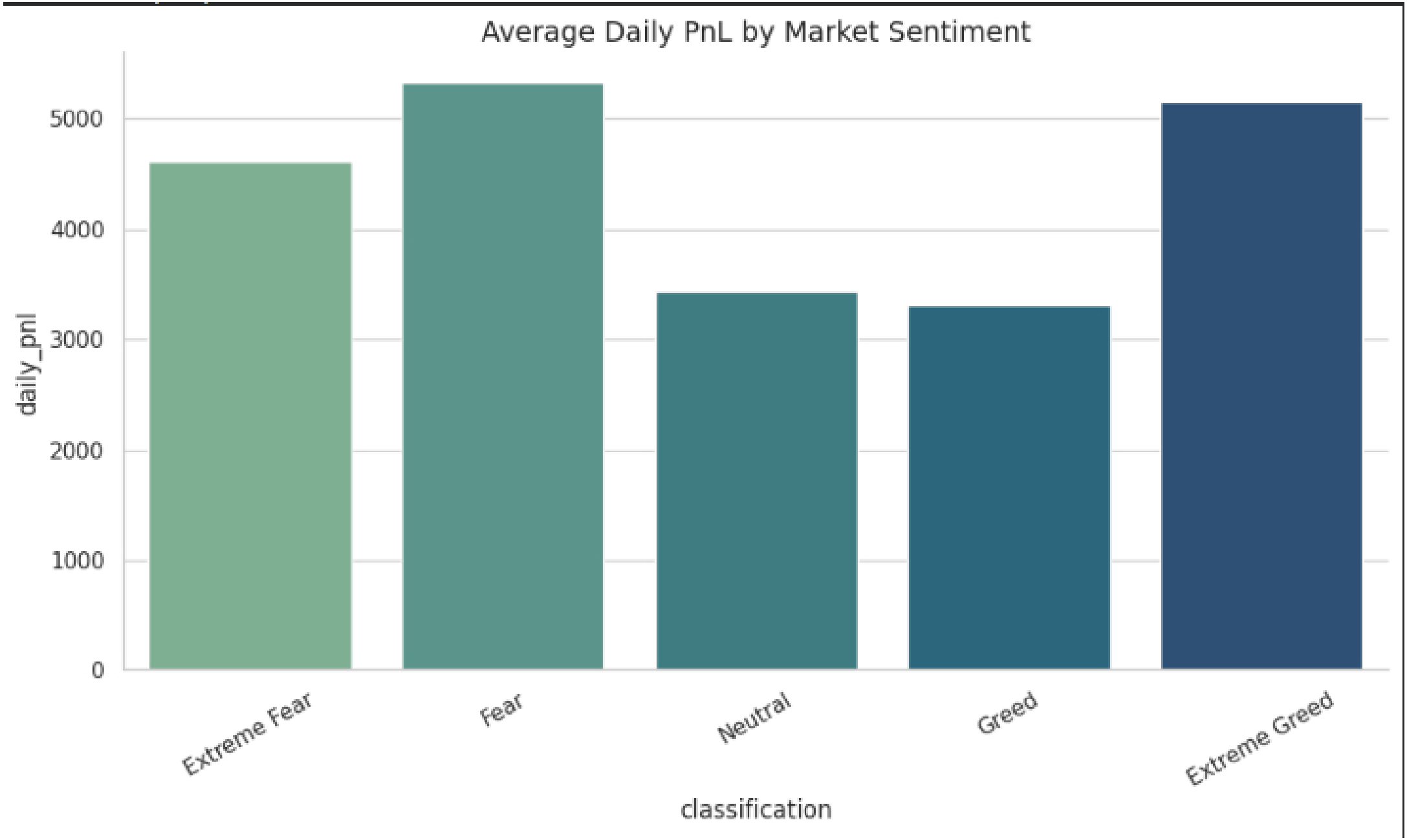

Average Daily PnL by Market Sentiment
daily_pnl
5000
4000
3000
2000
1000
0
Extreme Fear
Fear
Neutral
Greed
Extreme Greed
classification

