Web3 Trading – Data Science Assignment

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Executive Summary

• Objective: Assess how trading behavior aligns/diverges from market sentiment (Fear vs Greed).

• Scope: Profitability, win rate, risk/volume (position size), leverage (if present).
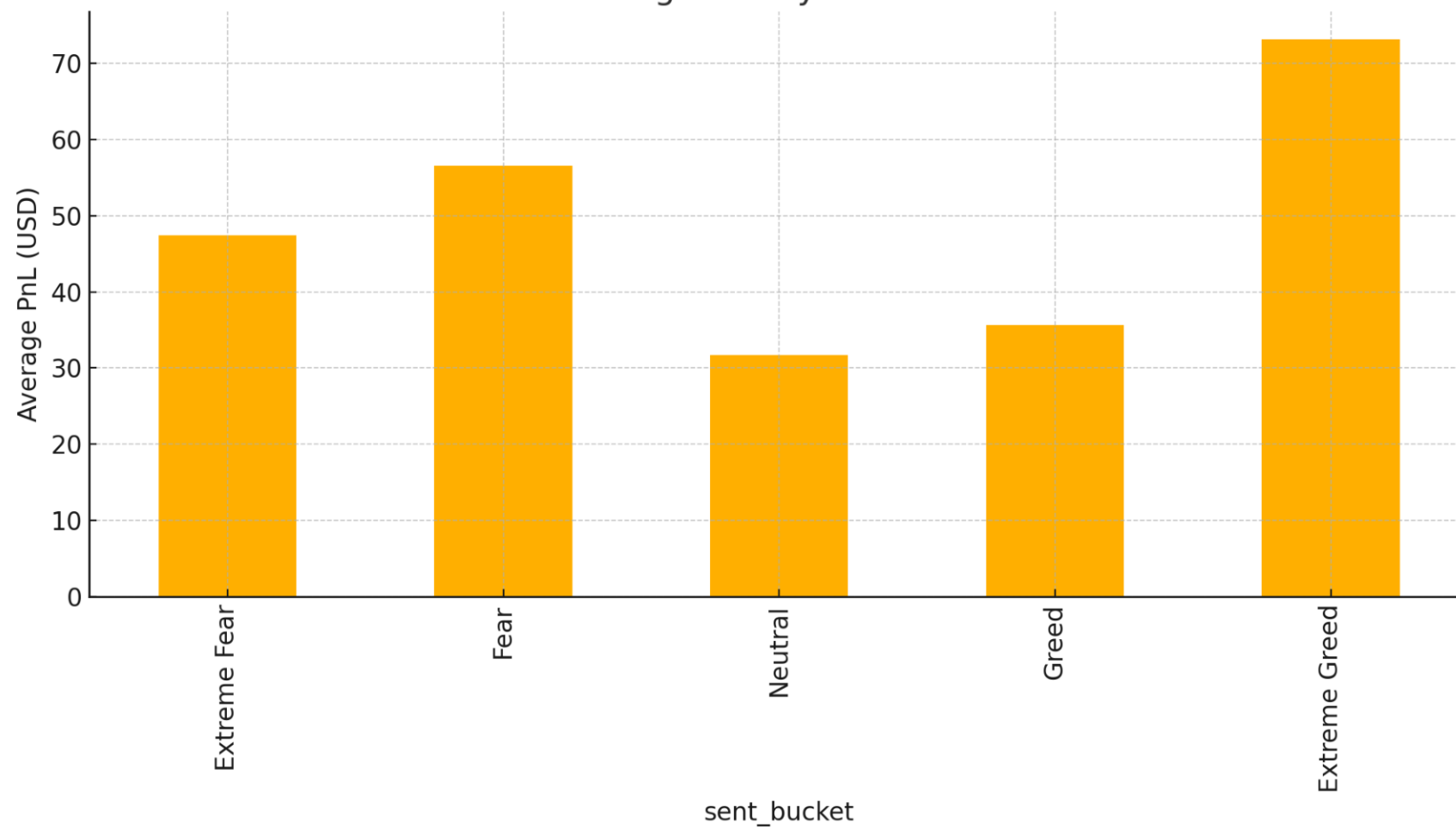
Key Findings

• Highest average PnL: Extreme Greed

• Lowest average PnL: Neutral

• Best win rate: Extreme Greed (88.5%)

• Largest average position size: Fear

• Strongest profit factor: Neutral (7.61)

• Highest average PnL in: Extreme Greed; lowest in: Neutral.

