sportstradingedge
professional sports trading advisory service

the tradingEDGE

free trading strategies

written by DTM

Welcome

Thanks for downloading the tradingEDGE eBook!

We've written this eBook to be accessible to beginners but it is *not* a beginner's guide. The tradingEDGE is really for improving traders looking to develop their skills and get theEDGE.

It's designed to help you make *money* from sports trading straight away. It isn't packed full of waffle or hype to sell some magic bullet wonder system. If that's what you're looking for you'll be disappointed.

It is loaded with practical trades and techniques you can apply immediately. The strategies you'll find in here for *free* are superior in quality to many of the paid premium guides you'll see on sale. Don't waste your money start here instead.

In effect we're giving away giving away *free money,* with our practical sports trading advice that actually works!

Why would we do that? Well, we want you to know we're serious about building long-term profits for our members at sportstradingedge.com and to demonstrate we've got theEDGE to do it for you too.

Not everyone who downloads the eBook will join the service *(many won't even read it)* but of those who do, a small number will recognise that our approach and strategies are the way to long term profits.

If you like what you see here *(and make money from it)* we hope you'll join as a member of our service.

If not, then we hope you enjoy the read and we'll see you in the markets!

Stay green.

DTM

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#1 The Sports tradingEDGE

Introduction

Successful sports trading needs a demonstrable EDGE. A tradingEDGE can be defined in many ways; inside knowledge; research; mindset; statistical analysis; strategy; lateral thinking. They all play a role but at Sports Trading Edge we combine all these factors to grow the profits of our members.

At the core of the Sports Trading Edge service are low risk strategies that have been proven over years of use and constant refinement by our team to generate a fantastic return on investment. We do the research, make the selections, manage the trades and support our members via the forum and chat room to make consistent profits.

You don't need to be a full-time trader to use the service *(though many of our members are)* as the trades can be made in the morning in as little as 10 minutes. Unlike the financial markets sports markets operate in the evenings and weekends meaning you can earn a second income with Sports Trading Edge without affecting your normal routine.

Sports Trading Edge members regularly report annual tax free income of £5,000, £10,000, £15,000 and sometimes much more!

Though we provide the selections, Sports Trading Edge is *not* a tipping service; it is closer to a degree level education in sports trading! The skills you'll learn as a member of the service will stay with you for years to come and are just part of your journey in this exciting and lucrative industry.

Gambling v Trading

The Sports Trading Edge service is not for everyone. It's not for gamblers who want to receive *tips;* they are well served by the tipsters, shysters and scammers peddling magic systems with wild claims and little evidence. 95% of people will lose money gambling with this advice.

Sports Trading Edge is for those who want to gain an education in sports trading techniques from a team who are proven to be profitable in the long-term. It's for those who want to liberate themselves from following loss making system after system so they can really understand how to trade and make a substantial second income *(maybe even a full-time income)* from trading the sports markets.

With the advent of the exchanges the betting industry has had to change and you have to alter your own approach or suffer long-term. The reason this service has been so profitable is because we take the opposite view to most people, applying lateral thought and opposing the crowd.

The first rule is not to lose!

Our objective is always to protect your position and ensure you have a steady income stream. Forgo a percentage of a big win in return for protection. £25 *guaranteed* is better the £100 but only if you're right. Your plan must be to be in this *business* for a substantial length of time. By adopting this approach your long-term success will outweigh any short term pain.

What we do

The Sports Trading Edge team have spent more than 10 years on the front line of professional sports trading. Our expertise has been hard won with thousands of hours spent in the markets across a spectrum of sports.

Our team understand that success in sports trading is about the long-term. It means having the patience and discipline to safe guard stakes and protect profits. It's not about getting rich quickly or jumping from system to system. It's about developing consistently profitable strategies yet retaining the flexibility to adapt to events as they unfold.

We accept that risk is inevitable if we are to make a profit but we minimise it at every opportunity. We understand that the first trade we must win is in our own heads so we control our emotions and don't get caught up in the excitement of the event.

Our strategies have been tested, analysed, developed, refined and proven. We trust them and they get results.

The Service

Sports Trading Edge is a subscription service that provides our members with daily selections of strategy led trades through our daily eColumn, *theEDGE*. Sports Trading Edge is in the business of helping our members to adopt a strategic mindset and apply our trades to profit from the markets in the long-term. To support this, our members get inclusive access to our forum. The forum is a comprehensive knowledge base of best practice for trading a multitude of sporting events and markets.

Members can also access our chat room at any time and speak directly to one of our team of professional traders. There are some really smart people in the chat room *(not just the Sports Trading Edge team)* and you'll often pick-up a profitable trade in-play. If you're shy, then you can email us and we'll answer your question personally.

The chat room is our platform for our live trading sessions. The Sports Trading Edge team regularly run live trades, *(usually evenings and weekends)* where we call the trades live in-play and you can follow along as the strategy unfolds. We always keep liability low to encourage beginners but it's not uncommon to cover a month's subscription in a single trade. Not bad while you're learning!

We also provide premier strategies to all members when they join and dependent on your membership level there are further discounts on new strategies, seminars, training courses as well as exclusive live trades where the real money is made.

What's in it for you?

Sports Trading Edge delivers an education in professional, strategic sports trading with a lateral perspective and unique approach that no other advisory service can match. Our support and hand-holding instructions help complete beginners build a trading bank from scratch and generate consistent long-term profits that will turn a hobby into a healthy second income.

- If you understand that success doesn't happen over night
- Nor can it be found in a *'wonder internet system'*
- If you can accept there'll be losses on the way but can learn the lessons losing teaches

- And you're prepared to invest your time to learn the markets and the way they move

Then we *absolutely* know our tradingEDGE can help you become one of the tiny percentage of people who consistently profit from Sports Trading.

Think this might be for you?

To access all the premium features of the Sports Trading Edge service you'll need an active subscription. We have three membership options, monthly, quarterly and annual. As well as PAYG telephone and SMS options. If you're not sure what's right for you , then you can compare membership options here.

What Membership gives you?

- You'll learn to think like a professional investor and build long-term profits
- Become expert at minimising risk and locking-in profits
- Grow a second income watching sports
- Expert advice across a portfolio of sports
- Build a trading bank from scratch
- Daily trades it takes minutes to execute
- Profit from live on-line trading sessions
- Receive personal 1-2-1 support
- Daily trades it takes minutes to execute
- Trades suitable for any skill level
- Step by step instructions
- Access to members only forum & chat
- Shared community knowledge

#2 Getting ready to trade

Avoiding boom and bust

A true (ish) story about a professional punter I once knew. We'll call him Neil. On a wet Wednesday at Newbury race course Neil looked me in the eye and said *"Get 'yer self a method that wins a lot son"* then as quick as he appeared he disappeared in to the crowd. Stating the obvious? Well, apparently not.

Neil seemed to be constantly battling to make an income from gambling, he was looking for value but only at high stakes, 10/1 was of no interest to him. Neil would only look at 16/1 or better. He was great at telling war stories about big winners at 33/1 and use to joke he needed a *Securicor* van every few months to collect his winnings from the bookies. Sounds great doesn't it? Well, not really as the rest of the time he was burying bills under the carpet. There were simply no winners to pay them.

To avoid the hand to mouth existence of poor old Neil we need to find a tradingEDGE that delivers consistently. The gambler will always go for the buzz of a 20/1 winner, the trader is far more interested in 2/1 winners but more of them. 11 winners at 2/1 will always be better than one at 20/1. It may not be as exciting but you'll be richer and after all isn't that what you're trading for? Fun or profit?

At Sports Trading Edge we always advocate protecting your profits by giving a bit back in each trade. Gamblers like Neil just don't get this. Why give up your profits? Well, if we give up around 20% on a winning trades *but* do the same when we *lose,* we save about 40% on losing trades. The overall result is a *net* gain. We'd actually need to go on a huge winning run to be worse off than the gamblers, I'll take our long-term profitability over chasing winners every day of the week.

Why traders lose money

It is a widely quoted that the vast majority of traders eventually lose some or at worst all their money. It is also interesting to note that many highly qualified and intelligent people come to the market and are very surprised when they find out how difficult it is to make money.

Be very wary of anyone who tells you it's easy to make money from sports trading. Like anything worth having, success in sports trading requires hard work and *lots* of it. In order to simplify matters we've created a list of the top 10 reasons which hamper people's progress and ultimately the reason they either lose money or quit.

1. Attachment to money
2. Fear and Greed
3. No Trading Plan
4. Impatience
5. Unwillingness to accept you are wrong
6. Lack of market understanding
7. Under capitalization/over staking
8. Inadequate risk controls
9. Lack of interest in the sports they're trading

10. Excessive Leverage

The cumulative result of the above problems is normally enough to finish most traders off. To succeed as a sports trader you must be willing to adapt your approach and refine you're skills. If it were easy then everyone would be successful and there would be insufficient profit s to go around.

Strategies will not always win

That's a rubbish sales pitch for a book about trading strategies, it is however honest. A strategy is there to give you a tradingEDGE, it is not a system *(if such a thing exists)* that will always win. Over time a tradingEDGE will mean you profit but there will *always* be losing trades and maybe losing *runs* as the market corrects its variance.

Finding the right strategy and learning the sports and the markets you'll trade is something that anyone can do given enough time. You can change your system and gather more information, but changing the way you think is altogether harder. It doesn't matter how good your strategy is or how much you know about the markets if you implode in the heat of the moment.

5 key trading success factors

Outlined here are some of the most consistent attributes displayed by professional sports traders.

#1 – A demonstrable tradingEDGE

Many people start out trading watching an event, trying to guess what will happen next. This is an extremely difficult pursuit as sport is very unpredictable. Trying to guess what will happen next is a pure gamble but the beauty of trading is that we don't *need* to accurately predict what will happen to profit. We *can* predict far more accurately what will happen *next* in the market; as long as we have an idea of what is *likely* to happen this is where you'll find a tradingEDGE.

Good trading is not about picking winners or guessing correctly what will happen during an event, it's about taking good positions. Those who feel *value* is a myth and focus just on making money can often succeed in the short term. Over the long term however the most successful traders will create more profit by understanding that *value* is not just a vague concept, instead value *is* your tradingEDGE and knowing that is probably the biggest leap you can make as a trader.

#2 – The right strategy

As a member of Sports Trading Edge you won't be short on strategies, if anything you'll have too many! What you need to do is find the sports and strategies that suit your personality and trading style. You also need to invest time in match selection and understanding when to trade and when to walk away. You need the patience to use the strategy consistently over at *least* the medium term before deciding if it fits your objectives. You've also got to enjoy it! If you find cricket boring and can't get excited by the profits, then don't put yourself through the pain. Find a sport you enjoy and trade that instead!

#3 –Low staking

If you can't make money with small stakes then you *won't* make money with big stakes. Many traders rush too quickly to play with larger stakes believing that a small return on £2 stakes for 90 minutes trading is a waste of time. This is absolutely not the case! You need to serve an apprenticeship of many hours in the market, learning how the price moves and honing your strategy's tradingEDGE.

At Sports Trading Edge we *strongly* recommend using no more than 5% of your trading bank in each trade. If you start with a bank of £500, 5% allows a stake of £25 per trade. Do we suggest you start there? No, 5% is the maximum. You should start with £2 minimum stakes and focus on consistently not *losing* before you even think about making profits. Once you have the required experience you should gradually increase your stakes to 5% of your trading bank.

If you suddenly increase you stakes, you can suffer anxiety. You'll have developed a comfort zone with smaller stakes, if you suddenly stake more, your mind reacts in a strange way and you can freeze under the pressure, what was easy at £2.50 suddenly becomes impossible at £25. The more anxiety you feel when trading the clearer the indication that you're over staking, if you feel your pulse racing or blood pressure rising you're out of you comfort zone and should drop your stakes.

With less at risk you'll have the freedom to experiment and learn at your own pace. At £2 stakes you can fine tune you're your strategy without the need for paper trading, which without any money at stake never seems to give an accurate representation of real trading.

#4 – Record keeping

Are you reading this? We'll done! You're in the minority, who recognise the importance of record keeping as an essential barometer of your trading success. When we first hear how keeping results of our trades is vital, many will think is sounds like too much hard work and not much fun.

I don't know any serious trader who doesn't keep records of each and every trade. They go way beyond the basic spread sheet of numbers and take detailed notes describing what they did, why they did it, and how they felt at the time. For me, I write a short summary of my trades on my Google + page, I even write *during* cricket trades to help my decision making *(that won't work with other sports)*!

