

Trader Behavior vs Market Sentiment Analysis

This notebook analyzes the relationship between **Bitcoin market sentiment (Fear & Greed Index)** and **trader performance** using historical Hyperliquid trade data.

1. Import Libraries

```
In [2]: import pandas as pd
import numpy as np
import matplotlib.pyplot as plt
import seaborn as sns
plt.style.use('default')
```

2. Load Datasets

```
In [3]: trades = pd.read_csv('historical_data.csv')
sentiment = pd.read_csv('fear_greed_index.csv')
trades.head()
```

Out[3]:

	Account	Coin	Execution Price	Size Tokens	Size USD	Side
0	0xae5eacf9c6b9111fd53034a602c192a04e082ed	@107	7.9769	986.87	7872.16	BUY
1	0xae5eacf9c6b9111fd53034a602c192a04e082ed	@107	7.9800	16.00	127.68	BUY
2	0xae5eacf9c6b9111fd53034a602c192a04e082ed	@107	7.9855	144.09	1150.63	BUY
3	0xae5eacf9c6b9111fd53034a602c192a04e082ed	@107	7.9874	142.98	1142.04	BUY
4	0xae5eacf9c6b9111fd53034a602c192a04e082ed	@107	7.9894	8.73	69.75	BUY

3. Data Cleaning & Preprocessing

```
In [4]: trades['Timestamp'] = pd.to_datetime(trades['Timestamp'], unit='ms')
trades['date'] = trades['Timestamp'].dt.date

sentiment['date'] = pd.to_datetime(sentiment['date']).dt.date
sentiment = sentiment[['date', 'classification']]
```

```
sentiment.rename(columns={'classification': 'sentiment'}, inplace=True)

trades[['Timestamp', 'date']].head()
```

Out[4]:

	Timestamp	date
0	2024-10-27 03:33:20	2024-10-27
1	2024-10-27 03:33:20	2024-10-27
2	2024-10-27 03:33:20	2024-10-27
3	2024-10-27 03:33:20	2024-10-27
4	2024-10-27 03:33:20	2024-10-27

4. Merge Trader Data with Market Sentiment

In [5]:

```
df = trades.merge(sentiment, on='date', how='inner')
df.head()
```

Out[5]:

	Account	Coin	Execution Price	Size Tokens	Size USD	Side	1
0	0xae5eacf9c6b9111fd53034a602c192a04e082ed	@107	7.9769	986.87	7872.16	BUY	1
1	0xae5eacf9c6b9111fd53034a602c192a04e082ed	@107	7.9800	16.00	127.68	BUY	1
2	0xae5eacf9c6b9111fd53034a602c192a04e082ed	@107	7.9855	144.09	1150.63	BUY	1
3	0xae5eacf9c6b9111fd53034a602c192a04e082ed	@107	7.9874	142.98	1142.04	BUY	1
4	0xae5eacf9c6b9111fd53034a602c192a04e082ed	@107	7.9894	8.73	69.75	BUY	1

5. Feature Engineering

In [6]:

```
df['pnl_category'] = np.where(df['Closed PnL'] > 0, 'Profit', 'Loss')
df['trade_direction'] = df['Side'].str.capitalize()
df['sentiment_binary'] = df['sentiment'].apply(lambda x: 'Fear' if 'Fear' in x else 'Hedge')

df[['Closed PnL', 'pnl_category', 'trade_direction', 'sentiment_binary']].head()
```

Out[6]:

	Closed PnL	pnl_category	trade_direction	sentiment_binary
0	0.0	Loss	Buy	Greed
1	0.0	Loss	Buy	Greed
2	0.0	Loss	Buy	Greed
3	0.0	Loss	Buy	Greed
4	0.0	Loss	Buy	Greed

6. Trader Performance vs Market Sentiment

In [7]:

```
performance = df.groupby('sentiment_binary')[['Closed PnL']].agg(
    avg_pnl='mean', median_pnl='median', total_trades='count')

win_rate = df.groupby('sentiment_binary')[['pnl_category']].apply(
    lambda x: (x == 'Profit').mean() * 100)

performance['win_rate_%'] = win_rate
performance
```

