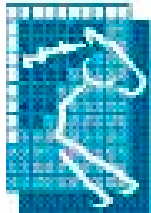


INFORMATION AND ANALYSIS FOR THE THOROUGHBRED INVESTOR



*The Blood-Horse*

AUGUST 2010

# Market Watch

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## Undervalued Sires

# OPPORTUNITIES ABOUND

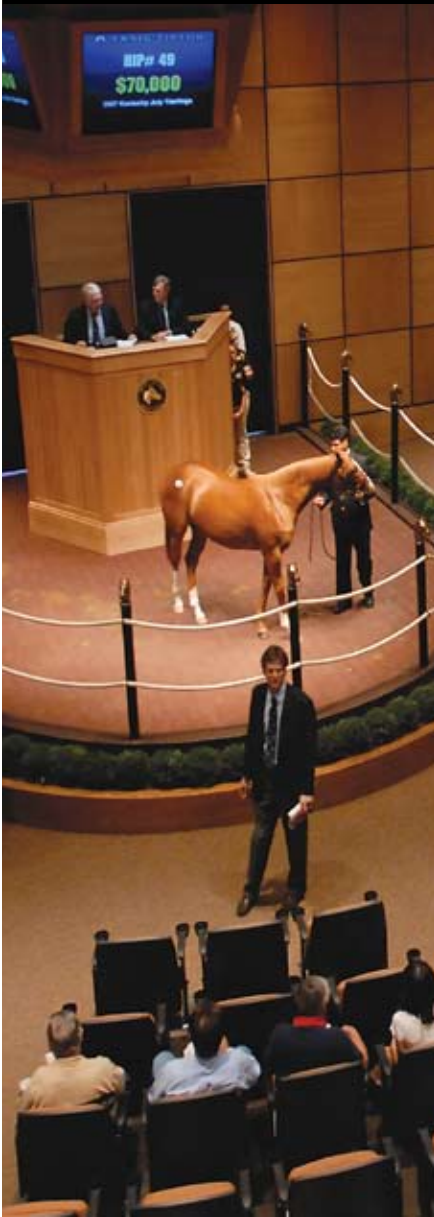
**E**very August, subscribers to *The Blood-Horse MarketWatch* have responded positively to our “Undervalued Sires” story. The annual feature introduces readers to a group of stallions whose stud fee or progeny auction returns offer special value to breeders and bidders.

Not surprisingly, each year readers have wanted

to voice opinions about their own selections of best-value studs. In mid-July this year, we asked readers of the MarketWatch Blog to identify stallions they believe are underappreciated in the stud or sales market. (An excerpt of that blog post and several prominent reader comments appear on the back cover of this issue.)

*(Continued on page 17)*

# Upcoming Pinhook Prospects



## Yearlings

Oklahoma Summer Yearlings  
 OBS August  
 CTHA (Alberta)  
 CTHA (British Columbia)  
 CTHA (Ontario)  
 Breeders' Sales Company of Louisiana  
 Washington Thoroughbred Breeders' Assoc.

*Charts of prospective pinhooks are available to subscribers on the MarketWatch web site three weeks prior to each sale.*

(Continued from page 1) Through August 18 the responses poured in. We received suggestions to consider 46 different stallions, for myriad reasons. The arguments for each stallion tended to fit one of three categories: His current stud fee offers exceptional value; his foals at upcoming yearling sales are likely to be top bargains; or his accumulated progeny records identify him as a strong value for breed-to-race operations. When the *MarketWatch* editors got together to compare notes, we reviewed average earnings and yearling medians, we took into account crop sizes and stud fees—and we listened to our readers. Four of our 12 selections this year received multiple reader votes; eight others were covered in 2008 or 2009 (subscribers may access the full archive at <http://marketwatch.bloodhorse.com>).

## Value for Breeders

Arizona-based **Rocky Bar** is living proof that good value abounds everywhere. With only three crops of racing age, the young son of *In Excess* has relatively few foals, but those that have made it to the races have put up some big numbers that make his \$2,000 stud fee quite a bargain.

Rocky Bar raced five years, made 24 starts, and won five of those, including the Harry Henson Stakes on turf at Hollywood Park, while placing in 10 other races. He earned \$236,649. It was not a record that would send him to stud with royal fanfare.

