

Trader Performance vs Bitcoin Market Sentiment

Candidate

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Overview

This report explores how Bitcoin market sentiment—classified as Fear or Greed—relates to trader performance using Hyperliquid historical trader data. The goal is to understand whether trader behavior or profitability aligns with market emotions.

Datasets Used

1. Bitcoin Market Sentiment Dataset (Date, Classification: Fear/Greed)
2. Hyperliquid Historical Trader Data (account, symbol, execution price, size, side, time, startposition, event, closedPnL, leverage, etc.)

Methodology

1. Load Both Datasets Step
2. Clean the Data Step
3. Merge the Datasets Step
4. Analyze Trader Performance
5. Visualize Insights
6. Identify Hidden Patterns
7. Summarize Insights

Key Insights (General Template)

- Traders tend to increase leverage during Greed phases, amplifying volatility.
- Fear periods often correlate with reduced trade frequency but higher caution.
- Sentiment shifts (Fear → Greed or vice versa) may act as risk indicators.

Recommendations

1. Scale down leverage when sentiment shifts from Greed to Fear.
2. Incorporate sentiment as an input to position sizing models.
3. Monitor trader PnL stability during sentiment swings to adjust strategy rules.

Next Steps

- Add visual outputs: PnL distributions, leverage vs PnL scatter, time-series overlays.
- Perform predictive modeling to classify profitable trades.

Google Colab Notebook Link

<https://colab.research.google.com/drive/16N0FMIYzgG9NH-xh1aPu2OQVNXDn7yh?usp=sharing>