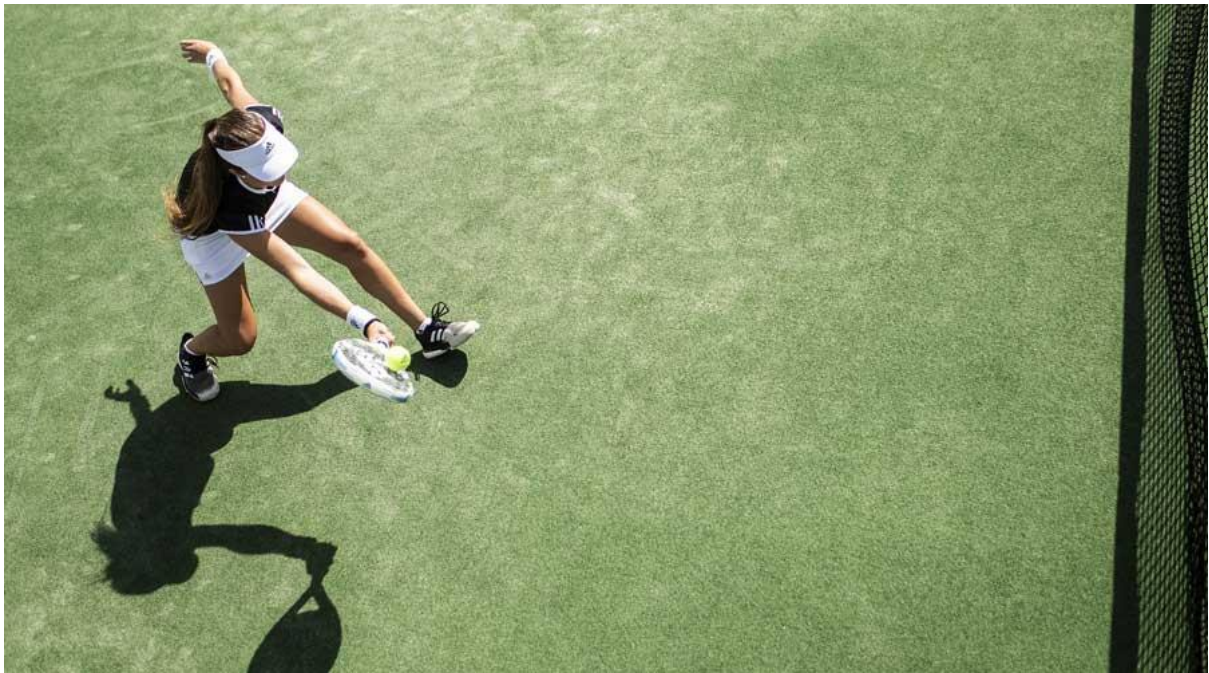


Trading Basics

Fundamentals of Tennis Trading



Tennis Profits

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Welcome

Hey, thanks for downloading this free eBook!

In it, I am going to run through the tennis trading basics which you need to be aware of before you risk a penny on Betfair.



These are the sections we're going to cover:

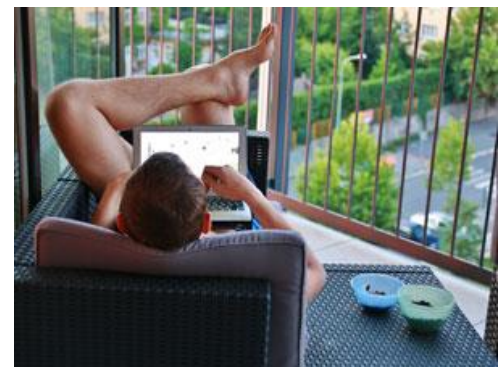
1. Building Your Tennis Trading Portfolio
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If you're already an experienced trader, I hope that you can still pick up a few new ideas. After all, we are all learning every day we trade.

