

1. Relationship Between Trader Behaviour and Market Sentiment

- Periods of **Greed sentiment** often coincide with **higher trade volumes and leverage**. This suggests that traders become more aggressive when the market appears optimistic, potentially chasing short-term profits.
- In contrast, during **Fear sentiment**, leverage and trade volumes tend to drop, showing more cautious or risk-averse trading.

2. Profitability Patterns

- **Positive PnL (profits)** are more common in stable or mildly greedy markets.
- In extremely greedy conditions, some traders show **large losses**—likely due to **over-leveraging** or poor exit timing.
- Extremely fearful periods see **mixed profitability**, suggesting that opportunistic contrarians may profit when others panic.

3. Leverage Utilization

- A **strong positive correlation** exists between **trade volume and leverage**—large trades often involve higher leverage.
- However, there's **low or negative correlation** between leverage and final PnL, implying that higher leverage doesn't guarantee better results and can amplify losses.

4. Practical Implications

- Traders should be cautious when sentiment reaches extremes, as these periods show **heightened risk of losses** despite higher opportunities.
- Maintaining **risk management rules** (e.g., stop-losses, position sizing) is crucial, especially in greedy markets.
- Monitoring **Fear & Greed Index trends** can help anticipate shifts in trader behavior and volatility.