• Win rate peaks in Extreme Greed and is weakest in Greed.

• Largest average position size in Fear; smallest in Extreme Greed.

Recommendations

• Cap position size and leverage during Greed phases if efficiency (PnL/Size) weakens.

• Allow scaling entries during Fear after stabilization to capture reversals.

• Impose trade-count or fee caps on high-greed days to curb over-trading.
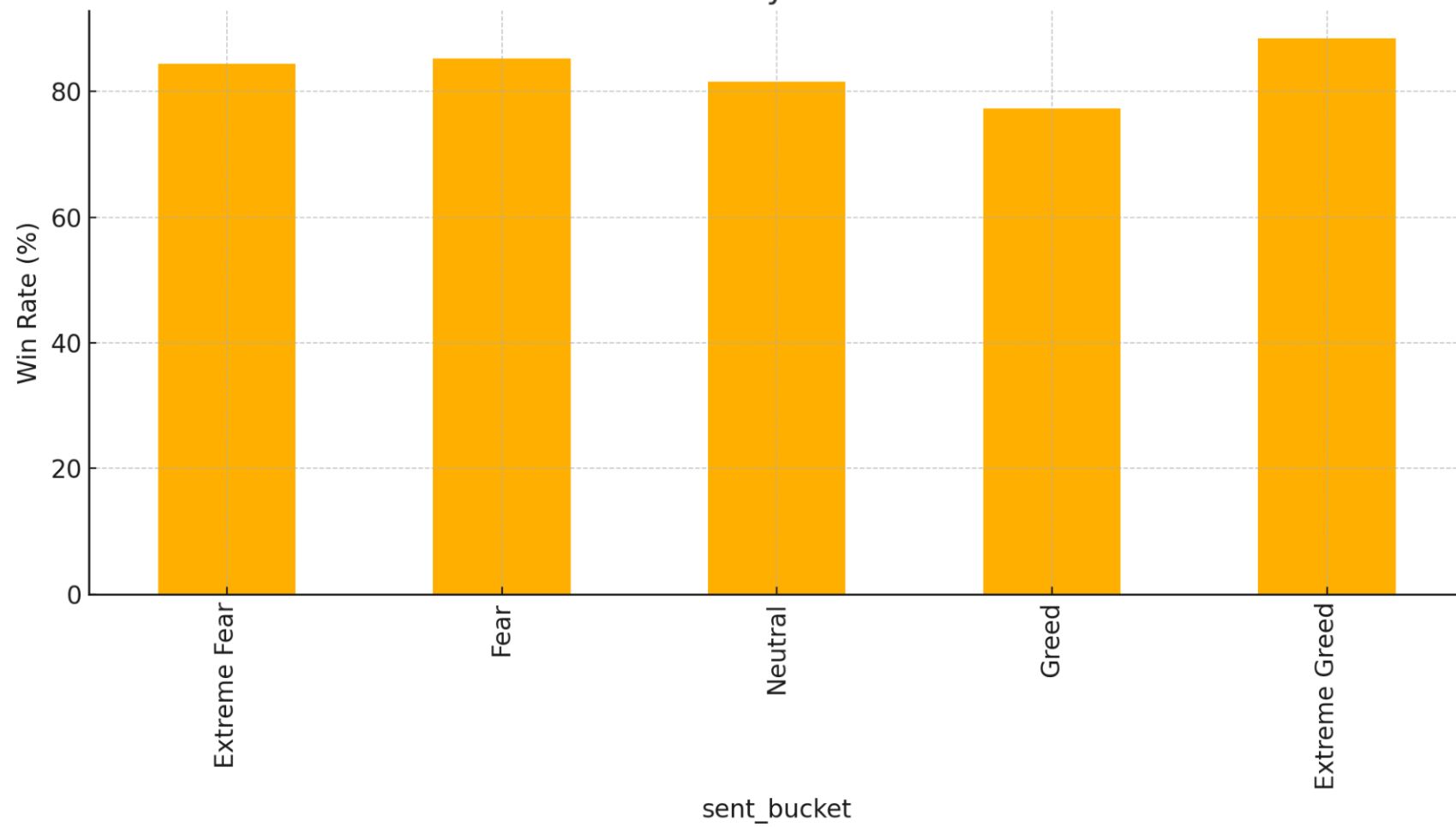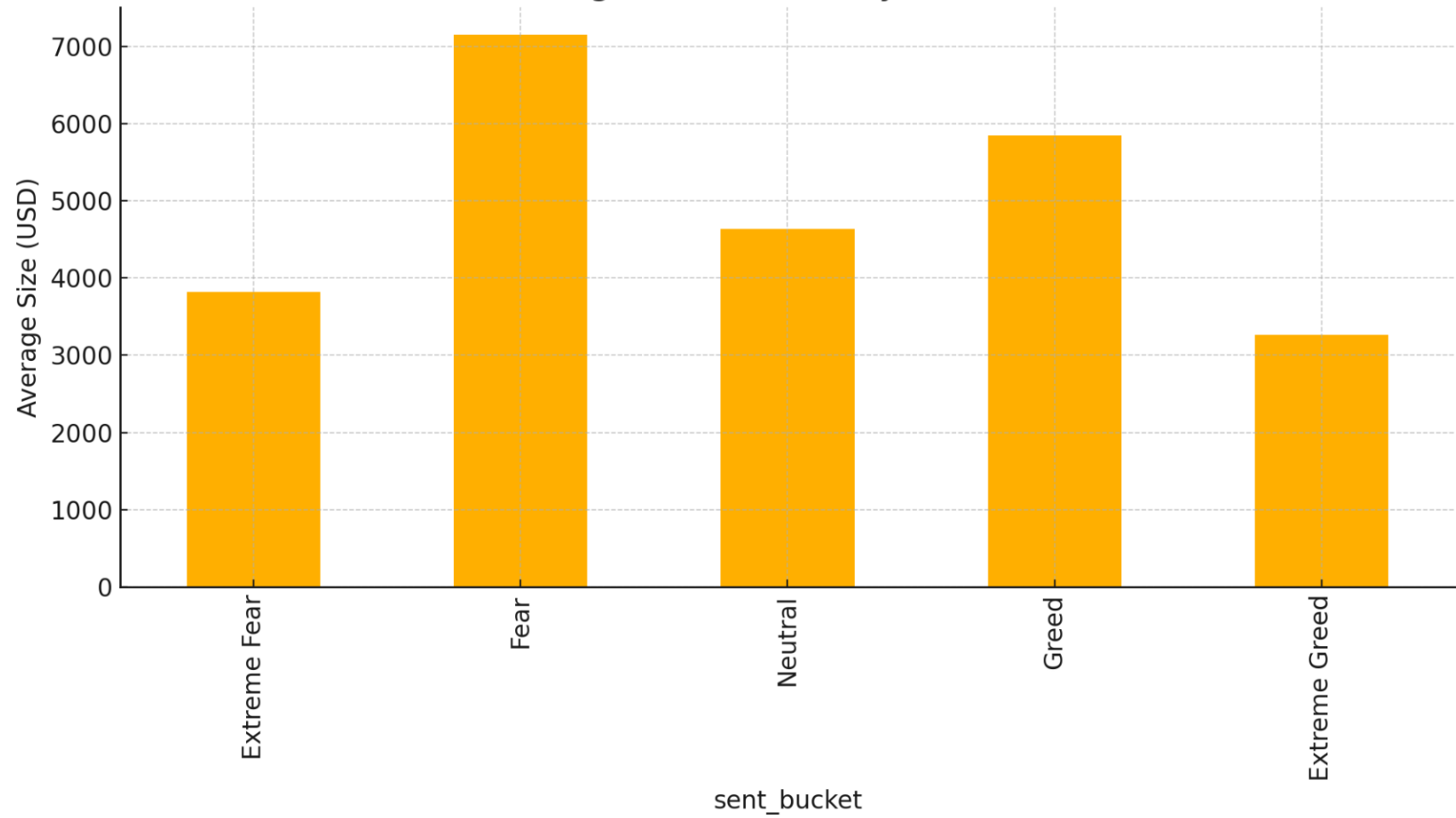
avg_pnl_by_sentiment.png