However, his pedigree hints at an underlying potential that seems to be flourishing a bit. Rocky Bar's dam, the stakes-winning *To the Post*, descends from the distinguished sire-producing family of *Frizette* (the same female family of leading sires *Mr. Prospector* and *Seattle Slew*). *To the Post* is just the latest in a long line of stakes-producing mares in Rocky Bar's female family tracing back to *Frizette's* daughter *Ondulation* (*Sweeper*). Each of the mares in the first six generations of Rocky Bar's family has produced at least one stakes winner. Incidentally, Rocky Bar's sire is a son of *Siberian Express*, who is also a descendant of the *Frizette* family through *Ondulation's* full sister *Frizeur*.

While that is all well and good, the numbers verify the worth of the stallion. As of mid-August, Rocky Bar's first crop, 4-year-olds of 2010, had 12 named foals, 10 starters and 10 winners, seven stakes horses, four stakes winners, including the ill-fated grade II winner *Carlsbad*. His 2007 crop was also small: 13 named foals, nine starters and eight winners, four stakes horses, and three stakes winners. That accounts for 25 named foals, 19 starters and 18 winners (72% winners to named foals), seven stakes winners (28% to named foals)—incidentally, two out of *Seattle Slew*-line mares. His third crop has 16



**Rocky Bar**

named foals, four starters, and one winner thus far. Even with the addition of this fledgling crop, his stakes-winner percentage is still strong at 17%.

Rocky Bar's runners average \$51,247 per starter and \$4,891 per start—pretty good for a \$2,000 stud fee. Rocky Bar stands at Triple AAA Ranch in Arizona.

Another good-value sire not found in the epicenters of the Thoroughbred breeding industry is **Prized**, who stands at O'Sullivan Farms in West Virginia, having moved there in 2006 from Kentucky and a shuttle career in New Zealand. A son of the Roberto-line stallion *Kris S.*, *Prized* won the (Continued on page 18)

## Undervalued Sires



Prized

SUZIE FLOU-OLDHAM



Malibu Moon

JOY B. GILBERT



Arch

COURTESY CLAIBORNE FARM

(Continued from page 17) 1989 Breeders' Cup Turf Stakes and the San Luis Rey Stakes (both gr. IT). He is out of the My Dad George mare My Turbulent Miss, who produced five other stakes winners.

Prized has sired 37 stakes winners, including five grade I worldwide, from approximately 691 named foals (5.3%), including 2010 group stakes winner Premio Loco, winner of the Grosse Europa Meile (Ger-II) and placed in the Sussex Stakes (Eng-I) at Glorious Goodwood in July. Another apple of Prized's eye is grade I winner Brass Hat, who is still racing at age 9 and has earned more than \$2 million. Prized is also getting some press as the broodmare sire of leading 3-year-old turf star Paddy O'Prado, whose third-place finish in the Kentucky Derby Presented by Yum! Brands (gr. I) has been followed by consecutive grade II turf victories in the Colonial Turf Cup Stakes and Virginia Derby at Colonial Downs.

Prized has sired 81% starters from named foals and 59% winners from named foals. His progeny have earned more than \$28 million dollars, an average earnings per starter of \$50,364.

Another son of Kris S. that makes the list for undervalued sires is Claiborne Farm's **Arch**, grade I winner of the Super Derby at the Fair Grounds. His dam, Aurora, is bred similarly to outstanding sire of sires Green Desert (both are by Danzig out of daughters of Courtly Dee), whose sons are lighting up

leading sire boards worldwide: Oasis Dream, Cape Cross, and Invincible Spirit in Europe; and Volksraad in New Zealand. It should come as no surprise that Arch is keeping up the family tradition.

After a seemingly disappointing start to stud, Arch stood for a mere \$5,000 dollars as his fee was reduced during his first five years at stud, but recent successes have reignited the pilot light so to speak and his fee has climbed steadily the last few years, in large part due to the successes of such runners as Pine Island, Les Arcs, Arravale, and 2010 sensation Blame, who has won back-to-back grade Is in the Stephen Foster and Whitney handicaps.

Of Arch's 26 stakes winners (6% from named foals 3-years-old and up), 13 are graded. His progeny have earned nearly \$25 million and his average earnings per starter are a whopping \$72,541.

**Malibu Moon** may have had a truncated racing career, but the quality of his pedigree gave him a chance at stud that many other two-time starters (he won one and placed in the other) might not have had. Starting at Country Life Farm in Maryland for a \$3,000 stud fee, the son of A.P. Indy out of the group I stakes-winning Mr. Prospector mare Macoumba (a half sister to group I winner and useful sire Septieme Ciel) employed the Smith Barney approach to success: He earned it, the old-fashioned way.