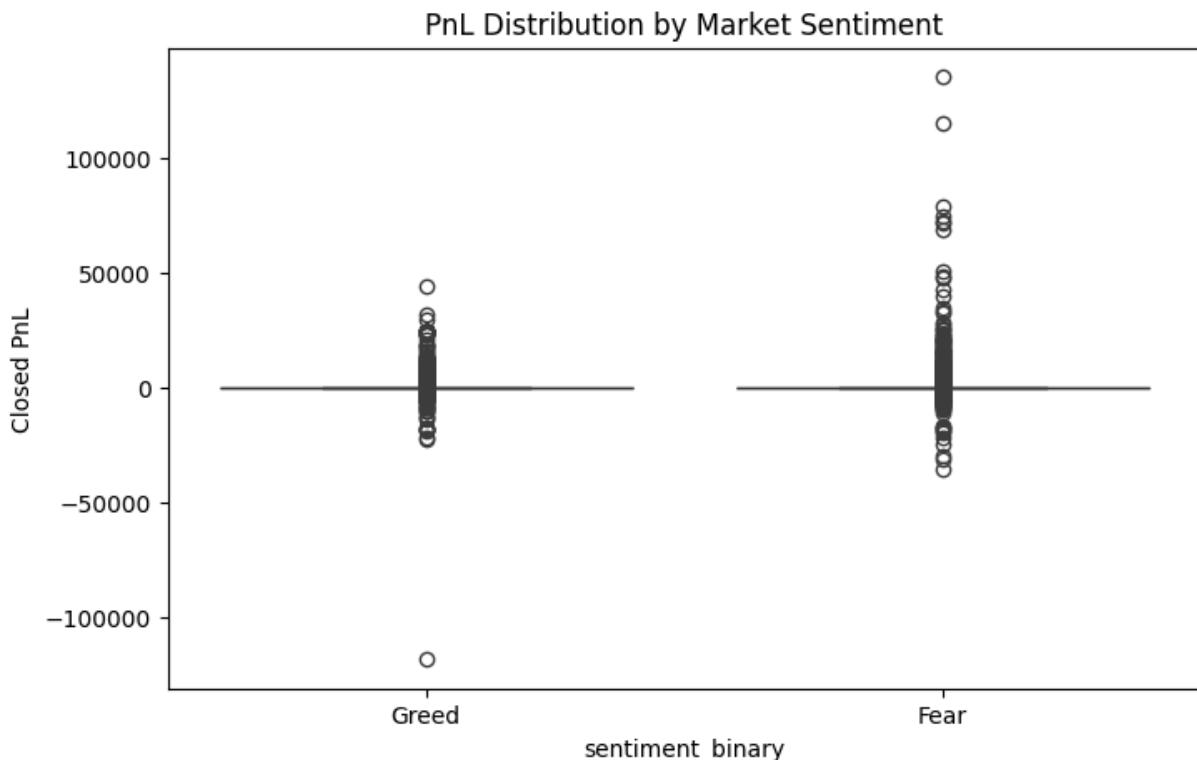
Out[7]:

	avg_pnl	median_pnl	total_trades	win_rate_%
sentiment_binary				
Fear	50.047622	0.0	133871	41.514592
Greed	69.958017	0.0	50392	43.417606

7. PnL Distribution

In [8]:

```
plt.figure(figsize=(8,5))
sns.boxplot(data=df, x='sentiment_binary', y='Closed PnL')
plt.title('PnL Distribution by Market Sentiment')
plt.show()
```



8. Trade Direction Bias

```
In [9]: direction_dist = pd.crosstab(df['sentiment_binary'], df['trade_direction'], normalize=True)
```

```
Out[9]: trade_direction      Buy      Sell
sentiment_binary
Fear    49.361699  50.638301
Greed   44.247103  55.752897
```

9. Account-Level Performance

```
In [10]: account_perf = df.groupby(['Account', 'sentiment_binary'])['Closed PnL'].sum().unstack()
account_perf.head()
```

Out[10]:

	sentiment_binary	Fear	Greed
	Account		
0x083384f897ee0f19899168e3b1bec365f52a9012	1.927736e+06	-327505.900056	
0x23e7a7f8d14b550961925fbfdःaa92f5d195ba5bd	1.709873e+04	20607.446093	
0x271b280974205ca63b716753467d5a371de622ab	2.997093e+04	1792.160215	
0x28736f43f1e871e6aa8b1148d38d4994275d72c4	1.043510e+04	121880.386016	
0x2c229d22b100a7beb69122eed721cee9b24011dd	1.164123e+05	52215.729448	

10. Save Final Dataset

In [11]: `df.to_csv('merged_trader_sentiment_data.csv', index=False)`