Average PnL by Sentiment
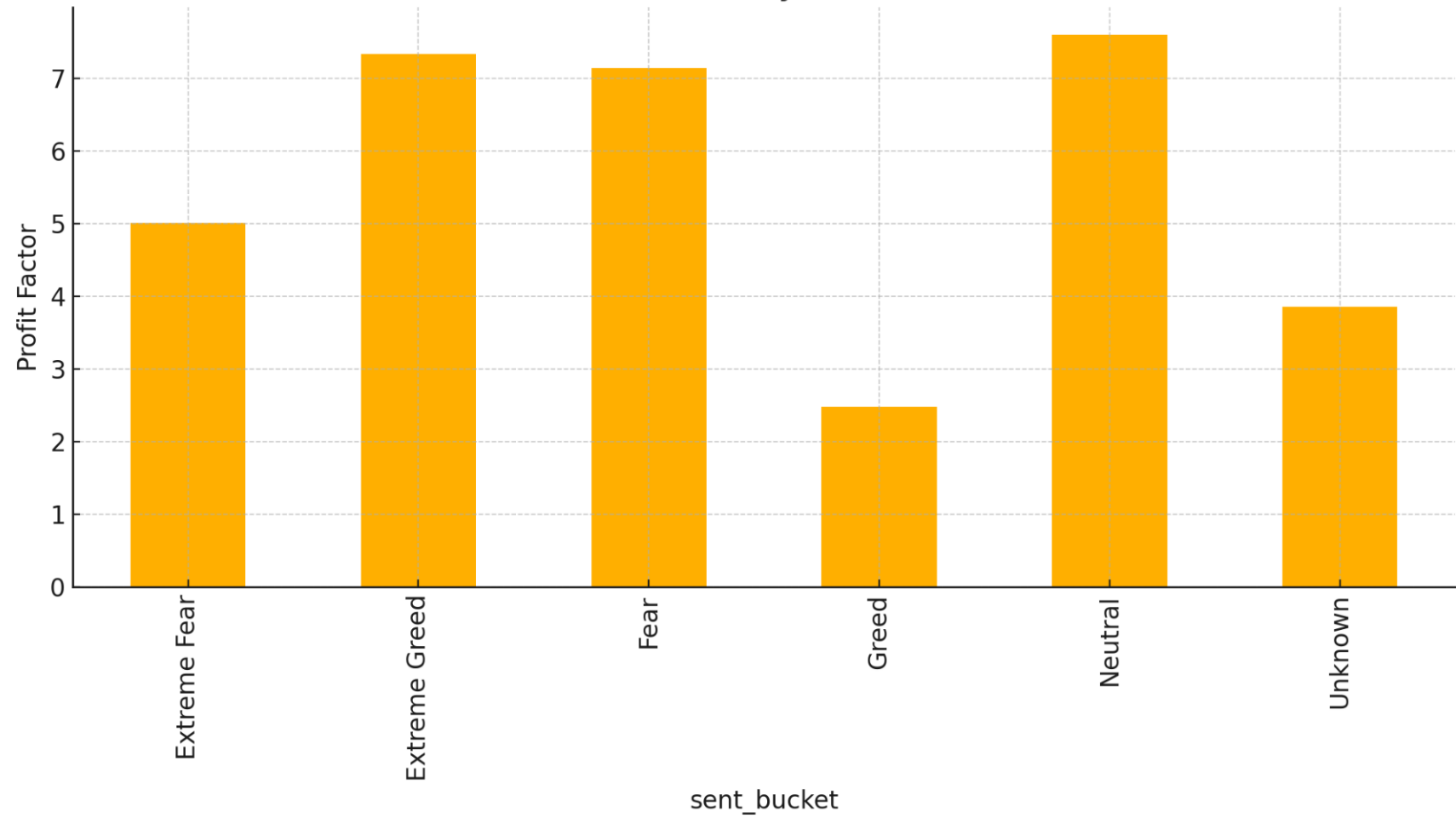
win_rate_by_sentiment.png

Win Rate by Sentiment

avg_size_by_sentiment.png

Average Position Size by Sentiment

profit_factor_by_sentiment.png

long_short_by_sentiment.png

Long vs Short Count by Sentiment