

Trader Behavior vs Market Sentiment Report

This report explores the relationship between trader performance and Bitcoin market sentiment (Fear-Greed Index). Using historical trader data from Hyperliquid and the Fear & Greed Index, we examined how trader profits (Closed PnL) vary with market sentiment classes.

Key Findings:

- Trader performance is highest during **Extreme Greed** and **Fear** phases.
- Volatility (PnL Std Dev) peaks under **Extreme Greed** (~1861), indicating high-risk, high-reward conditions.
- In calmer markets (Neutral or Extreme Fear), PnL and volatility both drop sharply.
- BUY and SELL trades react differently to sentiment shifts, reflecting strategic adaptations by traders.

Visual Analysis:



