

Alpha analysis suggests Kansas City Chiefs to win Super Bowl LIV

 pionline.com/money-management/alpha-analysis-suggests-kansas-city-chiefs-win-super-bowl-liv

Rob Kozlowski

January 31,
2020



The Kansas City Chiefs should defeat the San Francisco 49ers in Super Bowl LIV on Sunday to win its first championship in 50 years, said Analytic Investors, the \$21 billion quantitative money management subsidiary of Wells Fargo Asset Management.

The pick is based on Analytic's NFL Alphas measurement, which ranks all 32 NFL teams based on how often they beat oddsmakers' expectations during the regular season. Analytic Investors' theory is that the more a team beats expectations in the regular season, the higher the team's alpha. That higher alpha, however, means it will be less likely that the team wins in the postseason.

For this year, the Chiefs — with a 24.1% alpha — is the value choice for the Super Bowl over the San Francisco 49ers, which chalked up a 37.8% alpha this past regular season.

Christopher Lardieri, RFP manager for the Analytic Investors team, said in a telephone interview the Alphas measurement should benefit from the New England Patriots not playing in the Super Bowl for the first time in four years.

Since the team began the Alphas measurement in 2004, they are 11-5, but only 1-4 in games involving the Patriots, he said.

During the regular season, the Miami Dolphins were the team with the highest alpha, at 70.3%, thanks to being underdogs in each of the team's 16 games. The team ended the season at 5-11.

"Everyone was convinced they were going to be 0-16, maybe 1-15," Mr. Lardieri said. "They exceeded expectations."

After starting 0-7, the Dolphins defeated the Indianapolis Colts, New York Jets and Philadelphia Eagles to move into positive alpha territory.

It was the final game of the season in which the Dolphins shocked the football world by upsetting the defending champions and 17-point favorite New England Patriots to give the team an enormous surge in alpha.

"When I dug into the numbers, it was literally that one game against the Patriots. I was amazed," Mr. Lardieri said. "We see an alpha that's the highest in 10 years (and) it all came to one game."