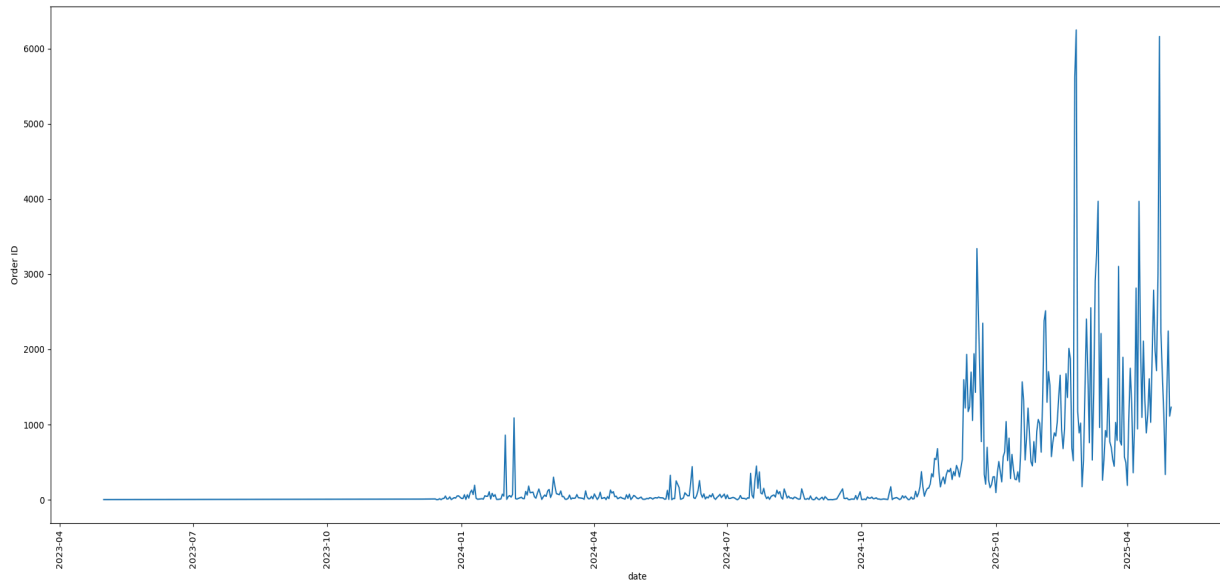# Market Sentiment Analysis Report

1. **Trade Intensity**



We can see that there no trades in year 2023 and we can see some action in the graph from early 2024 and a lot of action in 2025. This means the dataset being used is new and has latest trade data in bulk and no old trade data. But we will still keep all dates as I checked it did not impact the graphs much.

2. **Checking trade intensity per classification**
   a. **Size Tokens vs Classification**
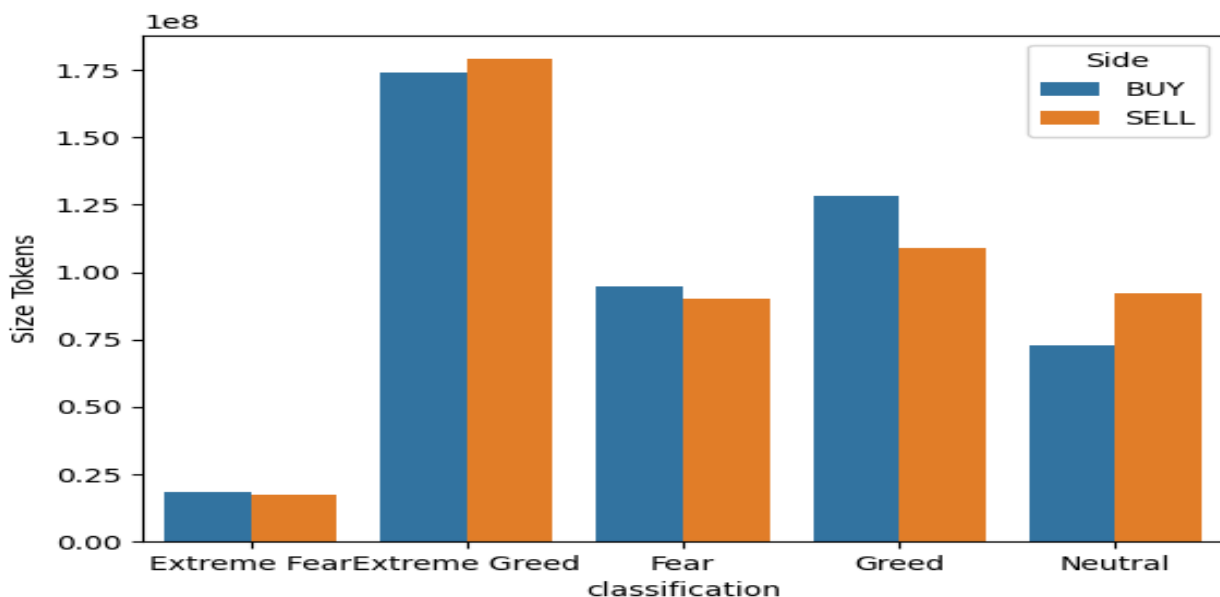