There is a lot more information on the Tennis Profits blog, including:

[Trading Tennis for a Living](#)

So many quitters try to convince themselves that they "don't have time" but it's such a poor excuse and – after reading these stories – you will surely agree. Like most things in life, if you want it enough you find a way.



Anyway... enough rambling, let's get on with it!

Building Your Tennis Trading Portfolio

A portfolio is a set of systems which you will use as the basis for your tennis trading.

The number of strategies within that portfolio will differ from trader to trader. It may be quite normal for a seasoned trader to run with a dozen or more systems within their portfolio, whereas a newcomer will start with only one or two and build up from there.

When you start out with your first systems, you will gain knowledge and experience. As you gain confidence over the weeks and months, you can add further strategies to your portfolio which, in time, will build into the comprehensive package which all traders need to go about their business.

Getting Started

So how do you go about starting your portfolio of systems? Quite remarkably, almost all tennis traders start out with the same system and that is *back the server*.

In the early days of trading, the reason for that was very simple; it was more or less the only system available!

Now, of course, there are plenty of systems available but it is still the one which you should cut your teeth on. BTS is a very simple system to get your head around and pretty safe too.

In the Tennis Profits Members Area there are two backing variations, "Back the Server" and "Back Your Favourite".

These systems will be the first you learn about as a new member and you may decide to add both to your portfolio - or neither of them.

Everyone is different, likes to trade in a particular way and takes to some strategies but not others. It will be up to you to decide which strategies you add to your portfolio or not.

It would be unusual not to trade any back the server, but there is no 'right and wrong' with tennis trading; it's very flexible.

Why Build a Portfolio?

The idea of running a portfolio is that you spread your risk over a number of systems, rather than just one or two.

If all you had was one system and it was having a bad run - *which all systems do from time to time* - then you have nowhere to turn to balance out the losses.

Once you have a portfolio of systems, a bad run in one or two of them will be covered by good runs in a few of the others.

It is also important to balance the systems in your portfolio. You are looking for a mixture of first set, second set, full match and, perhaps, some swing trading/scalping systems too.

You will see that there are times when first sets in particular have a bad day, so it makes sense not to put all your eggs in one basket!



Only you can decide which systems to go with. We can certainly give you advice when you ask, but ultimately it can only ever be your decision.

Balancing Risk/Reward

Once you become a Tennis Profits member and start getting up to speed, you will discover where the big wins come from and that may entice you into those trades too often for your own good.

Taking tie break trades as an example, there will be very good profits when it works but bigger losses when it goes wrong. It makes sense not to go with too many tie break trades at any one time, only using them as part of a balanced portfolio, or not at all early on.

There are a number of members who never trade tie breaks, but make very good profits month after month from lower risk

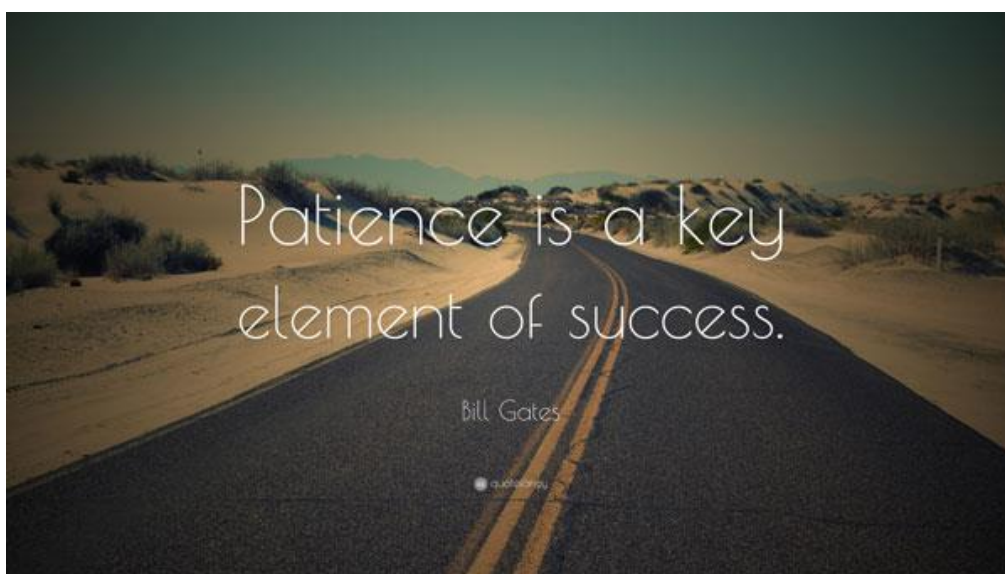
strategies. Find your comfort zone and, if you want to stay right there, no problem!

