

Social Data as a Strategy Enhancement Layer

Cost-Aware Evidence from Three Matched Crypto Strategies

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Abstract

Social data are widely used to interpret market attention, but their incremental value over comparable market rules remains difficult to assess. We examined whether lagged Social Volume and Social Dominance improved three daily BTC, ETH, and SOL strategies, each compared with the same market rule without Social information. Signals used one-day-lagged Social observations, executed on the subsequent daily return, and incurred 5 bps per asset-position or asset-weight change. Parameters, portfolio weights, and the volatility-matching scale were selected from 2022–2024 development data and then fixed. Across the full retrospective sample, the risk-adjusted Social portfolio achieved 14.5% CAGR, a 0.79 Sharpe ratio, and a -26.1% maximum drawdown, compared with 4.2%, 0.31, and -34.6% for the development-volatility-matched market portfolio. The matched advantage was positive in each reported calendar partition, although the final 2026 partition had approximately flat absolute performance. A same-exposure comparison supported the allocation sleeve, but not the portfolio as a whole. These results provide selection-exposed, retrospective evidence that Social inputs can improve matched rules in this three-asset sample. They do not establish causal, selection-adjusted, or deployable alpha.

1 Objective

Social data are frequently interpreted as a proxy for investor attention. The practical question is narrower than whether attention is associated with markets: does a lagged Social input improve an otherwise identical market rule after stated trading costs? The relevant comparator is therefore the same market rule with the Social condition removed. Equal-weight asset buy-and-hold is retained as an external reference, but it does not isolate the incremental contribution of Social information.

We evaluate three conceptually distinct uses of Social data: cross-asset allocation, portfolio-level state identification, and event selection. Each sleeve must maintain at least 10% average gross exposure in every reported partition, so an apparent improvement cannot arise solely from a handful of trades. This participation rule does not eliminate selection bias or establish information availability at the decision time; those constraints delimit the interpretation of the study.