Market Research Report

Nodiens

Mood–Trust Divergence and Price Dynamics Across Crypto Assets

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Index

Highlights

- We identify two distinct groups: mood-driven tokens, which perform better when the Nodiens Mood Index rises while the Nodiens Trust Index falls, and trust-driven tokens, which perform better when the Nodiens Trust Index rises while the Nodiens Mood Index declines.
- Among mood-driven assets, DOGE and SHIB stand out with the strongest average 7-day returns, while several Layer-1s (SEI, BCH, ICP, SOL, EOS, BTC) also show positive correlations and consistent gains.
- Within the DeFi sector, LDO is the only token that aligns with mood-driven dynamics, reflecting its connection to liquid staking narratives.
- Trust-driven assets include FLOKI among meme tokens, larger Layer-1s such as NEAR, ETH, ADA, BNB, and LTC, and DeFi tokens like AAVE and MKR, with MKR being one of the most strongly trust-driven assets.
- Overall, positive Mood–Trust divergence is supportive for mood-driven assets, while negative divergence is supportive for trust-driven assets, offering a clear lens for interpreting short-term performance across categories.

Introduction

The cryptocurrency market is one of the most sentiment-sensitive financial ecosystems in existence. Prices can rise or collapse in hours, often in response not to macroeconomic data or technological breakthroughs, but to collective mood shifts within online communities. Platforms such as Reddit and Telegram serve as the primary arenas where investors, developers, influencers, and enthusiasts shape narratives, exchange opinions, and build - or erode - trust in digital assets [1]. These communities don't just comment on the market - they are its pulse. Nodiens provides a range of community indicators that allow users to assess the risk of communities across the realm of social media that are relevant to the cryptocurrency industry.

This report examines the divergence between two critical community indicators within cryptocurrency social media channels: the Nodiens Mood Index, which measures the emotional tone of discussions, and the Nodiens Trust Index, which reflects perceived credibility, reliability, and confidence within the online group. While mood can change in minutes based on hype cycles or breaking news, trust evolves more slowly, often shaped by a project's history, leadership actions, and the community's internal cohesion. Divergences between these two indices can signal inflection points - moments where short-term sentiment and long-term confidence are out of alignment, creating both risks and opportunities for investors.

By analyzing these divergences across major cryptocurrency social media channels, this report aims to provide actionable intelligence for market participants. Whether for short-term traders seeking to anticipate momentum shifts or long-term investors evaluating sustainable projects, the interplay of mood and trust offers a novel perspective that complements traditional technical and fundamental analysis. The insights presented here are designed to help investors navigate a market where sentiment moves capital, and where understanding the community is often as important as understanding the code.

Importance of Community Indicators

In the volatile and sentiment-driven world of cryptocurrency, traditional market indicators such as price momentum or trading volume often fail to capture the hidden forces that drive market shifts, especially at the level of a highly involved online community. Community indicators - particularly mood and trust metrics derived from social media data - offer investors a more nuanced lens into market psychology [2, 3]. While price can reveal what is happening, community sentiment can hint at why it is happening, and in some cases, foreshadow what is likely to happen next. Understanding these social dynamics is especially critical in the crypto space, where narratives, adoption cycles, and even token valuations can be heavily swayed by collective sentiment [4].

The divergence between mood and trust indices within a given community can be a particularly revealing signal. A community may display high mood scores—indicating optimism or excitement—while simultaneously registering low trust levels, suggesting underlying skepticism or unresolved doubts. Such divergences may precede periods of volatility, as overenthusiasm unsupported by trust can lead to rapid sell-offs when confidence falters. Conversely, communities with moderate mood but rising trust levels may be in the early stages of sustainable growth, indicating potential long-term opportunities for strategic investors.

From an investment perspective, tracking these indicators over time allows for more refined risk assessment and opportunity identification. Mood shifts can indicate short-term trading setups, while trust trends tend to correlate with long-term adoption potential. By integrating these community-derived metrics into broader market analysis, investors can move beyond reactive decision-making and develop a more anticipatory approach—aligning portfolios not only with market data, but with the evolving psychology of the communities that sustain and drive the value of crypto assets [5].