Malibu Moon had seven stakes winners in his first crop and seven in his second, including his first two grade I winners, Declan's Moon (champion 2-year-old male) and Malibu Mint. These kinds of numbers have been consistent throughout his career, with his 2005 crop hitting a peak of 11 stakes winners. His runners this year have earned enough to put him third on the leading sires' list and include frontrunner for top 3-year-old filly honors Devil May Care as well as grade I winner Life At Ten, who may give Rachel Alexandra a run for her money at Saratoga.

This kind of success paved his way to Kentucky in 2004 and fueled a steady climb in his stud fee, which at \$40,000 is still good value, given the quality of the product. Malibu Moon has sired 45 stakes winners from 478 starters (9.4%), and his runners average \$69,958 per starter.—Tom Hall

## Undervalued Sires at Keeneland September

**City Zip** achieved the relatively unusual feat of moving from a regional program to a major Kentucky farm before he'd ever sired a runner. In his case, the move from Contemporary Stallions in upstate New York to Lane's End Farm was inspired by the emergence of City Zip's younger half brother, Ghostzapper, into superstar status during his 2004 Horse of the Year campaign. Rather ironically, however, it is City Zip, who retired at a fraction of Ghostzapper's stud fee, who has been writing the headlines as a sire to date. From his first three crops sired in New York, City Zip has been represented by 13 stakes winners, including the undefeated grade I winner Bustin Stones, and graded scorers With a City, Get Serious, and Acting Zippy. He's added another 14 stakes winners with his first two Kentucky crops, including undefeated multiple graded-winning 2-year-old Run Away and Hide, and graded winners Workin for Hops, City to City, Unzip Me, and Gleam of Hope. They are not just speedsters either, several stretching out for major wins at 8½ and nine furlongs this year. His 2010 haul of 10 stakes winners, six graded, and the earners of more than \$4 million places him eighth on the current leading sires' list. Despite that, his yearlings averaged only \$13,555 last year, and while they might be in greater commercial demand this term, we think they are still certain to represent value.

Although the market doesn't seem to have recognized it, **Graeme Hall** has charted a steady upward curve as a sire, and in 2010 reigns as the leading sire standing in Florida by earnings. His first four crops (fourth crop currently 3-year-olds) have generally been out of mares of rather modest accomplishment, but from them he's sired 16 stakes winners, six graded (including a pair of Puerto Rican grade I winners), among them the 2010 Oaklawn Handicap (gr. II) and Ft. Lauderdale Handicap (gr. III) victor Duke of Mischief; The Cliff's Edge Derby Trial (gr. III) captor Hurricane Ike; Who's Up, successful in last year's Generous Stakes (gr. IIIT); and the fillies Belle of the Hall and Graeme Six, both of whom have been grade I-placed. Beyond that, the son of Dehere also gets a lot of tough, durable, hard-knocking runners, a fact borne out by his average earnings per starter figure, which is approaching

\$60,000. Against that, a 2010 yearling average of \$7,430 makes him one of the most underappreciated sires about.

One of my favorite wrinkles for undervalued yearling purchases is stallions that have died or been exported. Unless they have a current sensation, with no promotion going for them, solid efforts tend to get overlooked. **Johannesburg**, who was exported to Japan, had made a very good start to his stud career, getting grade I winner Scat Daddy and several other juvenile stakes winners in his first crop. Following that year, and with Scat Daddy adding the Fountain of Youth Stakes (gr. II) and Florida Derby (gr. I) at 3, Johannesburg conceived two crops at a fee of \$65,000, the second of which are yearlings of 2010. Unfortunately, Johannesburg is now in Japan, so his achievements have not been getting much attention of late. A look at the record shows that, while his second and third crops didn't contain another group or grade I winner, the former juvenile sensation has continued to get several accomplished runners, both in the U.S. and Europe (he also has two grade I winners from shuttle crops in Australia). In addition to Scat Daddy, he's the sire of 26 stakes winners from his first three Northern Hemisphere crops, including another group I winner Sageburg (from his first crop, and champion older horse in France), and group/grade II scorers Teuflesberg, Eaton's (Continued on page 20)



Graeme Hall



City Zip



Johannesburg



Lion Heart

COURTESY ASHFORD STUD

(Continued from page 19) Gift, Phola, Radiohead, Hamood, and Looky Yonder. Last year they averaged around \$63,000, and this time around we think that plenty of nice ones will be available for less than the stud fee at which they were conceived.

**Lion Heart** is by Tale of the Cat, a close relative to Johannesburg, and has a profile that is not too different. A brilliantly fast 2-year-old who trained on to win the Haskell Invitational (gr. I) and run second in the Kentucky Derby (gr. I) at 3, he's done very little wrong with his first two crops as a sire, but he is now in Turkey, where he's just completed his first season.

