Analysis Report

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Executive Summary

- **Fear & Extreme Greed** are the most profitable sentiment phases for trading.
- **Whales** dominate during uncertainty, while **retail traders** excel in hype-driven rallies.
- **Short selling** during Fear yields strong returns.
- **Leverage** should be aligned with sentiment: high in Greed, medium in Fear, low in Neutral markets.

1 Introduction

This report provides an in-depth analysis of trading performance across varying **market sentiment conditions**, **trader types**, **strategies**, and **leverage levels**. Our aim is to uncover patterns that help traders make data-driven decisions, optimize risk management, and time the market effectively.

2 Insights and Explanation

2.1 Average Profit per Trade by Sentiment

Extreme Greed and Fear are the most profitable sentiment phases, averaging \$130 and \$113 per trade respectively. Neutral and Extreme Fear perform the worst (\$71 each), indicating fewer opportunities in these conditions.

Interpretation: Fear-driven markets often see panic selling, giving contrarian traders opportunities. Extreme Greed benefits momentum-based plays but carries higher reversal risk.

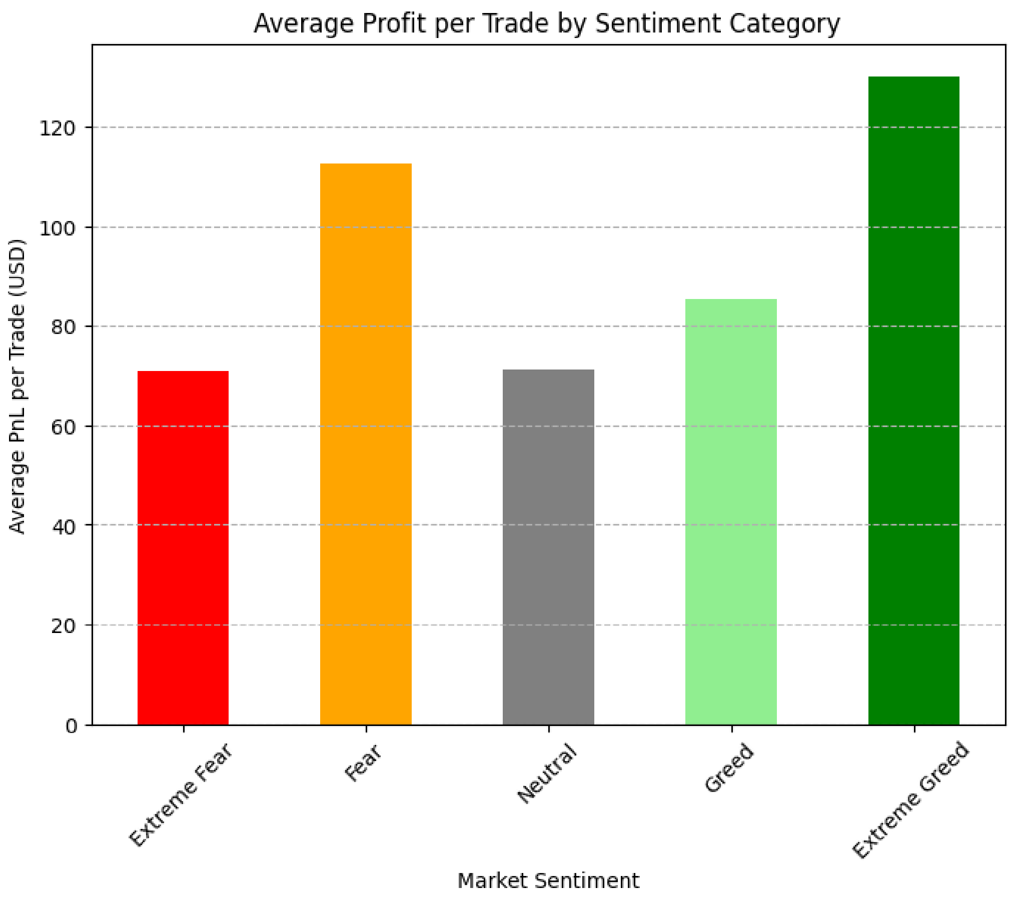

Figure 1: Average Profit per Trade by Sentiment Category

2.2 Whale vs Retail: Profitability Patterns

Whales significantly outperform retail traders during Fear ($265 vs $78) and Neutral sentiment. Retail traders only outperform whales during Extreme Greed, capitalizing on strong momentum moves.

