

Trader Behavior vs Market Sentiment

Greed Periods

- Traders usually made **more profit** during Greed.
- The market moves in one direction strongly, so it becomes easier to trade.

Fear Periods

- Traders used **smaller position sizes**.
- They took **more BUY trades**, trying to catch the bottom.
- But profits were **lower**, because the market was very volatile.
- Traders paid **more fees**, because they entered and exited many times (choppy market).

Extreme Greed

- Trading **volume increased a lot** — traders chased big moves and breakouts.

Direction of Trades

- During **Greed**, traders mostly **BUY**.
 - During **Fear**, traders mix **BUY and SELL** because the market is uncertain.
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Actionable Signals

- **Do not overtrade in Extreme Fear** — profits usually go down.
- **Use bigger positions during Greed**, when the market is moving cleanly.
- **Be more careful during Fear** — wait for stronger confirmation signals.