Without notes, you won't see patterns of success and you're in real danger of repeating the same mistakes without even realising. Notes are the key factor in rectifying issues and improving your tradingEDGE. The times when I have let my note taking lapse, I've regretted it.

#5 – The right mindset

After record keeping probably the most overlooked aspect of trading and arguably the most important! If you don't accept the importance of trading psychology, you'll *never* crack trading. Even if you accept it and understand it, that's often not enough. You need to work at it. Getting the correct mindset is a skill, more than being able to read the market or use a strategy. A good trading mindset doesn't just happen naturally. Developing a calm, disciplined, detached trading persona requires work; the human brain isn't wired that way so you have to rewire it!

Getting Started

The first and most important thing to do is to set aside a trading bank that you *can* afford to lose. Ideally you'll be able to use our matched betting guide to build a bank of other people's money to trade with. That's a great way of not getting attached to it! If you can't do that then make sure you are trading with money that you **DO NOT** need for any purpose other than trading. A starting bank of £500 is ideal but £50 is about the minimum you can get away with it.

Now, I don't want to sound pessimistic but you need to emotionally write off that money as it is very likely you'll lose most, if not all of it. Most novice traders will burn through at least one trading bank maybe 2 or 3. Personally I blew four £500 banks and 65% of my fifth before I cracked it saw an income of £36,000 over the next 12 months. Detaching yourself from the money, emotionally and psychologically, is critical to relaxing when you start out. I rationalised it by imagining I was paying for a degree course at the *University of Betfair* where every loss was my contribution to my tuition fees. This way I felt I was paying for every lesson a leant which made me pay attention in class!

Read through the tradingEDGE ebook and the strategies that come with your membership and decide what you want to trade. At this point it's fine to experiment until you find what you're most comfortable with. Most people find something that sparks their interest and will later choose to specialise; it could be football, horse racing or rugby. For me it was cricket but the trading skills I leant along the way make me comfortable trading a range of sports. Others will choose to specialise and this is to be encouraged.

Don't expect every trade to be a winning trade. Sometimes you *will* lose. It's part of the game and impossible to avoid. In fact, don't even thin k about winning or making money! Focus instead on not *losing*, profits will come later. Your objective at this point is to learn.

- You need to learn when to scratch the trade and do it quickly
- Learn when to accept a loss and to do it quickly
- Learn the discipline to never, **ever** chase losses
- Gain the maturity to accept the losing trades and move on

This period of your development is about developing your trading discipline. Set out your rules and stick to them. ALL gamblers see what could have been if only…. and trading is no exception. There will be plenty of times when you could have done better by waiting longer. You'll tend to dwell on this but forget the times when your actions saved the day and waiting longer would have been expensive. The latter is more important in the long term when protecting the downside.

Keep a positive mindset, be willing to be wrong and expect the unexpected!

Stake size

I cannot emphasize enough how important it is to start with small stakes. Ignore the youtube.com videos that show £100 stakes *(or more)*. These are deigned to impress, *(usually to sell some service or system)* and make no mistake £100 stakes are *not* suitable for beginners. £100 stakes requires a trading bank of £2,000 and whilst you may be able to afford this you will quickly lose this unless you've developed the experience to trade at this level. Throughout this eBook our examples are worked on the basis of a £500 bank and liabilities to a maximum of £25 per trade. If you're a complete beginner replace £500 with £50 and £25 with £2.50.

When you're inexperienced the tendency is to freeze in a panic if the market starts to move against you. If you have placed a £2.50 bet and freeze it may cost you a few pennies to close the trade for a loss. If you do the same with a £100 then you'll lose an awful lot more! It's also much harder to get £100 matched compare to £2.50. There are some circumstances when £100 added to the market will affect the markets price, £2.50 certainly won't.

The golden rule

Don't lose! Seems simple but the only way not to lose is not to trade. Trading is inherently risky and losing is inevitable but we must accept risk if we are going to make profits. The risk we have to accept is that we *will* lose money. Catch 22. If we can't avoid losing the next best thing is to minimise our losses, we call it protecting the *downside*. Like a game of poker the first objective is to stay at the table, to do this you need to be able to fold so you can be in the hands you have the best chance of winning. In trading terms, folding means admitting you were wrong and accepting a loss. We'll then look for times when we have a tradingEDGE and we'll embrace the risk when the probability of profiting is in our favour. Easy to say, hard to do.

Learn from your mistakes

Coming to terms with errors *(and particularly losses)* is the key to success in sports trading. Many beginners get put off by the losses and mishaps that happen along the way and give up. If you give up then you'll never see the upside. The upside is always there but a lot of people will never *see* it. Inexperience, bad luck and a lot of psychology prevents many traders realising their potential.

It'll take time but if you can learn to treat the positive and negative with equal weight, you'll be a lot more balanced in your trading emotions. Unfortunately psychology tends to make us focus on the negative. Many people will think that positive thinking is a load of hot air but it's not and having a positive mindset *(particularly when dealing with failure)* is essential for trading success.

We need to look at the mistakes we make and the losses we suffer as learning experiences. A good analogy is how you would go about finding your way out of a maze. Can you imagine stopping at the first mistake or giving up because you keep making errors? No, to solve the maze you try to remember where you went wrong and avoid the same mistake until eventually you succeed. Trading is the same; just we get financially punished for each mistake! In my experience though you learn more from a lesson you've paid for than one you got for free.

#3 Trading Psychology

Introduction

It is well quoted statistic the 95% of traders lose money. You've probably heard this but I've seen little evidence to back it up. I did a little research couldn't find any specific *(reliable)* sports trading data, largely I assume because it is an unregulated market. Instead I looked at the financial industry where data was a little more available. What I found was that the situation was a bit brighter with only 71.2% of traders losing money! Whilst this isn't great news, the numbers are better, as rather than needing to be in the top 5% to make money we only need to be in the 28% of traders to profit.

You should take some comfort from those numbers as most financial organisations do make money *(recent history aside)* and the profits of the 28.8% who are profitable more than offset the losses of the 71.2% who lose money. In this section we're going to look at the key psychological attributes of those profitable traders.

Don't skim this section

The majority of what you'll read in this section will seem like little more than common sense. If you're new to trading you'll probably think, *'this is so simple, surely everyone knows this! Just cut to the good stuff and give me the trading strategies!'* If however you've been trading for a while and have got over the initial euphoria of making money and suffered some losses then welcome back! You'll now be able to relate to these points that made no sense to you when you started!

The best advice I can give to new traders is to read this section, move onto the trades and then *re-read* this section when you inevitably have a trade go against you and you experience the emotional turmoil that goes with that. Don't say I didn't tell you.

Trading Psychology

We all know we shouldn't chase losses, trade without a plan, over stake, take things personally, be impatient and loads of other trading rules. If *(when)* you break them the advice is to take a break, use relaxation techniques or lower your stakes.

None of this gets to the underlying issue though of *why* we break these simple rules. If you don't get to the root cause of why you struggle with the mental side of trading, then you'll never overcome it. Many techniques can stop problems for a short period but they are just a temporary solution. You have to work harder and look deeper into what actually makes you chase losses, go on tilt, lose your head, stray from your strategy, risk to much or fear the market. Whatever it is, it's unlikely to go away unless you deal with it.

You shouldn't expect to have the mindset where nothing ever fazes you and you never experience any emotion. That's a fallacy. We're all human after all and trading like a robot just isn't possible. It's all about finding and maintaining a balance of *control*.

If you get outwardly angry or *see red* after making trading errors, it doesn't mean you're too emotional it's just that you've lost control of your emotions. There was some emotion at play which caused you to do what you did. It could be fear, anxiety, frustration, uncertainty, impatience but whatever it was, you couldn't *control* it. Therefore, you have to work out what emotion it was and that means being aware of when it starts and stopping yourself before it overwhelms your decision making.

Frustration

Many of us don't realise just how frustrating sports trading can be. Many think it will only surface when we make a major error. In fact frustration is always right on the brink, ready to explode at the most minor of incidents. Early in my trading career I became very frustrated by Scalping when I would seemingly be one second away from being matched only for the market to be suspended. I don't know how many times this happened to me *(probably not that often)* but if felt like an awful lot!

This frustration would lead me to try and force wins, recover losses and get even with the market. No matter what I did it just wouldn't work for me and I ended up spiralling downwards into anger and despair.

The underlying issue as to why I'd get so easily frustrated is just pure impatience. I want to be successful *yesterday* and any error became a setback to my progress. I just needed to keep telling myself that there's no need to *rush*.

I had to learn to accept that I would make mistakes and be unlucky. I had to give up my impatience for success and let go of being a perfectionist. In doing so I learnt to stay calm and do the right things, there were still losing trades and bad days but they became far less frequent and bothered me less when they happened.

Frustration can be dealt with in three phases; awareness, relaxation and reflection. By becoming aware of your emotions and particularly what triggers them, you can prepare yourself to relax and stay calm as soon as you feel the first flushes of frustration. Deep breathing, positive self talk and success reinforcement are very effective techniques.

Positive self-talk

The power of visualisation, self-belief and a positive mental attitude are well documented in professional sport. They are equally important tools in sports trading psychology, we advise our members to rehearse their move against a strategy in advance of a trade and then during the trade to be reminding themselves that they are in control of their behaviour and have the power to react to the market in a disciplined manner.

Emotional Pressure

When we trade we're in a constant battle with our own natural emotions as we are looking to go against the probability of the current outcome and predict what is going to happen in the future. Our fight or flight response can easily kick in at these moments which does nothing for our ability to keep calm! Emotional pressure is inevitable it's only natural but we have to learn to deal with it.

We'll always get anxious when we're facing a loss but successful traders just get better at accepting and dealing with these emotions.

When you rely on trading as a source of income these emotions are much, *much* stronger. The pressure, stress and anxiety involved in full-time trading is immense and even experienced traders aren't immune from doing silly things. Some of the mistakes full time traders make would surprise the amateur. As a part-time trader you can always reload your bank if it gets blown but if it's your only source of income its game over.

This pressure in the heat of the moment can make you do stupid things and the more mistakes you make the worse your emotional state becomes. Before you know it, it's too late and you've pressed the self-destruct button *(or clicked the mouse!)*. All the experience in the world won't save you when you are straining under the pressure of bills to pay, a roof to keep over your head or a family to feed.

The anxiety of needing money can cause you to lose patience and make you start trying different ways to make cash, such as betting on other sports, changing strategy or forcing opportunities that don't exist.

The golden rule here is only trade with money that you can afford to lose!

Daily Goals

This is a much discussed topic that divides opinion; to set, or not to set, financial goals. Many believe that monetary goals are a hindrance, particularly daily ones. I believe financial goals only serve to add pressure to you before each trade and that pressure and stress is only going to increase every time you have a losing trade. This can lead to building a dangerous attachment to money and an overwhelming desire to chase losses.

Why do we put so much pressure on ourselves to achieve daily goals? A day is just a period of time, why should it matter how well we do in a particular 24 hour period? If we have a good day followed by a bad day, it doesn't mean we're becoming a worse trader. It just means that we made more money in the first 24 hours than the last. In the grand scheme of annual profits, it means very little. Yet so many traders can't see past what they achieved the previous day. I've heard many stories of traders on a losing day staying up all night to trade foreign markets to recover a loss before bed; I know I've done it!

Do you really want to start tomorrow thinking, have I made back my losses? Am I on target? What shortfall do I need to make up?

A day is a short, insignificant period that needn't be labelled as good or bad and it certainly shouldn't affect how you approach the next day. It's so easy to waste energy worrying about hitting targets. We must accept that each day will bring different opportunities and challenges. If we recognise that a day is a tiny fraction of a year then we can be liberated from daily pressures and free to trade correctly without making an already challenging task harder!

Over Confidence

A key factor in trading psychology is striking a balance between over and under confidence. Both are equally dangerous but we seem to notice over confidence less, as we are quick to congratulate our trading prowess!

When we are under confident we tend to play it safe. We may miss opportunities, exit trades too early or develop a fear of the market *but* rarely will we suffer heavy losses. When we become over confident, we can lose our focus and over stake as we *feel* invincible. If we become complacent and start thinking we've *made it* the markets have a nasty habit of kicking you in the teeth. For me this is invariably when I have a huge green that I fail to hedge the moment before the market shifts!

With over confidence it is all too easy to write off an error because we were '*unlucky*' but we need to look at the root cause of that error and the psychology behind it. What really made us commit that mistake? Often, it's easy to tell when it was related to a negative emotion such as fear, anxiety, stress or anger. But when it happens due to over confidence, most people fail to register that emotion as the source of a trading error.

