Introduction

The goal of this analysis is to understand how Bitcoin market sentiment (Fear or Greed) influences trader performance on the Hyperliquid platform. By combining trading history with the Fear & Greed Index, we aim to find simple patterns that can support smarter trading decisions.

Datasets Used

1. Historical Trader Data (211,224 rows)
Contains trade details such as account, coin, execution price, size, direction, timestamp, fee, and closed PnL.

2. Fear & Greed Index (2,644 rows)
Provides daily market sentiment values and classification (Fear or Greed) with a corresponding date.

Method (Simple Steps)

1. Loaded both datasets into Python/Colab.

2. Converted timestamps into readable dates.

3. Grouped trades by account and by day.

4. Calculated simple metrics like:

   - Total PnL per day

   - Win rate per day

   - Total traded volume

5. Merged daily performance with market sentiment using the date column.

6. Compared performance during Fear vs Greed days.

Findings (Simple & Clear)

- **Greed days generally show slightly better trader performance** compared to Fear days.

- **Win rates are often higher on Greed days**, suggesting traders perform more confidently when market sentiment is positive.

- **Fear days show more negative PnL**, indicating cautious behavior or higher losses.

- The Fear & Greed score is a **useful signal** that can help identify good or risky trading conditions.

Key Insights

- Traders tend to perform better when overall market sentiment is positive.

- Fear periods may require reduced risk, smaller position sizes, or tighter stop-loss strategies.

- Basic sentiment data can help guide trading strategies even without advanced models.

Conclusion

This analysis shows a simple but meaningful connection between market sentiment and trader performance. Using sentiment data can help traders manage risk and make more informed decisions. The results provide a foundation for more detailed analysis or algorithmic trading improvements.