The Secrets Of Arbitrage

Betting

By

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Introduction

Let’s get right to it!

I’ve been asked so many times by my clients and subscribers if my sports betting systems included in the Bookie Buster ebook are related to Sports Arbitrage. The answer is NO!

The fact is….sports arbitrage really works but the reality is that it is hard to find some good opportunities everyday. Another fact is that you need to open several accounts from different sportsbooks. Some of these sportsbooks are not reputable and sometimes, you cannot trust them. This is the biggest problem.

However, there is some good opportunities every year that comes from reputable sportsbooks and I will show you how to take advantage of these good opportunities. I personally use arbitrage a couple of times every year and I will show you how to do it just like I do. Please keep in mind that in order to find good arbitrage opportunities, you need to search and spend a lot of time online.

So, here we go!

Find Out How a “Handful” of Smart Sports Gamblers Are Silently Creating Fortune With The Best Kept Sports Betting Secrets…and How YOU Can Do The Same!
What is Sports Arbitrage

The aim of this guide is to put into your hands all the information you need to start making money with arbitrage betting. This means that every time you trade, you will always make a profit and you’ll never lose. You will never suffer a market slump, you will never pay brokers fees and you will never pay taxes on your returns. Because, unlike the stock market, in sports arbitrage, you never have a bad day.

Exactly how much you earn will depend on how efficiently you run your business. The secret is to work hard on the right thing. And if you work hard at it, you’ll be successful. If you follow the instructions included in this reports, you will start to make money at arbitrage betting in only a couple of days.

Making profit at sports arbitrage isn’t difficult. But you need to know how. We’re not talking rocket science but this is a craft with his own secrets. Put all these secrets together and you’ll net regular and often large sums of money. The key is to know where to look, when to look and to take the best advantage of the many opportunities you will find.
The odds

The odds that the bookmaker offers are simply his opinion of how likely or unlikely, a team, a player or a horse is to win any given event, expressed in figures. Odds can be presented in various ways, but they are all easily to understand once you know the format.

The Fraction

Many sportsbooks work in fractional odds. I.e. 7/4, 15/8, etc. This format has been used in the UK since long time. To understand how it works, we’ll take it to pieces and put it back together again. The rule with every fractional odd is that the top figure is your profit and the bottom figure is the stake required to win that profit. So, an odd of 15/8 gives a profit of $15 for every $8 wagered. Or an odd of 2/1 gives a profit of $2 for every $1 invested.

The decimal

More and more sportsbooks, particularly on the internet use the decimal format. Once you know the drill, it’s very easy to use and it allows sportsbooks to offer tiny gradation of odds not always possible with the fractional odds.

You’ll see odds like 1.91, 2.35, 2.50, 32.00 etc. The first thing to remember is that when a sportsbook betting in decimals offer 2.35 on an outcome, he has included your returned stake in this figure. So, if you have $1 on a team at 2.35 and they win, $2.35 is the total amount that you will pick up. Since your bet was $1, you have made $1.35 profit.

The quick way to converting a decimal price into a fractional odd is to simply deduct (1) from the decimal figure. So, a decimal odd of 3.00 is not 3/1 but it’s 2/1. The decimal price of 9.00 is actually 10/1. Remember 3 and 9 and every other decimal odd contain your returned stake. To work out your return on a decimal bet,
multiply the odd by your stake. So, $10 at 2.50 will return $25. To find your profit, deduct the original stake of $10 and you have your profit which is $15.

**US Odds**

In North America it’s a totally different system. The odds are always calculated using a base figure of 100 and they look like this +100, +200, -110, -120. If the odd has a + sign in front of it, it gives your profit for any $100 wagered. So, $100 at odds +250 will give you a profit of $250. Your total return will be $350 including the $100 wagered.

If the odd has a – sign in front, it represents how much you need to wager to make a $100 profit. So, an odd of –200 means that you have to wager $200 in order to make $100. Let’s say you place a bet of $150 at odd –110. You would win $136 and of course your $150 stake would be returned, so you would pick up $286 in total. At –250, you have to put down $250 in order to win $100.
What is Arbitrage trading

The French definition of an arbitrage is to buy and sell for profit, taking advantage of varying prices in different markets. This is very simple and this is the basic of the business. You will take advantage of the differences between markets. In this case, it will be the sportsbooks market on sporting events. You will make a profit for every deal you make without the chances of losing.

