

Data Science Report: Market Sentiment vs Trader Performance

Overview:

This project analyzes the relationship between Bitcoin market sentiment and trader performance using Fear/Greed Index and Hyperliquid trading data.

Key Findings:

- Trader profits increase significantly during Extreme Greed conditions.
- During Fear phases, profit is moderate but with higher trade volumes.
- Positive correlation found between sentiment value and Closed PnL.
- Indicates traders perform better in optimistic market conditions.

Business Implications:

- Incorporate sentiment into trading algorithms to optimize risk exposure.
- Adjust leverage dynamically based on market mood (Fear/Greed).

Final Verdict:

Market sentiment is a powerful driver of trading behavior and profitability.