Lion Heart actually sired no fewer than eight stakes winners in his first crop, including graded winners Azul Leon, Soul Warrior, Heart Ashley, Pretty Prolific, and Silent Valor. His second crop, currently 3, has added three more stakes winners, headed by the game Arkansas Derby (gr. I) hero Line of David. In his third crop is Kantharos, who is currently three-for-three, including an impressive win in the Saratoga Special Stakes (gr. II). Lion Heart's yearlings averaged \$37,158, and if out of sight means out of mind, then they are set to make less in 2010. He's well worth considering, especially for those looking for an early sort.—Alan Porter

### Breeding to Race

Ask the average North American breeder to name a breed-to-race stallion, and chances are the response will be the well-regarded **Slew City Slew**. The dark bay stud comes by this distinction honestly: His progeny are solid, hard-knocking runners that pay their expenses and keep many owners' stables in the black. But while the aging "Slew" has his share of big horses, he has never been a sire of sires, a reality that limits his desirability to the commercial market.

Indeed, Airdrie Stud's elder statesman stood the 2010 season for a scant \$3,500, the lowest price of his 21-year career, despite the impressive performance statistics of his progeny. Slew City Slew has 833 foals aged 3 or older, of which 705 (85%) are starters; 522 (63%) are winners; and 98 (11.8%) are stakes horses. His runners earn more than \$60,000 on average and are in the money in 40% of their starts.

Breeders who send mares to Slew City Slew should not anticipate auction lucre; the stallion's yearling averages have fallen with his stud fee during the past two decades, and his foals now average less than \$10,000 at the sales. Breed-to-race owners, however, can look forward to seeing their Slew City Slew foals running, and running, and running—an average of 22.2 starts per runner. And while Slew City Slew was a tremendous racehorse with nearly \$1.2 million in earnings and two grade I wins from 42 starts, he has better than reproduced himself. Lava Man took seven grade I victories on dirt and turf in his \$5 million-plus career.

Slew City Slew represents a diminishing non-A.P. Indy branch of Seattle Slew's sire line, and his pedigree is an extension of the classic Bold Ruler/Princequillo nick that produced Secretariat and Seattle Slew and other legendary horses. Contributing to his success as a sire is his tendency to get runners in America's favorite 6½ furlongs-to-one mile range of race distances.

Unlike Slew City Slew, **Intidab** has flown under the radar of most breeders during his decade-long stud career. Shadwell Farm's dark bay stud has only 77 foals from his first five crops of racing age, but 63 (82%) are runners and 45 (58%) winners, with 10 (13%) winning or placing in stakes contests. Perhaps most important for potential breeders, Intidab's starters earn nearly \$55,000 on average.



Slew City Slew

COURTESY AIRDRIE STUD



Intidab

JOY B. GILBERT

Intidab started his stud career in 2001 at Shadwell Farm and returned there in 2006 after brief stints in Florida and New York. His \$3,000 fee in 2010 was his lowest price to date.

Intidab was best at sprints, winning grade II contests at six and seven furlongs. Not surprisingly, his progeny have excelled at the same short distances. Intidab has yet to get a headline-grabbing runner, with Kentucky Jockey Club (gr. II) and Rebel Stakes (gr. III) winner Greater Good his biggest performer to date. Intidab's opportunity will increase in the near future as two of his larger crops reach racing age in 2010 and 2011.

By Phone Trick, Intidab is one of the few Icecapade-line stallions in North America, and he serves as an outcross to Northern Dancer- and Bold Ruler-line mares.

Few stallions can achieve top-level success from humble beginnings, but then few stallions compare to **Dynaformer**. The dark bay son of Roberto earned a shot at stud duties with a couple of grade II wins including the 1988 Jersey Derby. His early years at Wafare Farm were well managed, and his first few books were rather large, albeit made up mostly of lower-class mares. (It has been rumored that Wafare liberally marketed "free to approved mares" terms to attract both quantity and quality of matings.) From those first crops came a steady procession of group and graded stakes winners, at a frequency that could not be ignored by larger Kentucky farms. Dynaformer's 1995 arrival at Three Chimneys Farm saw his initial \$5,000 fee triple; steady increases during the following 12 years put him at \$150,000 starting in 2007. Almost certainly, were it not for industry-wide price slashing in 2009 and 2010, Dynaformer would have seen his fee raised again sometime in the past year or two. It is for that reason—combined with extraordinary progeny performances—that Dynaformer makes this year's list of undervalued sires despite being tied for North America's highest stud fee.

