

STUDY



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Going DUTCH

Regular guru **Peter Webb** returns with the third instalment of his guide to betting on exchanges. This month he's your 'dutching' tutor

If you went up to a bookmaker at a horse race and said 'I would like to win £50 if the favourite wins, £20 if the second, third or fourth wins and break even if the next two come in', he would probably look at you as though you had gone mad. While it seems impossible that you could ever

Ascot 16th Jan - 14.30 3m Gp1
Total matched so far: £5,387 Increased at 21.03.10 by £12 Average increase £0.00

Staking method: Back with a stake of £100 Back for a target profit of £50 Back for a minimum stake of £2

Margin: 1% 2% 3% 4% 5% 6% 7% 8% 9% 10% 11% 12% 13% 14% 15% 16% 17% 18% 19% 20% 21% 22% 23% 24% 25% 26% 27% 28% 29% 30% 31% 32% 33% 34% 35% 36% 37% 38% 39% 40% 41% 42% 43% 44% 45% 46% 47% 48% 49% 50% 51% 52% 53% 54% 55% 56% 57% 58% 59% 60% 61% 62% 63% 64% 65% 66% 67% 68% 69% 70% 71% 72% 73% 74% 75% 76% 77% 78% 79% 80% 81% 82% 83% 84% 85% 86% 87% 88% 89% 90% 91% 92% 93% 94% 95% 96% 97% 98% 99% 100%

Dutching allows only BACK bets into the market

Select the runners to dutch and the odds to be used:

Runner	Back	Lay	Manual	Margin	Maker	Odds	Stakes	Predicted profit	Override target profit
Gladiator	3.3	3.45				3.3	20.57	£19.95	£20
Paco Boy	4.3	4.4				4.3	16.30	£20.00	£20
Main Aim	5.7	5.8				5.7	12.34	£19.95	£20
Alexandros	10.5	11						-£49.21	
Ajjeem	12.5	13						-£49.21	
Cesare	13	13.5						-£49.21	
Arabian Dream	34	36						-£49.21	
Dream Exter	55	56						-£49.21	
Mac Love	68	65						-£49.21	

place this sort of bet, it is possible using Bet Angel and an uncommon betting technique called 'dutching'.

Dutching was, allegedly, created during the Prohibition Era by Al Capone's accountant, Arthur Flegenheimer, aka 'Dutch' Schultz. The concept of dutching is the process of placing more than one bet in a market to create a pre-defined

profit. The essence of the system was that Schultz would back multiple horses to win in the same race. The amount he bet on each horse varied so that the same amount of profit was achieved if any of his selected horses won the race.

In the years since its first use it's been possible to place simple 'dutch' bets so that you could ensure you



▲ While picking one winner from 12 is tough, picking one from any of the first five is less of a challenge

would win a certain amount if, say, any of the first four selections won. But the calculations required have been complex and this has often proved a barrier to most people. Now, thanks to betting exchanges and software, this strategy is only a few clicks away. If you are still placing normal back bets, consider expanding your repertoire by using this advanced betting strategy.

In its conventional use you can place a dutch bet to cover the front three in a horse race. You would do this because you are pretty sure one of the front three will win, but you are uncertain about exactly which one. First you need to decide how much you are going to win. This is one of the odd things about dutching, you actually decide your profit before you start, not your stake. Rather than trying to do the calculations yourself software can now take care of the complex calculations. The software works out what stake is required and if you are on an exchange it will place the bets for you as well. In the illustration (opposite page) you can see we have used dutching to cover the front three for a £20 profit and this will cost us £49.21, we now have a pretty good chance of a win on this race. One click on the 'place bets' button and these bets will be placed on the exchange.

The downside of dutching though, is that you will have to accept a bigger loss if your bet does not win.



▲ Al Capone's accountant 'Dutch' Schultz is credited with coming up with the concept of 'dutching'

Unfortunately that is inevitable, as the profit generated on your selections is a result of you effectively creating a book below 100 percent. By that we mean that the entire market will be priced at or near 100 percent chance. This is because the chance of say, one horse, winning in a field of 10 is 100 percent, one of those ten will win. Bookmakers try and sell you a 100 percent chance for more than that and net the profit. On betting exchanges it is always near that magical 100 percent figure. When you place a dutch bet you spread your profit across the selections you want to win and the liability that created this profit is spread amongst

the remainder. What you have to do is strike the balance between your winning dutch selections and the possibility of the loss coming in. In this example we are effectively asking if there a better than 70 percent chance of any of the first three winning. If this is the case, it makes sense to place this bet. If not, then you should look at things again.

