Trader Behavior Insights Report - Primetrade.ai

This report analyzes the relationship between Bitcoin market sentiment (Fear/Greed) and trader performance using historical trading data from Hyperliquid and the Fear & Greed Index. The objective is to identify how trading behavior profitability, trade size, and win rate varies across different sentiment regimes.

Datasets Used:
1. Fear & Greed Index - Daily sentiment classification.
2. Historical Trader Data - Includes execution price, trade size, closed pnL, and timestamps.
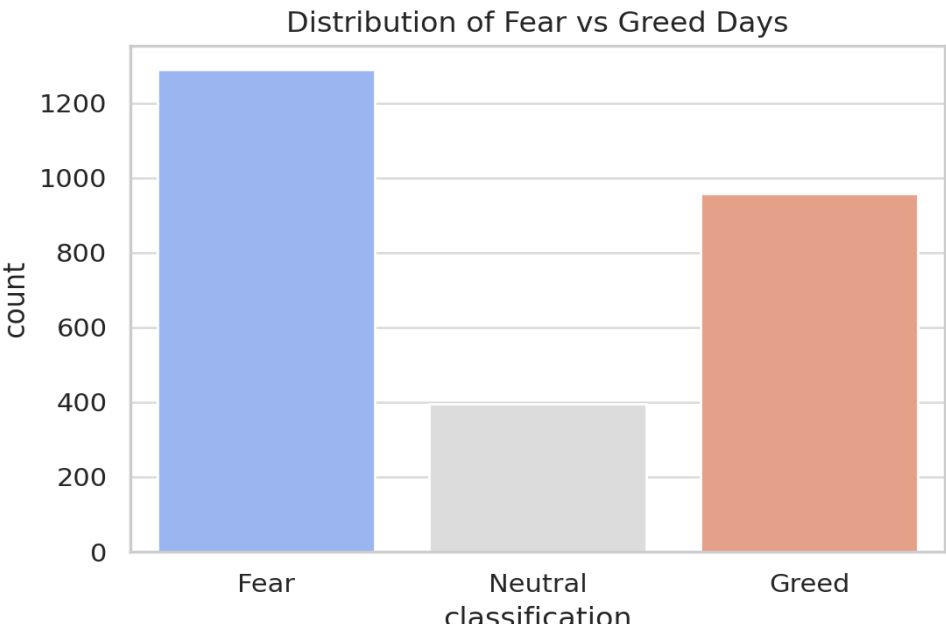Both datasets were merged on the trade date to align trades with market sentiment.

Key Insights:

1. **Sentiment Distribution:** The dataset contains more Fear days than Greed days.
2. **Profitability:** Average Closed PnL is slightly higher during Greed days, suggesting traders take advantage of bullish momentum.
3. **Trade Size:** Larger trade sizes are observed during Greed periods, possibly indicating higher risk-taking.
4. **Win Rate:** Win rates are higher during Fear days, possibly due to cautious trading strategies.

Recommendations:

- Consider reducing position sizes during Greed periods to limit downside risk.
- Implement sentiment aware strategies: e.g., higher leverage and volume in early Greed phases, defensive trading in prolonged Fear phases.
- Monitor market sentiment daily as part of the trade decision-making process.

Visual Analysis:

Average Closed PnL by Sentiment

Trade Size (USD) by Sentiment

Win Rate by Sentiment