Dynaformer's yearling averages have paralleled his rise in prominence, and for many years his average progeny auction return has been profitable for breeders—a significant accomplishment for stallions in the upper echelon of stud fees. The average yearling prices of around \$300,000 from 2006 to 2009 are especially impressive considering Dynaformer's failure to fulfill a legacy of sire sons (his most prominent U.S.-based stallion son, Purim, has first runners of 2010). Confidence in Dynaformer's foals is high because of their performance on the racetrack, where they average \$99,894 in earnings per starter (aged 3 or older). His 1,088 foals from 2007 and earlier crops have fantastic records: 940 (86%) are runners; 696 (64%) are winners; and 220—a full 20%—are stakes horses. While 5% is an industry standard for stakes winners-to-foals, Dynaformer achieves 4.7% *graded* winners to foals aged 3 and up.

Part of Dynaformer's success stems from his international progeny success; his appeal extends well beyond the borders of North American racing. His foals are sought after throughout Europe because they perform as well on the grass and synthetic surfaces—and over the jumps, for that matter—as they do on U.S. dirt tracks.

In U.S. breeding, Dynaformer is an important source of stamina, a trait that extends from his sire, Roberto. He also offers a pedigree that is an outcross to the Seattle Slew-, Northern Dancer-, and Mr. Prospector-dominated bloodlines prevalent in North American breeding today. Like Slew City Slew, Dynaformer is a senior stal-



Dynaformer



Langfuhr

lion; he will be 26 during the 2011 breeding season, and it should be clear to breeders that the opportunity to take advantage of his good value is limited.

Moving along from Three Chimneys to another of Central Kentucky's most prominent stallion stations, we come to Lane's End, home of **Langfuhr**. Much like those of Dynaformer, Langfuhr's progeny have achieved racing and sales success that makes him highly valued by both commercial and racing breeders. From 2006 to 2008, the bay son of Danzig had yearling averages at or above \$50,000, allowing a large percentage of foals to show profit to their breeders.

More importantly, Langfuhr's foals have performed on the racing oval: from 1,189 foals aged 3 or older, 992 (83%) have started; 725 (61%) have won; and 125 (10.5%) have won or placed in stakes races, with average earnings close to \$60,000 per starter.

Langfuhr's value was boosted with drops in his stud fee in each of the last two breeding seasons; his current \$17,500 fee is 30% below the \$25,000 price commanded in 2008.

One of Danzig's most successful sons in North America, Langfuhr has a pedigree pattern that is somewhat unusual for present-day stallions. He is inbred 3x3, via both his sire and broodmare sire lines, to Nearctic.—*Scot T. Gillies*

**Excerpt:**  
**Who are the Most Undervalued Thoroughbred Sires in 2010?**

July 14, 2010 \* 34 Comments

*When The Blood-Horse MarketWatch purchased the publication Owner-Breeder International a few years back, we were excited to expand our editorial reach. Alan Porter's "Undervalued Sires" updates were one of OBI's most popular features, and we've carried forward the concept in our August issue each year. The timing is not random: with the yearling sales season upon us, it is useful information for potential buyers (in fact, the original OBI series was titled "Undervalued September Sales Sires.")*

Pleasantly Perfect, BC Classic & Dubai WC winner, \$10,000 stud fee, from 3rd crop has 6 stakes winners from only around 60 some runners total! THAT is undervalued!

**Frank J.**

Quiet American at \$15,000 is a steal. He gets runners from a variety of sire lines and his daughters are becoming gold mines as broodmares. ... Parading for \$3,500 is just a crime. A multiple graded stakes winner and grade I-placed for this price is incredible.

**Robert**

Pollard's Vision and Unusual Heat. Their offspring can really run but get no respect at the sales.

**Annem**

City Zip is a great bargain and currently 8th on the leading sire list. Northern Afleet stands for a \$10,000 stud fee and is 16th on the list. Also, Monarchos has sired grade I winner Informed Decision and stands for \$6,000. ... The sire who should win a lifetime achievement award as the best undervalued sire of all time is Slew City Slew.

**munna22**

New York State's open secret for getting a foal to the races, and to win, is to breed to Raffie's Majesty. ... From a small crop over the past eight years he has 80% starters from foals bred, 80% winners from starters, 11% stakes winners, and 16% stakes-placed. His progeny have won from five to 10 furlongs. They have demonstrated speed, stamina, endurance, and most important to race owners, longevity on the race track. ... There are stallions who stand for 20 times his fee that do not produce the results he does.

**Kevin A Burke**

Best Value: Holy Bull. Great runner and very solid sire.

**Tombr**

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