Insight: Whales thrive in uncertainty due to superior capital, analytics, and risk control. Retail traders benefit most when market optimism drives easy momentum trades.

2.3 Long vs Short Strategies by Sentiment

Short strategies in Fear produce the highest total profits ($1.93M), beating Long strategies in the same sentiment. Extreme Greed shows the largest "Unknown" strategy profits ($2.08M), possibly from hedged or unconventional positions.

Insight: Shorting fear-driven markets can be highly lucrative, while Extreme Greed may favor complex multi-leg trades.

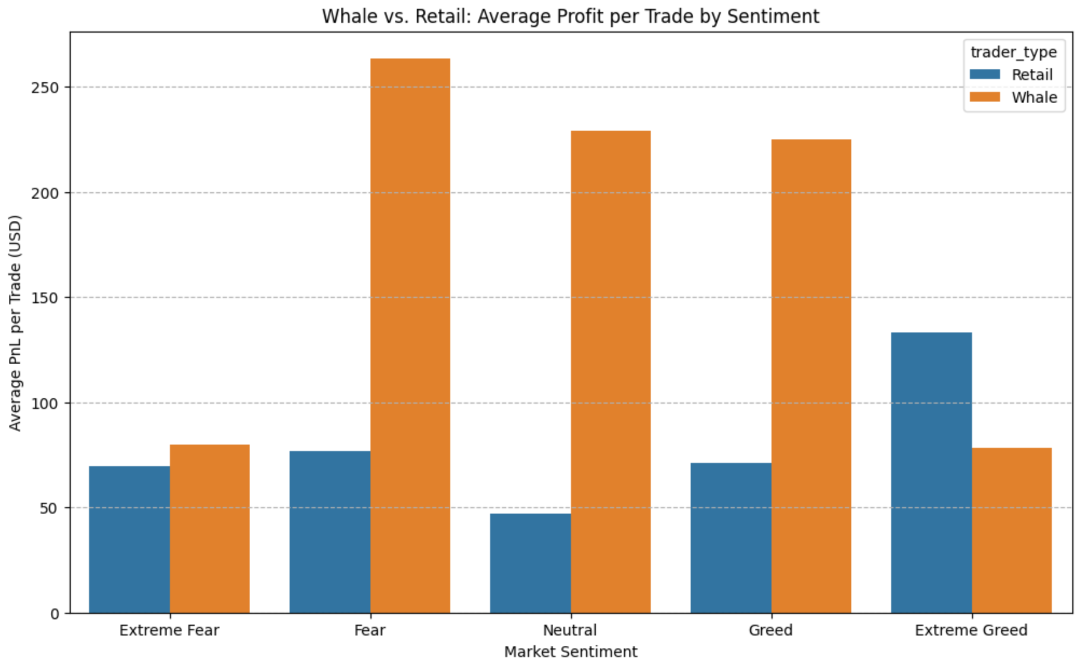

Figure 2: Whale vs Retail: Average Profit per Trade by Sentiment

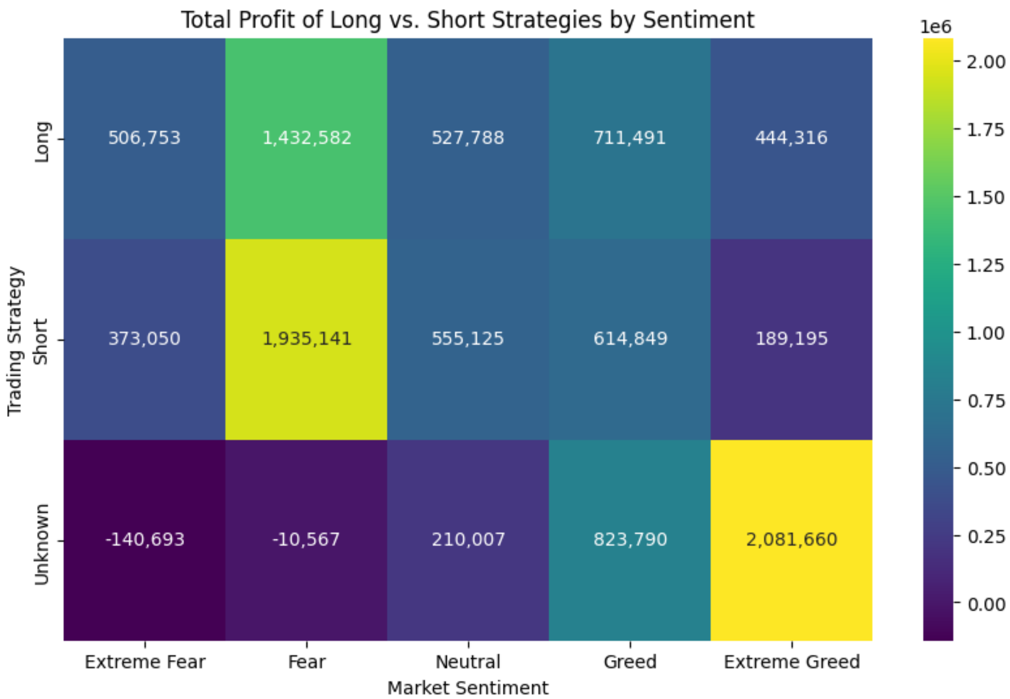

Figure 3: Total Profit of Long vs Short Strategies by Sentiment

