

Basketball season is just around the corner, which means that sports bettors are starting to place their bets on what they think will happen in the NBA this year. Turning a profit against Las Vegas is inherently difficult, but if you're looking to put some money down and want to back it up with more than your intuition, I've put together a simple table that outlines the best NBA championship bets from an expected-value perspective [1]. Remember, if you're looking to make money, it's not enough to simply identify which teams you think have the best chance at winning – you have to find a market inefficiency where the price of the bet is less than the expected return (of course, if you're just betting for the fun of it, then do whatever you want). Using the available odds from Bovada and championship probability estimations from NumberFire [2], we can figure out which teams are expected to win the NBA title at a rate higher than their odds would suggest (highlighted in the table), and therefore which teams provide a positive return on investment (ROI). Here is that table:

Team	Title odds (Bovada)	Implied break-even probability	Title probability (NumberFire)
Cleveland Cavaliers	+275	26.67%	13.80%
San Antonio Spurs	+350	22.22%	9.60%
Golden State Warriors	+500	16.67%	16.00%
Oklahoma City Thunder	+850	10.53%	8.20%
Los Angeles Clippers	+900	10.00%	7.60%
Houston Rockets	+1600	5.88%	8.90%
Chicago Bulls	+1600	5.88%	5.30%
Miami Heat	+3300	2.94%	1.40%
Memphis Grizzlies	+3300	2.94%	4.90%
New Orleans Pelicans	+4000	2.44%	0.30%
Atlanta Hawks	+5000	1.96%	7.70%
Indiana Pacers	+5000	1.96%	0.40%
Milwaukee Bucks	+5000	1.96%	1.10%
Toronto Raptors	+5000	1.96%	7.30%
Washington Wizards	+5000	1.96%	2.20%
Dallas Mavericks	+6600	1.49%	3.00%
Boston Celtics	+10000	0.99%	0.90%
Los Angeles Lakers	+10000	0.99%	0.00%
Detroit Pistons	+15000	0.66%	0.20%
Phoenix Suns	+15000	0.66%	0.40%
Portland Trail Blazers	+15000	0.66%	0.30%
Utah Jazz	+15000	0.66%	0.40%
Brooklyn Nets	+20000	0.50%	0.00%
Minnesota Timberwolves	+20000	0.50%	0.00%
New York Knicks	+20000	0.50%	0.00%
Sacramento Kings	+25000	0.40%	0.00%
Denver Nuggets	+25000	0.40%	0.00%
Charlotte Hornets	+25000	0.40%	0.50%
Orlando Magic	+25000	0.40%	0.00%
Philadelphia 76ers	+25000	0.40%	0.00%

Some findings:

- Vegas is very in tune with what the public thinks, and it sets odds accordingly. Therefore, it's almost impossible to get good value on teams that the public expects to have a good chance at the championship (**Cleveland, San Antonio, Golden State, Oklahoma City, Los Angeles Clippers**). When everyone and their mother is putting bets on those teams to win, Vegas can set lower odds on those teams knowing that people are still going to bite anyway.
- **Houston** is the strongest team, in terms of title probability, that provides a positive ROI. For whatever reason, whether it's sleep-inducing free throw parades created by James Harden or the perception of Dwight Howard as not being a serious player, people generally do not discuss Houston as one of the true contenders for the championship, and the odds reflect those sentiments somewhat. However, objective models such as NumberFire are not swayed by public perception, and NumberFire gives Houston almost a 9% chance to win the championship, the fourth-highest probability in the league. Depending on whether you think Ty Lawson will be able to get his off-court issues resolved, even that probability might be low – the Rockets got Lawson almost for free [3]!
- Some of the best bets, futures or otherwise, are on teams that are undervalued for not being “sexy” enough. **Memphis** (non-flashy style), **Atlanta** (lack of “true” superstar, at least according to many talking heads), and **Toronto** (being in Canada) are examples of these kinds of teams. **New Orleans**, with destroyer-of-worlds Anthony Davis, is going to attract some level of betting action precisely because it's sexy, and therefore Vegas understands that it can afford to set the odds a bit too low, even as disconcerting injury issues threaten to derail the Pelicans.
- A bet on **Charlotte** technically nets you a positive ROI, but I'm not sure anyone would recommend a bet on the Hornets to win the title. The 0.5% title probability basically just indicates that there is some theoretical universe out there in which Charlotte wins the title, but that's probably about it.

Notes about the table:

- The “implied break-even probability” column indicates how often a team needs to win a title for a bet on that team to neither lose nor win money in the long run. For example, Cleveland (+275 means that if you wager \$100 and win, you get your original \$100 back plus \$275 on top of that) would need to win the title 26.67% of the time in order for a bet on them to be neutral. If a team has a higher title probability than this break-even probability, a bet on that team can be considered to have a positive ROI. If title probability < break-even probability, ROI will be negative.
- Remember that expected value is about production in the long term – any one given bet that doesn't work (or does work) is not necessarily indicative of any underlying pattern.
- This table isn't meant to be comprehensive: A) Other betting services might provide different odds, changing the break-even probabilities for those services, and B) NumberFire is just one projection model; other models might look more or less favorably on some teams' chances and therefore change whether a team has positive or negative expected value.

[1] http://hotmath.com/hotmath_help/topics/expected-value.html

[2] <http://www.numberfire.com/nba/teams/power-rankings>

[3] <http://cdn.hellojiggles.com/wp-content/uploads/2014/09/29/Fo+Free+Gif.gif>

Dar-Wei is somewhat depressed that NumberFire sees a theoretical universe in which the Hornets win the 2016 championship, but not one in which the Magic win it. Follow his musings on sports, current events, and pop culture at @chendw.