Methodology

For this study, we analyze the interaction between two market signals: Nodiens Mood Index and the Nodiens Trust Index, over the period **January 2023 to December 2024, aggregated across Telegram and Reddit online communities.** The dataset covers a range of asset types. Meme tokens include **Dogecoin (DOGE), Shiba Inu (SHIB),** and **Floki (FLOKI).** Major Layer-1 protocols include **Bitcoin (BTC), Ethereum (ETH), Solana (SOL), Cardano (ADA), Binance Coin (BNB), Polkadot (DOT), Tron (TRX), NEAR Protocol (NEAR),** and **Litecoin (LTC).** Other Layer-1s studied are **Bitcoin Cash (BCH), Internet Computer (ICP), Sei (SEI), EOS (EOS), Hedera (HBAR),** and **Algorand (ALGO).** DeFi and DAO-related assets include **Maker (MKR), Aave (AAVE), Uniswap (UNI), Lido (LDO),** and **Immutable (IMX).** These assets were chosen as they represent different parts of the market, from speculative memes to major infrastructure networks and governance-driven tokens with active communities.

The Nodiens Mood Index captures the prevailing sentiments surrounding an asset. It is derived from online community activity, discussion volume, and engagement tone, reflecting short-term emotional dynamics such as excitement, hype, or fear. **The Nodiens Trust Index** measures the level of confidence and perceived reliability in the underlying asset. It is informed by consistent engagement, credibility signals, and longer-term sentiment trends, reflecting market participants' belief in the asset's sustainability and resilience.

A **divergence** occurs whenever these two indices move in opposite directions over the same 7-day window. To measure this, we calculate percentage changes over seven days for both indices:

$$mood\_return\_7d = \frac{mood(t) - mood(t-7)}{mood(t-7)}$$

$$trust\_return\_7d = \frac{trust(t) - trust(t-7)}{trust(t-7)}$$

A divergence event is flagged when:

$$mood\_return\_7d * trust\_return\_7d < 0,$$

This indicates that one index is increasing while the other is decreasing. Specifically, divergence is **positive** when the Nodiens Mood Index rises while the Nodiens Trust Index falls, and **negative** when the Mood Index falls while the Trust Index rises.

The magnitude of divergence is measured as:

$$|mood\_return\_7d - trust\_return\_7d|$$

For modelling purposes, we use a **signed divergence**: positive when Nodiens Mood Index increases and Nodiens Trust Index decreases, and negative when Nodiens Trust Index increases and Nodiens Mood Index decreases.

To emphasize sustained sentiment rather than short-lived anomalies, an event is classified as persistent when divergence is detected for three consecutive days. The event start is defined as the third day of such a streak. This approach ensures that the analysis captures genuine shifts in the balance between sentiment and confidence.

Forward returns are computed as simple seven-day **price returns:**

$$price\_return_{t+7} = \frac{price_{t+7} - price_t}{price_t}$$

For each asset, we measure forward performance by computing the Pearson correlation coefficient between the signed divergence and the seven-day forward return. Alongside correlation values, we also record the number of persistent divergence events and the corresponding average seven-day returns.

Table 1 reports the top five mood-driven assets, ranked by their average seven-day price return following persistent divergence events. These assets show a positive correlation, where rising mood combined with falling trust is typically associated with stronger price performance.

Asset	Number of Events	Average 7d Return	Correlation (r)
SHIB	40	5%	0.13
DOGE	40	5%	0.28
SOL	36	3%	0.17
BCH	32	3%	0.25
DOT	38	2%	0.09

Table 1: Top 5 Mood-driven Assets ranked by their average seven-day return, along with the number of persistent divergence events and the corresponding correlation values.

Table 2 presents the top five trust-driven assets, ranked by their average seven-day price return following persistent divergence events. These assets show a negative correlation, where rising trust combined with falling mood is more often associated with stronger price performance.

Asset	Number of Events	Average 7d Return	Correlation (r)
NEAR	32	4%	- 0.32
FLOKI	18	4%	- 0.32
AAVE	35	2%	- 0.08
ETH	29	2%	- 0.17
TRX	40	2%	- 0.03

Table 2: Top 5 Trust-driven Assets ranked by their average seven-day return, along with the number of persistent divergence events and the corresponding correlation values.

Key Observations

This section examines how Mood–Trust divergence relates to subsequent asset performance. Figure 1 and Figure 2 report the Pearson correlation between signed divergence and seven-day price returns for individual assets. Signed divergence is defined as positive when the Mood Index rises while the Trust Index falls, and negative when the Trust Index rises while the Mood Index falls.