Patience

Take your time building up your portfolio and you will be rewarded with a successful set of winning systems which will see you through the bad times and increase your bank rapidly through the good times.

As a beginner you are in the very best place to be: Tennis Profits. That is because you will be getting ***all the help and advice you need***, plus you will be building your portfolio as you progress through the modules.

You will never run out of matches to trade, so be patient.



Bank Management

If you're going to be a successful tennis trader, you must manage your bank in a controlled way. Unlike so many others who fail, you must ensure that your bank never spirals into an unstoppable tail spin.

You are going to be working in a marketplace and that means, of course, buying and selling. Rather than a physical product, you will be buying and selling (backing and laying) positions in Betfair tennis markets.

In order to be able to do this, you need a trading bank. Therefore, you will understand that if you do not manage your bank in a sensible way you may well lose it and then you will not be able to trade in the markets any longer.

Bank management is not dependent on the size of your bank. You need to do **exactly** the same things with a large bank as you do with a small bank and vice versa.

Here are the six rules of bank management:

1. Maintain discipline
2. Be patient
3. Don't over trade
4. Stake sensibly
5. Limit losses
6. Compound as you go

Maintain discipline: Each day you will be working from a trading plan. You will stick to that plan and never be tempted to deviate from it. Not maintaining discipline is the biggest failing of traders and is the most difficult to get right.

Be patient: Sometimes the games you were intending to get into are postponed, or perhaps the first break happens too early. Do not try and replace it with another game that you have not researched! Be patient and wait for the right opportunities to come along.

Remember this, "*a trading market is where the patient make money from the impatient*". [Warren Buffett]

Don't over trade: It is very easy to be tempted into too many trades. Over trading will inevitably lead to losses in the long run, so don't give in to that temptation. Make a plan, and stick to it.

Stake sensibly: Your stake will be related to the size of your bank. It would be incredibly foolish to go into any trade with liabilities too big for your bank, so don't be one of those fools! On the other hand, your stake should not be too small either as this means you are not making your bank work for you. Divide your bank into 100pts and work from there.

Limit losses: Quite often you will be in a trade that is going wrong. The only thing to do is accept that fact and trade out for a smaller loss than you would suffer if you were to stay in. By doing that, you can look upon a loss as a win because you have not lost as much as you would have done.

Compound as you go: As Einstein said, "*compounding is the 8th wonder of the world*".

The Power of Compounding

Month 1:

You start with a bank of £1,000 and divide it into 100pts. Therefore, the value of 1pt is £10. When you hit your target of 10pts profit by the end of the month, your bank stands at £1,100.

Month 2:

You once again divide your bank into 100pts which means that now the value of 1pt is £11. You hit your 10pts profit target again and your bank stands at £1,210.

Month 3:

1pt is now worth £12.10 and hitting your 10pts profit target grows your bank to £1,331.

Month 4:

1pt is worth £13.31 and your bank grows to £1,464.10 when you hit your profit target of 10pts.

And so it continues, month after month...

By the time you reach the end of year one, your £1,000 bank has become £3,138.43

At the end of year two it is up to £9,849.73

After just three years, your £1,000 bank has now grown into £30,912.68

By increasing your bank you will also be increasing your stake size, thus making your wins bigger and growing your bank even faster. It is quite incredible how quickly a bank can grow by using this method.