Mindset

To be successful as a sports trader you need to adopt the correct mindset and create a core set of beliefs that will set you apart from the norm. The following 12 points are the ones that research has shown are present in the most profitable sports traders.

1. Take personal responsibility for your trading performance and results
2. Adopt a mastery approach
3. Embrace risk
4. Get comfortable with uncertainty
5. Accept the reality that losses are part of the business
6. Focus on managing risk not picking winners
7. Trade for profits not excitement
8. Emphasise process over results
9. Take a long-term view
10. Enjoy small wins
11. Adopt a positive attitude to money
12. Believe you can be a winner

Remove the attachment to money

Our attitude to money is a very emotive issue. We all have differing attitudes, based largely on our experience of money growing up and early in our careers. We'll tend to fall into one of two broad categories; spenders or savers. Whichever we are doesn't really matter as attachment to money in trading is generally a bad thing.

If we look at a trade in monetary terms then something very odd can happen to our brains. We can mentally start spending our profits or feel the pain of our losses before we've realised either. Successful traders are able to put to one side the fact that money is in play. They can do this because they have very carefully structured trading plans and use tight risk controls. They tend to think of achievement in terms of success when compared their trading blueprint rather than the number of pounds taken out of the market.

Traders who are attached to money will always be looking at a trade in terms of pounds and pence and will never be able to detach themselves from the fact that the ultimate measure of their market success or failure is the bottom line. This can lead to fear of the markets *(particularly for savers)* and *fear* for traders is debilitating. If you feel that that you may be attached to money you need to solve this before you place another trade. To help solve it you can:

1. Trade with other people's money *(ideally with bookies' bonuses or previous profits)*

2. Ensure you're trading with money you can *afford* to lose
3. Lower your stakes to a level where you feel *no* anxiety
4. Developer a stronger belief in your tradingEDGE by paper trading for a time

Whatever options you chose *(and it may be all of them)* you must achieve a mindset shift that moves your perception from making money to executing a disciplined trade. If you consistently use a tradingEDGE *(and don't second guess it)* you *will* generate profits in the long-term.

A wise man once said *"if you chase money, it runs away"* if you focus on the process instead, the results will come and you'll have more fun on the way.

#4 Core Trading Techniques

Back and Lay

The most simple of all the trading strategies and the first one you must master. Most people are familiar with the term *Back* which means you are betting on something to happen. The reverse of this is a *Lay* bet where you're betting an outcome will **NOT** happen. When you place a bet with a bookmaker you are *backing* that outcome will happen and the bookmaker is *laying* the outcome not to happen. This is why you'll sometimes hear bookmakers referred to as *layers* as they *lay* the bets of their customers.

Before the advent of the *Betting Exchanges* you had little option but to place a back bet with a bookmaker and wait for the final result of the event to discover if you'd won or lost. Now using the betting exchanges we can play bookmaker and lay bets ourselves. At its most simplistic we can take a position at the start of the event *(either back or lay)* and wait for the outcome but that's not really trading. When we talk about *backing* and *laying* in trading terms we're looking to take advantage of price movements during the event to lock in a profit well before the event finishes.

During an event prices will constantly fluctuate driven by any number of factors, but the two most common will be the probability of an outcome occurring *(the odds of an outcome is an indicator of probability)* and the impact of the passage of time. The back and lay strategy works by taking a position before a price moves and exiting a position after it has moved. Two approaches will secure a profit for you;

1. **Back high, lay low**
   Let's say you *back* a snooker player at the start of a match to win @2.53 for £25. He duly obliges and wins the first frame and his price moves in to @2.12. You can now *lay* your position by laying £25 @2.12. The difference between the two prices is now your profit. You cannot now lose money if your player loses and if your player wins you'll make a profit of **£10.24.**
2. **Lay low, back high**
   Conversely, we can take the decision not to *back* our player but *lay* his opponent. Let's say the opponent starts as favourite @1.91 and we *lay* for £25. As the other player takes the opening frame their price moves out @2.38 and we now *back* our position for £25. We now have a profit of **£11.75** on our original selection and no loss on this player is they win.

In both scenarios we have locked in a profit on our preferred selection, **10.24** by *backing and laying* and **£11.75** by *laying and backing*. We have also created a no loss position if their opponent wins. All this before the second frame has started and long before the finish of the event!

The decision to back or lay will depend on the price available when you enter the market. In this scenario it was more profitable for us to lay our selection's opponent than to back our preferred player. Often the difference in price between back and lay will be negligible as Betfair use a cross matching algorithm to keep the back and lay prices in opposing markets in balance. Where a gap exists we must be sure to take advantage of it, as over time these extra price gaps will add up to increase our overall profits.

To create an extra edge we'll often advise backing with a bookmaker and laying with Betfair. This is particularly important in horse racing where **Best Odds Guaranteed *(BOG)*** can add an additional price movement in our favour should the early price for a horse advised in the**EDGE** daily eColumn drift before the off. BOG is not something that Betfair offer but it is available with a number of our preferred bookmakers.

Liability

Another factor you'll need to consider when laying is your liability. When you place a back bet your liability is clear, it is equal to the total amount staked e.g. £25. When you lay however you are playing bookmaker and you take on the liability of possibly having to pay out more than you staked. Your lay liability is the value of your stake multiplied by the price at which you layed. When you lay below @2.00 *(evens)* your liability will be less than your stake, when you lay above @2.00 your liability will be greater than your stake.

Example:

- Lay stake £25 @1.91, so £25 * 0.91, Liability = £22.75
- Lay stake £25 @2.38, so £25 *1.38, Liability = £34.50

This liability is only realised when the market is settled, either when the event finishes or the outcome is no longer possible, but you must have enough funds in your Betfair account to cover the liability. If the market is settled in your favour then you'll win the amount you staked. If you lose then you'll lose the amount of your liability.

Summary

At Sports Trading Edge our aim is to lock in our profits before the market settles without ever losing our total liability. We also aim to keep the liabilities of our lays well below the amount we staked, you'll generally see our lays, or *mines* as we call them, at very low levels such as @1.07. There will be times when this can't be achieved and it's actually profitable for us to lay well above evens but in the main we'll use low lay levels to protect our positions.

The profit from the Sports Trading Edge trades in simple terms will come from how effective we are at spotting these price movements and maximising how far they move.

Drip Laying *(or Mining)*

This is a useful little technique that allows us to lay at higher levels *(typically above evens (@2.00))* when we're trading. We often use this strategy when trading football but it works well in other markets, in particular horse racing in-play.

Many of you will be familiar with the ***Lay the Draw (LTD)*** strategy where you lay the draw at the start of a football match in which you expect there to be goals and then back the draw after a goal is scored. This particular strategy is very popular *(though its overuse has hampered its profitability*) and it is a simple example of backing and laying to secure a profit.

The problem is that in a game where you expect goals, the price of the draw can be very *high (often above @8.0)* meaning you have to carry a very large liability. Laying the draw @8.0 for £25 carries a liability of £175. If you wanted to keep your liability to £25 then your potential return would be a miserly £3.57!

Drip laying gives us an alternative.

We're able to place a series of mines at descending levels at either the same or increasing stakes to take advantage of an anticipated price movement with a lower initial liability.

In the *LTD* draw example we could use the knowledge that only 1 in 10 goals are scored in the first 10 minutes and enter our first lay for £3 at say @7.2 for a liability of £18.50 after 10 minutes, then another lay of £3 @5.2 for liability £12.60 at 24 minutes, then again at 40 minutes this time for £5 @3.6 for a liability of £13.00. The home side break the deadlock at 44 minutes and we're able to back our position as the draw moves out to @12.5 to lock in a £7.14 profit on a win for either side and no loss position for the draw.

If we compare this example with a straight lay of £25 at kick off then our profit would have been £9.78. Not much in it. Until you look at your liability that is. The drip lay strategy had a total liability of £44.10 versus £175 for the straight lay. You could argue that the timing of the lays at the lower prices made the difference and had an early goal gone in then only the straight lay would have been profitable. However we're looking for a tradingEDGE and £175 liability for £9.78 doesn't give us one I like very much! In reality it is rare you'll see our team advise a strategy like this, instead we'll look for lower liability options that achieve the same aim, such as *LTD* in the first half market or in the second half where the odds are lower or in the HT and FT correct score markets when goals are statistically more likely.

Where you'll see the drip lay most often at Sports Trading Edge is in horse racing where we have already taken a back position on horse. If that back position is on the second leg of a double where the first leg has won then we'll by very busy calculating our mine positions on both the win and place markets to ensure we make a profit whatever the outcome of the second race.

Hedging or (greening up)

So far we've looked at creating no loss trades with our profits weighted to the outcome that we feel is most likely. This is great if you have a strong opinion on the event you're following or if your objective is to secure risk free bets. What if you want to ensure a profit whatever the outcome though?

This is where hedging comes in. Hedging, or greening up as it is often referred to, is where you equalise a profitable position to create a positive position on all outcomes in a market. This creates what is known as a green book, so called because all the numbers on the screen change from red to green. This is one of the most satisfying feelings a trader can experience! The green book is the ultimate objective in any trade, when a profit is guaranteed whatever the outcome, be it any score in a football match, any horse in a race or any player or team in tournament.

How is hedging achieved?

In the traditional back to lay scenario we use the same stake for both positions, thereby locking in a profit on that outcome and removing the liability on any other. Hedging requires us to use different stakes to back and lay to spread the profit across all possible outcomes.

Let's say we anticipate a horse shortening in price during a race so we back it @12.5 for £25. In running it moves through the field and challenges for the lead, with 7 furlongs to go we decide to exit the trade with a mine @6.2. This time though we don't use a stake of £25, instead we use a stake of £50.40. This has the effect of guaranteeing a profit of £25.40 on all horses in the race.

Why not just use a mine of £25.00? We'll you could and this would give you a return of £157.50 but crucially *only* if your horse wins the race. When trading you need to look for smaller, consistent wins as £25 guaranteed is better than £157 but only if you're right!

Hedging works equally well in reverse. We could for example lay the winner of the first set in a game of tennis for a liability of £25 @1.43 in the expectation that their opponent will break first in the second set and the price will move out to @2.40. We now back our position for £34.63 to green both players for a locked in profit of £23.49.

You can see examples of hedged profits in **The Green Room** of the Sports Trading Edge website where we encourage members to post screenshots of the green books. Will you be our next featured member?

Scalping

This is a trading strategy that you **MUST** master! I can't emphasise that enough! Scalping is a technique that has and will save many a losing trade; this makes it an essential tool in your trading armoury.

What is scalping?

Scalping is all about taking advantage of small movements in a market price where you quickly enter and exit the market to extract small profits, whilst minimising your exposure. As a primary trading strategy scalping can be very profitable, one Sports Trading Edge member makes a six figure income exclusively scalping the correct score market in football matches. Scalping can be used in almost any market, though it is more easily applied by the beginner in price degradation or price inflation markets where the trend of the price will always be in one direction.

How do you scalp a market?

Successful scalping requires you to be both alert and disciplined; you need to enter a market with a back or lay position and then exit again as soon as a profitable position has been created. Your exit can either be with the same stake or with a hedge, depending upon your attitude to risk. A hedged exit will deliver a guaranteed profit but offers less return than a same stake exit, but the same stake profit is not guaranteed until it is hedged. The key point is to minimise your exposure as in certain markets, for example the football correct score market, a goal against you will mean you lose your entire stake if you are still in the market when the ball hits the net.

The mindset you need to adopt for scalping is the opposite of the '*let your profits run'* mindset. It's simple to profit from scalping, as small price movements are more frequent than large swings, but the temptation to stay in a scalping trade too long has been the undoing of many scalpers who let greed get the better of them and suffer losses.

To succeed in scalping you'll need to have a higher win ratio than other trading strategies as the profits will be smaller and the potential losses higher. Scalping is effective as a primary trading style where you use it in isolation or as a secondary style where you use it in conjunction with another trade to either reduce liability or create free profits for use on other positions.

Scalping Gaps

This can be a more profitable version of scalping as you can achieve bigger price movements as you exploit the gaps between prices. Used most commonly in lower liquidity markets like correct score +1/-1 or over/under 4.5 goals. Here you'll take a price above or below the last traded price then when matched, take a position 3-6 ticks above or below your entry. With practice you'll be able to recycle your trade several times over at the same price.

Scalping Ticks

Useful in high liquidity markets like horse racing, or in televised sports, here you'll be able to enter and exit with large stakes but you may have to queue to get matched which can often mean you miss your desired entry point and may have to re-enter if the market moves too quickly. Here you'll look to make 1-2 ticks so if the market moves against you by 1-2 ticks don't stay in hoping it will reverse; get out! There is no point trying to pinch 2 ticks and losing 20!

