
MICHAEL METEL, McMaster University

Chance Constrained Optimization for Parimutuel Horse Race Betting

The merit of chance constrained optimization in the context of horse racing will be explored. An overview of the parimutuel betting market will be presented, with the methods of forecasting race outcomes and payouts. New chance constrained models for expected profit maximization will be introduced with a focus on risk management. Initial results will be presented with testing performed on historical race data.