

# GETTING STARTED WITH EASY TRADER PROFESSIONAL



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# 1. Welcome

Congratulations of your purchase of the Easy Trader Pro system. On the disc that came with this introductory guidebook, there are literally more than 180 pages of information on how to trade successfully on Betfair, spread over several guides that cover every aspect of trading from beginner to advanced. There has never been a more thorough and up-to-date guide written on trading on Betfair.

If you are completely new to Betfair, you should check out the Betfair Profits book – this covers everything a beginner would need to know to start placing bets on Betfair.

Once you've read that, pay specific attention to our two guides on trading – the Easy Trader core trading system, and the Weight of the Money trading guide. Both have been updated for 2006, and these two guides represent the cutting-edge in trading. You should read and then re-read both before you start trading.

Then, you should check out the training videos on the included disc – these will show you how it's all done and give you that added depth of understanding.

Finally, and as a bonus, I have thrown in a guidebook which teaches you the basics of betting in-running and how to carve out your own profitable in-running strategy, *Profits In Play*. This will come in handy during the few spare minutes in any day when there isn't a trading opportunity about.

I have left most of the information on the enclosed disc, but there are still a few things that I wanted to run through with you on paper, which is where this printed guidebook comes in.

Within this book you will find the core points to trading on Betfair – the fundamentals. For that reason, you should keep this guidebook handy at all times – it's compact and can be accessed quickly if you are ever in any doubt as to the best course of action.

The second reason I have included a printed book is for any new developments that come to mind as I add to the guide. At the time of writing, there are over 180 pages of information in the Easy Trader Pro package, spread across four e-books, and it's a lot easier to update this guide than have to make amendments to all the other books.

During the course of writing the guides I have endeavored to make trading as easy and accessible as possible, so that a complete beginner can read Easy Trader and get stuck right in.

That said, a learning curve is present for anything we do, and trading should be no different. If your goal is financial independence, I suggest you approach trading with the correct mindset – i.e. look to be determined, patient and disciplined.

Despite my best efforts I can't do it all for you, and you will ultimately decide your own success with the information I give you.

You would be well advised to pay particular attention to my comments on the psychological traps that most traders fall into. Failure to do so is the difference between financial independence and a day job for life. Other than that, all I can say is never give up on your goals.

Easy Trader team, February 2006

## 2. What's included?

Your Easy Trader package includes the following resources:

### 1. Easy Trader core guide

This is the guide that started it all. The core guide is about taking relatively long term positions on a horse (i.e. open and close a trade a few hours apart).

### 2. Weight of the Money (WOM) Guide

This is a new and *vital* addition to your trading arsenal – how to trade profitably on Betfair by following the imbalances between the back and lay columns. This guide is specifically for beginner's with day job's and a very small bank (which is most people), although it will be profitable for anyone despite their financial circumstances. Much of the information here runs contrary to most trading guides out there – which is probably why it works so well.

### 3. Betfair Profits – Beginner's Guide to Betfair

This is an introductory guide to Betfair. I run through everything from the pure basics to some more advanced themes. The goal here is to go over some of the most simplistic concepts in details, so that you can move from beginner to intermediate in a matter of minutes.

### 4. Profits In Play

This is a bonus guide, to enable you to carve out your own profitable in-running niche. There are dozens of in-running events on any given day, and here I summarize the steps you can take the quickly and efficiently find your own micro-niche. This is not a system, but a guide.

### 5. Training videos

Multimedia demonstration guides with live commentary:

- Introduction to Betfair
- Profits In Play - training video
- W.O.M. trading – choosing the right event
- W.O.M. trading – events to avoid
- W.O.M. trading – demonstration of a real-life trade

### **3. Trading Fundamentals of the two systems**

Before I proceed I want to point out that the following section is simply a summary of information you already have access to on the enclosed discs. The point is simply to give you fast access to the fundamentals whenever you want to refocus yourself, and create some perspective. Trading for the first time can be daunting, and you would be well advised to constantly reassert the basics.

With that aim in mind, let's go over the basics of trading for each of the two enclosed systems.

#### **(a) Easy Trader System**

Here I have briefly summarized the correct way to open and close a trade profitably using the Easy Trader guide – the fundamentals along with a noteworthy recent development:

##### **1. Build your shortlist**

First things first, scan through the day's lowest priced horses and build up a shortlist of possible trades for the day. If you feel that there are too many horses short listed, be more selective with your choices.