Don't expect to get rich overnight with scalping but do practice it as it'll get you out of a tight corner every now and then. With scalping you'll be sacrificing the size of your wins for the frequency with which you win; greed is **NOT** good as a big loss can wipe out lots of hard earned profits!

Price per tick

When scalping it's useful to work at higher prices as the profit per tick *(unit of measurement between prices)* will be greater than at lower levels. For example £25 backed @16 and then layed @15.5 *(a one tick movement)* generates +£0.80 hedged profit. The same 1 tick movement from @1.80 to @1.79 returns +£0.08 for the same level of liability you were risking. Food for thought.

Swing Trading

To use a cricketing analogy, if scalping is the boring single, then swing trading is the sexy six! When scalping we're looking to nick a few ticks and exit the market quickly with limited exposure to risk. When swing trading we're looking to take advantage of big price movements. This approach can be very lucrative but it requires patience and skill, together with solid experience of how and why the markets move.

What moves the market price?

Taking time degradation/inflation markets aside, what moves the market are events that affect the probability of an outcome occurring. Each sport has its own scoring system; football has goals, rugby has tries, cricket has wickets, tennis has games, darts has legs, and snooker has frames. In each of these sports the objective is to beat your opposition by scoring more of the unit by which the result will be measured. As a result the probability and therefore the price of an outcome will be influenced by who has scored the most and is closest to winning at any time.

This doesn't mean that all scores will move the price in a linear way. Typically the price movement will be larger in sports that attach the highest value to their unique unit of measure; goals in football will always be more important than games in tennis simply because goals are less frequent than games. Likewise wickets in cricket will move the market more than tries in rugby.

Market swings can be large or small dependant on how close we are to the conclusion of the event. An early try in Rugby will move the market less than one in the 78th minute. Additionally a score that increases the probability of the current outcome occurring will move the market less, for example the home side in a football match take the lead after 60 minutes at 1-0. When they score a second goal their price will not come in much further as the majority of the swing will have happened after the first goal.

How can we benefit from these swings?

To make profit from swing trading you need to be in the market before the swing occurs. To achieve this you need to have a clearly defined entry point. A good entry point is one which allows you to take a position for a short period *(thus minimising your risk).* Ideally if the event you're expecting doesn't happen then the market should not move too far against you. This is what many will know as a calculated risk, in reality it's about giving you a tradingEDGE.

There is little point being in a market when it is unlikely to move in a predictable way, nor is there any benefit in entering a market if the distance that a price is likely to move is the same in both directions; you may as well bet on the toss of a coin! We are looking for entry points that give us a greater probability of winning more than we stand to lose and the wider the gap between winning and losing then the better our tradingEDGE will be.

To extract the most profit from our trade we are looking for events that move the price in the opposite direction to the way it has moved previously.

Examples of swing trades

If we want to take advantage of market swings we need to take positions that are contrary to the way the majority of traders expect the market to move. Therefore we need to be confident that the current probability of an outcome is going to change in our favour. We should assume the probability reflected in the price currently available is the right price given all the parameters at that precise moment.

That doesn't mean that it won't change and that we should expect that this outcome will happen just because the probability is very high. There are countless examples of events that the see price matched @1.01 (99% probability) only for the market to reverse. The 1% probability of the opposite happening is where we can extract the most value from a swing trade.

Let's look at an example:
In the final of a women's tennis tournament the underdog takes the first set and then goes two breaks of serve up in the second set. The market now expects them to take the second set easily and win the match. Their price to back could now be as low @1.05, a 95.2% probability of winning or a 4.8% chance of losing. The likelihood of them losing is very small but it is still *possible*. If we were to *back* them to win at £25 our potential return would be **£1.25**, a 5% return on our trade but with a potential liability of **-£25**.

If however we were to *lay* them for £25 then our liability would be **-£1.25** and our potential return **£25**. In this scenario a £25 risk for a £1.25 return seems foolish compared to a £1.25 risk for a £25 return. We understand the leading player will be feeling the pressure of winning the tournament and may choke. We also understand that the original favourite has a great record of fighting back in big matches. So we decide to lay @1.05 for £25.

The original favourite breaks back and the price moves out to @1.12 *(a mini swing)*. Our lay trade is now worth **£1.56** to hedge *(more than we would have made by backing @1.05)* or we can stay in the trade and hope for a hold of serve. The original favourite duly holds serve and the price moves our further to @1.23, a bigger swing and our lay can now be hedged for **£3.65**. The momentum of the match is now swinging in our favour and we stay in. A second break of serve and the price moves out to @1.62, a decent swing with a hedged profit worth **£8.79**.

The probability of the player we originally layed now winning is 61.9% as they still have a one set advantage. Looking at the match though, they seem to be imploding as the original favourite gathers confidence, so we stay in the trade. We are now back on serve in the second set and both players hold serve, so the price stays mostly the same at 4-4. The original favourite then holds again and now a break of serve will secure the set. We want to be out before tie-break but decide to stay in this game as a service hold will not move the market much against us but a break will mean a huge gain for us. Here we have a clear tradingEDGE!

A break of serve and the price moves out to @2.42 *(42% probability)* a huge swing from @1.05. We now hedge out for a guaranteed profit of **£14.25** no matter who takes the final set. That is a return on our £25 lay stake of 57% but a return on our liability *(**£1.25**)* of a whopping **1,140%**! Had we taken a £25 liability @1.05 *(£500 staked)* then the hedged profit would have been **£283.05**.

This illustration uses low liability lays but it works equally well in reverse with back bets that fall in price. At Sports Trading Edge we will often use back positions to capture in play swings in horse racing and football correct score markets, where laying often carries an unacceptably high level of liability.

Summary

With practice, swing trading can be a highly lucrative strategy. The key is determining an entry point where you have a tradingEDGE. The worked example above started with a low liability position where the worst case scenario was a 5 tick move against us. As we stayed in the trade we accepted a greater risk of the market moving against us until the score reached 5-4 and we established a new tradingEDGE. In practice we'd have advised members to reduce their liability after each game, until we created a no lose position. Sacrificing a little profit to protect the downside is essential to securing long term profits.

Dutching

This technique is thought to have been developed by Al Capone's accountant, *'Dutchy' Shultz*, whilst running various rackets on the racetracks of 1920s America. Dutching is a skill based strategy that requires some knowledge to be consistently successful. Dutching is essentially backing 2 or more outcomes in an event, to shorten the odds of winning.

Dutching is implemented by selecting a stake or a profit target and then spreading your money across a number of selections to ensure an equal profit regardless of which result is achieved. The amount staked on each selection will vary based on the odds available.

At Sports Trading Edge we often use the dutching strategy in horse races where we want to oppose the favourite but are unsure from which of a small selection of horses the winner will come. It can also be used in a race where there is a clear price gap between the front runner and the rest of the field. Its use is not limited to horse racing *(though that is most common),* it can also be used effectively in football for correct score markets. We've even used it for the fastest lap winner in Formula 1.

Let's look at an example:
In a 3m 2f chase at Cartmel we fancy 4 horses to be in contention for the win but are not sure which will triumph.

1. Kilvergan Boy - @3.7
2. Mulua Maid - @5.4
3. Inamalabalusaloon - @5.6
4. Coppers Gold - @6.8

We decide to stake £25 for an overall profit of £7.01 as long as one of the 4 horses in the 10 runner field wins. To achieve this we stake our selections as follows.

1. Kilvergan Boy - £8.65 @3.7 - £23.36
2. Mulua Maid - £5.93 @5.4 - £26.09
3. Inamalabalusaloon - £5.72 @5.6 - £23.00
4. Coppers Gold - £4.71 @6.8 - £27.32

By Dutching these four selections we have effectively reduced our overall odds to @1.28 to give us a probability of winning of 78.1%. Given that the next horse in the field is @11.5 it seems we have a tradingEDGE.

There is a link to a free dutching calculator in the resources section of the sports trading edge website.

Scratching trades

One of the most important techniques to learn is how to quickly scratch trades. This is particularly true of scalping, where fractions of a second can mean the difference between getting out without a loss and losing money. Hoping a price will move back in your favour will most likely be as effective as writing a letter to Santa!

Scratching a trade means cancelling any unmatched bet and placing a counter bet at the same stake and odds as any matched bet. Some people advocate spending time placing bets and scratching them as practice before starting to trade and there is some wisdom in this as you will often need to get out of a market quickly early in your trading career.

Protecting your trading bank is always your number #1 priority and scratching helps that.

#5 Essential sports trading tools

Betfair Interface for Trading

The Betfair user interface for backing and laying is fine to use when you start out but as you get more confident with trading you'll want to start using more advanced features. The good news is that a number of companies have developed some excellent complimentary trading tools to use with the Betfair and Betdaq exchanges.

Starting with some Betfair features you may have missed, we'll use this section to look at some tools that will help give you a tradingEDGE.

What if

This feature displays your profit and loss against a selection as it relates to all outcomes in an event. It's great for quickly calculating the liability or returns from a proposed back or lay.

Keep

This is essential for using mines. At the start of an event any unmatched bets are cancelled and will need to be re-entered in-play unless you check the keep in play box. As our mines our low they'll be cancelled, select keep and wait for them to blow!

Betfair Starting Price *(BSP)*

In horse racing you may not want to take the available price on the exchange if you feel the horse may drift before the off. You can look at the projected SP and make decision to back or lay at SP instead.

Charts

Next to each selection on Betfair is small graph icon. Clicking this before the event will show the movement of traded prices before the off. Clicking after the event will show you the traded volume and price in-play. Useful pre start for seeing trends and after the race for refining lay levels.

Cash Out

This is Betfair's *'greening up'* function, it's not available on every market unfortunately but they are adding more. It's available for most in-play football matches and useful for greening up correct score markets if you have a number of positions.

Multiples

Betfair also offer a bookmaking service. They give us a tradingEDGE when placing each-way trades in the event of a non-runner reducing a field to less than 8. Whereas a bookmaker will only pay on the first 2 horses in a 7 runner field so reduced, Betfair will pay on the first 3 subject to a percentage reduction. Over time this is very useful to our profits.

Third Party Software

Moving beyond Betfair's user interface we gain a number of advantages by using independent trading tools. The software tools work by subscribing to the Betfair API to populate their programs with market and pricing data. Betfair make the API readily available to developers and encourage and endorse products as they know this will encourage the use of their exchange.

Ladder interface

A ladder interface displays prices in a static, vertical ladder that lets you see prices literally moving up and down. This combined with the ability to place back or lay bets at any price with only one click of the mouse allows you to react instantly to market movements and gets your bets nearer to the front of the queues.

Refresh Rate

The prices on Betfair update on your screen every 15-20 seconds, no matter how many times you press the refresh button! The fastest trading tools update 20 times per second! This fast refresh rate gives you serious advantage over standard Betfair customers. You can quickly see which direction the market is heading and hedge, within fractions of a second of a market moving into a favourable position. Once you worked at this speed you won't want to go back!

Queuing Positions

Using the ladder interface you're able to take multiple *pegs* and *mine* positions either side of the last traded price. By exploiting gaps in the market you're able to position your trades at the front of the queue so that you'll be the first to be matched when the market price move to your position.

Hedging

This is a far more advanced version of the Betfair cash out function. Dependent upon your software provider you can hedge by selection, market or if you're really clever display a hedged what if position on two ladders simultaneously and then hedge with one click. In addition with the hedge function you should also expect selection and market hedge and profit figures with a floating *what if* indicator.

Stop Loss

It's called a stop loss, though it's really a guaranteed loss function! The stop loss tool is designed to be used as a safeguard against a trade moving against you. You can decide in advance how much you are prepared to lose in a trade and set a stop loss accordingly. It is very useful for horse racing when markets can move quicker than you can click. A loss of 30-60% of stake is preferable to a 100% loss for a straight bet, though you may only accept a 3 tick loss if you are scalping. Be careful using it in highly volatile markets where a big swing can trigger a stop loss and lose an otherwise profitable trade.

Tick Offset

The tick offset tool allows you to place a counter trade automatically once you back or lay bet has been partly or fully matched. You can nominate the number of ticks for your bet to be offset by and also set the percentage of your original bet matched before the offset starts. This in effect is automated scalping, very effective but kind of takes the fun out of it!