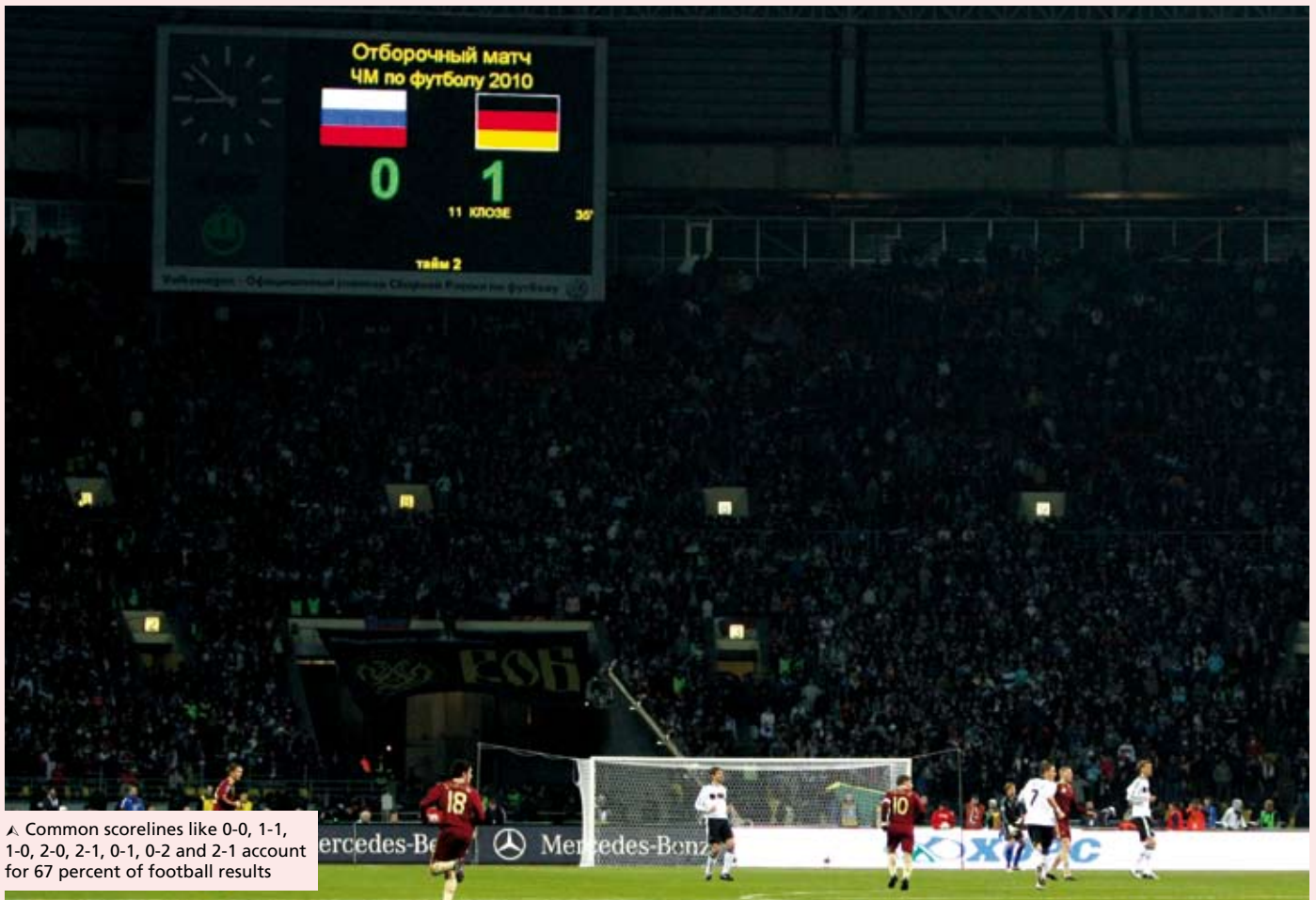
Of course, a big frustration could be if none of the first three won but the fourth in the list romped home. Until recently this had created a big problem. When you think about it, netting a profit is fine, but an equal profit on all selections may not work for you in terms of risk and reward and neither will