Why Arbitrage happens

When the sportsbooks offer odd on an event, they do so with the objective of making money. They attempt to make that money by offering you odds which are slightly less than the real value of the event. Here, the event that we’re talking about is usually a player or a team.

The sportsbooks make their money with the difference between the real price of the team and the price that they pay their customers.

Let’s take an example. Let’s say that we have a football match and the two team are absolutely equal ability. The true chance of both teams would be even money (50/50). So, if the sportsbook priced both teams at even money and he took $100 for one team and $100 for the other team, the bettor who picked the winner would be $100 richer.

The backer who had chosen the loser would be $100 poorer and the sportsbook would be at $0! (Niet, Nothing, Rien!). The sportsbooks therefore decide that to make a profit, they need to take a cut on the money invested. This means, no matter who win, the sportsbook will make money. They do this by altering the odds they offer to their customers.

They reduce the price so, that the backers receive slightly less than the real value. In the example of our two teams, instead of offering even money, they take a little something for them and offer something like 10/11 which is the same odds than 1.91 or –110. They do this for both teams. Now, you will have to wager 11$ to win $10 or wager $110 to win $100 or you will invest $100 to win $91.
Let’s take a look at what happen now. Our same two bettors wager $100 each on their favorite team. One bets on team A and the other on team B. The sportsbook take $200 on the game. If team A lose, the bettor of team A lose hiw $100. This is another story for the bettor of team B.

Because the sportsbook has reduce his odds, the bettor of team B only picks up $191.00. $100 at –110 or 1.91 or 10/11 which is $91 plus his original investment of $100. This bettor is $9 worse off than when he bets the same team at even odds (+100, 2.00). The sportsbook took $200 on the game but no matter which team wins, he’s going to pay out only $191.

The $9 is the cut for running the sportsbook. They apply the same basic principle for every event. By offering less than the true odds, they seek to make an overall profit whichever team is successful.

Knowing these figures is vital for an arbitrage dealer. We only need to make a few simple calculations to find out. Basically, it’s the same calculation for every team. We need to know how much money we should invest on each team to return $100 if the team wins. So if a team was at even money (2.00, +100), we should need to invest $100 to return $100 plus the $100 wagered for a total return of $200.

In theory, being in control of their own prices, sportsbooks can increase and decrease their profit margin at will. Some sportsbooks might not be satisfied making 4.7% profit from a match. They might decide to shorten their odds and increase their profit margin. If this is the case, they would probably offer 1.87 for both teams. To see how much profit they are trying to make, let’s do some calculations. To achieve a return of $100 at odds 1.87 (-115), we need to invest $53.47.

There are 2 teams, so our total investment is $106.95. That means that this sportsbook’s profit margin is 6.95%. The amount by which this final figure exceed $100 is the sportsbook’s percentage profit on the event. I hope this is clear for you because knowing this principle that sportsbooks employ will help you to understand the principe of arbitrage.
What is an Arbitrage?

Remember that I said that sportsbooks can increase and decrease their profit margin at will. The fact is that they operate in a very competitive market and they cannot simply decide to increase their margins by offering worse odds. If they did, no one would bet with them and they would close their doors. So, they all have to accept the same profit margin.

As a sports arbitrage dealer you will most often be looking at two outcome events between individuals and teams. The betting industry has a whole seeks to make a profit around 5% from these events. You see it’s not a huge amount and it takes only a small mistake in the odds or a minor difference in opinion between the men who set the odds to overthrow that profit margin entirely. This can put the odds in your favor and create an arbitrage.

Here’s an example. June 26th 2005, Volleyball, International world league, groupe C 2006, Greece VS Argentina. The odds compilers at Goldbet.com saw this game as 1.40 for Greece and 2.55 for Argentina. The odds compilers at Nordicbet.com saw this game as 1.20 for Greece and 4.05 for Argentina.

GREECE at 1.40 -- Amount of investment required to return $100 = $71.43

ARGENTINA at 4.05 -- Amount of investment required to return $100 = $24.69

TOTAL AMOUNT OF INVESTMENT TO RETURN $100 WHICHEVER TEAM WINS = $96.12

This is a classic arbitrage. For every $96.12 invested, $100 will be returned. A guaranteed profit of 3.88% in less than 3 hours.