In case you have not realised already, 10pts profit per month is a **very achievable** amount. It works out at roughly 0.3pt per day, so during your first month you are looking to make just £3 profit per day from a £1,000 bank.

Think you can do that?

10pts profit per month is all it takes to grow £1,000 into £30,000 after three years.

You're now a big fan of compounding, right?!

Your biggest enemy is impatience. Stick to 10pts per month when starting out and don't be tempted to push your luck. If you give in to temptation, you may well spiral out of control and blow your bank. Don't do it.



There is a lot to learn about trading, so take your time and keep the pressure off.

Bank management is critical to your progression. If you are unable to control your funds then you will not stay in the market very long at all and all your work will have been for nothing.

Your bank is your working capital; it is all you have to work with so it has to be protected at all times. Do your research, make your daily trading plans, stick to those plans, stake sensibly, cut losses short and you will be fine.

Staking

A key factor in making tennis trading work for you is getting your staking right.

Staking too high in relation to your bank size runs the risk of going bankrupt, whilst staking too low means that you are not using your bank effectively enough to grow at a good speed.

Keeping your bank safe while growing at a steady rate is what correct staking will do for you.

Over Staking

Let's say you have a bank of £1,000 and for your first bet you place £200 on your favourite player to win. First of all, don't look at matches involving your favourite player as it brings emotion into the equation. Never a good idea!

Secondly, staking £200 per bet that means you have five bets and if they all go down you are bankrupt. Definitely not a good idea; you could be bankrupt in only a day!

Under Staking

With the same £1,000 bank you place a £1 bet once a week. That means in a full year you will only place 52 bets at £1 a time, just £52 staked.

It is certain that you will never go bankrupt, but you will not make any money either.

Correct Staking

The optimum risk/reward level is to stake somewhere around **1% of your bank** on each trade. You are looking to make your 10pts profit per month as safely as possible and this is the route to go.

Professional traders look to turn their bank over each month. What that means is, if the bank is £10,000 they will stake a total of £10,000 over that month. In an ideal world that would be 100 bets/trades at £100 per bet/trade.

However, at this stage you are simply aiming for your 10pts profit. There's plenty of time to scale up later on when you are more experienced. Remember, patience!

Calculating your Stakes

You will be splitting your bank into 100pts which will automatically tell you how much 1pt is worth. Your bank size in cash terms is totally irrelevant.

A bank of £1,000 is $1,000/100 = £10$ per point.

For a £500 bank, 1pt works out to be £5 and for a £5,000 bank it's £50 per point.

This is a very simple and straightforward way to stake the correct amount and you can reset it at the beginning of each month so that your stake size rises and falls in line with your bank.

Working in Points

From this point on you will be working in points rather than money.

Whether the value of a point is £5 or £100 to you, 1pt = 1pt and that's the same for everyone.

While you are learning there is **no need whatsoever** to use large stakes. Make your rookie mistakes with small stakes, keep the pressure off and protect your bank. The long-term rewards are worth it!

How it Actually Works

As a beginner to tennis trading, any bet/trade will have a maximum liability of just 1pt. When backing a selection at 2.00 or under, you will never use a stake higher than 1pt. Therefore, your maximum risk will be 1pt.

However, there are two options when backing above 2.00:

- 1) Back the selection with a 1pt stake
- 2) Back the selection in order that the potential profit is 1pt

If it is a high priced bet/trade then the second option makes much more sense. High-priced selections do not win often and therefore you do not want to risk an entire point.

Remember that patience is key and you only need to make 10pts profit in an entire month!

When you are laying, you must make sure that the liability never exceeds 1pt.

For example, if you lay at 3.00 the maximum lay stake will be $1/(3.00-1) = 0.5\text{pt}$.

Don't worry too much about the maths side of it just yet, it will all become clear as you start to trade.

