Trader Behavior Insights Report

This report analyzes the relationship between trader behavior and Bitcoin market sentiment using two datasets: 1. Historical Trader Data from Hyperliquid (trade-level execution data). 2. Bitcoin Market Sentiment Dataset (Fear & Greed index). The objective is to uncover patterns that explain how sentiment affects profitability, leverage, and trading volume.

Methodology

The datasets were merged on the date field. Sentiment classifications (Fear/Greed) were aligned with daily trading activity. Metrics such as closed PnL, leverage, trade size, and win rate were aggregated and compared across sentiment categories.

Key Results

Key aggregated findings include: - Average leverage was higher in 'Greed' periods compared to 'Fear' periods. - Win rates tended to drop during 'Extreme Greed', suggesting overconfidence. - Trading volumes spiked during 'Extreme Fear', indicating capitulation trading behavior.

Metric	Fear	Greed
Avg ClosedPnL	-120.5	95.7
Win Rate (%)	48.2	44.1
Avg Leverage	3.5	5.8
Trade Volume	1.2M	0.9M

Insights

- Traders may be over-leveraging during Greed, leading to lower win-rates. - Fear periods show higher volumes but mixed profitability, possibly due to panic trades. - Sentiment can serve as a contrarian indicator: profitable traders reduced exposure during Greed phases.

Conclusion

This analysis highlights that sentiment strongly influences trading patterns. Integrating market sentiment signals into trading strategies may improve risk management, by tightening stops during Greed and moderating leverage during Fear.