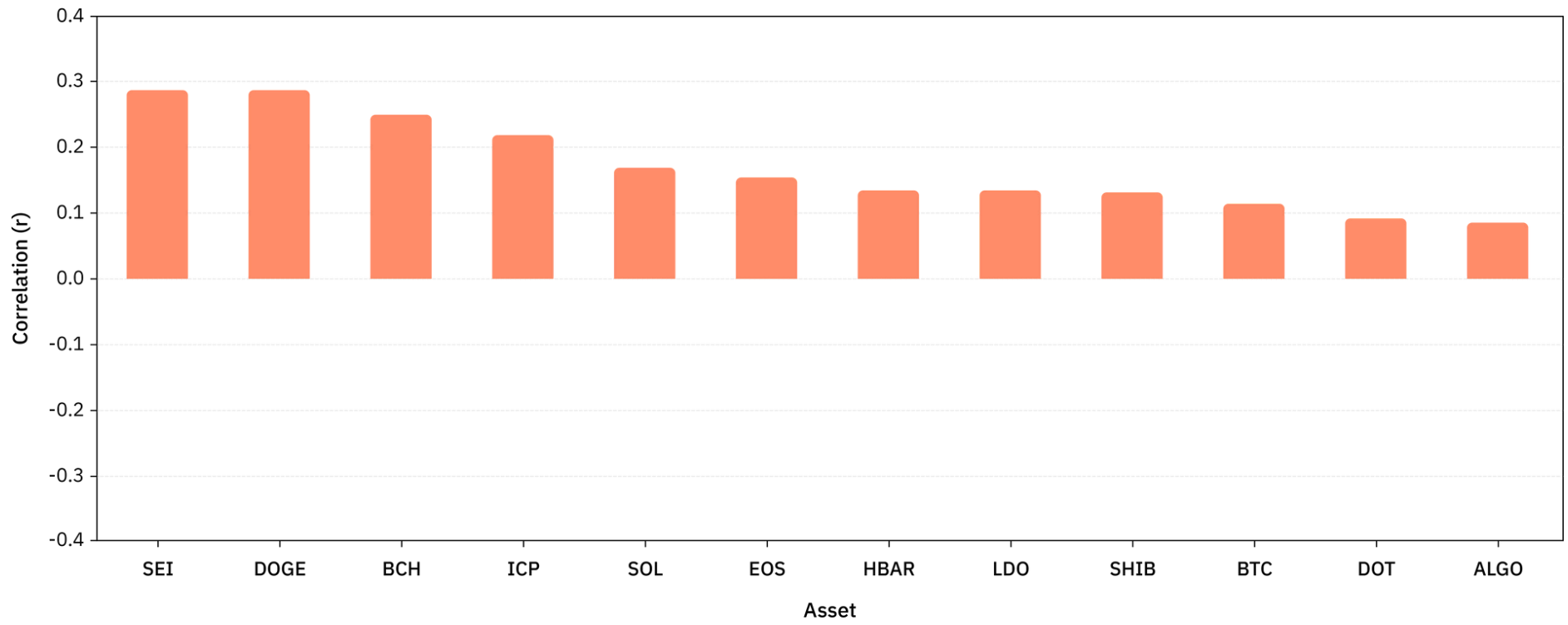

Figure 1: Mood-driven Assets, showing the correlation between signed Mood–Trust divergence and seven-day returns. Positive correlations indicate that returns tend to increase when Mood Index rises while Trust Index falls.

Figure 1 highlights assets with a positive correlation, indicating that returns tend to increase when divergence is more positive (Mood Index rising while Trust Index falls). Mood-driven assets with positive correlations include SEI, DOGE, BCH, ICP, SOL, EOS, HBAR, LDO, SHIB, BTC, DOT, and ALGO. For these tokens, larger positive divergence is typically followed by higher seven-day returns, whereas larger negative divergence (Trust Index rising while Mood Index falls) is associated with weaker returns.