Betfair will display your maximum liability before you place a back or lay anyway, so they will do the calculations for you.

Once you get the hang of it there are other ways to calculate suitable stakes, but at this stage just go with 1pt stake or 1pt profit/liability.

Top Tip

If you can make 10pts profit per month at £2/pt, in time you will be able to scale up and do the same at £10/pt, £20/pt, £30/pt and so on.

While you are learning there is no need whatsoever to use large stakes. Make your rookie mistakes with small stakes, keep the pressure off and protect your bank. The long-term rewards are worth it!

Staking Plans

There are many different staking plans. At this stage, you do not need to get bogged down with the pros and cons of each one though it is worth reading up on the most common options which are listed below:

Fixed stake – this is where you place the same size stake on each bet, also known as 'level staking'. It is the benchmark to use when testing a system to see if it is profitable or not.

Fixed profits stake – this is where traders/bettors like to vary their stake dependent on the odds and the strength of the selection. Usually, they like to standardise the profit so that if the trade wins, the profit remains the same.

Percentage staking – this is one that we have already explained to you, whereby you divide your bank into points. The stake size is a fixed percentage of the bank and it may be anything between 1% to 5%. A step further for this is by combining it with the 'Kelly Criterion' which optimises stake size in relation to the odds and the perceived edge the system has. Kelly itself is a hybrid of fixed profits and percentage staking.

Progressive staking – this involves increasing or decreasing the stake size after each bet, depending on whether the previous bet won or lost. The idea is to regain losses more quickly or enhance gains when on a winning run. The 'Martingale' and 'Pyramid' systems are in this band of loss chasers. Do not get sucked in! A run of losses will mean stakes of four figures very quickly and is a certain bank buster.

A common mistake for inexperienced traders is to believe that, if they double their stake after a loss, it will get back their loss plus a profit on top. That may happen sometimes, but the first time it doesn't you are on a slippery slope from which there is no return.

The mathematical principles behind such staking systems as Martingale do not add up and can lead to great damage.

For instance, if you were staking at £10 per bet and doubling that stake after each loss, by the time you got to 10 losses in a row you would be staking more than £5,000, just to get you original £10 back. That's insanity!

For now, we strongly advise you to stick with your bank of 100pts and concentrate on your monthly 10pt profit target.

Once you can regularly bank 10pts per month, your bank will quickly compound and you'll be well on the way to becoming a successful trader.



Recording Results

The biggest benefit to recording results is that it will help your discipline, so keep that in mind throughout.

Keeping a record of your results may be a laborious job, but it is a job worth doing. If you don't record your results, how will you know how things are progressing?

Yes, you will know whether your bank is rising or falling but you will not know which bits are working and which are not.

In your mind's eye you may think one particular system is doing really well, but when you actually check back on your results it may show a different story completely.

You do not have to go to any extreme lengths to record your results, just a simple spreadsheet will do. If you want to add bells and whistles down the line, that's completely up to you.

Results Analysis

Your results will give you clear evidence of your betting/trading performance and that is **crucial** if you are ever going to contemplate this becoming a full-time job.

It will help you identify leaks and mistakes in your portfolio which could be costing you lots of money without you even realising it.

After a long day of research and trading, the last thing you want to do is crack open a spreadsheet but it is a necessary evil which will reward you handsomely in the end.

At the end of each month it is quite sobering to look at your results spreadsheet and discover the true extent of your profit/loss.

The highs that go with a profitable month and the lows of a losing month are fully exposed right in front of you on your screen.

There is no more, "*well I think I made a profit*" or, "*I may have lost a little bit*" because the evidence is there in front of you.

Until you have that proof there is no way you can move forward with your trading/betting, so start from day one.

Improving Performance

You will be able to improve your performance because you will know exactly where it is going right and wrong.

Without knowing, you will plod along month after month without being able to put processes in place to correct problems.

Recording your results helps with your betting discipline, and that is a fact.