   a. **Activity peaks at extremes:**
      Both Extreme Fear and Extreme Greed show the largest trading volumes, meaning traders react most strongly when market sentiment is at its limits.

   b. **Fear encourages buying:**
      During Fear and Extreme Fear, buy volumes slightly exceed sells. Traders appear to treat fearful markets as buying opportunities.

c. **Greed drives momentum, but profit-taking starts at the extreme:**
In Greed, buyers dominate, chasing the uptrend.
In Extreme Greed, volumes stay huge but selling edges out buying signalling profit-taking or distribution.

d. **Neutral sentiment = caution:**
When sentiment is Neutral, selling outweighs buying, showing that traders reduce exposure when the market direction is unclear.

b. **Size USD vs Classification**
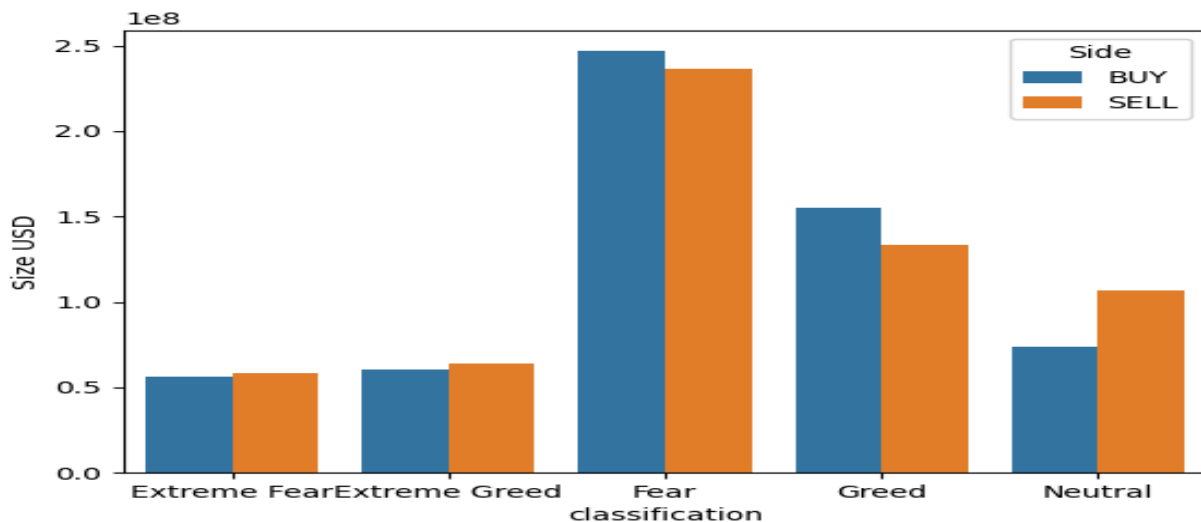


a. **Fear dominates total volume**
- Combined Fear (Fear + Extreme Fear) ≈ $5.5 × 10^8$ USD, the highest among all sentiments.
- Traders are most active when the market feels risky.

b. **Buy vs. Sell patterns by sentiment**
- **Fear / Extreme Fear:** Buys and sells are nearly balanced, with a slight buy tilt in normal Fear contrarian accumulation.
- **Greed:** Noticeable buy dominance (≈15 % more USD buys than sells) as traders chase upward momentum.
- **Extreme Greed:** Volumes are huge but sells slightly exceed buys, suggesting profit-taking at euphoric peaks.
- **Neutral:** Sells outpace buys by a wide margin, indicating position trimming when sentiment is uncertain.

c. **Checking profit per classification**

- **Highest profits during Extreme Greed – Sells dominate**
Sell trades in Extreme Greed earn the most by far (≈ $2.53 M).
This points to profit-taking when sentiment is euphoric.