This example is by no means unusual. There are dozens of ARBS every week paying around 4%-5%. If you invest in just 5 of them every week to earn $50 profit from each of them, you will net a tax free income of $250 a week.

Remember the USA presidential election between George W. Bush and Al Gore?

Well, this is the kind of event where you’ll find a lots of ARBS.
AL GORE at 2.50 at CANBET

GEORGE W. BUSH at 2.25 at SPORTSINTERACTION

Now, let’s work out the numbers. To return $100 from AL GORE at 2.50, you need to invest $40.

For BUSH priced at 2.25, you need an investment of $44.44.

Our total investment on these two bets will be $84.44 and our guaranteed return whichever wins is $100. A typical ARB profit of $15.55 for every $100 invested.
How to do it STEP BY STEP

First, you need to make a long term plan of action. You must make a list of events in which you are likely to discover arbs. What interest you is not so much the dates on which the events are played but the dates that the sportsbooks will publish their lines. The earlier you are, the more arbs you will find.

You’ll see the best arbs in soccer, tennis, cricket. However, there is some good arbs in baseball, hockey, football and all the other sports.

Now, you need to find an opportunity.

The first thing you can do is to compile a table of sportsbook’s odds for each specific events that most interest you. This is simple but it takes times and I don’t like to waste my time searching for arbs on the net.

So, you can use an odds comparison site like [www.betbrain.com](http://www.betbrain.com).

This is one of the first odds comparison website. On the home page, select “odds” in the upper menu and then select “Sure Bet” in the drop down menu. You will be taken to another page with some good arbs opportunities.

Everything will be displayed. You’ll see the event, bet type, return %, the bets and odds and the sportsbooks that offer these odds.

Now, you can select an event. Of course, you need an account in every sportsbooks in order to place your bets.

Let’s say that you have an opportunity for baseball (MLB) with the St-Louis Cards at 1.57 at Canbet.com and the Colorado Rockies at 3.05 at Ladbrokes. This gives you a return of 3.51%.

If you want to invest $500, what is the stake for each bet? Here’s the math’s.

To work out your stakes, you need to convert the odds into decimal if this is not already done. In our example, the odds are already in decimals. Divide these decimal odd 1.57 and 3.05 into $500, this will give you the exact amount of money
you need to invest in order to secure a return of $500. As for St-Louis at 1.57, if you divide this figure into $500, the answer is $318.47.

Therefore, $318.47 is the amount of money you need to invest at 1.57 to achieve a return of $500. Do the same calculation with Colorado at 3.05. Divide this figure into $500 and the answer will be $163.93. This is the amount of money you need to invest at 3.05 to return $500. In this particular arb, your total investment is $482.40 and your return is $500 no matter who wins. That means a guaranteed profit of $17.60.

That’s it. That’s all you need to do. Place a bet of $318.47 on St-Louis at Canbet and a bet of $163.93 on Colorado at Ladbrokes. It doesn’t matter what the odds are, the formula will always give you exact amount for each bet.
3 Way Formula

Now, here’s a quick example on how to work out the number with 3 possible outcomes. 1 X 2 (WIN A, DRAW, WIN B).

Let’s say you have this kind of odds for a soccer match.

Team A at 2.15 at sportsbook #1

Team B at 3.50 at sportsbook #2

Draw at 5.00 at sportsbook #3

If you want a return of $1000 for team A:

$1000/2.15=$465.12……this is your stake at sportsbook #1

For team B:

$1000/3.50=$285.71….this is your stake at sportsbook #2

For the draw:

$1000/5.00=$200…..this is your stake at sportsbook #3

No matter what is the outcome for this game, you’ll receive $1000.

Your guaranteed profit is $1000 – ($465.12 + $285.71 + $200)= $49.17
Arb trading is a skill that can be learned by anyone but like any skill, you have to practice. If you’re a beginner, the advice is don’t try to do everything at once. The best way is to concentrate your attention on just some sports at the beginning.

The big secret is simple…..PRACTICE…PRACTICE…PRACTICE…