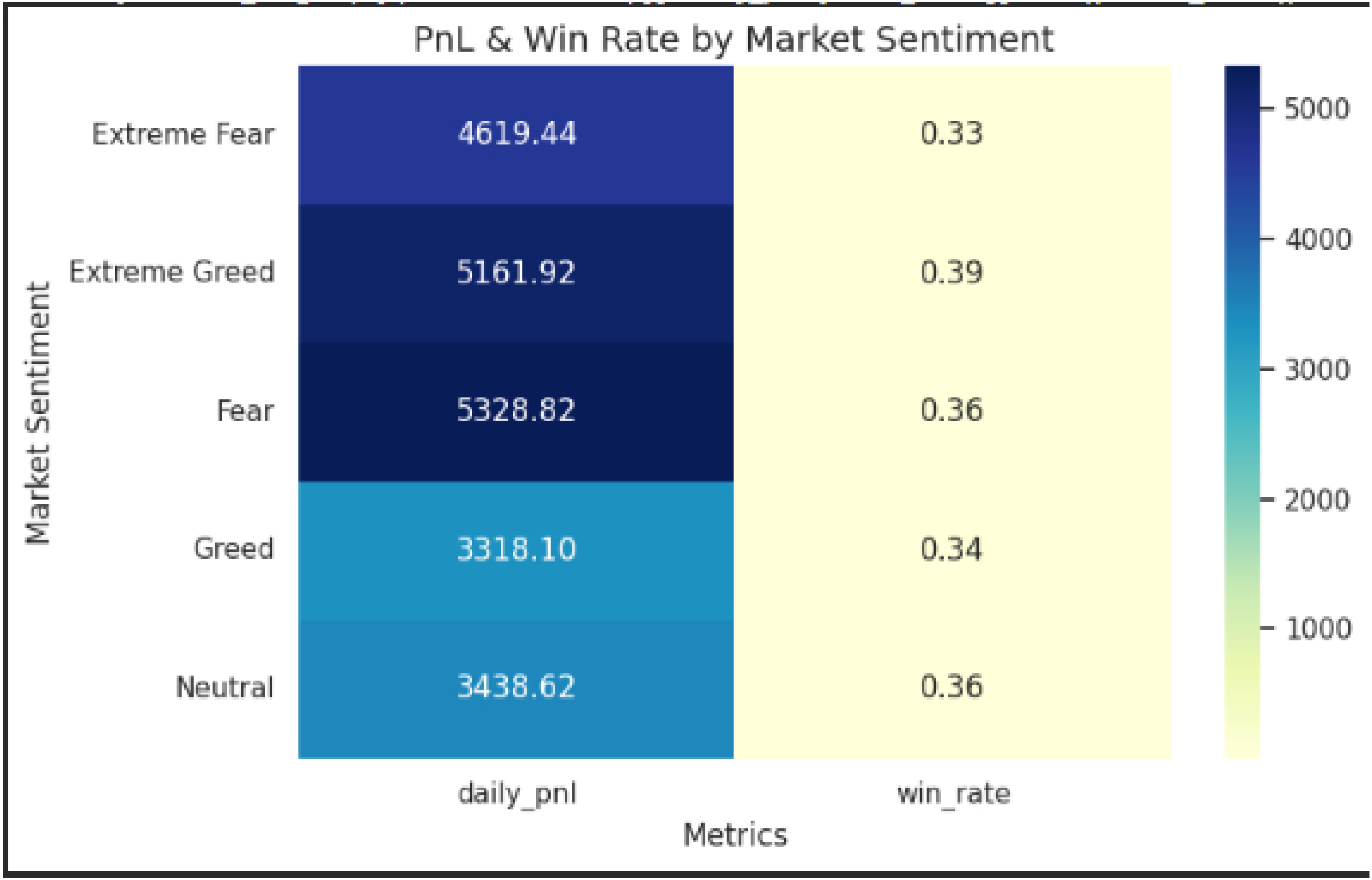
	day_of_week	daily_pnl
0	Monday	4884.547471
1	Tuesday	5092.311191
2	Wednesday	4326.986358
3	Thursday	4131.190043
4	Friday	4278.836269

Traders seem to perform best when the market is in Fear — volatility likely creates more opportunities.