- **Fearful markets are consistently profitable**
Total Fear (Fear + Extreme Fear) generates strong gains (~$3.7 M).
Buys slightly out-earn sells, supporting the idea of buying into fear.

- **Greed shows mixed results**
Moderate Greed still profitable, but SELL gains (~$1.54 M) clearly exceed BUY (~$0.61 M) again hinting at taking profits as prices rise.

- **Neutral sentiment = modest returns**
  Lower overall profits, small sell edge indicates light position trimming when direction is unclear.
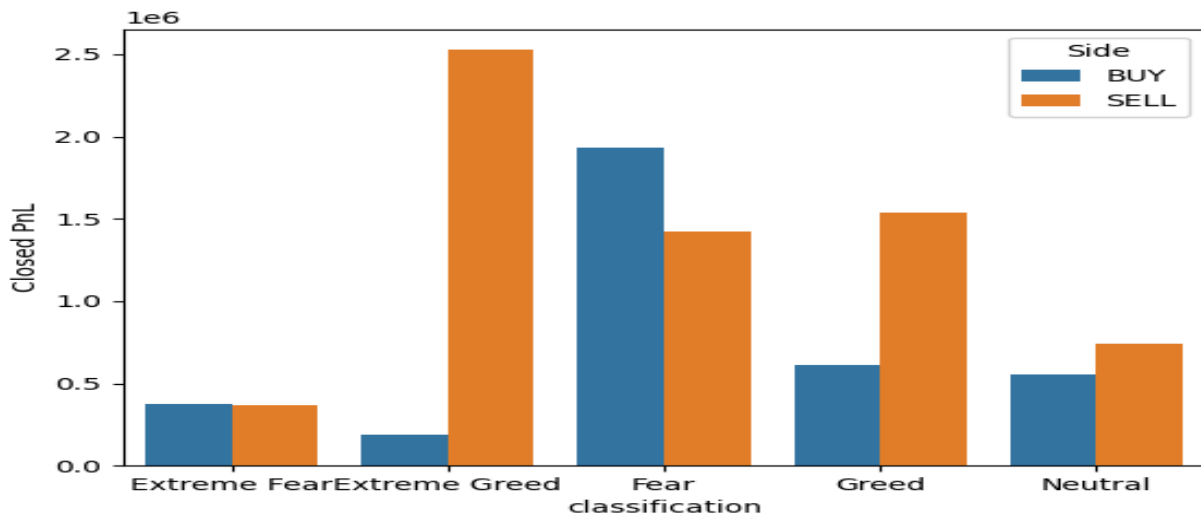


d. **Average execution price per classification**
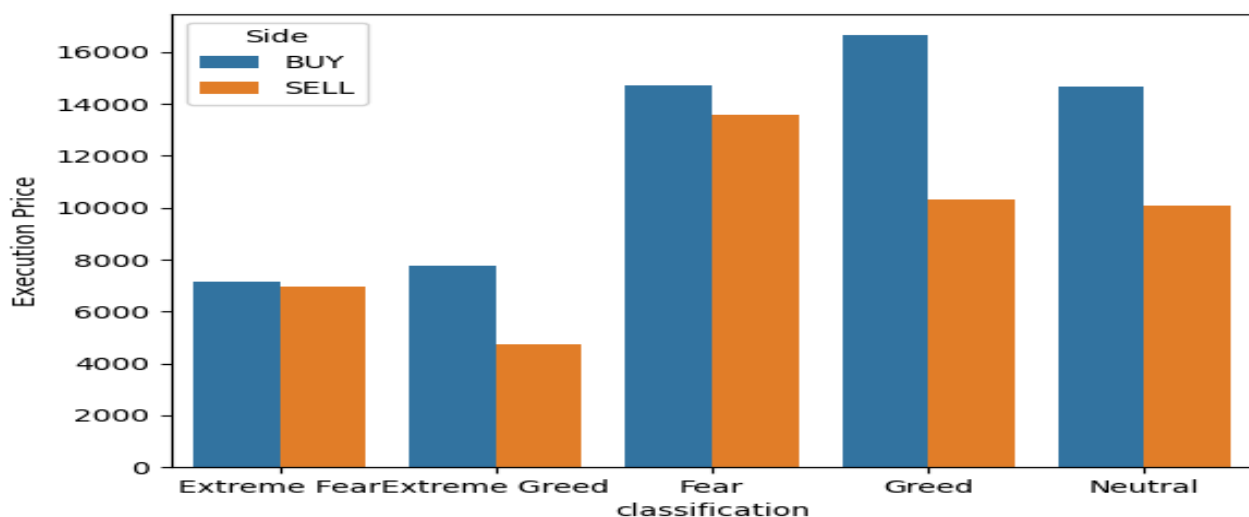