Kemp 14th Oct - 19:20 1m Hcap Matched: GBP 100,992 Refresh

Going in-play
 Live Video
 Radio
 Tote
 Race Card

Back & Lay
 Market Depth
 Betfair Starting Price (SP)

Selections: (12)	102.7%	Back		Lay		99.5%
4 (13) Burgundy Ice L. Dettori £9.98	4.9 £120	5 £378	5.1 £259	5.2 £202	5.3 £444	5.4 £216
2 (7) Audemar Jimmy Fortune £10.01	5 £391	5.1 £190	5.2 £186	5.3 £742	5.4 £19	5.5 £148
9 (11) Block Party Eddie Aherm £9.97	7.2 £154	7.4 £218	7.6 £238	7.8 £578	8 £487	8.2 £104
1 (6) Laudatory Adam Kirby -£0.02	11 £53	11.5 £42	12 £54	12.5 £29	13 £63	13.5 £269
13 (14) Edgeworth Seb Sanders -£4.94	11 £79	11.5 £85	12 £79	12.5 £10	13 £10	13.5 £34
6 (4) Haswerte K. Fallon -£15.26	12 £59	12.5 £19	13 £57	13.5 £44	14.5 £4	15 £104
11 (3) Laazim Joe Fanning -£15.26	18 £4	18.5 £20	19 £34	19.5 £27	20 £16	21 £48



▲ Common scorelines like 0-0, 1-1, 1-0, 2-0, 2-1, 0-1, 0-2 and 2-1 account for 67 percent of football results

the issue of having all your liability spread across the remainder of the field. Netting £20 for the favourite is useful, but the same for a big priced outsider seems scant reward. You will probably want to see more reward for landing an outsider. Losing £49.21 on a 60-1 shot may be unlucky but the same amount at smaller odds seems downright negligent. Therefore, failing to manage how much money you make and at what odds, means you will likely end up with a loss in the long term.

Fortunately, a solution is at hand. When designing Bet Angel I put in some clever maths that allows you to dutch your selections not only to a profit target but also to a pre-defined profit or loss target per selection. This allows you considerable flexibility in terms of the profit you expect to gain from your winning selections, or the loss you are willing to bear for your errors.

In the next example we have dutched a race and are looking for a return of £10 if any of the front three in the field goes on to win. We think this is quite likely but we also think that the fourth horse Laudatory could sneak a win. Therefore we have asked the software to place a bet which will mean we break even if this horse wins.

To be extra safe we have covered the fifth horse as well, telling the software we are happy to accept a £5 loss if this one wins. We place our bets into the exchange and we can now wait for the race knowing that we have an excellent chance of winning something. Even if that doesn't happen, it is likely we will then break even or lose only a small amount. While picking just one winner from 12 running in this race is tough, you would have to suggest that picking one from any of the first five a much more likely chance.

It's not just horses where you can put this strategy to use. It can be also be used on football, in fact any sport with multiple selections will do. In football, the scores, 0-0, 1-1, 1-0, 2-0, 2-1, 0-1, 0-2, 1-2 account for the actual result in around 67 percent of the average scores in a soccer match. With this in mind, pick a competitive match and dutch all these scores with your profit target. If the match ends in any of those scores you will have won. To mitigate other risk why not dutch some of other scores to zero out or reduce your loss on those selections? The number of variations is endless.

With modern betting software and exchanges, dutching is a quick and

“With this strategy anybody can now increase their win rate by making judgements on a whole range of selections rather than just one”

painless process. With this strategy anybody can now increase their win rate by making judgements on a whole range of selections rather than just one, where the margin for error is far more significant. By excluding weak selections that stand little chance of winning and focusing on more certain chances it's possible to turn a useful profit. dutching is a powerful betting strategy and one which should always be in any exchange users armoury. ☑

If you would like to try dutching, visit betangel.com and you will be placing your first dutching bet in minutes