

Trader Behavior vs Market Sentiment Analysis

This report analyzes the relationship between trader performance and Bitcoin market sentiment (Fear vs Greed) using historical trader data from Hyperliquid and a market sentiment dataset.

Two datasets were merged on trade dates to assign each trade a corresponding sentiment. The analysis examines profitability, trade size, and asset preferences under different sentiment conditions to uncover patterns that can inform smarter trading strategies.

Key Findings

PnL & Win Rate:

- Total PnL was higher on Greed days (~4.86M) than Fear days (~4.09M).
- Win rate was slightly better in Greed (42.0%) than Fear (40.8%).

Trade Size & Volume:

- Average trade size was larger in Fear days (~\$7,182) than Greed (~\$4,574).
- Total traded volume was also higher in Fear (~\$597.8M) than Greed (~\$413.0M).

Coin-Specific Behavior:

- BTC dominated volume in both sentiments, but altcoins like HYPE, SOL, ETH saw more significant activity during Fear days.
- Several niche tokens (TRUMP, MELANIA, FARTCOIN) appeared in top traded lists, suggesting sentiment-driven speculative trading.

Recommendations

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1. Monitor sentiment closely — Greed days tend to have slightly higher win rates, but Fear days present larger trade sizes and opportunities in altcoins.
2. Allocate capital proportionally — Consider smaller positions in Greed to manage risk, and opportunistic larger positions in Fear when volatility is high.
3. Track coin-specific sentiment performance — BTC remains a core asset, but altcoins like SOL and HYPE can offer strong returns during Fear periods.