

Trader Behavior vs Market Sentiment

Objective-

Analyze how trading behavior (profitability, risk, volume, leverage) aligns or diverges from overall market sentiment (fear vs greed). Identify hidden trends or signals that could influence smarter trading strategies.

Datasets

- **Market Sentiment Dataset:** Daily labels of Fear or Greed
- **Trader Dataset:** Individual trades with timestamp, USD trade size, direction (Buy/Sell), and realized PnL

Trades were aligned with sentiment using the trade date.

Methodology

Data was cleaned, standardized, and merged by date.

Comparative analysis was conducted across sentiment regimes using statistical summaries and visual analysis of profitability, trade size, volume, and direction.

Key Insights

- **Greed** increases trading activity and position sizes but **does not improve profitability**.
- **Fear** reduces trade frequency but produces **better average trade outcomes**.

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Conclusion

- Market sentiment strongly shapes trader behavior.
The highest trading edge comes from **managing risk against emotional crowd behavior**, not from following sentiment direction.