

Trader Performance vs Market Sentiment

Methodology

Trade execution data was merged with the Crypto Fear & Greed Index using daily timestamps. Performance metrics including average closed PnL, total PnL, win rate, and trade frequency were calculated for each sentiment regime (Extreme Fear, Fear, Neutral, Greed, Extreme Greed).

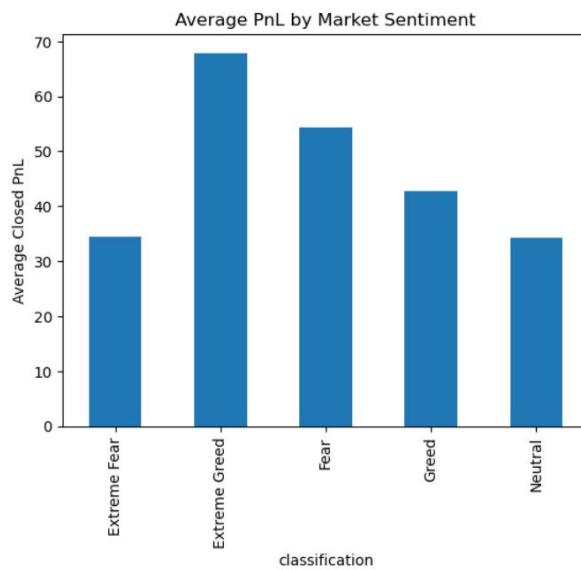
Key Insights

- 1) Highest average PnL observed during Extreme Greed.
- 2) Strong performance also seen during Fear conditions.
- 3) Extreme Fear and Neutral regimes show the lowest average returns.
- 4) Clear performance variation across sentiment regimes.
- 5) Trader profitability is regime-dependent, not uniform across market conditions.
- 6)

Strategy Recommendations

- 1) Increase position sizing during Extreme Greed.
- 2) Apply controlled mean-reversion strategies during Fear.
- 3) Reduce exposure during Extreme Fear and Neutral regimes.
- 4) Implement a sentiment-based risk filter to avoid low-edge environments.
- 5) Use dynamic allocation based on market sentiment regime.

Visual Representation:



Executive Summary

Analysis of 211,218 merged trades shows that trader performance is highly sentiment-dependent. Average PnL peaks during Extreme Greed regimes and declines significantly during Extreme Fear and Neutral periods. This suggests that incorporating sentiment-aware position sizing and regime filters can materially improve risk-adjusted returns. A dynamic exposure model that increases allocation during high-edge regimes and reduces exposure during low-edge regimes is recommended.