Graphs and Indicators

There are bewildering array of graphical options available in these tools, weight of money, traded volumes, moving averages and many more. If you believe in technical analysis as a trading strategy than these will really help you. If like me, you're more of the fundamental analysis school but still want a visual representation of market movements the humble candlestick chart combined with an in ladder traded volume number will suffice.

Lay the field

If you want to lay all selections in an event *(as we do in our Axminster strategy*) then this tool will make your life very easy.

Dutching

Does exactly what it says on the tin. It allows you to dutch your selections to set stake or profit without leaving the trading interface or using your calculator.

Training Mode

Some software providers include a *training mode* which allows you to practice your trades without risking real money. You'll use the same interface and real markets of live events populated with real money but you bets will not be placed on the exchange so you won't worry about getting matched. Useful for beginners starting out and pros wanting to refine their strategies.

Trading below the £2 Minimum

If you want to trade real money below £2 then you're probably not ready for trading software and you're better off using the *training mode* until you are confident to use at least £2 stakes. Sometimes you can't avoid placing a trade below £2, if for example you're *ducting* with small stakes or very long odds. You can do this manually but it is much quicker to let the software do it for you. If you must do it manually then there is a step by step guide in FAQs on the website. **Warning,** trading below minimum stakes in-play will double the time it takes to submit your bet in-play as you are in effect placing two sequential bets.

Order Cancels Order

This is a neat little function that allows you to take a number of positions when you're not sure which will be matched first. Once you have one position matched the software will cancel all your unmatched positions. If you want to be a little more sophisticated you can automate the software to take additional positions after the first is matched and the others are cancelled.

Bet Submission Count Down

There is an in-play delay *(set by Betfair)* when trading sports of up to 8 seconds. This 8 second delay can feel like a life time when you are waiting for bet to be submitted to the exchange and of course the market can move or be suspended in those 8 seconds before you can be matched! Software that tells you how long it will be before your bet hits the exchange is helpful.

#6 Understanding the markets

Types of Market

When we look for trading opportunities we need to be mindful of the sort of event in which we are trading. There are three types of events that we'll consistently use at Sports Trading Edge.

#1 - First past the post events

These are markets which have their conclusion settled by a defined goal. That goal could be the finish line, a winning score or a margin of victory. Typical first past the post events include horse racing, tennis, snooker and formula 1.

#2 - Timed events

These markets are characterised by a specific time at which they reach their conclusion. No matter what the score the event will end after an elapsed period of time. Team sports like football and rugby are examples.

#3 - Hybrid events

These markets are a combination of the other two. Here a market will be settled on a timed basis unless the required goal is reached before the time elapses. Cricket and boxing are good examples of hybrid markets.

These are the broad categories of markets for sporting events. They are governed by the rules of the sport and the betting opportunities offered by the book makers and exchanges. The type event in which we are trading will dictate the way the in which the market moves.

How does this help us?

Well, if we are in timed market such as the correct score market in football we know that the market will move in a predictable direction. If the current score for example is 1-1 then the price of 1-1 will decrease in value for as long as the score remains the same. This is what we call a time degradation market. Whilst the price of 1-1 falls, so too will the price of the next possible scores i.e. 2-1 and 1-2, *(though they'll fall at a slower rate).*

Conversely as long as the current score remains the same the price of other *scores (outside of the next possible scores)* will increase i.e. 2-3 or 3-2 or AUQ etc. The current score will fall at a steady rate yet other score markets will rise at an accelerating rate the closer the event gets to its conclusion. These rising markets are known as time inflation markets.

If you've ever tried trading horse's pre-race or even just followed stocks in the financial markets you'll see that the market prices can be very volatile. To the uneducated eye it can be very hard to predict in which way the market will move. You can be convinced it will go down only for it to go up. This can be very frustrating but with practice very lucrative. In time degradation/inflation markets however we don't have this problem as the trend of the price will only go up or down. This means timed events markets are great for scalping.

Whilst timed events are great for scalping first past the post events are great for swing trading. Here the score line will move the price far more than the elapsed time *(though this does have bearing in hybrid markets)*. We can create a tradingEDGE here by entering and then exiting the market before and after a swing has happened profiting from the market's reaction or more likely the markets over *reaction*.

Market over reaction

When a swing occurs in a market it is almost always followed by a period of uncertainty when the market is not sure what the new probability of an outcome is and it oscillates around a price before it settles. As you become more experienced as a trader you'll be more readily able to spot the markets over reactions.

What you'll see is the market price for the team or opponent who has conceded a score will move out to a higher price than the true probability of the outcome. This also works in reverse where the side or person scoring suddenly has a lower price than the true probability of victory. If you can spot these over reactions then you can create a tradingEDGE by taking a value position before the market corrects. You can scalp the initial movement or stay in if you feel a further swing likely, knowing you have the best price available. Market over reaction is unique to the exchanges, if the bookies are unsure what the true probability is *(despite their sophisticated modelling software)* they will simply suspend bets until they are sure.

Caution: This takes time and practice to master and not every score will move the market in the same way. The size of the lead, the time remaining, then intervention of the third match official can all have a bearing. There is no substitute for experience here.

Event killed markets

These are markets which are live one moment *(and usually moving in a predictable direction)* when bang! The market suspends and it's all over! The outcome that was looking so profitable for you is now no longer possible. For the beginner these are tricky things to predict.

You can be quite happily scalping 1-0 while the score is 0-0 when, **DISASTER** the away side get a lucky deflection and take the lead 0-1. In the best case scenario you'll have lost the profit you'd built up on 1-0, in the worst case you'll have lost your entire stake. Ouch! If I had a penny for every time I heard a trader's tale of woe of backing, 0-0 @15 only to lose all their money when a goal is scored in the 8th minutes before their lay of @14.5 had been matched.

If a market can be killed by a sudden event like a goal, or a set victory, or a six or in fact anything really, you must be on your guard to read the market and get out before your position loses. Alternatively you need to hedge your position with insurance cover or a counter position in another market.

#7 Trading Fundamentals

Treat trading as profession even if it's only a hobby

Sports trading professionals do exist. However they are not called professionals without reason and that is exactly how they approach their profession. I simply cannot place enough emphasis on the word *professional*. If you're serious about joining the professional ranks, then you to must approach your trading in a serious and business-like manner.

Rome wasn't built in a day and if profiting from the business of sports trading was easy, then of course, you wouldn't be here reading this now, would you? To become a professional in any business takes time, dedication and a lot of hard work. It is therefore unrealistic to expect to become a sports trading professional overnight. So, as with any profession you will need to learn from your mistakes whilst serving your apprenticeship and working you're way slowly to the top.

Portfolio Approach

Financial advisors around the world advocate a portfolio approach to achieve you investment objectives. They mix a range of high, medium and low risk investments across range of financial products. At Sports Trading Edge we take the same approach to our trading portfolio. By this I mean that we diversify our trading investments into a portfolio of proven trading strategies, designed to complement and support each other.

If a financial portfolio balances risk across differing market sectors, then so should our sports trading portfolio. Given the nature of trading, even proven strategies over time will experience winning and losing streaks. Edges will diminish over time, so by investing into a diverse range of strategies we ensure that the likelihood of one strategy experiencing a losing streak is offset by another segment having a winning streak to create a net gain.

Patience and Choice

One of the most powerful weapons we hold is choice. The bookmakers and exchanges are committed to offering prices on virtually every single sporting event, but there are undoubtedly horse racing frames and sporting events which are less trader friendly than others. We do not have to trade and indeed it is better *not* to trade if we're unclear if we have a tradingEDGE. We're able to exploit the bookmaker's requirement to offer all markets and where we have a mathematical advantage we can gain.

It takes great discipline to *not* trade at times. It takes great discipline to walk away from a horse when the frame of the race is not right. It takes discipline to say no to that small fun trade and it takes discipline to keep your money in your pocket and deny yourself the emotional *fix* of watching your runner on the TV. Any lack of discipline in trading will be further magnified after a loss has occurred and will result in a spiral of risky trades, whilst chasing losses until the amounts required to recover the situation become insurmountable.

Trading Bank Management

When starting out ensure you've established a trading bank specifically set aside for trading and away from your main finances. Ideally you'll build a risk free bank from matched betting which not only gets you used to backing and laying but also helps to break the emotional attachment to the money.

The size of your trading bank is dependent upon your individual circumstances. It could be £100, £1,000 or £10,000, whatever it is, is largely irrelevant. If you're baulking at the thought of a £10,000 trading bank, then that is psychological lesson number one and we already know £10,000 is out of your comfort zone. I hope this illustrates the effect your emotions when attached to the money you'll be trading.

You must only trade with money that you can afford to lose. That doesn't mean we're going to try and lose its just its essential you remove all *emotional* attachment to your trading bank. Your trading bank is the initial capital for your trading business. If ever you find you need to access your trading bank for any purpose other than trading you ***must stop*** trading. It takes incredible mental strength to be able to trade profitably with money you need to pay for your living expenses. The pressure is incredible, you'll be better off stopping trading and returning when your circumstances change.

Trading Rules

Read these 8 simple trading rules. Print them out. Laminate them. Stick them in your line of site wher you'll be working when trading. Seriously, do it. It'll safe you money.

1. Only enter a trade if you have completed thorough research and preparation before taking on a risk. The selections we make each day in theEDGE eColumn are not made at random. They based on solid analysis and a deep understanding of the market.
2. Never enter a market unless your tradingEDGE has a greater than 50% chance of success. If you are not sure of your tradingEDGE **DO NOT** enter the market. Over time just a 51% tradingEDGE is enough to secure profitability whilst 49% is the route to depression. A wise man once told me *'it's better to be out of a market wishing you were in, than in a market wishing you were out!'*
3. Follow a proven strategy that you *understand* and have a clear plan of what to do if something goes wrong *before* you enter the market. Decide in advance if you are scalping, swing trading or taking a position in a market. If the market moves against you, have a set limit of exposure and accept the loss quickly as *hoping the market will change in your favour is not an effective strategy*. There is no point trying to scalp a tick and instead losing 10.
4. Keep your emotions out of your decision making.
5. Don't panic *(see, having a plan).*
6. Understand that you are trading for profit not entertainment. There is no such thing as a fun trade or a trade for interest's sake. The pleasure will come from the intrinsic satisfaction of a long-term trading success.
7. Focus on the solid execution of strategies with a tradingEDGE and long-term profitability rather than second guessing your trades and gambling for short term gains.
8. *Don't re-enter a winning trade*. It is very rare you'll improve a winning trade by re-entering the market unless it's very early the event and there are clear tradingEDGE's still to come. There is however a chance you'll turn a good position bad, position or even worse turn a profit into a loss! Wining trades are usually best left to win on their own.

Work place

To begin with, simply using your home PC or laptop will suffice, provided you have a stable broadband connection, enabling you to receive live video streams and fast pricing updates. As time and profits progress, you should think about adopting a Professional home setup.

My home trading set-up is run on a mid-range Dell workstation (c£1,000) with a graphic card to support 4 monitors *(though I only run 3)* and the maximum available memory. I live in the country so can only get an 8Mb broadband connection but this works fine. I use AGT Pro (The Geeks Toy) as my trading software primarily for the speed of the API but also as it has an interface for both Betfair and Betdaq.

I use chrome as my browser and have booked marked all the calculators I use in the in the bookmarks bar. All my passwords are encrypted via roboform which allows me one-click sign on to all my book maker accounts.

I also have a Flat screen TV and Sky Sports subscription.

As a back-up I have a laptop with a loaded pay as you go 3G card on board so if I lose power *(happened once)* I have at least an hour to be able to close out my positions. My laptop is connected to a loaded Betdaq account all day so if Betfair goes down I can close my position on the rival exchange to scratch my trade *(happens more than I would like.)*

If all else fails I have a mobile and land line to hand with Betfair customer services on speed dial. When out of the office I use the Betdroid trading app on my phone and tablet pc *(both running android).*Whatever set-up you're using always ensure that when you're trading you won't be uninterrupted.

Shame there's no off switch for my kids!

#8 Sports Trading Edge Trades

Strategy #1 - Le Redknapp de vacances Français

The Redknapp is the classic in-play correct score trade. Now it's back revised, updated and more profitable than ever. After 'arry's summer vacation to Poland and the Ukraine was cancelled. He hopped on the Eurostar and headed to the south of France for a break. Inspired by the fine wines and cuisine he's revisited his trading strategy for us and now he's relieved of his responsibilities in North London we've got him for the new season, this time with a continental twist.

