

Half-time gamblers give stock market insight

October 7 2010



Computer-modelled comparison of online football gamblers' behaviour during play and during half-time shows distinct real-time differences, begging the question what motivates betting behaviour when play is not underway?

Research published today, Thursday 7 October 2010, in [New Journal of Physics](#), details how researchers from Trinity College Dublin have analysed data and identified betting trends during the 2007-08 Champions' League Tournament.

Using a complete dataset from Betfair.com, drawn from bets made during every game of the Tournament, the researchers have identified changes in the market odds which reflect real-time match events. The market odds are seen to fluctuate in response to events occurring on the pitch such as goals scored.

However, comparing the behaviour of Betfair.com [gamblers](#) to traders on the [stock market](#), the researchers were particularly interested to analyse the activity of gamblers during half-time.

Of interest, because, unlike any moment on the stock market, football gamblers are (more often than not) free of news from the game during half-time. Gamblers are left to their own devices which, the researchers suggest, is akin to identifying the complex interactions of stock market traders.

Stephen Hardiman from the School of Physics at Trinity College Dublin, says, "Such a clear elimination of external news influences would be difficult to achieve in the case of stock market prices or foreign exchange rates."

The researchers show that even during half-time, [market fluctuations](#) persist and exhibit, what economists call, 'long-range volatility correlations'. They also find that there is more trading on outcomes which have small odds, suggesting gamblers are more inclined to trade bets on the favourite to win.

"One might assume that memory of a team's past glories, media speculation over the health of key players, or just an overwhelming desire to see your own team win could bias a gambler's judgment.

"Gambling markets and financial markets have much in common, but possess unique differences. What we learn from gamblers may provide insight into the equally complex world of finance."

More information: The researchers' paper can be downloaded for free here: iopscience.iop.org/1367-2630/12/10/105001/fulltext

Provided by Institute of Physics

Citation: Half-time gamblers give stock market insight (2010, October 7) retrieved 2 May 2024 from <https://phys.org/news/2010-10-half-time-gamblers-stock-insight.html>

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