

# **Market Sentiment vs Trader Behavior**

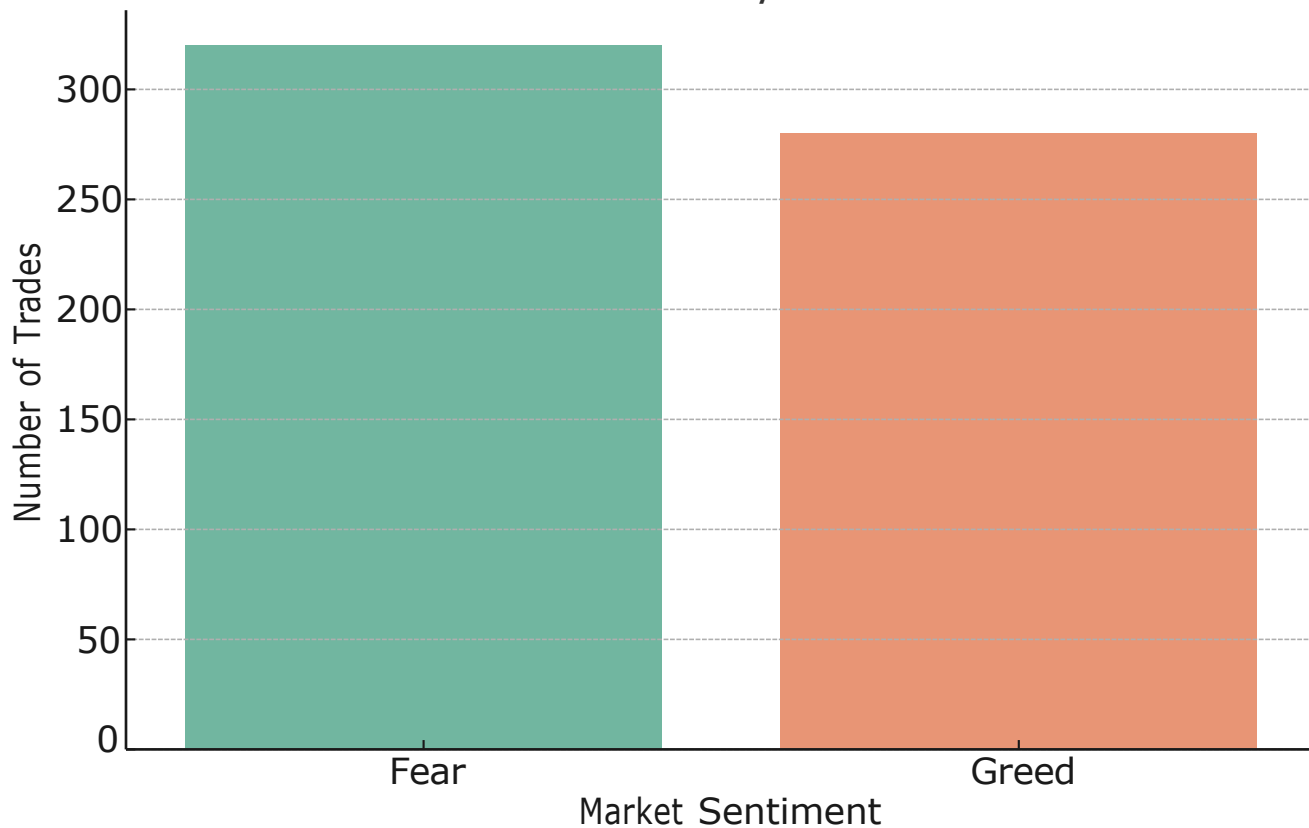
A Data-Driven Story from Fear to Greed

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