a. **Higher prices during Fear & Greed phases**
- **Fear:** Buys average $14.7 k, Sells $13.6 k.
- **Greed:** Buys reach the highest overall (~$16.6 k).
   Traders are buying and selling at much higher market levels once sentiment shifts beyond "extreme," suggesting these periods occur later in a bull cycle.

b. **Extreme sentiments occur at lower prices**
- **Extreme Fear:** Buys around $7.1 k, Sells $6.9 k.
- **Extreme Greed:** Buys ~$7.7 k, but Sells drop to $4.7 k (likely profit-taking after a big run-up).
   These represent market bottoms (extreme fear) and potential blow-off tops followed by pullbacks (extreme greed sells).
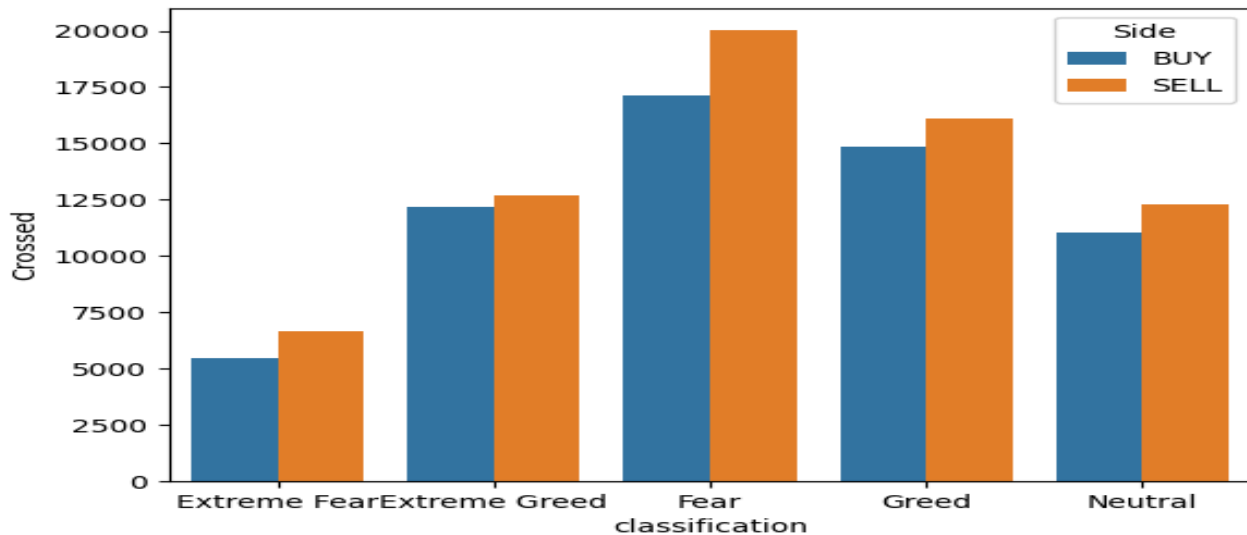
c. **Buy–Sell gap patterns**
- In nearly every sentiment, buy prices exceed sell prices, consistent with buy-low, sell-high execution.

- The widest gap appears in Greed (Buy $16.6 k vs Sell $10.3 k), highlighting strong profit-taking.