Never think about stopping recording your results, even when you are confident that you are making consistent profits month after month.

Early Warning System

You can use your results sheet as an early warning system. It will flag up problems in your overall trading/betting regime or a part of your portfolio that is failing.

When it alerts you to something going wrong, **take action!**



It might be that you decide to give a particular strategy a rest, look at ways to improve it or even drop it from your rotation completely.

Recording results may show that you have a big advantage in one particular tour and so you can focus more on that.

The odds you are trading/betting at will also be a factor in your P/L that can be used to improve your results. Your records will identify the best range of odds for each of your systems and having that information gives you a massive advantage.

It means you can focus on matches within that odds range and that in itself will boost your monthly profit no end.

Dealing with Losses

Lots of people will skip these pages because they think they already know it all. Rather stupidly, many of them will go on to blow their bank by not dealing with losses properly and that could be game over for their trading career.

Finding value and staking sensibly are vital for your success, but a failure to deal with losses properly is, perhaps, the single biggest reason that so many people lose with their trading/betting.

Don't let that be you.

Losses are Here to Stay

The first thing to say is that losing trades are part of the game. Just the same as every tennis player loses, you will also lose many bets.

However, learning how to cope with those losses will help your profit and loss account enormously.

Unfortunately, lots of people find it an unacceptable part of betting; they simply cannot handle losses and are doomed to fail.

See the Bigger Picture

We all have losing runs but, as long as we are confident in our selection process, things have a way of turning out right in the end.

If a system has shown to have a good return over the long-term, a losing run could be very short and there is no need to worry.

Make sure you:

- Remain level headed
- Stick to low-risk trades
- Don't go with high-risk trades in an effort to get a big win
- Keep your work ethic going, doing the things you have always done
- Losing runs are just that; they will not go on forever.

Chasing Losses

Taking a loss is difficult emotionally and, for some, will lead to chasing that loss in an effort to get it back as quickly as possible.

This is tantamount to disaster; you may as well just burn your money and be done with it.

It means you will get into the very next available match having done no research, you'll go in with a bigger stake than is good for you and will probably lose it as well. Yes... you may get away with it a few times, but sooner or later you are done for. Finished.

When you are in a hole, the first rule is to stop digging.

Ask yourself, *“if I had not lost my last trade would I still be going for this one?”*

If the answer is no, you should not be going anywhere near the trade. Be patient and wait for the right trade to come along, not whatever happens to start soon.

If you're angry or upset about the loss, stop trading until you are in control of your emotions.

You will be reading this now and thinking to yourself that you'd never be so stupid as to chase a loss, but most traders have done it at some point. If you never get dragged in, you will be one of an extremely small number of people.

Controlling Losses

Losses bring out the worst in us, so we have to do **everything possible** to control them before they have even happened.

For a start, make sure your staking is sensible and not too big for your bank. This will mean that any loss is within your maximum liability and will not cause any undue stress. Smaller stakes also put less pressure on your decision making in-play.

If you are on a losing run then it would be a good idea to cut your stake size until you regain control.

Ensure Value

Always make sure your trade has value. This does not mean value selections win any more regularly, but it does mean that over time they will give you a profit.

Record all your trades so you know what is going well and what is not. This will enable you to leave strategies alone that have not been productive. It will also allow you to identify the systems which are working well and give you the best chance of success.

Cooling Off

Of course, if the losses are getting to you then you have the option to stop trading/betting for a cooling off period.

This will help clear your head and re-focus your mind.



Do not get put off by losses. They are sent to play with your mind so make sure you get the better of them rather than the other way around.

The one sure fire way to deal with losses is to **only risk money you can afford to lose.**

If you only ever put money at stake that you're not relying on, then dealing with a loss is so much easier.

Long-Term Thinking

Don't ever get into tennis trading for short-term riches; it ain't gonna happen.

You want to be driving a Ferrari by next week for five minutes work?

