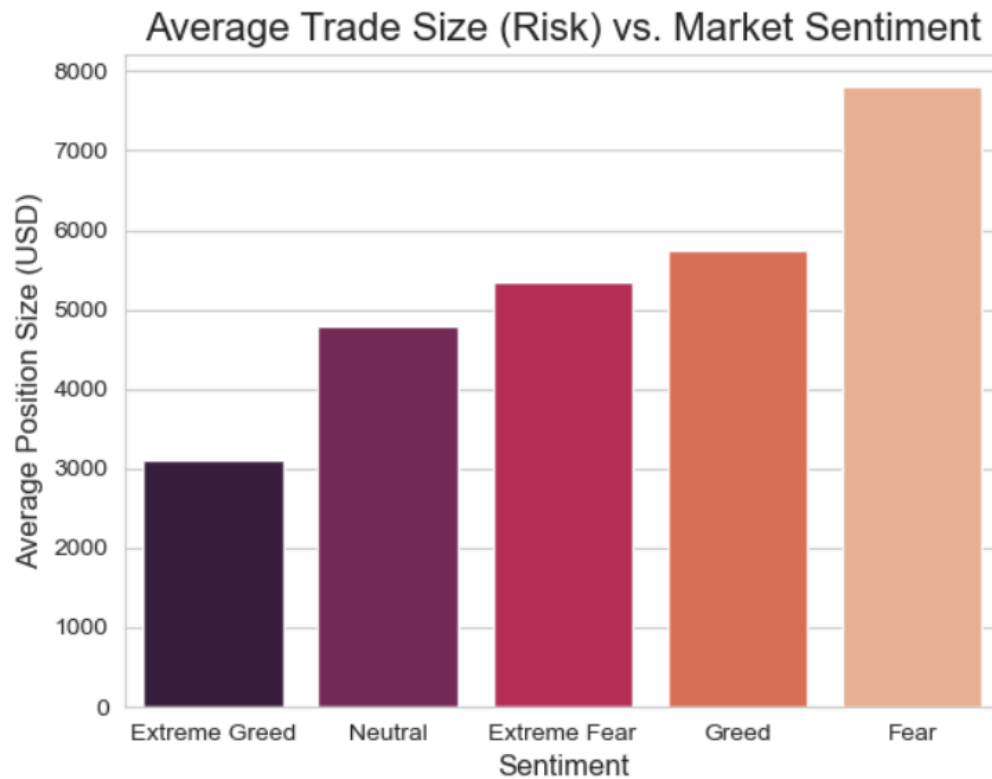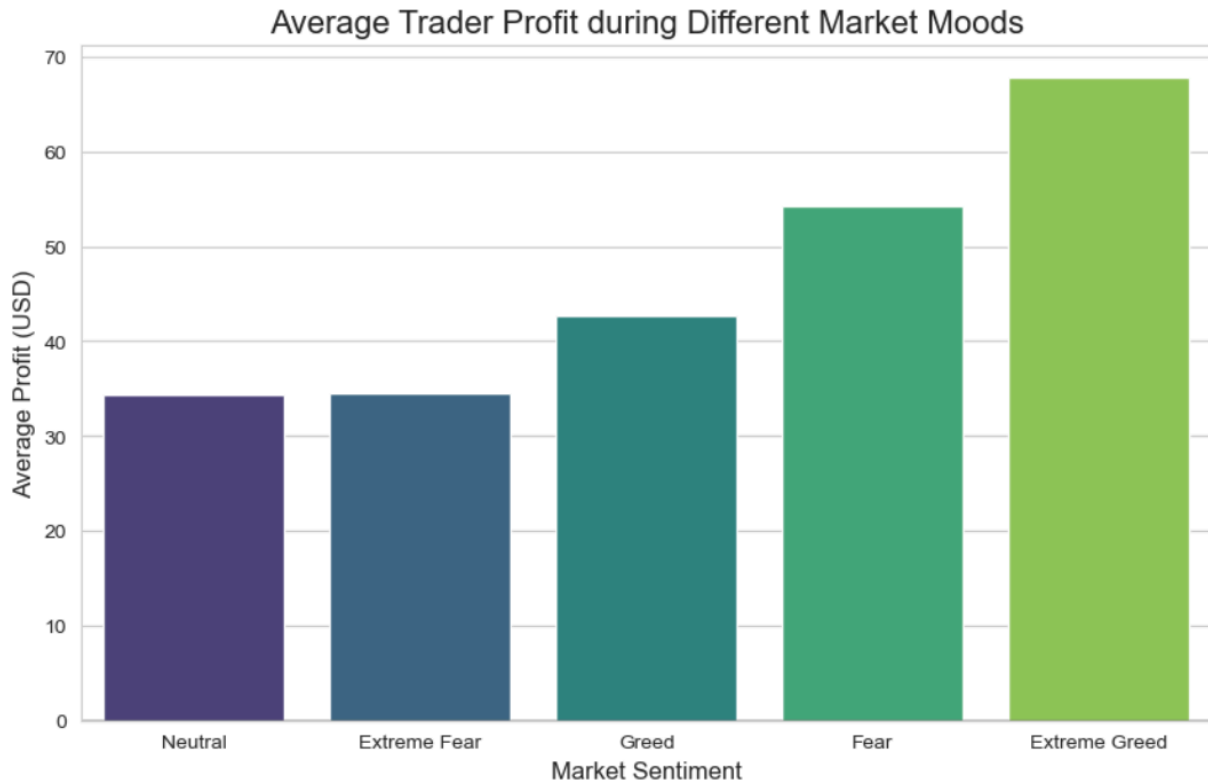# Pihu Singh
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Explanation