### e. Checking Leverage per classification
Using crossed column as leverage since there is no leverage column.



### a. Activity peaks in moderate sentiment
- Fear & Greed show the highest crossed counts (Buy ≈17k / 15k, Sell ≈20k / 16k).
- Neutral is next (≈11k / 12k).
- Extreme Fear/Extreme Greed have lowest counts (≈5–12k).
  **Interpretation:**
    ○ Traders are most aggressive when sentiment is neither panicked nor euphoric likely during active trend moves or consolidation phases when opportunities feel "safer."
### b. Slight Sell-side dominance
- In every classification, SELL crosses exceed BUY crosses.
Indicates profit-taking or hedging pressure across all market moods.
### c. Extreme sentiment = hesitation
- During Extreme Fear and Extreme Greed, crossed orders are minimal.
Traders may be waiting for confirmation, avoiding liquidity-taking trades in high-uncertainty or overheated conditions.

### f. Checking Side count per classification

### a. Highest trading activity in "Fear"
**Fear** tops the list: ~30k BUY vs ~31k SELL orders.
Indicates active participation when market sentiment is cautious but not panicked.
Traders may view "Fear" as a buy-the-dip or short-term opportunity zone.
### b. Greed next, then Neutral
**Greed**: ~25k BUY / ~26k SELL.
**Neutral**: ~19k BUY / ~18k SELL.
 Shows continued solid activity even as optimism rises, but slightly less than during Fear.
### c. Extreme sentiment = least orders
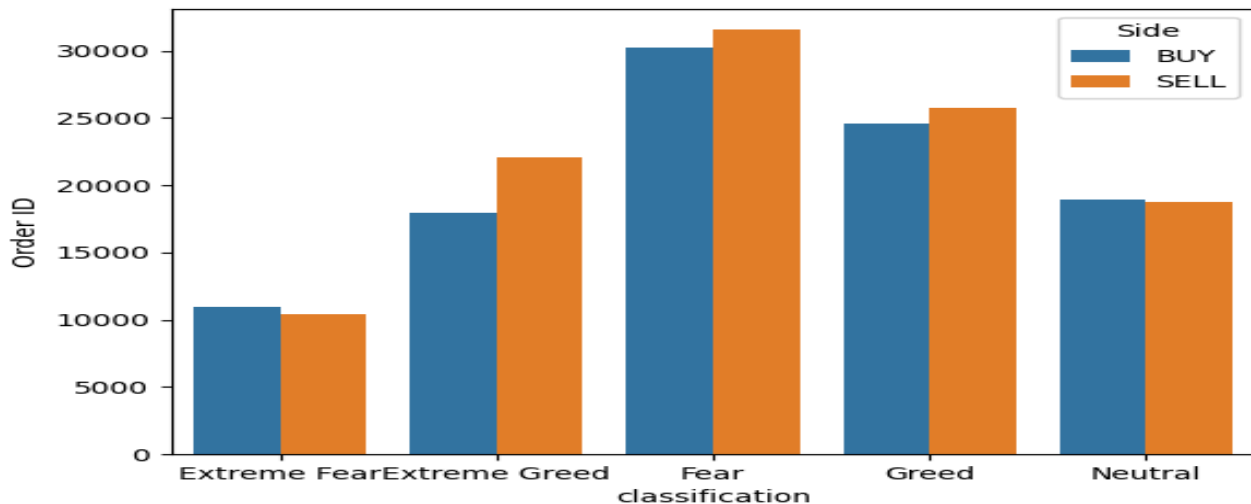**Extreme Greed**: ~18k BUY / ~22k SELL.

**Extreme Fear**: ~11k BUY / ~10k SELL.

Traders likely hesitate when emotions are at the extremes ,less overall participation.

### d. Sell orders slightly exceed buys across all moods

In every classification, SELL counts are equal or higher than BUY.

Points to consistent profit-taking or hedging pressure, regardless of sentiment.



# #Trading Strategies Based on above insights –

### 1. Fear is Opportunity →

- Highest total profits.
- Both BUY and SELL profitable.
- Suggests volatility + mispricing = alpha for skilled traders.

### 2. Extreme Greed / Greed = Exit Signal →

- Most profits come from SELLs.
- Suggests smart money is offloading into retail demand.

### 3. Extreme Fear = Sit Tight →

- Low volumes, low leverage, low profits.
- Market is frozen, few signals to act on.

### 4. Volume vs Profit Divergence →

- Extreme Greed has highest trading activity (tokens & leverage) but profits don't scale up (especially on the BUY side).
- This is a warning: high activity not equal to high returns.