2.4 Impact of Leverage on Profitability

High leverage (10x+) performs best in Extreme Greed ($183) and Greed ($116), while medium leverage (5–10x) excels during Fear ($142). Low leverage is stable but less profitable in sentiment extremes.

Recommendation: Match leverage to sentiment extremes. Use high leverage in bullish greed, medium in volatile fear, and low in calmer markets.

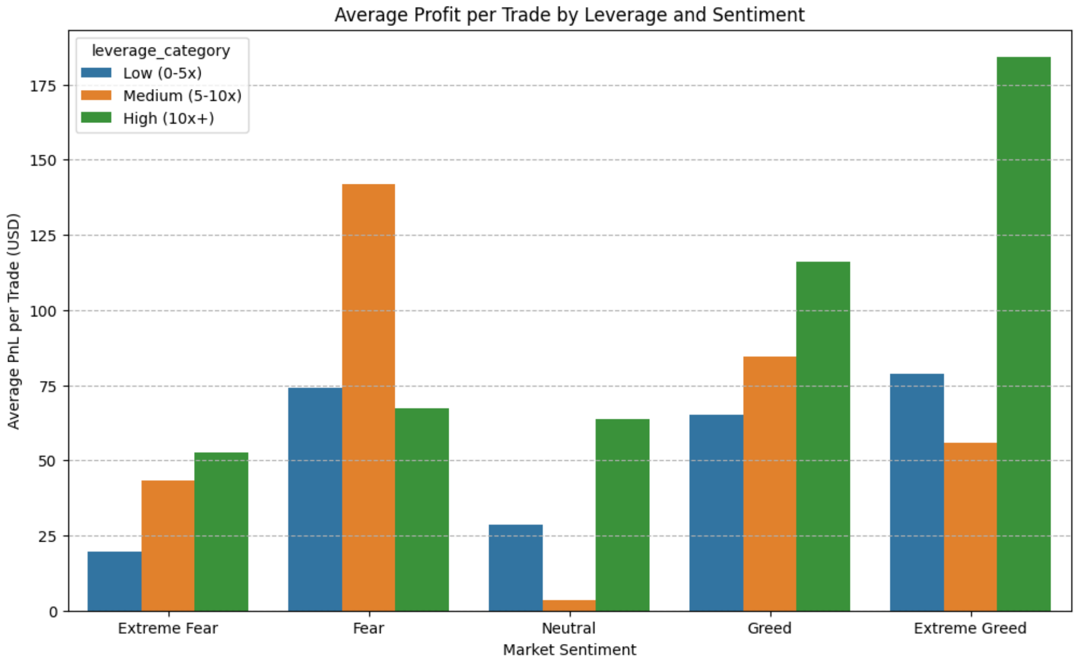

Figure 4: Average Profit per Trade by Leverage and Sentiment

3 Key Takeaways

1. **Sentiment extremes** offer the highest opportunities but require different tactics for whales vs retail traders.
2. **Whales excel in uncertainty**, retail traders in momentum rallies.
3. **Shorting during Fear** can be highly profitable.
4. **Leverage optimization** based on sentiment improves returns.