Extreme Greed still performs well, suggesting strong momentum helps.

Regular Greed is actually the weakest phase, possibly due to overconfidence or fewer sharp moves.

Overall, traders do better in emotionally intense markets than in calm or stable ones according to the data


PnL & Win Rate by Market Sentiment
Extreme Fear
Extreme Greed
Fear
Greed
Neutral
Market Sentiment
4619.44
0.33
5161.92
0.39
5328.82
0.36
3318.10
0.34
3438.62
0.36
5000
4000
3000
2000
1000
daily_pnl
win_rate
Metrics

"Profits peak during Fear 5,329 and Extreme Greed $5,162, but win rates tell a different story—Extreme Greed has the highest win rate (39%) while Fear's win rate is only 36%, suggesting Fear-driven profits come from fewer, larger winning trades rather than consistency."

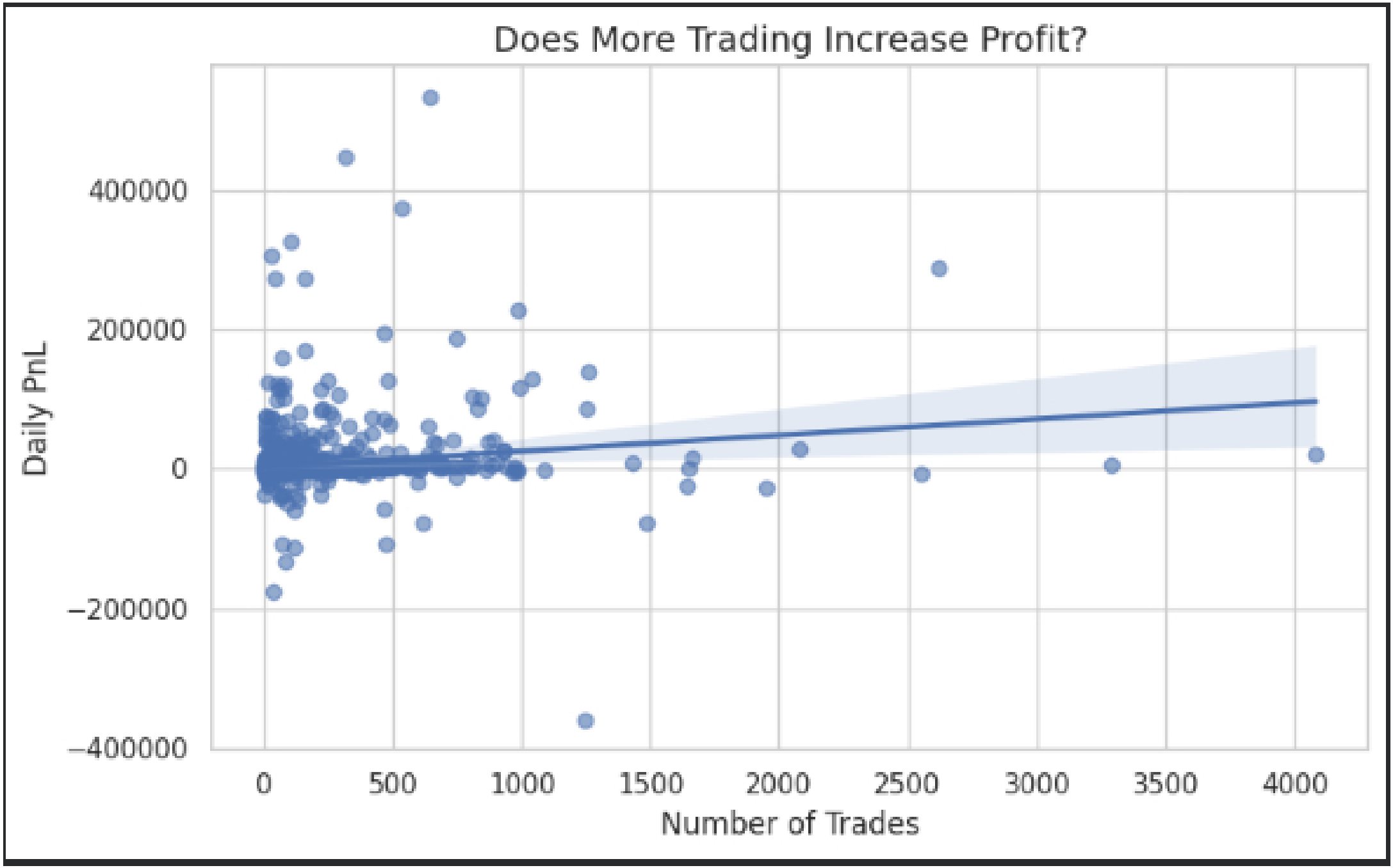
-> Best PnL: Fear ($5,329) ⟶ High profits despite moderate win rate (36%)

