# Final Report: Trading Behavior vs Market Sentiment

This report provides a summarized analysis of how trading behavior aligns or diverges from overall market sentiment (Fear vs Greed). Using historical trader data and market sentiment indices, we examine patterns in profitability, risk, volume, and leverage to uncover hidden trends that could influence smarter trading strategies.

## 1. Average Daily Volume (USD) by Sentiment
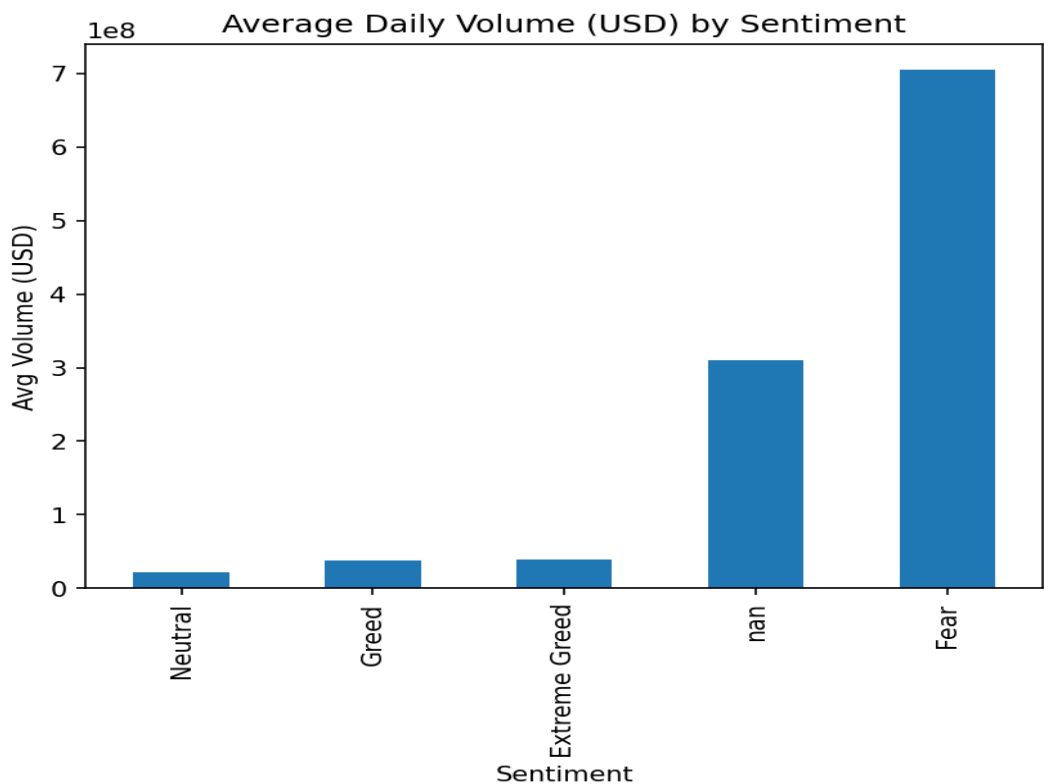
The analysis reveals that trading volume spikes significantly during periods of Fear, indicating that traders may increase activity when uncertainty is high. Extreme Greed also drives higher-than-neutral volumes, but Fear appears to provoke stronger participation from market players.