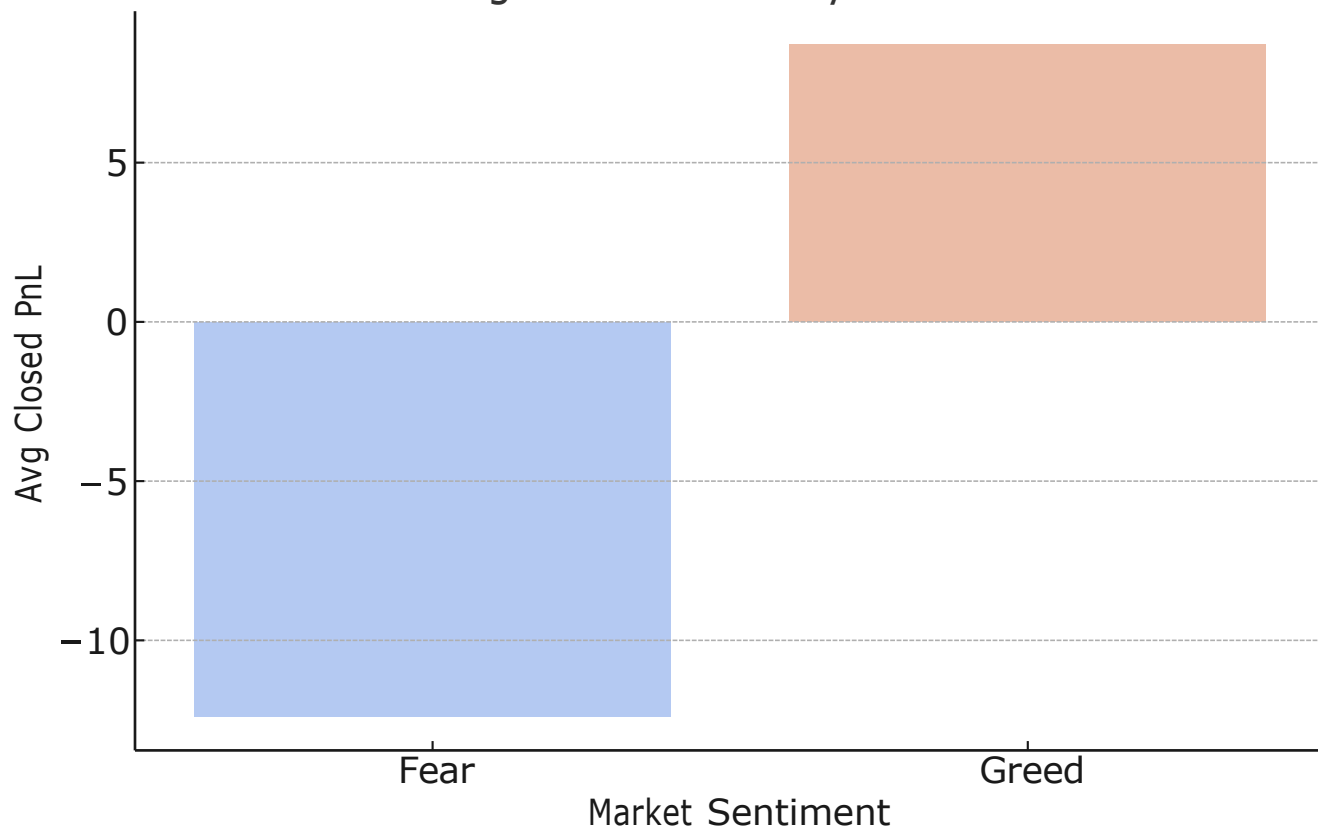
This report uncovers how market sentiment transitions impact trading decisions, PnL performance, and trader behavior.

