

Looking at starting prices in 2018.

This article looks at how the over rounds in the on course betting market have changed over 2018 and looks at the best and indeed worst courses at which bettors can wager.

The over round is a measure of how much shorter the offered odds are than if they were to offer odds that were equally fair to the bettor and bookmaker. On course bookmakers have a living to make and have to pay fees to the racecourses for allowing them to bet there so clearly they need to make a profit in order to continue their business thus they will offer odds that are shorter than fair odds. However this does not exclude the astute bettors making a profit on their individual wagers.

In order to assess over round data was taken from Proform for the years 2015-2018 inclusive. Because of the complications in calculating the over round if horses are withdrawn leading to rule 4 deductions only races where there were no withdrawals were considered.

This gave a total of 20881 races

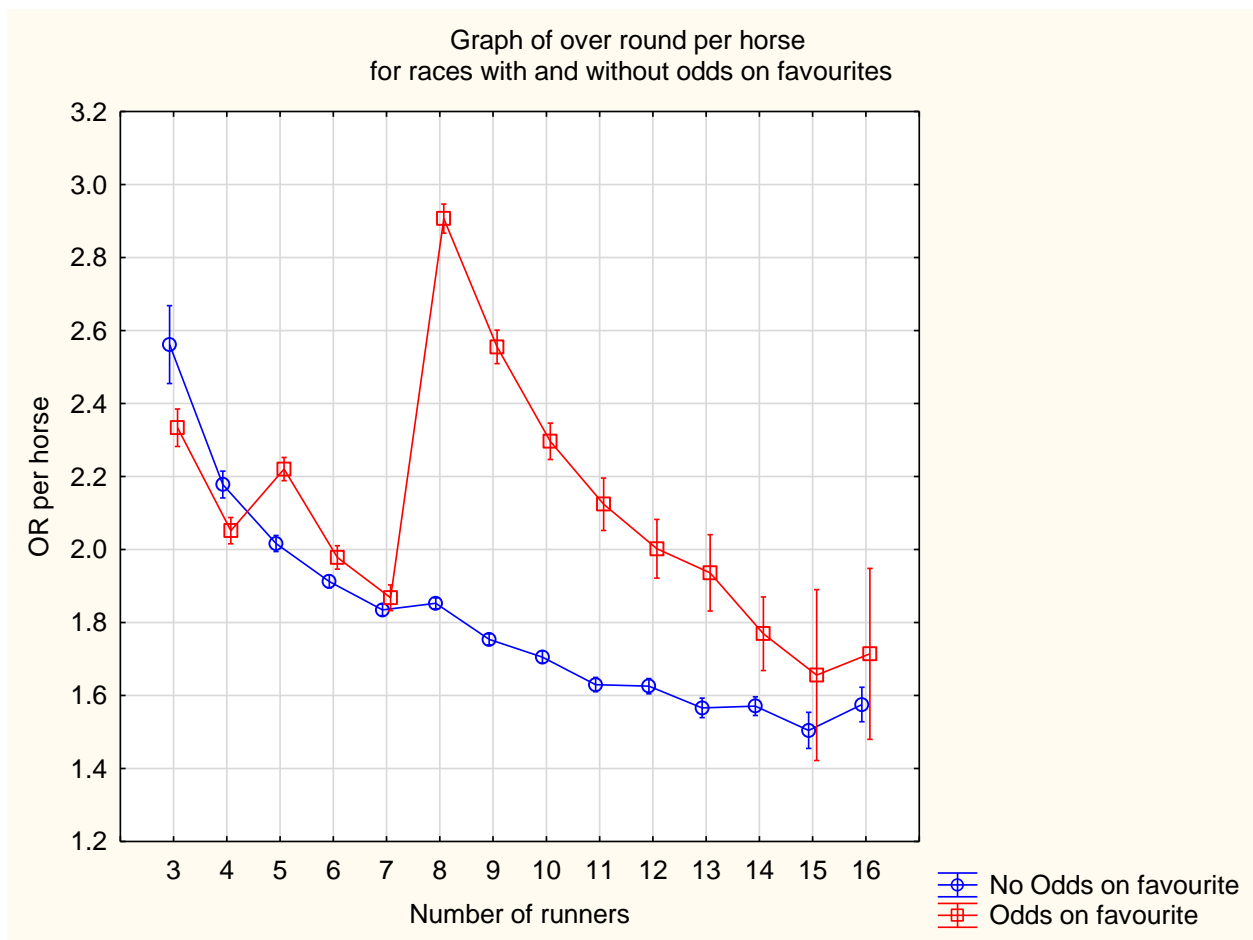
Breakdown Table of Descriptive Statistics (overorundfrom2015) N=20881 (No missing data in dep. var. list)

