

Trading Behavior, Market Sentiment, and Profitability: Insights & Patterns

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Overview

This repository explores the intricate relationship between trader performance, market sentiment, and time-of-day trading behavior. Using real trading data and behavioral analysis, we uncover hidden patterns that differentiate profitable traders from loss-makers, and provide actionable insights for smarter trading strategies.

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Key Findings

- **Profitable traders are disciplined, patient, and strategic—especially during volatile market moods.**
- **Morning trades yield the highest average profit and lowest average loss.**
- **Late-night trading is popular among top traders, offering unique opportunities for those with discipline.**
- **Night-time trading is riskier and associated with the highest average losses.**
- **Most trades are concentrated in low-priced (penny) coins, where volatility is high and profit potential is significant.**
- **Only a small subset of traders consistently outperform, highlighting the importance of skill and adaptability.**

Behavioral Patterns: Calm vs. Aggressive

Style	Crossed Status	Traits	Avg Profit	Avg Loss	Observed Impact
Calm/Strategic	False	Patience, strategy-driven	Higher	Higher	Waits for planned entry price, trusts strategy, more profit
Aggressive	True	Impulsive, execution-focused	Lower	Lower	Accepts immediate price, more losses, especially at night

- **Profitable traders** lean towards calm, non-crossed trades, showing patience and discipline.
- **Loss-making traders** are more impulsive, crossing the order book for quicker execution and often incurring higher losses.

Market Sentiment & Profitability

- **Extreme Greed:** Most profitable traders capture 35.9% of their gains during this sentiment, exploiting bullish momentum.
- **Greed:** Most dangerous for losing traders (27.2% of their losses), often due to impulsive trend-chasing.
- **Fear/Extreme Fear:** Profitable traders manage risk better, incurring only ~30% of their losses here, compared to 37% for loss-makers.
- **Neutral:** Not always safe; passivity or indecision can still lead to losses.

Time-of-Day Trading Trends

Time of Day	Avg Profit (All Traders)	Avg Loss (All Traders)	Trade Volume (%)	Key Insights
Morning	Highest (23.6%)	Lowest (12.7%)	17%	Most profitable, lowest loss, clearer sentiment signals
Afternoon	Medium (20.2%)	Lowest (7.4%)	19.7%	Stable, fewer impulsive trades
Evening	Medium (19.7%)	High (21.7%)	21.8%	More volatility, higher risk
Late Night	Medium (18.5%)	Medium (15.9%)	32%	Most active, not most profitable
Night	Lowest (18.0%)	Highest (42.2%)	9.5%	Risky, high losses despite low activity

- **Morning:** Best for profitability and risk management.
- **Late Night:** Most active among top traders; disciplined traders can exploit unique volatility.
- **Night:** Highest losses, often due to impulsive trading and lower liquidity.

Asset Choice & Execution Price

- **Most trades are in penny coins** (low execution price), indicating traders prefer high-volatility, high-potential assets.
- **Profitable trades** are tightly clustered at lower prices.
- **Losing trades** are more dispersed, especially at higher prices—suggesting higher risk with expensive coins.
- **Transaction fees** are directly influenced by trade size in USD.

Trader Profiles & Coin Insights

- **Few traders capture most profits**, highlighting the importance of skill, discipline, and adaptability.
- **Some users (e.g., User 0) are unreliable**—showing both high profits and losses due to inconsistent strategies.
- **HYPE, BTC, ETH, and SOL** are the most frequently traded coins; outcomes depend heavily on timing and strategy.
- **@135** is the riskiest coin (highest average loss); **ENA** leads in average profit.

Actionable Takeaways

1. **Be Disciplined:** Stick to planned entry/exit points, especially during extreme sentiment periods.
2. **Trade in the Morning:** Focus on morning sessions for higher profitability and lower risk.
3. **Avoid Night Trading:** Night-time is riskier with higher losses; manage exposure or avoid this period.
4. **Prefer Penny Coins:** Concentrate on low-priced, high-volatility assets, but avoid overexposure to high-priced coins.
5. **Diversify Across Time Blocks:** Top traders adapt and participate in multiple periods, not just one.
6. **Monitor Sentiment:** Adjust strategies based on market mood—exploit greed with discipline, avoid panic during fear.
7. **Risk Management:** Use tighter controls with risky coins and during volatile periods.

References

- [important-graphs.pdf](#)
- Internal trading analysis and behavioral studies (2025)

For questions or contributions, please open an issue or submit a pull request.

This README summarizes key insights from trading data analysis, behavioral economics, and market sentiment studies to help traders and researchers understand and improve trading outcomes.