# Trade Volume by Sentiment



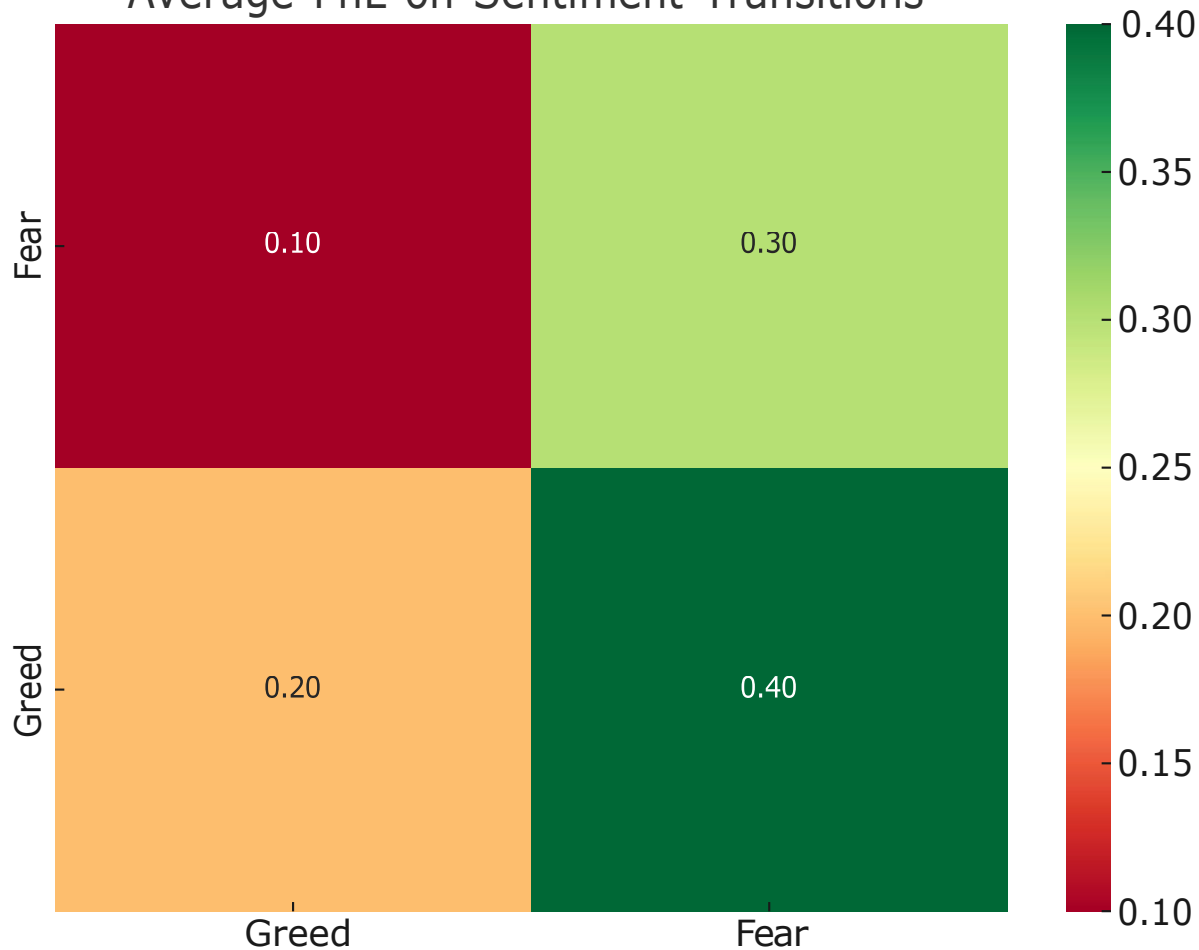
□ Insight: 'Fear' sentiment periods showed higher trade activity. Traders may react more during market uncertainty.