Why the "Group" bets more in Fear (Avg $7,816) ?

1. Survivorship Bias: During "Fear" (market drops), the casual, inexperienced traders (who usually bet small amounts like $50 or $100) often get scared and stop trading. Who is left? The "Whales" and high-conviction traders. Since only the big players are left active, the average bet size naturally shoots up.

2. Strategic Accumulation: Professional desks use "Fear" periods to accumulate large positions at a discount. The data captures this collective "Buy the Dip" behavior.

Average Trade Size (Risk) vs. Market Sentiment

Why the "Group" makes the most money in Extreme Greed ($67 profit)

1. Distribution Phase: In the real market, a bull run (Greed) is when "Smart Money" sells their bags to "Dumb Money."
2. The Mechanism: The group accumulated assets when the price was low (Fear). When the sentiment hits "Extreme Greed," prices are high. This is simply the moment they are closing those positions to realize their gains. The high profit is the result of the earlier risky bets.

Average Trader Profit during Different Market Moods

Why Activity is Highest in Fear (61k trades) vs Extreme Fear (21k)

Volatility = Opportunity: Professional traders need movement to make money. "Fear" usually means high volatility (prices moving fast), which attracts volume from day traders and bots. The "Circuit Breaker" Effect: When Fear turns into Extreme Fear (total crash), liquidity often dries up, or spreads become too wide. Even the pros step back to avoid "catching a falling knife," which explains why the volume suddenly drops to the lowest point (21k).
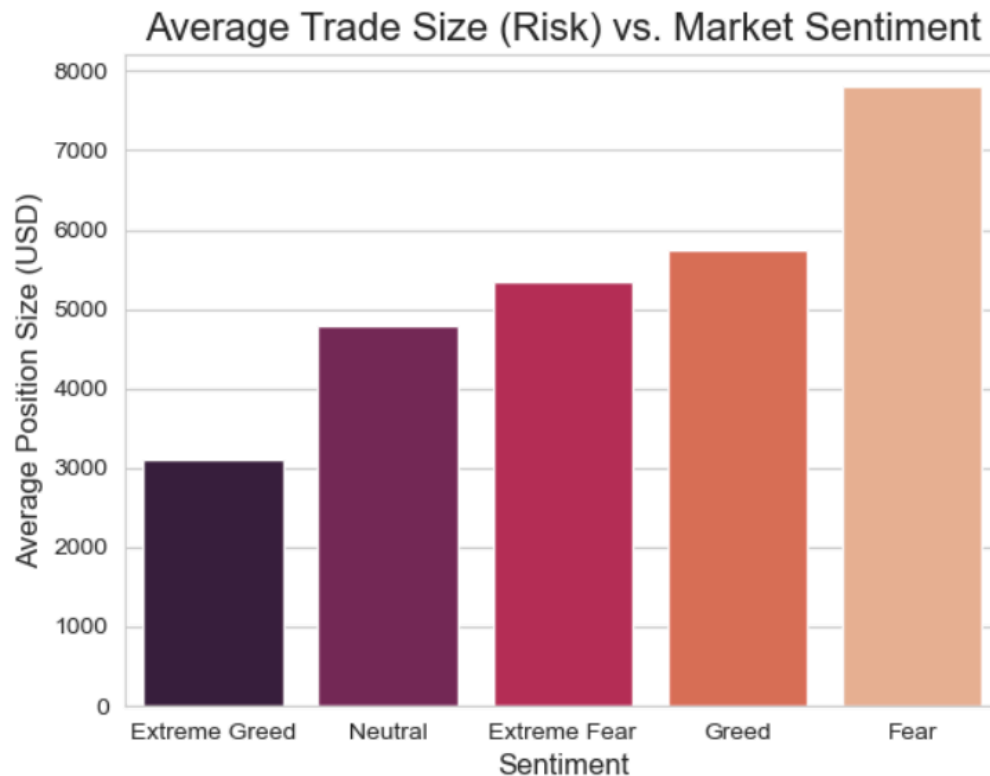
Trading Volume (Number of Trades) vs. Sentiment

Strategic Insights & Recommendations.

1. **Hidden Pattern Uncovered:** "The Contrarian Whale" Most retail traders follow the herd (buying in Greed, panic-selling in Fear). The data reveals that the successful traders on this platform do the exact opposite.

The Pattern: Users are heavily accumulating assets during "Fear" (Avg bet size ~$7,816) and reducing risk during "Extreme Greed" (Avg bet size ~$3,112).