Runners	Over round % Mean	OPH	Number of races
2	5.23	2.61	41
3	7.13	2.38	256
4	8.45	2.11	828
5	10.41	2.08	1676
6	11.56	1.93	2335
7	12.88	1.84	2639
8	15.82	1.98	2891
9	16.50	1.83	2630
10	17.65	1.77	2177
11	18.30	1.66	1539
12	19.79	1.65	1357
13	20.65	1.59	817
14	22.16	1.58	889
15	22.66	1.51	235
16	25.29	1.58	257
17	27.68	1.63	97
18	28.65	1.59	67
19	29.04	1.53	19
20	30.75	1.54	76
21	33.40	1.59	5
22	31.06	1.41	20
23	34.34	1.49	3
24	33.20	1.38	15
25	38.51	1.54	5
26	34.40	1.32	2
27	34.94	1.29	1
28	42.08	1.50	2
30	40.34	1.34	1
40	54.33	1.36	1
All Grps	15.70	1.84	20881

The measure I will use is the over round per horse, hence forth, OPH. This is more useful as the traditional over round for a race increases with the number of runners as can be seen from the table above.

The OPH is still higher for small fields for two main reasons. Firstly the bookmaker still has to make an income from the race so each horse will have to contribute more and secondly small field races are less popular to bet on so there is less money coming in.

Another feature of the OPH is that it is greatly affected by the presence of a short priced favourite. A short priced favourite here is defined as one starting at odds on i.e. shorter than evens.



The effect of odds on favourites is particularly marked on 8 runner fields and higher. This is due each way betting where the place odds offered by bookmakers are effectively too high compared to the real chance of the horse placing so they have to cut the win odds to allow for this.

I do not want this effect to be part of this article so I have removed all races with odds on favourites and also those with less than 5 runners. Thus the races we will be looking at will be a fair indication of how the starting market normally behaves as it will have no withdrawals, no odds on favourites and no small fields.

This brings us down to 16561 races.

First we can look at the OPH for 2018.

Once again Ffos Las has the highest OPH of all the UK courses, followed by Cartmel and Chelmsford while the best courses for bettors in terms of OPH are Catterick and Cheltenham. The difference between the best and the worst is 0.79%, So on a 10 runner field this would mean the bettors would be losing 8% more at Ffos Las than at Catterick.

Course	OR per horse Mean
FfosL	2.33
Cart	2.15
ChlmC	2.10
Newt	2.09
Bath	2.06
Epsm	2.04
Ling	2.04
Extr	1.98
Salis	1.98
Fake	1.98
Bev	1.97
Brig	1.97
Ludl	1.95
Chest	1.95
Taun	1.92
Font	1.91
Chep	1.91
MrktR	1.89
Plump	1.85
Hayd	1.85
Sedge	1.85
Ponte	1.84
Wind	1.84
York	1.83
Kelso	1.83
Bang	1.82
Yarm	1.81
Towc	1.81
Perth	1.80
Aint	1.80
Nott	1.79
Good	1.79
Donc	1.77
Ascot	1.76
Warw	1.76
Uttox	1.76
Sand	1.75
Weth	1.75
Leic	1.74
Kemp	1.73
Strat	1.73
Muss	1.72
Ham	1.72
Newm	1.72
Ripon	1.71
Newc	1.71
Wolv	1.70
Redc	1.68

Winc	1.68
Newb	1.68
Hunt	1.67
Here	1.65
Ayr	1.65
Hex	1.64
Worc	1.63
Carl	1.63
Thirsk	1.62
Sthl	1.61
Chelt	1.56
Catt	1.54

However one year may not be a fair representation of a course so we can look at the previous years and indeed the whole period.

To save space we'll look at the three worst OPHs for each year

1	2018	FfosL	2.33
2	2018	Cart	2.15
3	2018	ChlmC	2.10

1	2017	FfosL	2.54
2	2017	Cart	2.18
3	2017	ChlmC	2.14

1	2016	ChlmC	2.18
2	2016	FfosL	2.18
3	2016	Ling	1.98

1	2015	FfosL	2.04
2	2015	Ling	2.02
3	2015	Chest	1.96

1	All	FfosL	2.27
2	All	ChlmC	2.15
3	All	Cart	2.01

As is clearly seen Ffos Las and Chelmsford appear far more than any other course but with Cartmel coming up to join them in recent years.

