

Crypto Trading Analysis by Market Sentiment

Period: May 2023 – May 2025

1. Objective

This report presents an analysis of crypto currency trading performance across different market sentiment regimes—Fear, Greed, Neutral, Extreme Fear, and Extreme Greed.

The objective is to evaluate how sentiment influences trading behavior, profitability, risk, and execution costs.

The analysis reveals that market sentiment strongly impacts trade frequency, risk-adjusted returns, and net profitability, with Fear-driven markets generating the highest trading activity and profits, while Extreme Greed delivers higher accuracy but lower volumes.

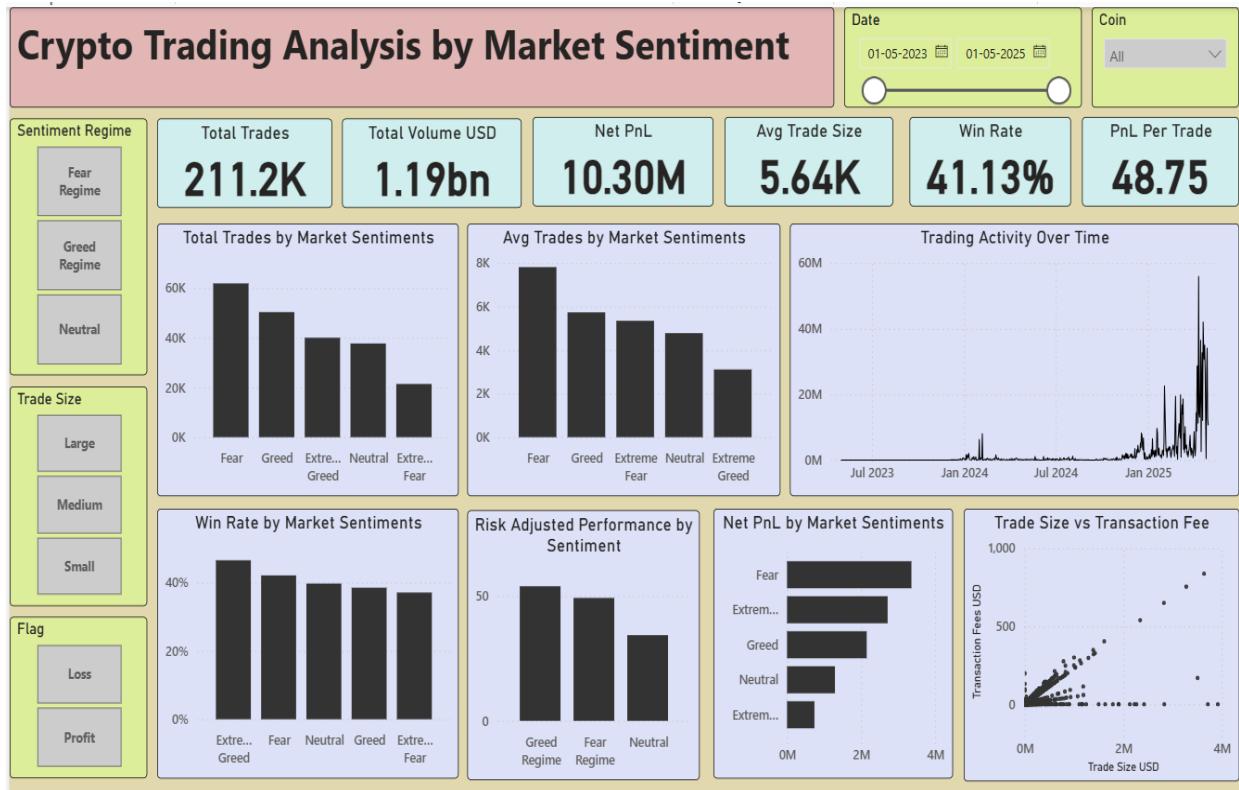
2. Dataset View

- Contains **cryptocurrency trade-level data** combined with **market sentiment indicators**
- Covers a **2-year period** from **May 2023 to May 2025**
- Includes **211,200 executed trades**
- Total trading volume of approximately **USD 1.19 Billion**
- Each trade is labeled with a **market sentiment regime**
- Sentiment regimes classified into:
 - Extreme Fear
 - Fear
 - Neutral
 - Greed
 - Extreme Greed

3. Key insights

- **Profitability is volume-driven, not per-trade:**
- With **211K trades** and **\$1.19B volume**, the strategy earns modestly per trade (~\$49), relying on scale and consistency.
- **Emotional market extremes outperform:**
- **Fear and Extreme Greed** generate the **highest Net PnL and win rates**, indicating clearer trading opportunities during volatile sentiment regimes.
- **Extreme Greed delivers the highest win rate:**
- The **best win rate (~46%)** occurs in Extreme Greed, highlighting strong momentum-following effectiveness.
- **Neutral markets dilute performance:**
- Neutral sentiment shows **lower risk-adjusted returns**, suggesting reduced edge when markets lack direction.

4. Dashboard Image



5. Key Performance Metrics(KPIs)

Metric	Value
Total Trades	211.2K
Total Trading Volume	USD 1.19 Billion
Net Profit & Loss	USD 10.30 Million
Average Trade Size	USD 5.64K
Win Rate	41.13%
Average PnL per Trade	USD 48.75

6. Trading Activity by Market Sentiment

- Fear Regime
- Highest number of trades (~60K)
- Largest average trade size (~8K USD)
- Highest net PnL contribution
- Greed Regime
- Moderate trade volume
- Strong risk-adjusted returns
- Neutral Regime
- Lower profitability and risk-adjusted performance
- Extreme Greed
- Highest win rate (~46%)
- Lower trade volume and net PnL
- Extreme Fear
- Lowest trade count and profitability
- Insight: Traders are most active and profitable during Fear-driven markets, suggesting opportunities created by panic-driven mispricing.

7. Win Rate Analysis

- Win rates range from ~37% to 46%
- Extreme Greed shows the highest accuracy
- Fear and Greed regimes balance win rate with trade volume, producing stronger overall results
- Interpretation: High win rate alone does not guarantee higher profitability—trade size and volume matter.

8. Net PnL by Sentiment

- Highest Net PnL generated during Fear and Extreme Fear
- Lower profitability during Neutral conditions
- Extreme Greed contributes less despite higher accuracy

9. Trading Activity Over Time

- Low and stable activity throughout 2023
- Significant increase starting late 2024
- Major volume spikes in early 2025, indicating:
- Increased volatility
- Higher market participation
- Strong speculative activity

10. Conclusion

This analysis confirms that emotion-driven market conditions create exploitable inefficiencies. Traders and quantitative strategies should dynamically adjust exposure, risk, and trade sizing based on prevailing sentiment regimes to maximize long-term performance.