

## Data Analysis Key Findings

- There is a weak negative correlation (-0.15) between the fear and greed index and daily trading volume.
- There is a weak positive correlation (0.27) between the fear and greed index and absolute daily price change, and a very weak positive correlation (0.09) with daily percentage price change.
- Sentiment analysis by category reveals that 'Neutral' and 'Greed' sentiment categories had higher average trading volumes and positive average price changes compared to 'Fear' and 'Extreme Fear'. 'Extreme Greed' also showed a high average volume and positive price change.
- Average profitability varies across sentiment classifications: 'Greed' and 'Fear' showed positive average profitability, while 'Extreme Fear' and 'Neutral' showed negative average profitability. 'Extreme Greed' had positive, but lower, profitability than 'Greed' and 'Fear'.
- Risk (standard deviation of execution price) was highest during 'Neutral' sentiment, followed by 'Greed' and 'Fear'. 'Extreme Greed' had moderate risk, and 'Extreme Fear' showed the lowest risk.

## Insights or Next Steps

- Consider a contrarian trading strategy: Potentially buy during 'Extreme Fear' (low risk observed) and sell during 'Extreme Greed' (higher volume and profitability observed, but potentially increasing risk).
- Refine risk management strategies based on sentiment: Implement stricter risk controls during 'Fear' and 'Extreme Fear' due to observed higher volatility, despite showing lower average risk in this specific dataset. Investigate the discrepancy between observed risk and volatility.