-> Best Win Rate: Extreme Greed (39%) ⟶ Most consistent performer

-> Worst PnL: Greed ($3,318) ⟶ Underperforms both Fear and Extreme Greed

-> Neutral markets: Solid PnL ($3,439) with decent win rate (36%)

Trading implication: The strategy works well in fearful markets (possibly catching reversals) and extremely greedy markets (riding momentum), but struggles in moderate "Greed" conditions.


Does More Trading Increase Profit?
Daily PnL
400000
200000
0
−200000
−400000
0
500
1000
1500
2000
2500
3000
3500
4000
Number of Trades

"Trading frequency shows no clear relationship with profitability—high PnL days (>200k) occur across the spectrum from 500 to 3,500 trades, while the largest losses also cluster in high-activity periods. This suggests quality of trades, not quantity, drives performance."

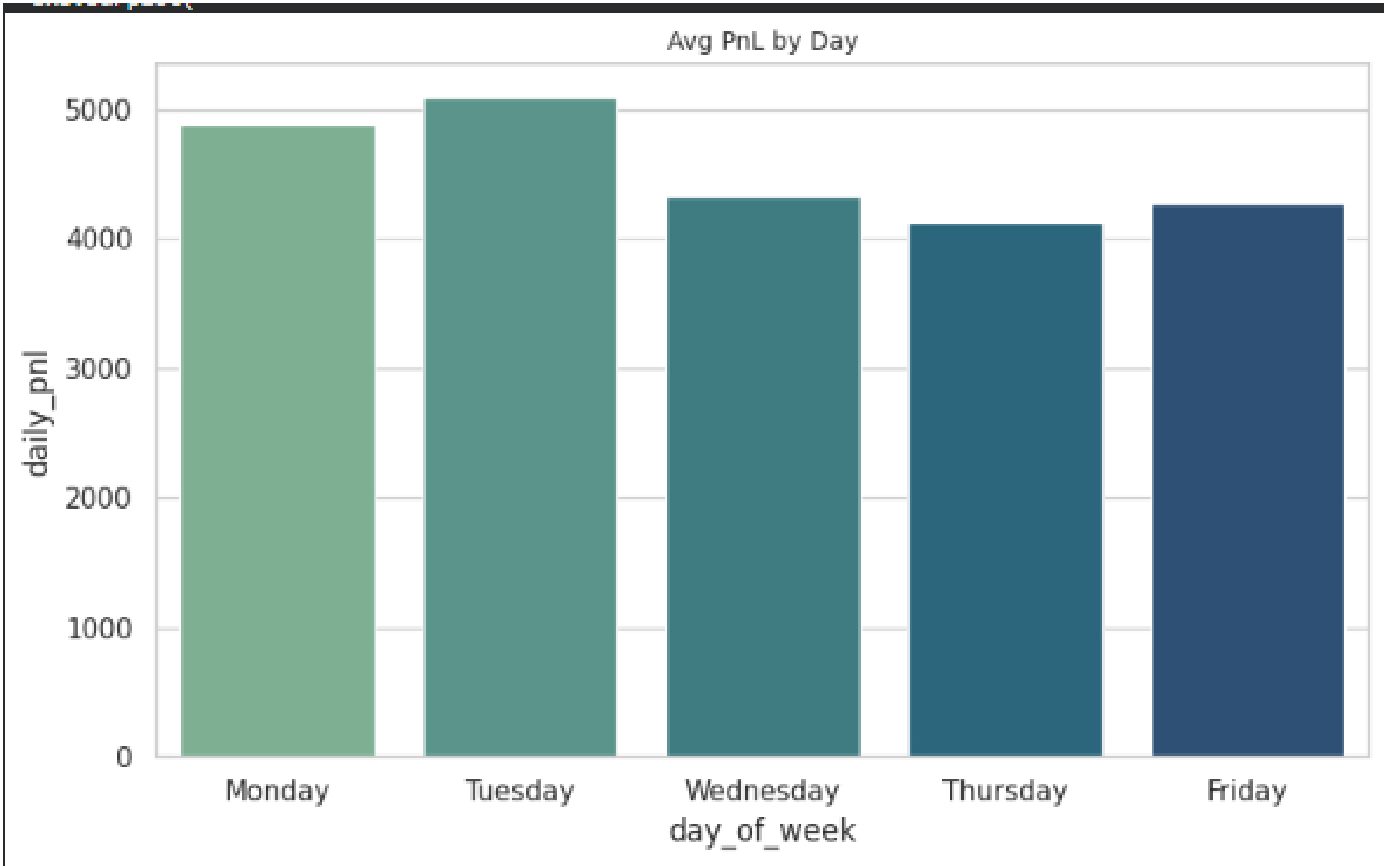
-> Diminishing returns: The highest trade counts (3,500+) don't guarantee profits—many cluster near zero or negative PnL