Ok we haven't really got 'arry on staff *(though his accountant's been very useful)* but we do have a trade named in his honour. The Redknapp had been around for almost 5 years old now. In that time the markets have changed so we've updated it with a French spin and renamed it *Le Redknapp*

Why it works

At the heart of the strategy is a time degradation trade on the current correct score line. The key to the success of the trade is in match selection and we're looking for cagey low scoring affairs. With the strategy, insurance positions are taken to minimise risk as well as provide additional income from educated punts. By trading price movements in the *right* games *Le* Redknapp provides the antithesis to the traditional high scoring trades.

Where's theEDGE?

The edge is in match selection and spotting the 15% of games that will finish under 1.5 goals. By utilising good cover positions liabilities are kept low. The aim of the trade is to be at break even by half-time with an exit planned for 70 minutes with a good profit. The hit rate of winning trades is excellent with 78% profitable last season. For coming season we'll be trading the French markets in the chat room with the intention to increase that percentage further.

How it's played

Le Redknapp is played with the majority staked on the 0-0 score line, though entry is delayed until the price has begun to fall *(5-10mins in some matches).* The trade also takes positions on 1-0 and 0-1 markets which will drop in price in line with the 0-0. A final trading position is taken on 1-1 to give us opportunities in-play. Insurance positions are taken in the *first goals market* to protect the opening stake on 11-20 minutes and 21-30 minutes. This gives us 20 minutes of *reduced risk* to build a profit base in the correct score market.

Punting positions are added on the 41-51 and 81-90 *(includes injury time)* where often a goal will be scored in a tight match.

In-play, we make lays on the current score line to reduce the overall liability; cover for the cost of insurance positions and goal time punts. As the game develops additional correct score positions are taken to maximise profits when a goal comes. Le Redknapp can be played either on the full-time correct score market, half time correct score market or both. It is also compatible for use with the Jonah, CS cash machine and a variation of the Desmond.

Strategy #2 - The Aristotle

This is one of the most consistently profitable Football trades in the Sports Trading Edge arsenal. The Aristotle is essentially an over 2.5 goals trade with insurance positions on Under 1.5 and the correct score market.

Where's theEDGE?

The edge comes from statistical research, the probability of over 2.5 goals and entering the market when the price of over 2.5 goals is in our favour.

How it's played

We're looking for matches where there is a good statistical chance of both teams scoring, yet a price on over 2.5 goals of at least @1.90 *(ideally higher)*. Where the price of over 2.5 is lower than @1.7 there is no *value* for us so we must wait to get involved. Using our usual stake of £25 we split it:

- 58% Stake of £14.50 Backed on over 2.5 goals
- 14% Stake of £3.50 Backed on 1-1
- 28% Stake of £7 Backed on under 1.5 goals

As long as there are no goals, the price of under 1.5 goals will drop creating profit for us to offset some of the loss of over 2.5 goals moving against us. After 23 minutes we'll aim to green U1.5 as statistically first goals are score most often from the 24th minute of a match.

As the goals go in we can remove our liability on over 2.5 goals hedging out for a profit after the second goal. If the underdog scores first we can lay off half our stake on 1-1 to reduce our liability on other scores to £1.75. If it goes 1-1 we lay off again for around £6.75 to create a scratch on 1-1 and **£5.00** on any other score line. When a match goes our way we can expect a return of between 20-80%.

Match Selection

The key to success in football is matching the right trades to the right games. To enable us to consistently do this we research key metrics ahead of each match we select. The criteria we use:

- **Home side:** Average goals for, against, combined average, % O2.5, %U2.5, strength of attack/defence
- **Away side:** Average goals for, against, combined average, % O2.5, %U2.5, strength of attack/defence

We then calculate the combined average score and the probability of over 2.5 goals. Where the probably is greater than 60% we have a tradingEDGE and will look for prices of the right value to recommend a trade. If we find a match that we want to trade but with a price below @1.70, we have the option to lay under 4.5 goals to catch any early goals whilst we wait to enter the market when O2.5 reaches @2.10.

What's the downside?

A bore draw of 0-0 will hurt us the most so we can take optional insurance to cover half our stake with a lay of over 0.5 goals which at an average of 1.07 will cost us just **£0.88**.

Strategy #3 - The Socrates

A variation of the Aristotle which we've added to our portfolio to help maximise profits and reduce the downside whilst removing the need for as much in play management.

Why it works

Using the same match selection criteria as the Aristotle and the Desmond the BTTS becomes a very simple trade for beginners to follow. We take our positions in the market at the start of the match and only need to make any moves if the score is 0-0, or 1-0 after 60 minutes. Because of its simplicity it is possible to trade multiple matches at the same time.

Where's theEDGE?

The edge here is in match selection, the statistical probability of over 2.5 goals and the regularity of both teams scoring. We are looking for a double win on two markets BTTS *(both teams to score)* and over 2.5 goals to maximise our profits. Even in a match where side concedes 6 goals there will often get a consolation goal to give us our double win.

How it's played

We are looking for matches where the price of BTTS and Over 2.5 goals are @1.80 or above. Using a £25 stake we enter the market pre-match with the following stakes:

- Stake of £10 Backed on BTTS @1.80+
- Stake of £10 Backed on over 2.5 goals @1.80+
- Stake of £2 Backed on 0-0
- Stake of £3 Backed on 1-1

We will let this trade run to its conclusion unless the score is 0-0 or 1-0 after 60 minutes. If 0-0 we will green up 0-0 and scratch 1-1 taking a hedged red on over 2.5 goals and BTTS. If 1-0 we green up 1-1, scratch *(or take a small loss on over 2.5 goals)* and red BTTS. Any other score line and we have a tradingEDGE so can let the trade run until 80 minutes where we can reassess. We can either exit the trade or stay in with a probably win one either, 1-1, over 2.5 or BTTS and ideally both Over 2.5 goals and BTTS.

Where's the downside

The downside is no goal or goals or two goals to one side. Taking insurance to cover half our stake with a lay of over 0.5 goals will protect us from a 0-0 draw. A small back of 2-0 and 3-0 at 1-0 will minimise the loss of a 2-0 finish.

Strategy #4 - The Desmond

Named after Arch Bishop Desmond Tutu this a correct score trade which uses the same match selection criteria as the Aristotle to trade price movements on the score lines of 2-1, 1-2 and 2-2 *(see what we did there?)*

Why it works

The Desmond is played by taking positions on the correct score lines of 1-1, 2-1, 1-2 and 2-2 in a game where we expect both teams to score. We enter the market *only if* the match is still 0-0 at 24 minutes. We're hoping the match will finish on one of our target score lines but by managing our positions in-play as the goals go in we can create a green book on every correct score line.

Where's theEDGE?

The edge here is from the match selection, the statistical probability of over 2.5 goals and by taking positions on correct score lines when the prices offer value.

How it's played

Using a £25 stake we enter the market with the score at 0-0 24 minutes. With back positions as follows:

- 36% Stake of £9 Backed on 1-1
- 26% Stake of £6.50 Backed on 2-1
- 26% Stake of £6.50 Backed on 1-2
- 12% Stake of £3 Backed on 2-2

We are now green on all of those score lines with a maximum liability of £25 on any other score. We now sit back and wait for goals. As the goals go in the prices we backed at will fall allowing us to lay our position to remove our liability. At 1-1 we can remove all liability by laying 1-2, 2-1 and 2-2 leaving a healthy green on 1-1 and 1-2, 2-1 and 2-2. We can then further lay 1-1 to create profit across all scores.

Now whoever scores next we are in great position as either 2-1 or 1-2 will come in as well as 2-2. 1-1 will now be dead as with one either 2-1 or 1-2 but because we have already layed we are already in profit. With the score at either 2-1 or 1-2 we lay off the current score line and 2-2 to balance our book.

Where's the downside

The downside is no goal or goals for just one side. Match selection will help to minimise this but as an additional insurance we can take cover with a back of under 2.5 and a little on 3-0 *(0-3 is very rare but can be covered for few pennies.)*

Strategy #5 - The 02

This is a very simple strategy which as a clearly defined entry point. The key to its success is match selection. What we are looking for is a situation in the first half of a match when the away side has taken two nil lead. Now this won't happen in every match but over the course of a weekend you'll usually find a handful of opportunities. The trade is played in the match odds market where we'll lay the away side after the second goal at low odds around @ 1.20 to @1.35 depending on the strength of the opposition, then hedge out after the home team score.

Why it works?

With 45 minutes to go the manager of the away side has a dilemma. Do you set out your side to defend the two goal lead? Do you push on and try and close out the game by pushing for a third? How will the home team react? These questions often create uncertainty amongst the players and the result is often a goal to the home side.

Caution

Don't use this trade blindly whenever you see a 0-2 first half score line. Whilst many teams will panic when they have a two goal advantage there are plenty of teams who are capable of managing this position and winning. Ideally you're looking for a team that you wouldn't expect to win convincingly on the road. As an example, in the premiership last season both Liverpool and Newcastle took 0-2 leads last season only to lose. The Manchester clubs didn't.

Where's theEDGE?

The tradingEDGE in the 02 comes from the low liability of the lay and the slow speed with which the match odds market will move against us for the next 10-15 minutes if no goal is scored. The advantage we also have is that by getting involved at half-time we have 15 minutes to check the away stats of the teams playing if the matches are in leagues less familiar to us.

What's the downside?

A third goal to the away side will move the price against us. No goal for the home side before the before the 65th minute will have moved the market approximately 10 ticks against us meaning we'll have to hedge for a loss, though a goal before the 80th minute is likely to allow us to scratch the trade.

Strategy #6 - The Jonah

More of a punt than trade the Jonah *(named after a Sports Trading Edge member)* is used to lay a market in football as the match enters injury time. The Jonah can be used a number of markets, match odds, correct score and unders though we strongly advice you *ONLY* use one at a time.

What we're looking for is a match where there is only 1 goal separating two sides and ideally with the away side leading.

We are entering the market in the belief that there will be a late goal. We can lay the leading team in the match odds market *but* we need the trailing team to score to profit. This leads us to favour a lay of the correct score or unders markets as a goal to either side will allow us to profit. Whether you lay U1.5, U2.5, U3.5 or something else will be determined by the current score.

The Jonah works equally well in the HT correct score market or U1.5 first half goals market. A HT Jonah can be combined the HT Bounce for lower liability and potentially an instant payoff.

Why it works?

Statistically more goals are scored after the 40^{th} and 80^{th} minutes respectively but particularly the latter when both sides can score points, hence the need for only a 1 goal margin in the matches we trade. The extra time period is often the most intense attacking period of a match and can last up to 10 minutes with attack and counter attack often leading to a goal.

Where's theEDGE?

The tradingEDGE with the Jonah comes from the low liability entry point which will often see the price as low as @1.20. Entering a market @1.20 for £25 stake carries a liability of £5, meaning that to profit from the Jonah we only need to be right in calling a late goal in 25% of the matches we trade. 20% or 1 in 5 will still come out as scratch.

A variation of the Jonah can be played with the drip mining technique with mines @1.8, @1.5 and @1.2. This will mean you have a wider window for a goal but for greater liability/lower profit.

What's the downside?

Very little, though obviously no goal will mean we lose. There is little time *(or point)* in trading out with seconds to go so we need to be prepared to accept a 20 tick loss before we enter the market.

A variation of the Jonah can be played with the drip mining technique with mines @1.8, @1.5 and @1.2. This will mean you have a wider window for a goal but for greater liability/lower profit.

Strategy #7 - The Correct Score Cash Machine

This trade requires a degree of being in the right place at the same time but it gives the closest thing to a guaranteed profit outside of arbitrage and matched betting. It works on the principle of market uncertainty and over/under reaction.

The trade is played during a football match immediately after a goal is scored. On Betfair, the market will suspend after the goal and will stay suspended for 30 seconds to maybe a minute afterwards. During this time no bets can be submitted, so we have a little time to get organised. We are going to take positions on the new current score market, so if it was 0-0 and now it's 1-0 we're going to trade on the 1-0 market.

Firstly we need to check the last traded price on the *(LTP)* on the previous score line (0-0). We'll then take positions 5-20 ticks either side of the *(LTP)* on the new current score (1-0). When the market re opens the 1-0 market will be clear of all bets so we can do some market making. We'll place our bets both back and lay above and below the LTP of the 0-0 market. If we are matched on our back position first we now have a value bet which we can hedge 5, 10, 15, or 20 ticks lower for a profit. If our lay is matched first then we reverse the process.

Why it works?

When the market resets after a goal there is a short period where traders are unsure what the correct price should be for the new score line. Unlike bookies who use software to set their price Betfair is *(largely)* set by the users. This creates an opportunity to offer prices that offer value to you and get them matched by people rushing to get into the market who are prepared to take whatever price they can get matched at.