(we've all seen those scam sites)

Well... perhaps your only hope of that is to buy a lottery ticket and cross your fingers.

Anyone getting into trading to 'get rich quick' is deluded, yet you'd be amazed how many still think it's possible!

Tennis trading is an art form that has to be nurtured. It takes time but, like anything else that is worth waiting for, the benefits of getting it right are fantastic!

Yes, we would all love to get rich quick but the only way you are going to get on with tennis trading is to put that right out of your mind.

The Secret of Tennis Trading

It's not really a secret, but it may as well be as so many 'wannabe' traders completely ignore it.

The way to trade successfully is to... wait for it... ***apply the fundamentals with lots of repetition.*** That's it!

You will get your bank going in the right direction and the power of compounding will take over from there.

But - *and it is a big but* - this takes time! If you are persistent and patient, you can be a very successful tennis trader. If you just can't help yourself going after big wins, you're in for a very rough ride.

If you are in for the long haul, you are on the right path.

However, if you want to get there tomorrow then you need a serious rethink.

Thinking long-term is your only option. Your bank will grow slowly, giving you a solid foundation on which to build. This in turn will allow you to stake more as you risk the same 1% of your bank each time.

Setting Targets

It is good to set yourself targets, but don't be too short-term with them. There is absolutely no point in giving yourself a daily target to hit; it will only lead to you chasing losses in an effort to reach it.

Instead, look at how you have done at the end of each month - minimum - and judge your performance from there. You need to give the swings and roundabouts time to have evened out a little.

Be Realistic

If tennis trading was easy, do you think that anyone would go to work on Monday morning? Of course not!

Betfair is full of very clever traders whose sole intention is to take your money. They don't care if it leaves you broke, they just want **your** money in **their** account. They're ruthless and that's why so many people lose money.

In order to make a profit, you need to **trade smarter**.

Are you going to be an experienced and skilful trader by next month? Perhaps not, but you will probably be a better trader than you are now.

You can improve again the month after and then the month after that too. In time, you will become an experienced and skilful trader.

If you attempt to start banking big profits right away you will put unnecessary pressure on yourself, get involved with poor trades and chase losses.

You are never going to run out of matches to trade, so what's the rush?

Learn your trading skills, gain experience and protect your bank by making mistakes with small stakes.



Start on the Road to a Winning Tennis Trading Strategy

I hope you enjoyed reading more about tennis trading. Now it's time to take the first steps on your trading journey.

Whether you're looking for a useful second income or you're aiming higher and striving towards a full-time career, Tennis Profits can help you get there.

Our members get everything they need to trade profitably:

- Exclusive Match Stats and Trading Stats Report that make trading very quick and easy.
- A growing library of trading strategies with daily selections.
- Additional tools that quickly highlight trading opportunities.
- In-play support from professional tennis traders in our exclusive chat room and by email.
- Unparalleled customer support by live chat and email.

This is a fantastic opportunity for you to achieve what you want from trading. **And you can try it out for a week for a pound!**

Get access to all the membership resources and the most successful Betfair tennis trading community around...

[SIGN UP for £1 HERE](#)

I look forward to trading alongside you in the chat room!

Paul Shires,
Professional Tennis Trader

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We have put this free e-book together for educational purposes only; it's not a guarantee that you will make a profit from tennis. Traders who have the correct mindset can make a very good living from tennis, but trading decisions must be made with a view to long-term profits and steady bank growth rather than a hope to "get rich quick". In this book we are sharing trading advice which can be highly successful, but if you decide to trade using the ideas contained in this manual you are taking full responsibility for your own actions. I cannot guarantee your success or income level.

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If you think you may have a problem with gambling, there is plenty of help out there for you. All of these websites offer advice and assistance:

<http://www.gamcare.org.uk/>

<http://www.gambleaware.co.uk/>

<http://www.gamblingtherapy.org/>

<http://www.gamblersanonymous.org.uk/>