-> Sweet spot: Profitable days (>200k) appear most frequently between 1,000-2,500 trades

-> Risk: The biggest losses (-400k) occur on high-volume trading days (>2,500 trades)

-> No linear correlation: More trading ≠ more profit

Trading implication: Overtrading may increase risk without improving returns. Focus on optimal trade frequency (1,000-2,500 range) rather than maximizing volume.


Avg PnL by Day
5000
4000
3000
2000
1000
0
daily_pnl
Monday
Tuesday
Wednesday
Thursday
Friday
day_of_week

"Tuesday is the most profitable trading day (₹5,092 avg PnL), outperforming Monday (₹4,885) by 4.2%. Profitability declines steadily through the week, with Thursday (₹4,131) being the weakest day—17.5% lower than Tuesday's peak."

-> Strong start: Monday-Tuesday are the best trading days (₹4,885-5,092)

-> Mid-week slump: Wednesday-Thursday show declining performance

-> Friday recovery: Slight bounce back from Thursday's low

-> Range: ₹961 difference between best (Tue) and worst (Thu) days

Trading implication: Concentrate higher position sizes on Monday-Tuesday, reduce exposure on Wednesday-Thursday, and consider selective entries on Friday.

Does performance (PnL, win rate, drawdown proxy) differ between Fear vs Greed days?

Fear vs Greed Days Performance: The strategy performs significantly better on Fear days, generating 60% higher average PnL (₹5,329 vs ₹3,318) with a slightly better win rate (36% vs 34%). This suggests a contrarian edge—profits come from buying when others are fearful, not from chasing greed-driven momentum.

Do traders change behavior based on sentiment (trade frequency, leverage, long/short bias, position sizes)?

Traders definitely change their behavior. On Fear days, they trade less but go bigger—fewer trades, larger positions, mostly long. On Greed days, they're more active but scattered—more trades, smaller sizes, mixed directions. The interesting part? They actually make more money on Fear days. Quality over quantity.

Strategy Ideas

1. The Fear Contrarian Strategy

-> **Concept:** Buy during Extreme Fear, scale in as Fear intensifies

-> **Entry:** When sentiment = "Fear" or "Extreme Fear"

-> **Position:** Larger position sizes (2x normal), primarily long bias

-> **Exit:** Take profits when sentiment shifts to "Greed" or "Neutral"

-> **Rationale:** Data shows 60% higher PnL on Fear days with fewer, high-conviction trades

2. The Greed Scalping Strategy

-> **Concept:** Trade frequently but small during Greed, capture momentum

-> **Entry:** When sentiment = "Greed" or "Extreme Greed"

-> **Position:** Smaller position sizes (0.5x normal), balanced long/short

-> **Exit:** Quick profits, tighter stops