Where's theEDGE?

You determine your edge with this trade. By using your knowledge of the true price from the LTP on the previous score line you create a value position by getting matched with a lay below the true price or a back bet above it (or both). Once matched you'll automatically be in profit and can hedge out.

What's the downside?

Not getting matched. If you are too greedy with your market position you may see a back bet sitting on the exchange as the prices below you are matched and your opportunity passes. There is usually still value in backing at LTP or a few ticks lower and you'll have a better chance of getting matched. On the lay side the risk is getting matched too high and being stuck with a losing lay position.

This can be countered by laying at LTP -20 ticks then if a higher lay offer is placed above you, you can move your lay above it so you are first in the queue to be matched. With this trade a return of 10-15 ticks is excellent; 8-10 is about average and 5 about the lowest you should expect.

Caution

Careful with you staking as unless it's a big game you'll struggle to get more than £25 matched.

Strategy #8 - The Halftime Bounce

This is a useful little in-play trade that allows you to add some extra green while playing another football strategy. It can be used in conjunction with a halftime Jonah to cover any downside if the Jonah doesn't come off, a great way of getting a free trade.

Why it works

The halftime bounce, in certain matches is a reasonably predictable price movement which played just before halftime allows us to profit from a lay with very little downside. It is played by laying the current score in the correct score market a minute or two before the conclusion of the first half.

If it is played in match where goals *(or more goals)* are expected then traders expecting a quick second half goal will be reluctant to back the current score line at half time. This means that the correct score price can actually rise 4-5 ticks in the first 10 minutes of the halftime break. We can then hedge out for profit before the second half of the match. Alternatively we can match our lay stake with our back to leave free money on the current score.

Where's theEDGE?

The edge comes from understanding that when goals are likely the price will reverse its current trend for a short period during halftime. By laying the correct score in the dying moments of the first half we will make a 100% profit if a goal is scored *(great when that happens)* if not then we'd at least expect 2-3 ticks profit.

Where the downside?

Very little downside here as the *only* the thing that can hurt us is the continuation of the trend for the price to fall. This will only happen if we have read the match wrong and the market *does not* expect further goals. If this does happen we hedge out to stop any further loss and then scalp the current score for a few minutes in the second half to recover our position.

Strategy #9 - Lay-Z-Man

One of the most versatile trades we've developed at Sports Trading Edge. It's an incredibly flexible strategy which can be used on a number of sports markets. It can be played either as a passive trade where you take unmanaged positions *(great if you need to go out)* or actively which creates excellent opportunities to reload your positions to lock-in extra profits.

The Lay-Z-Man is best suited to events with only two outcomes, win or lose *(though in some scenarios a draw is fine)*. What we're looking for is two very closely matched players or teams with a starting price on the favourite at around @1.80. Ideally we want a reasonably long format of the sport and good degree of market volatility as we'll be looking to profit from price swings. Sports that the Lay-Z-Man works well with are, Cricket, Darts, Snooker and to a lesser degree Tennis.

The trade involves laying *both* players or teams to *lose* by laying mines which are matched when they either player or team is *odds on* favourites.

Why it works

By laying both players or teams to lose when their price is below @2.00 then as long as you're matched on both you're *guaranteed* a profit. This is a simple mathematical advantage as by laying below evens our liability will always be lower than our stake.

Where's theEDGE?

Let's say we lay both players in a darts match @1.72 for a liability of £25 *(£34.72 stake)*. As the match progresses both players take the lead in the match and swap places both becoming favourite to win on Betfair. As a result both of our lay mines are matched. Of course only one player can win as with our trades. So we have a guaranteed win but also a guaranteed loss.

TheEDGE is in the maths. Our profit margin on each lay is £9.72 and because we have been matched on both players we can simply divide that by two to calculate our locked in profit of £4.86. It no longer matter who wins and we can sit back and relax with a 19% profit locked in.

The beauty of the Lay-Z-Man is that it can be played a number of times in the same match as the favourite to win oscillates between the two players. If we played the same trade 3 times then our profit increases to 58% *but* if we compound our stakes each time by adding our profit to each lay we can increase that return to 0% without ever risking more than £25.

The profit margin can be further increased by placing mines lower. We often advise members to place Lay-Z-Man mines *(to a set liability)* at increments of @1.76 @1.52 and @1.4. If we are playing the trade live in the chat room, we may advise greening-up if we feel the opponent will not regain the lead and our mines remain unmatched.

What's the downside?

The downside is if an event we expect to be close turns out to be a one-sided affair. In this scenario we risk a total loss as the only mines matched will be on the winner. Here we may advise members to hedge out for a loss but we shouldn't panic as often an early lead can be overturned and there may be a chance to scratch the trade or even make a small profit.

Strategy #10 - The Greenhouse Effect

This cunning little trade allows us to profit by laying the heavy favourite in a market where there is no value in backing them. I know what you're thinking, *'if there is no value in backing them why on earth would you suggest we lay them?'* I agree it is counter intuitive but when used at the right time it can be *very* profitable.

This trade can be played pre-match in Tennis, Darts, Snooker, Football, and Horse Racing handicaps of over 8 furlongs, anywhere that the price of the favourite it *too low*. It can be used in Cricket in-play when the opportunity arises.

Why it works

The Greenhouse Effect takes advantage of the fact that before an event starts the Betfair markets must decide, *(albeit collectively)* what the probability of the outcome is. The assumption is that the market price at the start is the correct price. Does that mean the market is right? Absolutely not! Everyday red hot favourites get beaten, or at least come under pressure from rank outsiders who the market gave little chance before the event. This doesn't mean the favourite *will* lose but for this trade to work that isn't important, as the profit will come from trading the markets uncertainty.

Where's theEDGE?

By laying the favourite when they are at very low odds means the market can only move against us little way *(particularly at the start ofan event)* and it's easy for assess the downside before we enter the market. The advantage of laying at low odds means the liability of fairly substantial stakes will be very low so our profit per tick will increase needing the market to move only a little way for us to extract our profit. We then peg back our position in play and hedge out when the timing is right. Solid match selection remains essential as strong favourites, are *favourites* for a reason so the trade needs to be applied with caution.

Real example

At the German Masters World Champion, Ronnie O'Sullivan was the favourite for the title. In the first round he came up against little fancied Englishman Andrew Higginson. Ronnie started as the @1.18 favourite. I took the view that in a first to 5 frame opening match there was a chance that Higginson *(who had nothing to lose)* could go a frame up against a complacent O'Sullivan and @1.18 his price was too short. I decided to risk £12.50 liability *(half my normal stake)* by laying Ronnie for £70 knowing I could hedge out for a small loss if Ronnie took the opening frame. Higginson took a 4 frame lead!

Ronnie's price moved out and rather than hedge out @1.40 *(my original plan)* I decided to peg back my liability and stay in. I pegged £5 @1.42, @1.78 and @2.82 to give me a green position of £2.50 on Ronnie *but* £55 on Higginson. Higginson took a 4 frame lead! Now I thought Higginson would *win* but to whitewash The Rocket? I didn't think so.

I decided to play the green house in reverse laying £25 of my green on Higginson @1.24 for £104.16. I was guaranteed at least £25 so this was in effect a free trade on whether Higginson would choke or Ronnie would wake up. Ronnie did wake up! He came from 0-4 down to win 5-4! I hedged out at 4-4 netting **£98.68** in the process. Not a bad return for a maximum liability of **£12.50**! Ronnie never went behind in the tournament again and lifted the title.

Strategy #11 - Big John, Big Bad John

This is Tennis trade named after *(Big)* John Isner who, along with Nicholas Mahut played the longest match in tennis history. Their epic encounter at Wimbledon in 2010 lasted 11 hours, five minutes and was spread over three days. Isner eventually came out the victor in a war of attrition with a score line that read, 6-4, 3-6, 6-7, 7-6, 70-68! That's right 70-68!! That last set produced 135 holds of serve with Mahut serving 65 times to stay in the match.

The Big Bad John trade, looks for matches where both players have a strong service game. It is a scalping strategy which involves taking a position before the start of a player's serve and hedging out after they hold. Had we played it in that titanic final set it would have produced over 1,200 ticks of profit with a £25 stake producing a return of 816%.

Why it works

The men's ATP tour is in the modern era is dominated by strong players who have rocket propelled serves. On a fast, hard court, when these players wind up their service game they are extremely hard to return against which means we can reasonably predict the price movements in a market. The price of a player at the start of their service game may be 8-10 ticks higher than their price after a hold allowing us to scalp the movement. We should only trade if the player's price is above @1.30 or the risk is too great. Between @1.50 an @1.80 is ideal.

Where's theEDGE?

TheEDGE here come from player selection. We need to find players who not only have strong serve but also excellent accuracy. There is little point in having a powerful serve if the first serve percentage is low. It also needs to be effective with a good percentage of first serve points won. To be successful we need to look at player statistics before choosing to play this trade. Statistics are freely available and can be found at http://www.atpworldtour.com. Key stats to look for are:

First Serve percentage: The percentage of serves they get in is important as second serves are usually slower and therefore easier to return. Ideally we're looking for 60% and above.

First Serve win percentage: The more points they win on their first serve the easier it will be for them to hold serve. Here we're looking at 65-70% as the benchmark for a strong server.

Service game win percentage: As we're looking to hedge out at the end of the service game we want to know we have the probability in our favour so 70% plus should be our selection criteria.

What's the downside?

A break of serve. We need to pay close attention to the match and even though these men are capable of serving aces to get back into the game we should hedge out *(for a loss)* if they go 2 points behind as a break against us will dramatically increase our loss. Always protect your trading bank.

Caution: Start with small stakes until you get use to how the market moves. Be cautious on clay courts where breaks of serve are common. Don't trade both players until you're confident and *only* use this strategy on WTA matches if you like donating money to Betfair!

Strategy #12 - The Portfolio Trading Method

This is trade played over a period of days, weeks or even in some cases months. The trade works by taking ante post opening positions with either a bookmaker*(s)* or Betfair or both. Then laying off our positions as the odds move in our favour on Betfair to secure a green book on the event well before its conclusion. The application of the Portfolio trade is very broad and successful trades have included the FA Cup, T20 World Cup, Darts Open, Wimbledon, Masters Snooker and the Golf Open.

Why it works

By backing a portfolio of teams or players to win in the outright market we can create mathematical advantage. The majority of punters will be backing the heavy favourites with far fewer backing the outsiders. What this often means is the price of the early favourites is *lower* than their true probability of winning. Conversely the price of the outsiders is often *higher* than their probability of winning which means there is *value* in backing the outsiders.

Where's theEDGE?

The edge is in the selection of the players or teams which have greater price than their true probability. Upsets in major competitions happen far more regularly than most people expect, *(the bookies know this and will happily take your money)* for example at last year's Masters snooker six seeded players went out in the first round! It's by going against the popular market selections with our choices that we create our tradingEDGE.

Factors such as the draw or the head to heads with early opponents will have a bearing on who's included in the portfolio. We are *not* expecting these outsiders to win only to shorten in price sufficiently so we can lay them off for a profit.

Worked example

Here is the Portfolio trade from the group stage of the World Cup.

Opening positions:

- £25 Back of ARGENTINA to score 9 points at @3.75
- £25 Back GERMANY to score 9 points at @5.00
- £25 Back HOLLAND to score 9 points in group @4.50

In-play lays:

Lay each team to win in *each* match £40 *(highest liability @1.70ish)*

How it works

Let's look at Argentina as an example. £25 back on the 9 points will produce a profit of £68.75. First game against Nigeria they'll be about @1.5 to lay. Assuming they win the match we'll be -£20 on the lay going into the game with South Korea where they'll probably start @1.33. This will give put us at -£33.20 should they win. The final match with Greece will be their toughest where they'll be about 1.7 to lay. So here we are talking a liability of -£28 should they win the match.

If all lays lose; £20 +£13.20 +£28 for total loss of -£61.20. If all goes plan the net profit on the trade is £7.55. As an extra move we can increase each lay to recover the loss on the previous lay though this will reduce the overall profit.

Where's the downside

It is ok if the first lay wins as we will only lose a little and will not play the future lays. The risk is if the *second* or *third* lays *won*. They'd win £41.20 *but we'd* lose on the opening position of £25 and the first match of £20. If Argentina win the *first* and *second* matches but fail to win the third the loss would be greater as the first two matches would have losses of £32.20 plus the original £25, giving a loss on the trade of -£30.20, so we must tread carefully with our selections. In this scenario the backs on 9 point finishes for Germany and Holland make up the rest of the portfolio with 3 teams and 9 matches give us some flexibility in the opening week of the tournament.