Similarly we can look at the best courses for bettors in terms of OPH. Remember the lower the number the better it is for the bettor.

1	2018	Catt	1.54
2	2018	Chelt	1.56
3	2018	Sthl	1.61

1	2017	Chelt	1.49
2	2017	Nott	1.50
3	2017	Catt	1.50

1	2016	Catt	1.47
2	2016	Chelt	1.53
3	2016	Thirsk	1.55

1	2015	Catt	1.44
2	2015	Chelt	1.47
3	2015	Redc	1.51

1	All	Catt	1.50
2	All	Chelt	1.51
3	All	Redc	1.59

A similar pattern emerges here with Catterick and Cheltenham always in the top three.

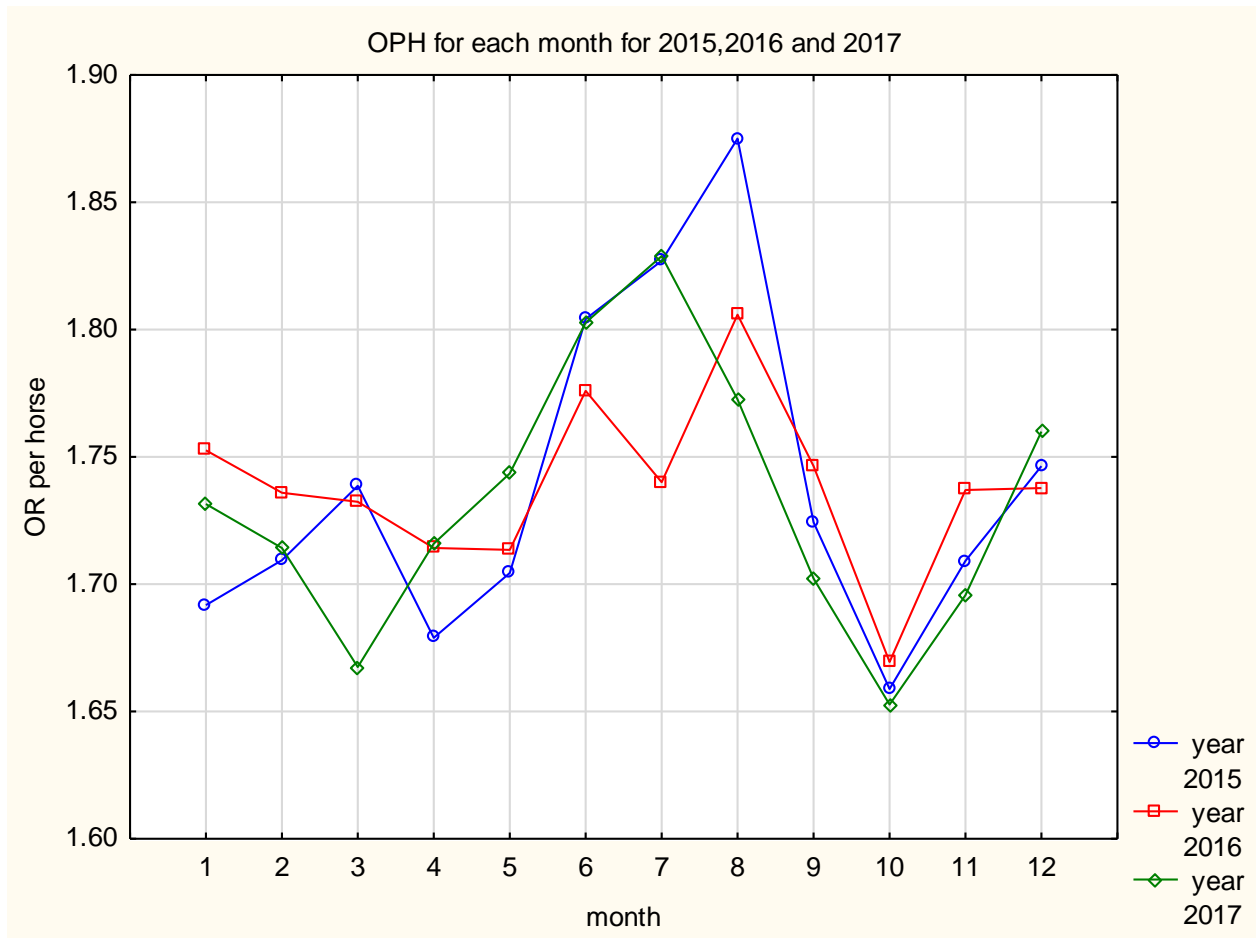
Where the same courses keep appearing at either ends of our tables it is very hard to avoid the conclusion that from the bettors' point of view Catterick and Cheltenham are consistently good and Ffos Las and Chelmsford are consistently poor. Below is the table for all four years together.

