

## FRAMING TRUE MARKETS - FINDING VALE

In this article we will discuss the facets of how to frame a true market and then how to go about finding the value in the market. In doing this we will concentrate on two races run at Goodwood in The UK on 24 May 2007 as our examples.

The first example we will use is listed below, Goodwood 2.00pm 24/05/2007

This event is listed as an event worth \$7.4K to the winner, so this is the advertised class level and is represented on the top line of the chart below. 11 runners are engaged. The 2nd column in blue is the price being traded on Betfair, this is the price you can back or lay the horse at currently in the open market. That price is used later on to work out the value percentage associated to the price we assess the horse at. The next column (first yellow column) represents the rating level we feel each horse will perform to today under the likely race conditions. The next column titled "Pace" refers to where each runner is likely to settle in the run "l" = lead, "o" = on pace, "m" = midfield, "b" = backmarker

The "Percent" column is used later after each horse has been assessed to give each horse a percentage chance of winning the race based on their ratings and likely pace scenario which are easily visible under chart format below. Once the percentage chance of each runner has been determined we are then given the "Price" in the next column set to approx a true market of 100%. The price arrived at represents each horse's True Value Chance. The "Value" column is arrived at by dividing the "Back" column by the "Price" column, this gives us the true value associated to each runner in terms of percentage with 100% equalling a "TRUE PRICE".

A "Value" lower than 100% percents means a horse is unders, good laying material, the lower it is under 100% the better value a laying prospect it represents. A "Value" higher than 100% means a horse is overs, good backing material, the higher over 100% the better value a backing prospect it is..

Once we have assessed the class and pace for each runner we can then give each runner a percent chance which forms their price we think they should start at in a True Market. It is easiest to work from the worst to best with the goal for the total percentage chance you give to each runner to total between 100% and 103%. This will give you close to a perfect market appraisal. This is the hardest and most important part of the whole process, it takes practice, do not expect to be framing markets perfectly after a few attempts. A deeper understanding of the different levels of class associated to the country you are doing form analysis for is paramount, that only comes through experience and practice.

Hopefully as a minimum this will give you a greater understanding to how a market is framed and how to find the value.

In this 2.00pm event the value is with Agean Prince and Samorra who we have highlighted as our top two selections, there is enough value infact to back both of them to win the race. Cabinet is looking like being big unders with a Value rating of 23%. A potential very good laying commodity.

<b>Goodwood</b>		24/05/2007	\$7.4K	14:00 BST 1m1f Hcap			
<b>Selections (11)</b>	<b>Back (112.9%)</b>	<b>Rating</b>	<b>Pace</b>	<b>Percent</b>	<b>Price</b>	<b>Value</b>	<b>Finish</b>
Cabinet	2.82	7,10?	o	11	9	23%	
Fragrancy	9	9,10?	o/m	13	7.6	121%	3rd
Samorra	7.4	12+	o	18	5.5	142%	2nd
Al Khaleej	8.8	7	b	8	12.5	68%	
Aegean Prince	9.2	15+	m/o	25	4	273%	1st
Shot Gun	7.8	8,9?	o	10	10	76%	
Resplendent Ace	21	3	l/o	2	50	41%	
Hart Of Gold	30	6	l	6	16	193%	
Mr Aviator	32	4	o	3	33	97%	
Eager Igor	29	4	m	3	33	88%	
Alfredian Park	32	4	o	3	33	97%	

In this 2.35pm event the market is really skewed. Eastern Anthem is very short and the value rating of 9% means it is huge unders and a very strong laying commodity. The short price on this runner looks way too short creating great value around both Halicarnassus and Man Of Vision who are both big overs, you can back both of them at the big value quotes for a result across the race.

<b>Goodwood</b>		24/05/2007	\$14.7K	14:35 BST 1m3f Lst			
<b>Selections (4)</b>	<b>Back (103.7%)</b>	<b>Rating</b>	<b>Pace</b>	<b>Percent</b>	<b>Price</b>	<b>Value</b>	<b>Finish</b>
Eastern Anthem	1.63	10,14?	o	12	8.3	9%	3rd
Halicarnassus	4.3	25+	o	44	2.25	264%	1st
Broghill	12.5	7,8?	l	4	33	36%	
Man Of Vision	9	30	o/m	40	2.5	533%	2nd