Trader Behavior Insights Based on Market Sentiment

Analysis of Hyperliquid Trading Data with Bitcoin Fear & Greed Index

Prepared by: Dhakshayani Reddypalli
Role Applied: Junior Data Scientist – Trader Behavior Insights
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Objective
The objective of this analysis is to explore the relationship between Bitcoin market sentiment (Fear & Greed Index) and trader behavior on the Hyperliquid platform. The study focuses on understanding how profitability, win rate, trade size, and trading activity vary across different market sentiment regimes.

Datasets Used
1. Bitcoin Fear & Greed Index Dataset
2. Hyperliquid Historical Trader Dataset

Methodology
Data was cleaned, merged by date, and analyzed using Python and Pandas. Key metrics such as profitability, win rate, trade size, and activity were evaluated across sentiment categories.

Key Findings
- Highest profitability observed during Extreme Greed phases.
- Fear phases show higher trade volume but lower efficiency.
- Trade size increases during Greed and Extreme Fear periods.

Data Limitation
Leverage data was not available. Trade size (USD) was used as a proxy for risk exposure.

Conclusion
Market sentiment significantly influences trader behavior. Fear-driven markets encourage overtrading with lower efficiency, while Greed-driven markets provide more stable profitability.

Tools & Technologies
Python, Pandas, Matplotlib, Google Colab