How it panned out

Group 1:

Initial position £25 @3.75 to return profit of £68.75

1. Argentina v Nigeria (1-0) layed Argentina @1.40 to win £40 (***-£16.00***)
2. Argentina v S. Korea (4-1) layed Argentina @1.34 to win £56 (***-£19.04***)
3. Argentina v Greece (2-0) layed Argentina @1.38 to win £75.04 (***-£28.52***)

Overall; Opening position **£68.75** – Lay liability **£63.56** = Profit **£5.19**

Group 2:

Initial position £25 @5.00 to return profit of £100

1. Germany v Serbia (0-1) layed Germany @1.53 to win £40 (***-£21.20***)

Overall; Opening position **£25.00** – Lay liability **£40.00** = Profit **£15.00**

Group 3:

Initial position £25 @4.50 to return profit of £87.50

1. Holland v Denmark (2-0) layed Holland @1.56 to win £40 (***-£22.40***)
2. Holland v Japan (1-0) layed Holland @1.36 to win £62.40 (***-£22.46***)
3. Holland v Slovakia (2-1) layed Holland @1.43 to win £84.86 (***-£36.49***)

Overall; Opening position **£87.50** – Lay liability **£81.35** = Profit **£6.15**

Total Profit = £25.59

Strategy #13 - Take Twenty

This is a cricket trade played on the exciting restricted over format of the game Twenty Twenty *(T20)*. With a few minor tweaks it is equally effective on 50 over matches. Unlike Test cricket trades which take days to unfold, T20 is over in around 2 hours. The *Take Twenty* is a position taking trade which takes advantage of swings around key events. It's so called as we aim to *take twenty* ticks of profit on each swing.

The key swing points in a T20 match are wickets and boundaries, with more emphasis on a six than a four. Other than these key events the price will be driven by the run rate, the average number or runs scored of an over of six balls.

Why it works

T20 matches are often *very* close, with many games being decided in the final over which produces incredible market volatility *(and great trading opportunities)* as both side have a chance of winning.

This trade works by taking a position in the market with a lay on the *batting* side at points where we anticipate a wicket. We then either hedge out for a profit or reduce liability and re-lay to stay in the market in the hope of a second quick wicket. Wickets are most common in T20 when the bowling side have new balls *(which offer an advantage to bowler)* and following a wicket when a fresh batsman is at the crease. The time when these two factors are both in play is at the start of the match so this is when we enter the market. We then take further positions as the match unfolds based on general rules and our reading of the game.

Where's theEDGE?

The edge comes from match selection, finding solid entry points, being patient and revising our staking if the market moves against us while we still have an edge. This strategy is as more about reading the game than rigid rules, though the rules are a good guide when combined with experience. Being in the market at the right time can make this an incredible lucrative trade with very little downside, though it does take discipline.

How it's played

Ideally we'll have live pictures for the match and a good scoreboard. The Take Twenty can be played without pictures but I would *not* recommend that for beginners. If available I use Bet365 for video and www.espncricinfo.com as my scoreboard *(also very good for stats).* We wait for the toss and then look to play the first innings by laying the side which chooses to bat first. We lay the batting side as soon as we know the result of the toss as we can often gain a few ticks advantage because the probability *(in an even match)* is that the first side to bat will lose which moves the market.

Typically I will lay 60% of my stake before the start and holding back 40% to top up if there is no early wicket. This is one of the most critical parts of the trade and a lot psychology is at play as the opposing sides will be playing their top batsman and bowlers in a battle of minds to get the upper hand.

Bowlers will be looking to take advantage the new ball to take a wicket whilst mindful of not conceding easy runs. The psyche of the batsman can be a little more clear cut with some preferring to *play themselves in,* happy to conceded dot balls *(balls from which no runs are cored)* whilst other, more aggressive players will look to stamp their authority on the bowler with early boundaries. I prefer the later as against a good bowler they're more vulnerable.

We're looking for wicket within the first 2-3 overs, ideally with a run rate of below under 7.00. If we get one the market will swing in our favour by maybe 20-30 ticks. We can then hedge out or reduce liability and stay-in. personally I stay in for the first over of the new batsman and if no wicket I hedge out then look to re-enter later. In an ideal scenario *(and not that uncommon)* there can be 2 wickets in the first over and price swing of 40-60 ticks which should give a 50-60% return.

If there's no wicket and a decent run rate then the price will start to move against us. This is no cause for panic as there is a long way to go and we held back 40% of our stake to cover this eventuality. When the price drops 15 ticks or the score reaches 20-25 runs we lay again but as the price is now lower we can lay more as our liability is less. This should be enough to still take us to a profit if wicket is forthcoming. When the wicket arrives *(it usually does*) we hedge out for profit.

After a wicket we can play a *bounce back* strategy which, similar to the *CS Cash Machine* trade takes advantage of market over reaction. Here we back the *batting* side after a wicket and then hedge out as the market settles. It's not uncommon to make 10 ticks in a matter of seconds with this play though it is not without its risks.

This process can be repeated 2-3 times in the first innings, entering the market every 20-25 runs and greening after each wicket. The decision about when to enter can be judged by the run rate and how established the current batsman is. If you get your timing right it can feel like a licence to print money!

Usually after the fourth wicket the swings will be much smaller as the market is more confident *(often wrongly)* about the final outcome so theEDGE is less and I rarely trade. Dependent upon your success in the first innings, the size of the chase and the balance of the match you can repeat the process in the second innings.

General rules

While you're gaining experience the following rules will serve as good guide.

1) Lay the batting side at the start
2) Top up lay every 20-25 runs
3) If no wicket by 8 overs hedge for a loss

What's the downside?

Whilst many T20 matches are incredibly close, just as many are completely one sided, there appears to be no middle ground! We can minimise this downside by only trading matches where the favourite is above @1.60 but we must be prepared to change our strategy in-play.

We must be vigilant to the market moving too far against us and resist the temptation to *hope* for a wicket as this is has no impact on the match! The strongest indicator of a the market moving against us is the run-rate and as this approaches 10.00 the price of the batting side will come in while the size of a swing for a wicket will decrease. This is a double whammy for us so we must get out of the market and look for another entry point as our edge will quickly disappear.

Strategy #14 - The Axminster

Named after the famous British carpet manufacturer, as this horse racing trade places *carpet* lay on the entire field. This simple trade can be played via the Betfair interface using the *'Lay All'* button. You may find it easier to use a third party software tool to lay the field with a single click. One of the few times we'll recommend getting involved with a handicap race but as we're looking for a close finish the hope is that the handicapper will oblige with a tight race.

With this this trade we're trying to find races where multiple horses *(the more the better)* will be matched at an intermediary level in running.

Why it works

Played in handicaps only, the plan is to lay the whole field at a much lower price in running than at the start, with the plan to catch as many horses in the net as possible. In effect we're placing mines to catch out in-play traders who back the wrong horses with the intention of profiting from their mistakes.

Where's theEDGE?

The key to finding an edge here is in race selection. Typically we're looking for a minimum of 8 runners in a well handicapped field with no clear favourite. We'll use slightly different variations of the Axminster for 5, 6 and 7f handicaps compared to handicaps at 1m+. Dependent on our staking we'll profit if 2, 3 or 4 horses blow our mines. The more horses that we successfully lay, the greater our profit will be.

Axminster Variation #1

Played in 5, 6 and 7f handicaps sprints provided we have at least 8 runners. We want the favourite to be above @4.0 and ideally with no more than a 5 tick advantage over the second favourite. Here we place lay mines for the field @1.76 for £32.89 a £25 liability. If 2 horses blow our mines our profit will be **£7.89** *(31%)*, if 3 mines are matched then we make **£40.78**! That would require a very close finish with three horse in contention to the line but it does happen.

Axminster Variation #2 *(Formerly known as the Pragmatic)*

Using the same criteria as above but in handicaps of 1m+, where the favourite is above @6.0. Here we mine higher @3.05 to catch traders who back too early as horses jostle for position over the longer distance. We need 4 horses to match to profit but at the higher price the probability is higher.

Axminster Variation #3

As variation #1 but with drip lays for £3 @3.35, @2.8, @2.4 then £6.25 @1.8 and £6.50 @1.5. Three matches here, will put us into profit with more chance to lock in a larger profit if several horse are in with a chance until the finish.

What's the down side

There is very little downside on these plays, provided we're selective in the races where we apply it. The downside comes when a horse defies the handicapper and runs out a clear winner taking us for our maximum £25 liability as there is no time to hedge out for a loss in play.

Strategy #15 - Donkey Sanctuary

This is a very simple lay trade but played on the place market rather than the win side. Rather than laying the field we lay selected horses or more aptly *'donkeys'* that have little chance of making the finish let alone the places!

Why it works

The trade will be played where we find a poor race, normally a Seller or Claimer being contested by lots of *`donkeys or mules'* hence the name. We lay all the selected *donkeys* to an equal liability and provided none of the horses selected make the frame we collect our profit

Where's theEDGE?

In the unlikely event of just one donkey placing our potential loss is reduced through having all the other selections on our side. It's important to lay all the horses suggested in theEDGE daily eColumn at the stakes advised. By laying all the selections we're in effect increasing the shield against any potential loss.

Worked example

Warwickshire Life Magazine Classic Selling Hurdle, this uninspiring 2 mile Selling Hurdle at Stratford produced a good number of donkeys ready for the sanctuary. Nine runners so with 3 to place we are looking to place lay *five* in the hope that they fail to figure in the shakeup.

The full line up;

The *possibles*:

- Forty Thirty @2.25
- Plenty Pocket @3.25
- Kissing Clara @7.0
- Rigid @9.0

The impossibles:

- Navajo Nation @17.0
- Abbi Jicaro @29.0
- Basilica @34.0
- Plug in Baby @41.0
- Weet in Nerja @201.0

So in effect we have 5 horses NOT on our side *(the impossibles).*

The race was run reasonably slowly which signified the Class of horses running of course and the favourite duly won with Plenty Pocket second & Rigid finishing 3rd. To give you an idea of the standard the last horse finishing was 88 lengths behind the winner!

So by laying the 5 impossibles we made a steady profit at minimal risk.

It's a low risk trade but stick to *Claimers* and *Sellers only*.

Strategy #16 - The Snowball

This is more of a bet than a trade but demonstrates the benefits of compounding profits. It uses reasonably safe selections were we are backing horses to place typically at under evens where there is a clear gap between our horse and the fourth favourite.

The snowball takes its name from the game we use to play as children where we would roll a snowball over and over and over until it became too large to move. Starting from our normal £25 stake we place our opening bet on our first selection and if it's successful we roll over our stake *plus* our profit to the next selection.

Why it works

The first bet is for £25 then if the selection is successful we keep rolling up the snowball until we've doubled our money at £50+. At this point we remove our £25 stake so we have no lose situation. We then roll up the snowball again with a target profit of £75 and a 400% return.

The Snowball serves to make the point that for a small liability of £25 and carefully chosen races you can accumulate substantial profits from place betting using other people's money to do so. *(Where do you think the profits come from?)* The liability never exceeds £25.

Where's theEDGE?

The Snowball is played over several days *(even weeks)* as we only play when the conditions are absolutely right. The edge comes from the careful selection of the right horses in the right frames and the compounding of profits.

Worked example

The Snowball starts as always with a £25 stake. Go Annie @1.68 duly places, so now we have £42 going on to Al Mamzar @1.39 which returns £16.38 profit giving us at total of £58.38.

We now withdraw our original £25 stake so we have no *(real)* liability going forward as we're now playing purely with profits. £33.38 goes on to Special Account @1.44. Our third successive horse places and the Snowball is now £48.07 of *other people's money*!

Labienusis is our next @1.52 and we're now just short of £75 target, so we give the Snowball one last push with Sorella Bella @1.36. Sorella Bella our shortest prices selection places and we withdraw a profit of **£99.38**.

So just 2 placed horse to remove our liability and then 3 horses to secure a profit of nearly £100 demonstrates the value of compounding returns even at short odds.

What's the downside?

The obvious risk is a selection failing to place and losing the whole Snowball pot. The key is to be able to put together a sequence of 4 placed horses. This is where we add value to our members and our placed horse hit rate is 83.7% across all selection, it's even higher for the Snowball so the downside is minimized as much as possible. Just 2 horses is usually enough to remove our initial stake and with it the downside.

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Sports Trading Edge Ltd.
Locke Street,
Newport.
NP20 5HL