

HONG KONG RACING: A GUIDE TO MANAGING A BETTING BANK WITH UNITS

By Clint Hutchison

OVERVIEW:

The purpose of Hutchi's Honkers is to provide quality information and strategies pertaining to Hong Kong racing and I have had many clients ask about my **unit strategy** and what that means?

The principles of investing on the Hong Kong racing product are, ultimately, no different to anywhere else. I strive to show a profit over the long term and therefore it is a process. There are peaks and troughs and whilst it would be great to be winning every week, that just isn't going to happen, there is going to be some variance.

There will be some tough weeks, some losing runs, but it is imperative to stick to "the process" and be there for the long haul.

Managing a **betting bank** and staking correctly, is an integral part of "the process". There's a winner in every race, and whilst it's fine to try and "find every winner", my overriding view is to ensure that every bet I have is on a horse whose price is 'an over' or 'value'. In other words, my 'rated price' (rp) is shorter than the price I can get from the market, or the chance I rate a horse of winning is higher than what the market thinks. This sets me up for profiting in the long run. E.g. my rp is \$2.00 versus a market price of \$2.50, this represents 'an over' or 'value' and would be a good bet.

This is where a **betting bank** and **units** come in.

*A **unit** represents a dollar (currency) amount that is an even portion of a total **betting bank**.*

*This **betting bank** therefore represents the total money you want to spend.*

For me the allocation of units to a bet is supposed to reflect a level of confidence on a certain bet. That level of confidence is judged by the outlay of units, relative to my betting bank. Assume I begin the year a **betting bank** with 500 **units** of currency to invest on Hong Kong racing. To allow for variance (winning and losing), I will aim to invest 4% to 5% of the total bank per meeting, or approximately 20 to 25 **units**. This should be sufficient to allow for variance through the season.

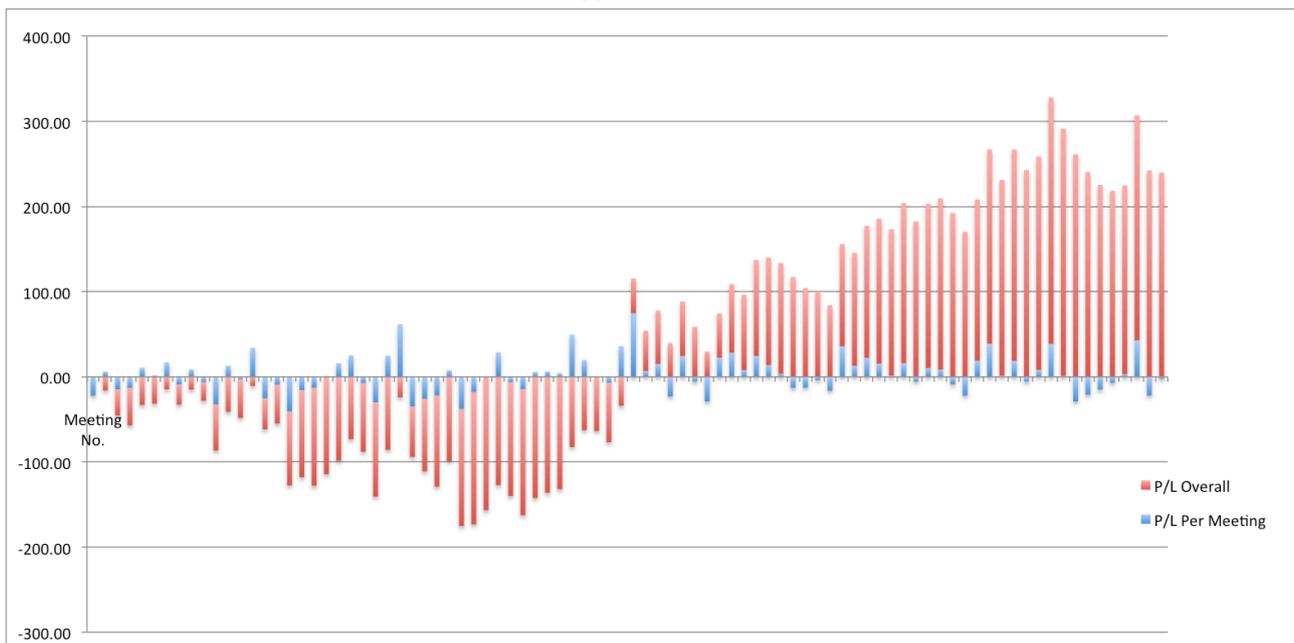
How much you should bet in dollar terms? This depends on your budget. For example:

- a) \$10 unit and a 500 unit bank = \$5000, or \$200 - \$250 spent per meeting.
- b) \$50 unit and a 500 unit bank = \$25,000, or \$1,000 - \$1,250 spent per meeting.

For HK season 2018/19, via Hutchi's Honkers' Best Selections and Strategies:

Recommended total outlay: 2300 units (88 meetings)
 Turnover (\$10 units): \$23,000
 Return: **+239.8 units**
 Profit on Turnover (POT): **\$2,398 or 10%.**

HH Best Selections & Strategy Profit/Loss 2018/19 (measured in units)



The graph clearly highlights my point about variance, and the importance of managing your funds via a bank and unit approach – this is a more sustainable long-term approach.

This is why I try to encourage people when considering whether to sign up to Hutchi's Honkers, to strongly consider committing to a full year as opposed to dropping in and out during the season. Last year it was unusual to start like that. Historically I've found the most profitable periods in the Hong Kong season being between October and March – again though, season to season, this is not a given as last season showed!

Overall, this was a very good year and I've noted over a longer period of time my personal returns on Hong Kong racing, to operate between 4% to 5% POT.

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As an aside, here are the stats if you isolated my Best Bets from HK season 2018/19:

Recommended total outlay:	663 units (88 meetings)
Turnover (\$10 units):	\$6,630
Return:	+140.40 units
Profit on Turnover (POT):	\$1,404 or 21%.

The important thing to note is that there is likely to be far more variance if simply taking Best Bets. In the context of a whole betting strategy it is very risky to only have "one bet a meeting".

One of the distinct advantages one has being able to bet in Australia, is taking a fixed odds position after identifying 'value' in the market. Locking in this 'value' can deliver significant results, especially when the price 'crashes' by the time the race jumps.

With the announcement that Betfair (an exchange market) will be operating on Hong Kong racing, this delivers further opportunities. The great thing with the Betfair market is that effectively the 'percentage cut', or what they take out of the market is significantly less than the tote or corporate bookmakers. This can mean more of a chance of finding 'value' and betting 'overs' in a market.

For more, keep browsing through my site www.hutchishonkers.com and join me following Hong Kong horse racing.

Cheers



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