Course	OR per horse Mean
FfosL	2.27
ChlmC	2.15
Cart	2.01
Ling	1.99
Newt	1.96
Epsm	1.95
Bath	1.91
Bev	1.91
Chest	1.91
MrktR	1.88
Brig	1.87
Extr	1.86
Taun	1.85
Font	1.84
Fake	1.83
Salis	1.81

Wind	1.81
Chep	1.81
Plump	1.80
Winc	1.77
York	1.75
Hayd	1.75
Bang	1.74
Good	1.74
Towc	1.73
Ponte	1.72
Ascot	1.72
Ludl	1.72
Sand	1.71
Kelso	1.71
Yarm	1.71
Kemp	1.70
Ripon	1.70
Ham	1.70
Donc	1.70
Aint	1.70
Uttox	1.70
Sedge	1.69
Newc	1.69
Newm	1.69
Ayr	1.68
Strat	1.68
Wolv	1.68
Perth	1.67
Warw	1.66
Newb	1.65
Muss	1.65
Nott	1.64
Here	1.64
Hex	1.63
Carl	1.63
Hunt	1.63
Leic	1.63
Weth	1.62
Worc	1.60
Sthl	1.60
Thirsk	1.59
Redc	1.59
Chelt	1.51
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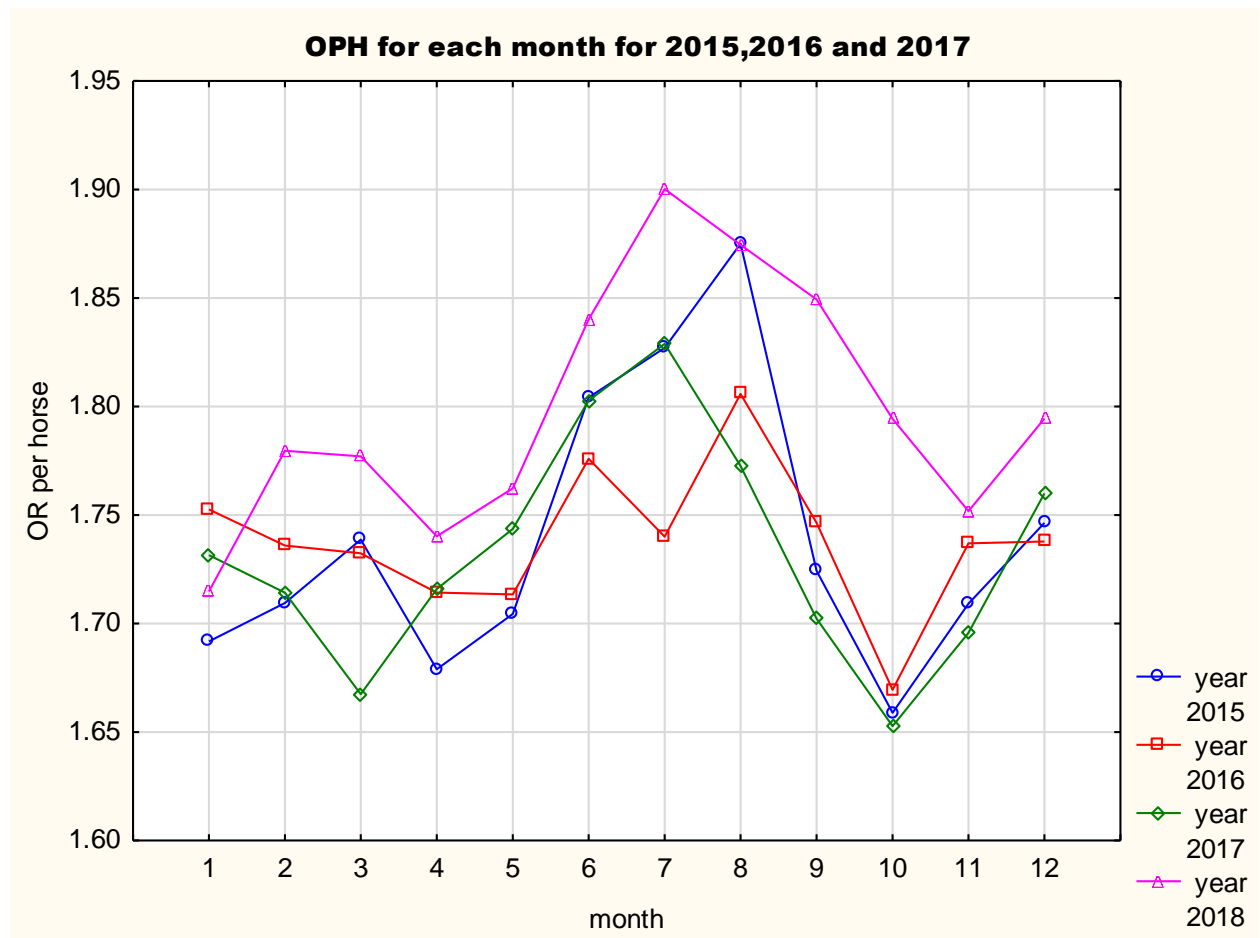
A more worrying pattern emerges as we look at the overall data for the last four years.