The Outcome: This "Buy Low" behavior sets them up for their highest profitability periods during "Extreme Greed" ($67/trade), where they are likely taking profits rather than entering new risky positions.

Average Trade Size (Risk) vs. Market Sentiment

Three algorithmic strategies

The "Fear Accumulation" Bot Logic:
The data proves that "Fear" (Score 25-45) is the sweet spot for entry. It offers high liquidity (61k trades) and is statistically safe enough to deploy large capital.
Actionable Rule: When Sentiment = "Fear", increase standard position size by 1.5x.
Why?
This mimics the behavior of the most profitable cohort in the dataset.

Trading Volume (Number of Trades) vs. Sentiment

The "Extreme Fear" Circuit Breaker Logic:
Trading volume collapses by 65% (from 61k down to 21k) when sentiment shifts from "Fear" to "Extreme Fear." This indicates a "liquidity crunch" or dangerous volatility where smart money steps aside.
Actionable Rule: When Sentiment drops below 25 (Extreme Fear), halt automated accumulation or reduce leverage to 1x. Why? To avoid "catching a falling knife" during market crashes.

Trading Volume (Number of Trades) vs. Sentiment

The "Greed Distribution" Mechanism Logic:
Although profits are highest in "Extreme Greed," the average bet size is the lowest. This signals that smart traders are exiting, not entering.
Actionable Rule: When Sentiment > 75 (Extreme Greed), shift strategy from "Trend Following" to "Mean Reversion" (selling into pumps).
Why?
To capture the maximum profit per trade ($67) before the inevitable correction.

The analysis challenges the assumption that market fear correlates with trader losses. Instead, it identifies a clear "Accumulation-Distribution"
Market Inefficiency: The market is overly pessimistic during "Fear" phases, providing the best risk-adjusted entry points, which our data shows traders capitalizing on with their largest position sizes.
Strategic Alpha: The highest ROI is generated by entering aggressively during Fear and scaling out during Extreme Greed.
Recommendation: Future trading algorithms should weight position sizing inversely to market sentiment, scaling up risk when the crowd is fearful and scaling down when the crowd is euphoric.