

# Report: Market Sentiment vs Trading Performance

## Task:

We took two datasets:

- Historical trades (with account, price, trade size, PnL, etc.)
- Fear & Greed Index (market sentiment for each day)

We matched them together so each trade has a market sentiment label like fear, greed, neutral, extreme fear, extreme greed.

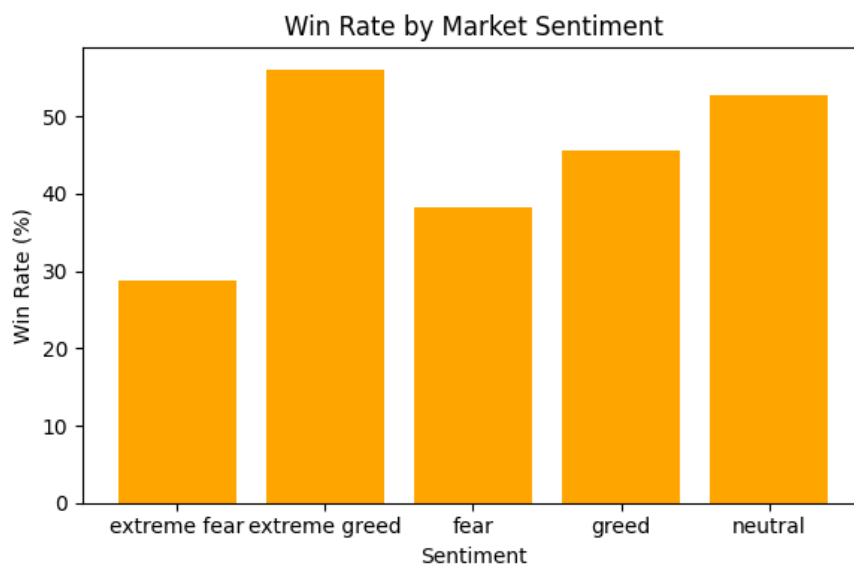
Then we checked:

- How much people traded in each sentiment
- How much profit/loss they made
- How often they won
- How bias (buying in greed / selling in fear) affected profitability

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## Key Findings:

### 1. Win Rate by Sentiment:

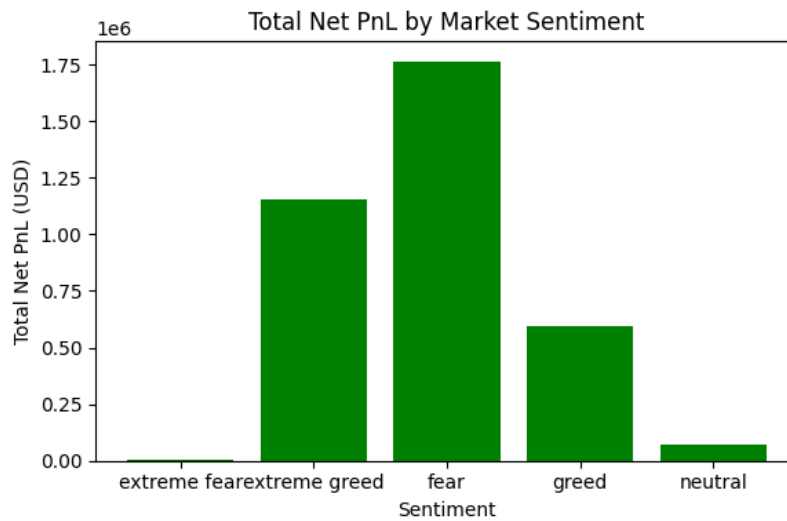


- **Highest win rate:** Extreme greed (~56%)
- **Lowest win rate:** Extreme fear (~29%)
- Neutral and greed were in the middle (~45–52%)

(Traders usually win more when the market is greedy or neutral.)

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## 2. Total Net PnL by Sentiment:

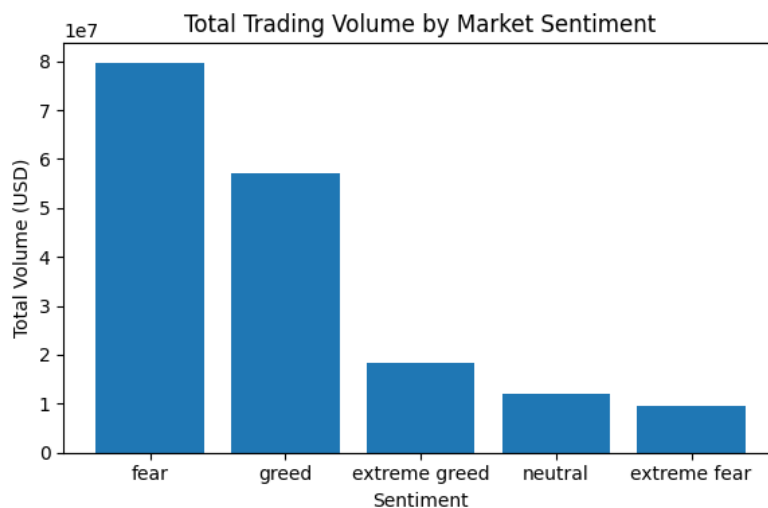


- **Most profit:** Fear (~1.7M USD total net PnL)
- **Extreme greed** also profitable (~1.1M USD)
- **Extreme fear** had almost no profit

( Even though “fear” doesn’t give the highest win rate, it brings in the most profit overall.)

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## 3. Trading Volume by Sentiment:

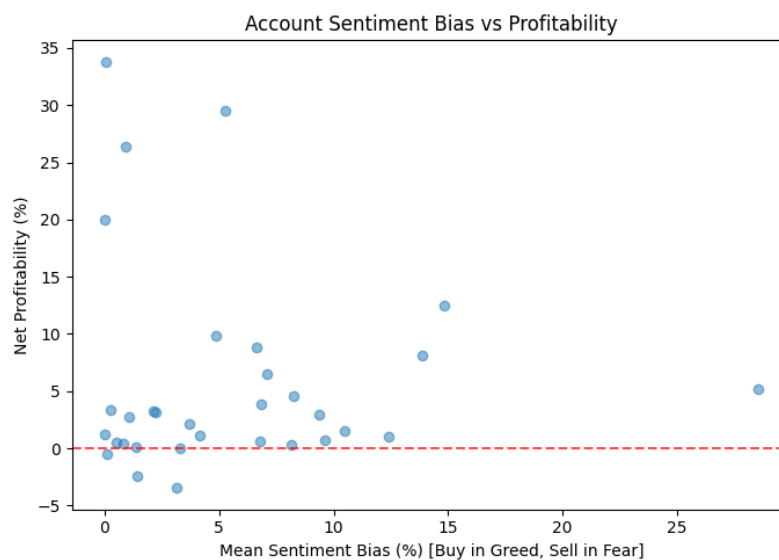


- **Most volume:** Fear (~80M USD)
- Then greed (~57M USD)
- Extreme fear and neutral had the lowest volume

( People trade the most when the market is fearful, but not so much when it's neutral or in extreme fear.)

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#### 4. Account Bias vs Profitability:



- We measured if accounts tend to buy in greed and sell in fear.
- Most accounts had low bias (<10%).
- Profitability didn't really increase with bias. In fact, some of the highest-profit accounts had almost zero sentiment bias.

( Following emotions (greed/fear) doesn't guarantee more profit.)

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#### Easy Summary:

- Greedy times = more wins ✓
- Fearful times = biggest profits 💰
- Extreme fear = worst performance ✗
- Most traders aren't super biased, and being neutral seems safer 😊