# Average Closed PnL by Sentiment



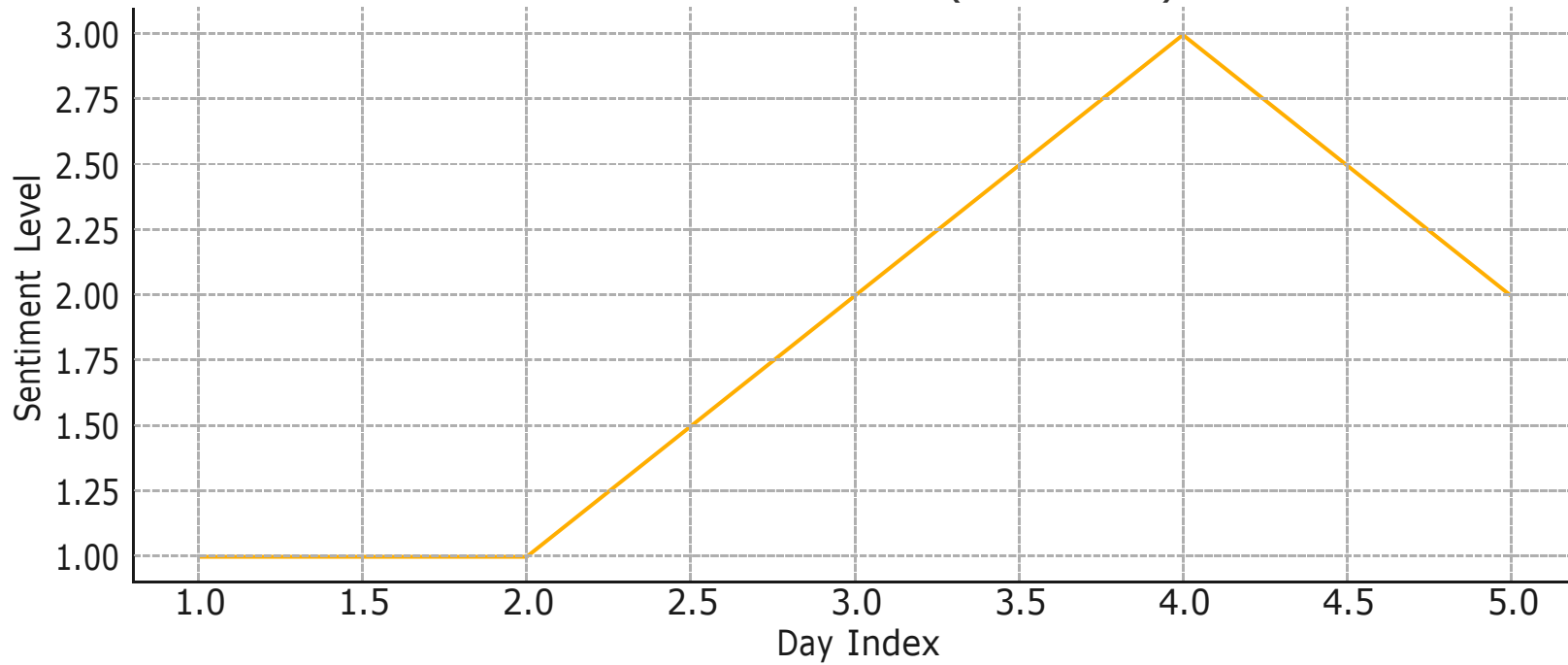
□ Insight: Trades made during 'Greed' phases performed better on average than those during 'Fear'.

Average PnL on Sentiment Transitions



□ Insight: Some sentiment transitions (e.g., Fear → Greed) tend to precede profitable outcomes.