If you find there are too few who fit your criteria, then be a little more relaxed about your choices, especially if that involves paying less attention to the trends on Odds Checker and Racing Post. The bookies' prices are getting less and less important in deciding the prices on Betfair since I first wrote Easy Trader. Now the bookies respond to the prices on Betfair more so than the other way around. This is an important development you should be aware of, which is not mentioned in the e-book.

##### **2. Open a trade**

Use the weight of the money to tell you the best time to open a trade. Try and be as greedy as possible when selecting a price. This will give you maximum leeway to profit from your trades. You should look to open a trade when the weight of the money is just right, and it looks

like a price is about to start moving. Dart back and forth between your shortlist to spot an opportunity, and once you have one, take it.

### 3. Employ a stop loss

It is vital that you learn to *cut your losses fast and ride your wins all the way*. Remember that you can always open another trade later, if you think it is about to start moving again. This point is vital and should not be ignored. If you want to minimize your effort I suggest you use an automated stop loss such as that offered by Bet Angel Pro or FairBot.

### 4. Close your trades well before the off

Close your trades at least twenty minutes before the off, as prices get very erratic the closer you get. You could well be caught out if you aren't careful.

## **(b) Weight of the Money - trading basics**

Almost all of the information you need to trade successfully can be found on the enclosed disc as previously mentioned. However, there are some fundamental points that we need to go over again before you open a trade:

### 1. Money moves markets

This is the most basic point to trading on Betfair: if there is more money available on the back side of a particular selection, then the price will rise; more money on the lay side and the price will fall. If you think the price will rise you should lay first and then back at a higher price. If you think the price will fall you back first, and lay the selection later. It's that simple.

### 2. Beware the market manipulators

Market manipulators will throw very large bets into the market with the aim of artificially raising or lowering the price. This can fool traders who follow the weight of the money, only for it to suddenly swing the other way, often very suddenly. Be wary of any amounts that seem wildly out of proportion to the normal liquidity of the market. The

other day I someone try and back a greyhound for £40,000 – and then suddenly withdraw his order from the market. The price temporarily swung down due to a massive WOM imbalance, and then he pulled his order out. Be especially weary of a large amount that is not at the front of the queue.

3. Watch the market for a few minutes before trading

Before you open a trade on an event, you should watch the market for a minute or two and try and get a feel for the kind of liquidity available. Also, check out the information boxes for the selections you will be trading on, and try and size up any possible trends.

## **(c) General Psychology**

Psychology or inner game as I call it is a vital tool in your trading arsenal. Trade with the right inner game and you act coolly and rationally. Get it wrong though, and you will fail every time. In my experience, psychological toughness is what separates the *fly-by-nighter's* from those who profit for years from trading. Bear that in mind and pay particular attention to the following information.

1. Ride your wins, cut your losses

The normal human reaction is to want to cut your wins as soon as they happen, and leave your losing trades open in the hope that they will bounce back. Almost every trader will do this to the point of habit.

In fact, you should learn to do the *complete opposite*. Be ruthless when closing losing positions, and leave your winning trades open slightly longer than you feel compelled to. If you trade correctly, you will have some very profitable trades but your losses should be infinitesimally small. It requires guts to quickly accept your losses when they happen, but it is the correct course of action, especially when you start off and cannot judge price movements perfectly.

2. Take a long-term stance

In behavioral finance (the psychology of money), there is a term called positive expectancy. This refers to an assumption that over a certain period of time you will make money, notwithstanding short-term

fluctuations up and down. In other words, your *long-term* expectancy is positive. What this does not mean is that every trade will be a winner; simply that with time your wins will average more than your losses.

You would do well to bear this in mind when starting up, and resist the urge to put pressure on yourself. Try and focus on the process of trading, and not the specific results. This may sound counter-intuitive, but if you focus on the results when you are still learning you may well get disappointed, especially if you expect the system to cure all of your financial ills within minutes.

Visualize yourself financially independent at some point in the medium-term (for example one month's time), and dedicate the early part of your trading experience to learning the ropes. Do not focus on short-term results when starting up; you need to be process-orientated so you can learn at your own pace.

If you have the mental fortitude to follow these steps the mechanics of trading will be insanely easy. Once you have built up the mechanics of trading I suggest you start researching the psychology of trading in more depth.

## 4. New uses for the Easy Trader system

I am always looking for new ways to apply the principles in Easy Trader and since writing the guide I have come up with two extra income streams for you to milk. I will not dwell too much on the specifics as you should see how the principles apply to the new areas once you have read the actual e-books. Both new streams have been discovered and refined in the first part of 2006:

### (a) Trading on football

Shortly after writing the Easy Trader manual I realized that the model could quite easily be applied in other markets, and started looking for opportunities. One type of event where there is great liquidity and some very obvious trends is football.