## 2. Daily Profit and Loss (PnL) Trends
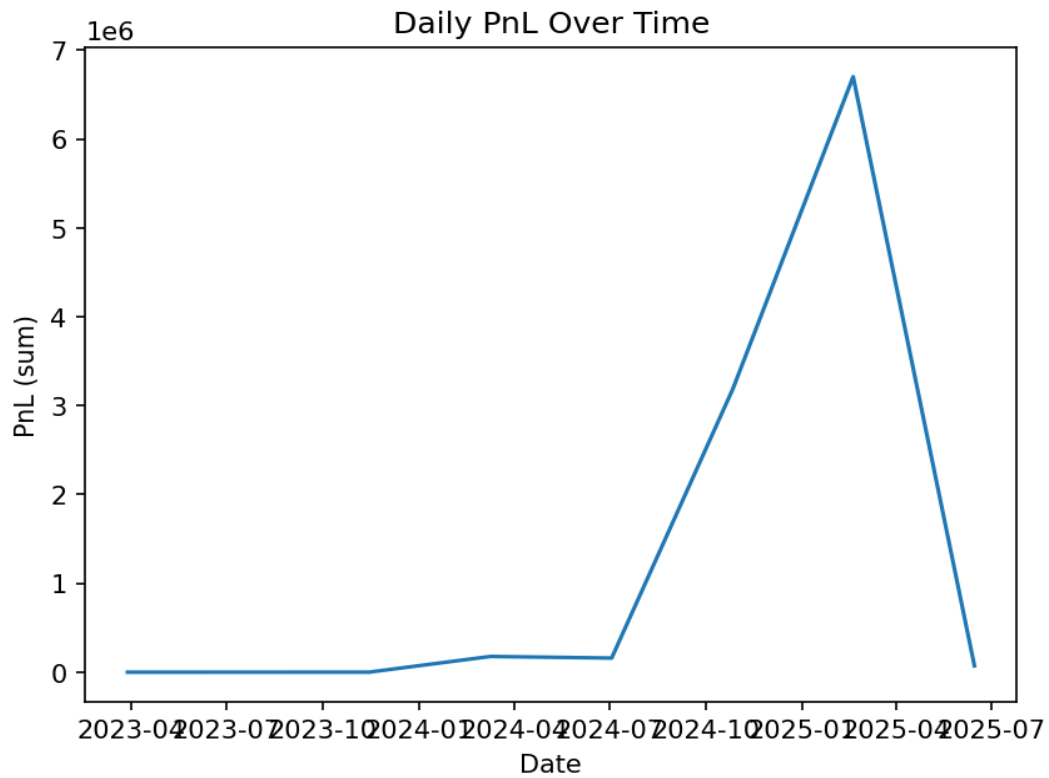
Daily PnL trends show distinct peaks that correspond to periods of strong market sentiment shifts. Large surges in PnL align with moments of market volatility, suggesting that traders are capitalizing on sentiment-driven price movements.

3. Long Share by Sentiment

Long Share by Sentiment
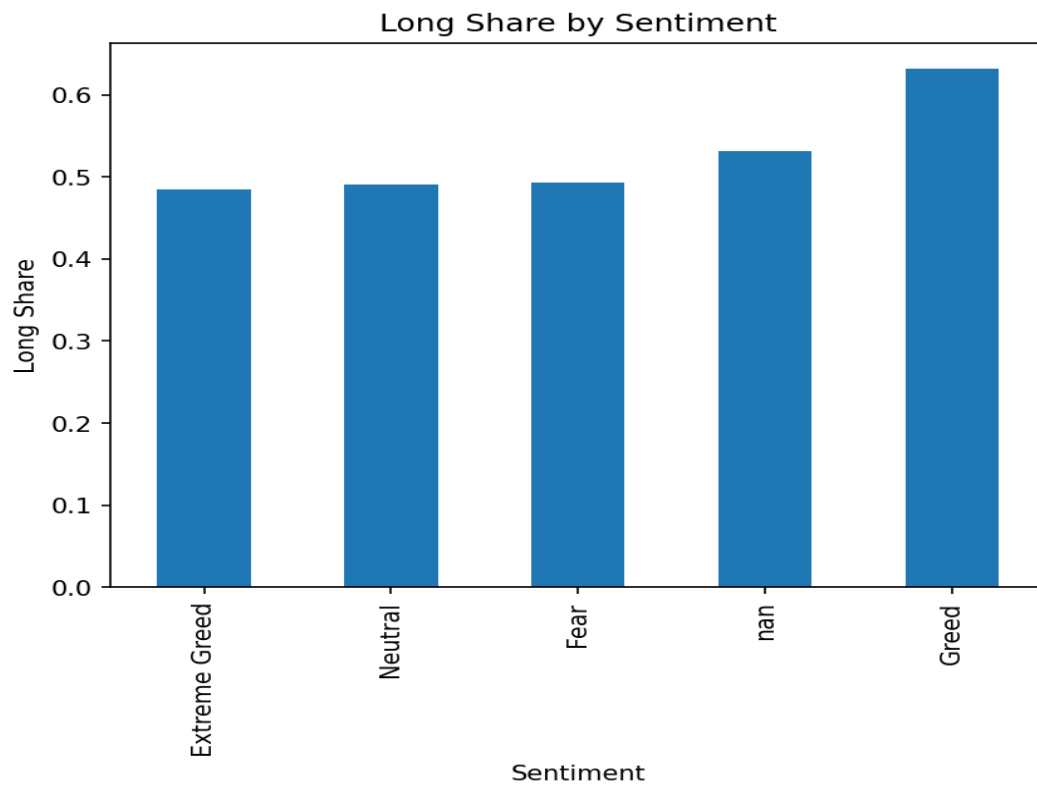
During Greed phases, the proportion of long positions increases significantly, indicating trader optimism. Interestingly, Extreme Greed shows slightly lower long share than moderate Greed, possibly due to some profit-taking behavior when optimism peaks.

