

# Report

## 1. Performance is Strongly Affected by Market Sentiment

- Despite having somewhat lower win rates, **greed sentiment** generates the **highest overall profits**. This implies a high-reward environment where fewer but more profitable trades predominate.
- The **highest win rates** are produced by **Extreme Greed**, but overall earnings are lower, most likely as a result of profit-taking and more careful trade sizing.
- With the lowest profitability and victory rates, neutral sentiment is the least positive. This suggests that traders are uneasy and using inefficient tactics when the market direction is unclear.

## 2. Hidden Behaviors Are Revealed by Trade Size Patterns

- Both the average and **median trade sizes** are **high for Extreme Greed**, indicating broad confidence and aggressive positioning
- Fear emotion has a **high average but low median trade size**, demonstrating that while a few traders take large positions, most stay conservative—indicating mixed confidence.
- **Smaller, more frequent trades, which indicate either conservative risk management or minimal market volatility, are characteristics of greed and neutrality.**

## 3. Trade Direction Adapts to Sentiment

- Sentiment and trade direction are strongly correlated (**Chi-squared test,  $p < 0.001$** ).
- During emotional states (fear and greed), SELL trades perform better than BUY trades, indicating that traders profit more from downside volatility.
- In neutral markets, when stability encourages long positions, BUY trades are more profitable.

## 4. Coin Performance and Strategy Optimization

- In a down market, coins like **SOL, ETH, and SUI** do better.
- **SUI is a good option for sentiment-independent methods since it is consistently lucrative across all sentiments.**  
**These asset-specific trends highlight how crucial it is to combine sentiment-based timing with asset selection..**

## 5. Use of Margin and Risk Behavior

- Traders should address the inefficiencies of **cross margin utilization**, which peaks at around **80% during neutral sentiment** and indicates increased risk-taking despite poor performance.
- **Extreme Greed (~55%)** causes it to decline, indicating more solitary, careful risk management during periods of excessive bullishness.
- The necessity to keep an eye on **cost-efficiency** under less favorable market situations is highlighted by the fact that **trading costs** are higher in **neutral and fear** markets.

## Strategic Insight

By aligning trading decisions with prevailing **market sentiment**, traders can significantly improve both **profitability** and **risk control**. The data reveals clear behavioral patterns and strategy shifts that correlate with emotional market states-providing a road map for:

- Adjusting **trade direction** and **position sizing** based on sentiment
- Choosing **optimal trading periods and assets** (e.g., focusing on **SUI** in any condition)
- Monitoring **margin usage and fees** for **cost-effective execution**

**In summary**, smarter trading strategies show when sentiment is not just observed-but **integrated into decision-making**.