

Trading Data Analysis with Market Sentiment

This report summarizes the analysis of trader behavior on Hyperliquid in relation to market sentiment (Fear vs Greed). The objective was to understand how sentiment impacts profitability, win rates, and trading behavior.

Methodology

Two datasets were used: a Bitcoin Fear & Greed sentiment index and historical trade-level data from Hyperliquid. Data cleaning included handling missing values, timestamp conversion, and daily-level alignment. Key metrics such as average PnL, win rate, and trade frequency were computed and analyzed by sentiment class.

Key Insights

- Trades executed during Greed sentiment periods showed higher average PnL but greater volatility.
- Fear sentiment periods were associated with lower win rates and more conservative trading behavior.
- Neutral sentiment showed relatively stable but moderate performance.

Actionable Strategy Recommendations

- During Fear sentiment days, traders should reduce leverage and position sizes to limit downside risk and drawdowns.
- During Greed sentiment days, higher trade frequency can be beneficial, but risk controls such as stop-losses are essential to manage increased volatility.

Conclusion

The analysis demonstrates that market sentiment plays a meaningful role in shaping trader performance and behavior. Incorporating sentiment-aware rules can support more disciplined and adaptive trading strategies.