet go as I had already won my night's budget and did not want to risk my profit.

The strategy held me in good stead, but in retrospect I am sure I did not employ the best money management skills. I had a clear edge over the average punter and bookmaker as I knew my subject matter religiously and should have taken better advantage of the window of opportunity when only a few races were videoed and recorders were not common place.

I did not understand anything about staking plans, only that if I backed more winners at odds against than losers, I would be in good shape.

I always went to each meeting well prepared and mentally confident to expect to win. Someone could come into the office and blindly hand-pick any greyhound's card and I would be able to tell them something unique about that dog.

I would do my form and I would have in my head what price I thought a dog should be that may be in a race. If I thought that it was an even money (2.00) chance and I could get 6/4 (2.50) then I would back it to win my target. If it won, then I would stop for the night even if I liked another four good bets.

Fundamentally, there is nothing wrong with what I did as I went home a winner most nights and always had a very profitable year, but I should have rammed home my advantage.

Clearly if I could get 6/4 (2.50) about a dog I rated at evens then I should always take it. Whatever my profit was back then, it would have been even more had I had the confidence to test my arm and re-invest when the opportunity was there.



Mossvale dogs was part of my University

I have no problems today adopting my “old” investment strategy trading on Betfair as all I wish to do is to win 3% of my betting bank. Trading is all about accumulation and minimizing losses. It is all about having a big year, not a big day.

I have chosen scalping as the type of trading strategy to discuss money management with as it is black and white, or up and down.

While my original mentor Adam Todd cut his teeth on scalping, you may recall that The Badger strongly advises against it for newbies: “Scalping is for experienced traders...it is a sure fire loss for anyone attempting it “off the shelf” on their own. Do it at your peril”, he says.

Scalping is short term trading where many small profits, in time, add up. Scalping on Betfair on UK horse racing is the best place for this type of sports arbitrage betting. This is because you have high liquidity, in particular just before the start of the race, because you get a surge of money coming into the market.

The scalping concept is simple, if you back a price you must lay at a higher price, or, if you lay a price you must back a lower price to make a profit. Whatever you do your profit is guaranteed and is equal to the difference or spread between the back and lay price.

To be successful you expect to take profits and loses of about the same size. The frequency of profits should outweigh your losses. You don't want the losses to get out of hand otherwise it can be difficult to regain them. The worst thing you can do is hang onto a bet because it's losing and let it play out as the race commences. This is not scalping but gambling.

The best form of scalping is to perform scratch trades. Scratch trades are a form of scalping when you are in and out of the market very quickly. This form of scalping is all about money management and involves cutting losses from your scalping trades quickly. Some people don't like scratch trades because they can see the price moving in the right direction after they have exited and get annoyed about missing out on a profit. But a scratch trade will get you out if the price moves in the wrong direction. Most players struggle to come to grips with this psychology; a missed profit has a different effect on some people than a saved loss.

Scratching trades may end up costing you a few profits but it will also save you lots of losses. Many people dwell on the times when they scratch and, as soon as they did so, the trade went in the right direction and they could have made a few ticks profit if only they hadn't scratched so quickly.

We can examine a price and determine if it will go up or down, we can toss a coin and wonder if it will be heads or tails. You can have all the mathematical systems in the world and even have our friend Mr. Einstein in your corner, but the real odds of any coin toss is always even money (\$2.00).

The highly respected Don Nguyen adds some clarity with his definition:” Firstly, the laws of probability remain constant independent of how much money is staked. If you receive odds of \$2.10 (11/10 in the British system, +110 in the American system) on a coin toss, your return on investment in the long term will be 5%. It doesn't matter if you stake \$1, \$10, or \$10 000 your return will be a constant 5%.

Secondly, you could run a simulation to prove that this is the case. Suppose you run a simulation with the following parameters. The event is a coin toss with a probability of 50% for heads or tails. The odds you receive are \$2.01 (201/100 in the British system, +101 in the American system). You wager a completely random amount between \$1 and \$1000. You run the simulation one billion times. It is a mathematical certainty that by the end of the simulation, you will end up in profit. Why? Clearly your money management system is terrible. However, betting with positive expectation means that you will make a profit regardless.