On Betfair one evening, click on *Soccer Fixtures* and slowly scan through the day's matches (I normally look for trends between 5pm and 8pm). You are looking at two things – firstly is there an obvious trend on the price of a team, and secondly does the weight of the money suggest that trend will continue.

For example, a few days ago I spotted this foreign match, between Cesena and Mantova (foreign matches present some very good opportunities). At 6pm (well before the match began) I noted that there was about £900 on the back column, and only about £300 on the lay side of Cesena. We would therefore expect this price to rise.

Cesena v Mantova - Match Odds							Refresh
<input checked="" type="checkbox"/> View P&L	<a href="#">Settings</a>	<a href="#">?</a>	100.8%	99.2%			
Total selections:(3)	GBP	Back		Lay			
<b>Cesena</b>	2.86 £7	2.96 £420	2.98 £487	3 £121	3.1 £86	3.15 £86	
<b>Mantova</b>	3.25 £147	3.35 £914	3.4 £777	3.5 £877	3.55 £69	3.7 £47	
<b>The Draw</b>	2.6 £3	2.62 £88	2.64 £228	2.68 £46	2.7 £20	2.72 £89	

If you look at the graph for the selection you will see that the price has been rising so far, and the WOM suggests it will also continue to do so.

In this case I laid Cesena at 3.0, and then (about an hour later), closed my trade by backing them at 3.20.



Each night there are several football matches available to trade on, and the liquidity is very good. You can therefore trade quite profitably on them using a system very similar to the Easy Trader core system, the only difference being that you do not bother with anything apart from the weight of the money and the trend shown in the information box. Other than that, you should trade as if it was a horse race.

Also, remember to close your trade before the off – matches go off at different times (especially the foreign games) and you should check Betfair to see when your match starts or you could have an otherwise avoidable loss on your hands.

## (b) Retrieval systems – profiting from the herd

One thing that I hate to see is a person buying a system that doesn't work, and then just leaving it somewhere, going to waste. This is especially true of tipping services and some high profile laying guides (not all, but many).

So how do we put these otherwise redundant guides to use? Well, as you already know, money moves markets. If a lot of people are

looking to lay a selection, then the price will increase; if a lot of punters want to back a selection, then the price will increase. This should start triggering alarm bells in your head already.

If you have bought a popular laying or backing system, and/or are subscribed to a popular tipping service, you can trade on the back of those who are following the same system. I have a few tipping services that I follow, and also have a few friends who run laying services.

If I know that three systems and two tipping services are predicting a horse to lose, a lot of people will try and lay it, thus forcing the prices up as they clamor over one another to lay the horse.

I can therefore lay it before them (when the markets open the evening before), and then back it at a higher price the following day. If you want to build your own retrieval system, I suggest you sign up to several tipping services, and wait until all of them have the same verdict for a horse. As usual we are looking for clusters of factors, all pointing in the same direction before we make our move.

Once you have pinpointed a few systems or tipping services which are popular, it's time to test to see which affect the market prices (some will obviously have a larger effect than others). Watch the Betfair prices of a few tips, and if it moves in the way you thought it would, start trading on the back of their advice. You should look to build a list of several tipping services and guides, and act when a few of them tip the same horse.

Ideally get the information before anyone else so you can lay at a low price and then wait for the market to move. That is the essence of the retrieval system, and how to put otherwise useless tipping services and laying systems to good use.

## 5. Important Resources

These are sites you should check out if you want to advance your trading to the next level:

### Important sites

Betfair	<a href="http://www.betfair.com">http://www.betfair.com</a>
Betdaq	<a href="http://www.betdaq.com">http://www.betdaq.com</a>
Racing Post	<a href="http://www.racingpost.co.uk">http://www.racingpost.co.uk</a>
Odds Checker	<a href="http://www.oddschecker.com">http://www.oddschecker.com</a>
Racing Index	<a href="http://www.racing-index.com">http://www.racing-index.com</a>

### Betting software

Bet Angel	<a href="http://www.easytraderpro.com/betangel">http://www.easytraderpro.com/betangel</a>
FairBot	<a href="http://www.easytraderpro.com/fairbot">http://www.easytraderpro.com/fairbot</a>
Bet Trader	<a href="http://www.easytraderpro.com/bettrader">http://www.easytraderpro.com/bettrader</a>

### Recommended – other guides

Betting Exchange Secrets	<a href="http://www.easytraderpro.com/secrets">http://www.easytraderpro.com/secrets</a>
Bet Science Manual	<a href="http://www.easytraderpro.com/science">http://www.easytraderpro.com/science</a>