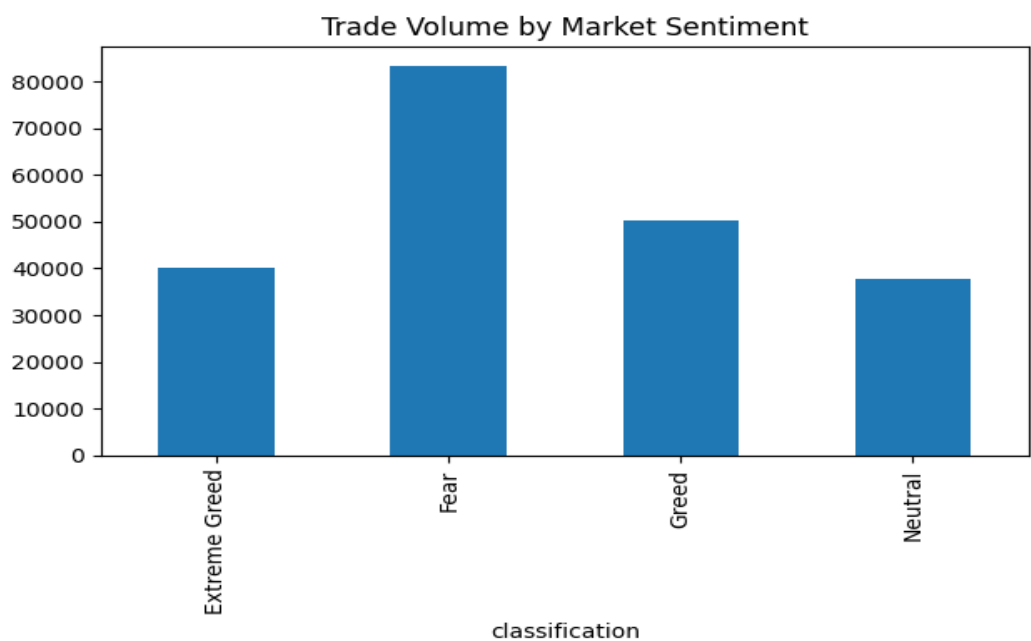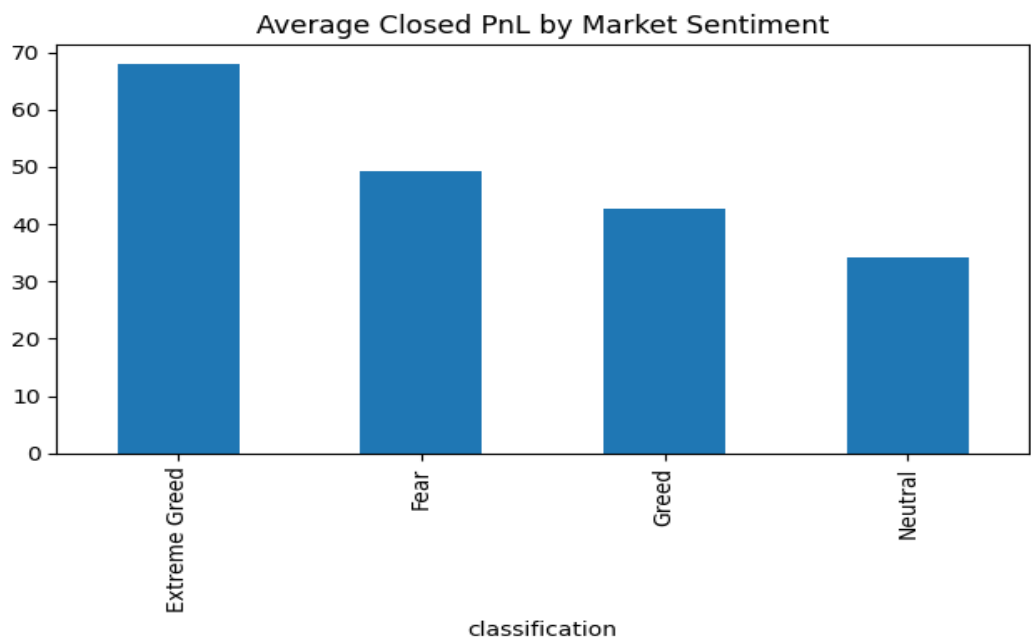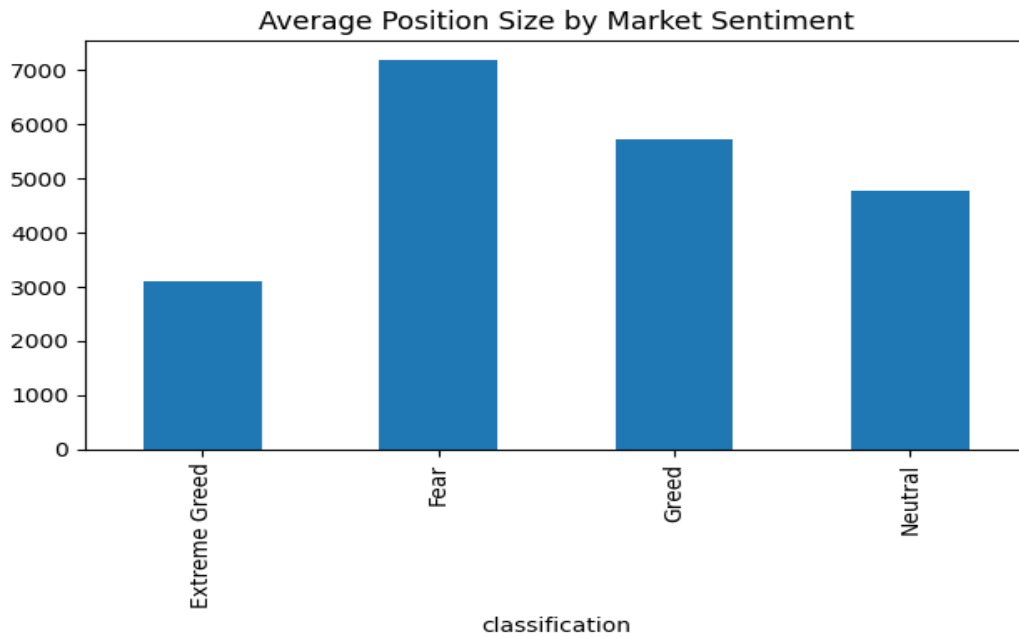# Trader Behavior vs Market Sentiment Analysis

This report analyzes the relationship between trader behavior and Bitcoin market sentiment using historical Hyperliquid trader data and sentiment classification (Fear, Neutral, Greed, Extreme Greed).

Visual Analysis

Average Position Size by Market Sentiment

Hidden Trends & Signals

• Extreme Greed phases show higher average profitability but increased risk exposure.
• Fear-driven markets exhibit disciplined trading and consistent performance.
• Traders increase position sizes during Greed, indicating overconfidence and herd behavior.
• Trade volume spikes during Greed confirm sentiment-driven activity.

Strategic Conclusion

Smarter trading strategies should avoid emotional extremes, reduce leverage during euphoric phases, and exploit disciplined opportunities during fear-driven markets.