Thirdly, take a look at bookmakers themselves. Balanced action is a myth and on most events the bookmakers will be holding a decision for one particular side. Therefore, the bookmakers do face an element of risk. It is important to realize that when a bookmaker lays a bet for \$1.91 (10/11 in the British system, -110 in the American system), it is essentially the same as backing the other side for \$2.10. When a bookmaker lays a 50/50 proposition at \$1.91, he is getting a positive expectation bet of \$2.10 on the other side.

So, a bookmaker is basically a gambler with no money management skills making very large volumes of positive expectation bets. This equates to millions of dollars of profits year after year. The critical

factor here is the ability to sustain a bankroll sufficiently large to handle the natural swings of the binomial distribution. Although I do advocate flat betting 1%, the main reason for this is for novice gamblers to avoid destroying their bankroll. Without a systematic staking plan, the gambler's avaricious nature tends to emerge and the risk of ruin increases substantially. “

Don Nguyen's points are excellent but it is always relative, and with trading and the systems that we have in place, we are able to counter many of the “red flags” with our state of the art software.

Betting to a percentage of your bank (My preference)

Many purists would concede that the problem with betting to a percentage of your bank you can still end up losing even if you understand your subject expertly.

Your human instincts will love the idea of a system that allows you capitalize on a “hot streak” by virtue of a compound interest effect. If you are 24 – 0 at 3% of your bank you WILL double your money, that is true, but what about when you suffer losing runs as inevitably happens, your losses are also much bigger than they should be.

We know that we will either win or break even most of the time, and when you suffer a loss it will be rare and minimized by the Stop Loss function. With that in mind, we know that we will be investing into a positive environment with an expectation of regular small profits that will look big after 12 months of trading thanks to compound interest.

This system has you wagering to win a fixed 3% of your bankroll, recalculating the actual amount bet after each wager.

The reality is that we set out to achieve regular, consistent small wins and minimize losses. **This strategy is made to order for compound growth trading on a Betting Exchange.**

The other systems discussed below were originally designed for casinos, racing and other things and not what we are trying to achieve on Betfair and “evo”. It is crucial that whatever system you adopt is suited to your product.

The Martingale system.

Most punters use this system and do not realize it. They back a loser and then double their next bet in the hope they will recoup their previous loss and go into profit.

This system is not suited to trading as you will likely hit your limit after a few losers. The Martindale system basically revolves around chasing loses which mathematically is doomed for failure. Chasing is a “mugs” game, don’t even think about it.

The Kelly Criterion

The methodology behind The Kelly Criterion, developed by John Kelly while working at AT&T's Bell Labs in 1956, is to measure the size of your investments based on the percentage of the advantage that you perceive you have over the market, or if you are at a Casino it would be the house. I use this strategy for [my ratings with Rugby League](#), but never with trading.

I will do my ratings and compare them with the market and if they were the same then I would not invest but if I considered the market had made a mistake then I would take advantage of the opportunity and my investment would be staked in accordance to the advantage.

Just because my ratings say that the market is in variance with my ratings that does not mean that I am correct, but it does mean that if I know what I am doing then I will have an advantage over 12 months.

A professional who I know has a variation with only three types of bets. He would have a small bet (\$10,000), an average bet (\$30,000), or if he had a real advantage he would have his maximum bet (\$100,000). You have to be very good at knowing your product for this high risk strategy to work, but to be honest, I see little point in having an edge if you do not capitalize on it. Would you take an ugly lady to an expensive restaurant if you did not have a future with her? If you loved her and wanted to devote your life to her then you would likely spray up and capitalize on the situation. Advantage punting has the same philosophy but without the meal and the kiss perhaps.

When we are trading, our focus is on other things and not our perceived advantage. We really just want to know if the price will go up or down and if we can determine that correctly then nothing else matters. We do not even care how our horse goes in the race as ideally we should have got in and out well before the finish. As soon as we have “greened up” or made a profit, we should be out of the race and onto the next one, or maybe even turn your PC off and open a bottle of red.