4. Win Rate by Sentiment

Average Daily Win Rate by Sentiment
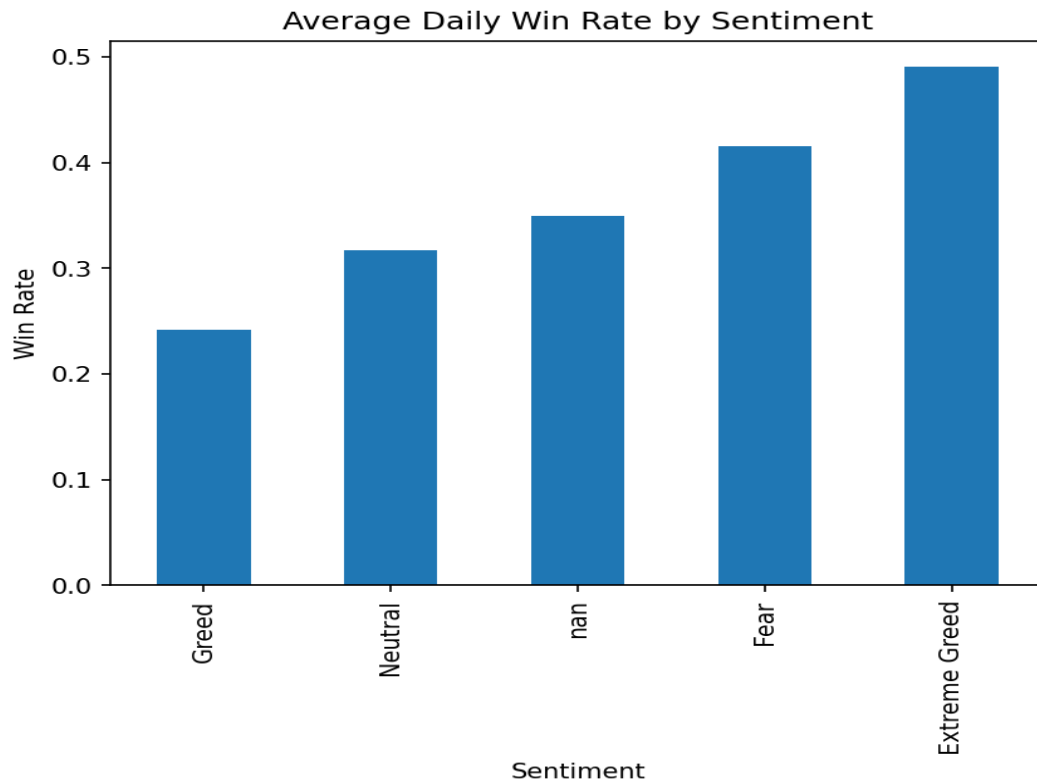
The win rate tends to improve during Extreme Greed periods, reflecting favorable market conditions for traders. Fearful markets see moderately high win rates, possibly due to short-selling opportunities, while Neutral phases show average performance.

Conclusion

Overall, trading behavior strongly responds to market sentiment, with notable surges in volume and profitability during Fear and Extreme Greed phases. Traders can leverage these insights to time their strategies more effectively, aligning positions with sentiment-driven market conditions.