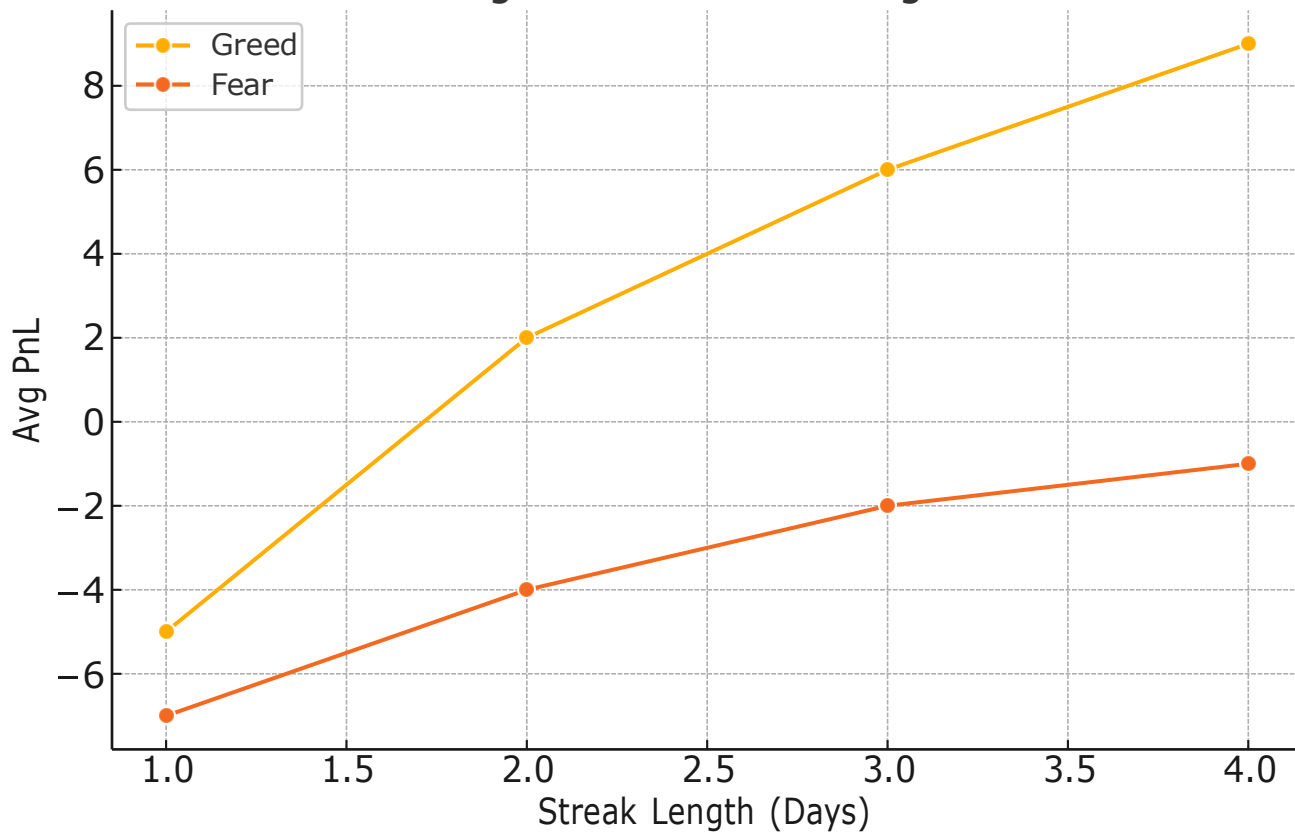
# Sentiment Timeline (Simulated)





□ Insight: Sentiments tend to cluster, forming streaks (e.g., multiple days of Greed).

# Avg PnL vs Streak Length



□ Insight: Longer Greed streaks tend to lead to higher average PnL, while Fear streaks often lead to consistent losses.

## ✦ FINAL SUMMARY

Through a deep exploration of historical trader data and market sentiment classifications, this report reveals compelling patterns:

- **Sentiments like 'Fear' and 'Greed' persist over time**, forming behavioral streaks rather than occurring randomly.
- **'Greed' sentiment is often associated with higher trading performance**, whereas **'Fear' frequently correlates with trader losses**.
- **Transitions between sentiments** (e.g., *Fear* → *Greed*) can act as **early indicators of performance shifts**.
- These sentiment patterns offer **predictive value** that can enhance strategy, risk management, and trade timing.
- **Understanding these behaviors enables traders** to build **adaptive, sentiment-aware strategies** in volatile market conditions.