Our advantage is that we are well schooled, we have [professional trading software](#) and we are trading into a positive environment with a rock solid expectation of success.

Equal Staking or Flat Betting

This type of betting calls for you to wager the same amount all the time.

You can have a horse or football team that you think is a world certainty as well as just an average bet and you would equal stake. While this system has some advantages for the rank and file, it does not reward cleverness or an opportunity where you may have an edge in the market place.

In my opinion equal staking is best suited to someone who does not have a good knowledge of the subject and the product has no more than three outcomes like football or tennis.

This is fine:

Manchester United v Chelsea >2.5 goals @ 1.90 (9/10)

Staking

\$200

Nadal 1.90 (9/10) v Federer 1.90 (9/10)

\$200

This does not work:

Woods 6/1

\$200

Eels 10/1

\$200

Blogs 200/1

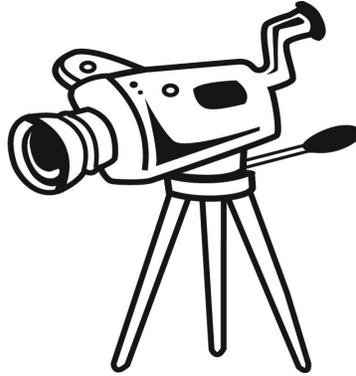
\$200

You can see that we would soon go broke backing 200/1 chances with an equal stake strategy.



The Badger says: Always try to hedge or “green up” a profit. A favourite in a horse race will only win 30% of the time, so 70% of the time you could collect nothing. Collecting something small with 100% certainty, beats collecting a larger amount 30% of the time. And if your trade is not on a favourite, it will win less frequently. You will never go broke taking a profit.

54 Trading Videos You Should Watch



[Football Trading Tips](#)

[Trading Tips – One click Scalping](#)

[Tennis Scalping](#)

[Back The Favourite](#)

[Be Decisive](#)

[Correct Score – Soccer Trading](#)

[One click or two](#)

[everyhorse.mp4](#)

[everyhorse1.wmv](#)

[Anyhorse.wmv](#)

[BasicScalping.wmv](#)

[BeConfident.wmv](#)

[Bluffing.wmv](#)

[Chester10.wmv](#)

[Graphs.swf](#)

[InRunning.wmv](#)

[LayTheField.swf](#)

[Longshot.wmv](#)

[Lucky.wmv](#)

[Manipulate.wmv](#)

[MoreEqualsLess.wmv](#)

[OneTickOrTwo.wmv](#)

[OneTickScalping.wmv](#)

[PacoBoy.wmv](#)

[Patience.wmv](#)

[Plunge.wmv](#)

[Shortcut.wmv](#)

[Signals.wmv](#)

[Signals2.wmv](#)

[Trouble.wmv](#)

[UsingInformation.wmv](#)

[weightofmoney.wmv](#)

[WholeBankTrades.wmv](#)

FOOTBALL

[KilmarnockCSM.wmv](#)

[Football.wmv](#)

[au.wmv](#)

[LTD.mp4](#)

[Rangers.wmv](#)

CRICKET

[Cricket.swf](#)

[Ireland1.swf](#)

[SBLT.wmv](#)

[SmallBanks.wmv](#)

[SmallPrices.wmv](#)

[Twenty20.wmv](#)

TENNIS

[USopentennis.wmv](#)

[USopentennis4.swf](#)

INSTRUCTIONAL VIDEOS

[Slideshow.wmv](#)

[whatif.wmv](#)

[stoploss.wmv](#)

[lrf.swf](#)

[OCO.wmv](#)

[keepbet.wmv](#)

[shortcut.wmv](#)

[Trading – It's Almost Foolproof](#)

Useful Websites I Use

[My Personal Blog](#)

[Racing Traders](#)

[TalkinSport](#)

[Betfair](#)

[UK Speed Maps](#)

[Racing & Sports Bookmaker \(Free \\$300 bet\)](#)

[Odds Comparison](#)