First the monthly OPH for all courses for 2015, 2016 and 2017



Here we can see while the lines do vary, the three years are basically similar except for a sudden peak in July 2015. The OPH is fairly constant from November to May rising through the June, July and August before declining in September in October.

Now let us add the 2018 line to the graph.



Something has changed here not only is the 2018 line (pink) higher from February onwards but the usual drop in September and October has vanished leaving the OPH much higher all year.

Here are average OPH's for the last four years

year	OR per horse Mean
2018	1.80
2017	1.73
2016	1.74
2015	1.74

After three years of consistency the OPH has on average increased by about 0.6%. That may not sound much but with the average field size being 9 that's about 0.5% less money that bettors are getting paid. Anyone betting at SP has been effectively taxed an extra 0.5% in 2018.

This is far more worrying than some courses being less kind to bettors. This affects all courses, all codes in the UK and all bettors who have bets settled at SP.

In the case of a single course it is very easy to point the finger at the bookmakers at each course but if we look at the table below we can see those course where the OPH rose from 2017 to 2018. Out

of 58 courses only 11 courses out of 58 showed a reduction and of those three Ffos Las, Cartmel and Chelmsford are already at the high end. If it were random noise we would expect about half to go up half to go down.

Course	change	Course	Change
Aint	0.12	Ludl	0.03
Ascot	0.06	MrktR	-0.12
Ayr	-0.07	Muss	0.05
Bang	0.07	Newb	0.23
Bath	0.00	Newc	0.41
Bev	0.04	Newm	0.31
Brig	0.11	Newt	0.07
Carl	-0.07	Nott	0.13
Cart	-0.03	Perth	0.51
Catt	0.04	Plump	-0.24
Chelt	0.07	Ponte	-0.17
Chep	0.16	Redc	0.37
Chest	0.10	Ripon	0.26
ChlmC	-0.04	Salis	0.30
Donc	0.10	Sand	0.11
Epsm	0.18	Sedge	0.45
Extr	0.21	Sthl	0.40
Fake	0.11	Strat	0.26
FfosL	-0.22	Taun	0.44
Font	0.11	Thirsk	0.37
Good	0.00	Towc	0.05
Ham	0.03	Uttox	-0.07
Hayd	0.12	Warw	0.17
Here	0.00	Weth	0.10
Hex	0.00	Winc	-0.06
Hunt	0.04	Wind	-0.04
Kelso	0.21	Wolv	0.17
Kemp	0.06	Worc	0.11
Leic	0.13	Yarm	0.09
Ling	0.12	York	0.29

As it appear there is something global affecting the SP market it is very unlikely that individual on course bookmakers are making it happen. Firstly this would require a degree of co-operation that they have never shown previously and secondly the implementation would be quite difficult. It is more likely that there is a systemic affect occurring perhaps due to changing methodologies in collecting starting prices or combining them to give the final starting price or perhaps due to larger amounts of money entering the ring from off course firms in order to reduce their liabilities to SP.

Speculating about the causes may be interesting but at the end of the day bettors at SP in 2018 were getting 0.5% less returns than in 2017. The worry is of course is this will be repeated in 2019.

It is apparent that further investigation of this is required.