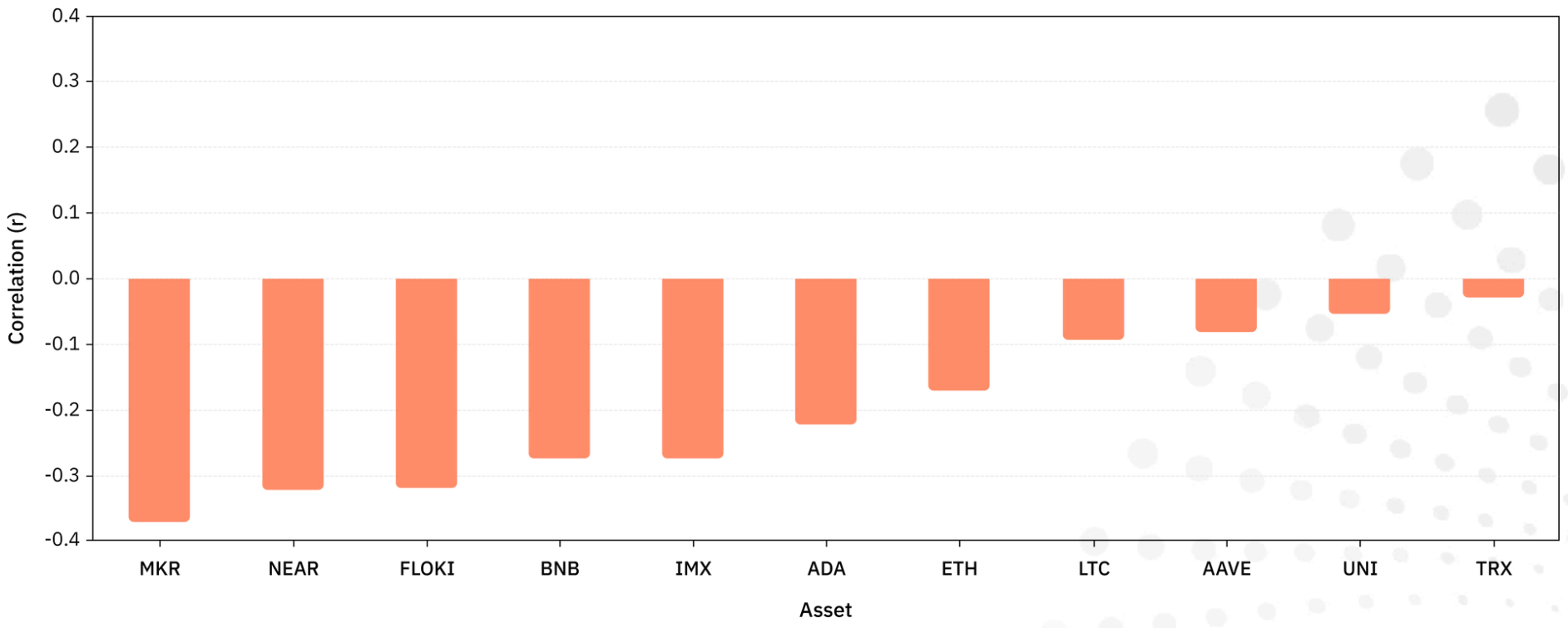

Figure 2: Trust-driven Assets, showing the correlation between signed Mood–Trust divergence and seven-day returns. Negative correlations indicate that returns tend to increase when Trust Index rises while Mood Index falls.

Figure 2 shows assets with a **negative correlation,** where returns increase when divergence is more negative (Trust Index rising while Mood Index falls). **Trust-driven** assets with negative correlations include MKR, NEAR, FLOKI, BNB, IMX, ADA, ETH, LTC, AAVE, UNI, and TRX. For this group, larger negative divergence corresponds to stronger subsequent returns, while larger positive divergence corresponds to weaker performance.

Overall, two clear patterns can be observed. Assets with a **positive correlation** are **mood-driven:** they tend to perform better when Mood Index rises while Trust Index falls. By contrast, assets with a **negative correlation** are **trust-driven:** they tend to perform better when the Trust Index rises while the Mood Index falls. This division between mood- and trust-driven assets provides a clear lens through which to interpret performance across different token categories.

For **meme tokens,** the difference between established names and newer entrants stands out. **DOGE** and **SHIB** are mood-driven and both show the highest average returns in the study (Table 1), with around **+5%** over the next week across roughly 40 persistent events each. In contrast, **FLOKI** is trust-driven but still delivers an average **+4%** gain across 18 events. This suggests that older memes benefit when excitement builds faster than confidence, while FLOKI performs better when short-term hype fades but longer-term confidence strengthens.

Among **Layer-1 protocols,** the results are more mixed. Rather than a clear divide, we observe a range of behaviors that highlight differences in how each community responds to shifts in mood and trust. **SEI, BCH, ICP, SOL,** and **EOS** lean toward being mood-driven. These names tend to rally when sentiment picks up even if trust is lagging, with **SOL** and **BCH** averaging **+3%** after divergence events and **DOT** about **+2%.** In contrast, other major Layer-1s, **ETH, ADA, BNB, NEAR,** and **LTC** show negative correlations, suggesting they are more trust-driven. For these assets, price performance tends to be stronger when confidence improves while short-term mood cools; **NEAR** is the clearest case, with a correlation of −0.32 and an average +4% return, while **ETH** shows a smaller negative correlation and +2% average return. **TRX** is close to flat, showing little sensitivity in either direction. Taken together, this diversity across Layer-1s points to different community structures and narratives: some respond quickly to swings in excitement, while others move more gradually with slow-building confidence.

In **DeFi** and **DAO tokens,** the same split appears. **LDO** is mood-driven, reflecting its alignment with hype cycles around liquid staking. By contrast, **AAVE** and **MKR** are trust-driven. **AAVE** shows a negative correlation with an average **+2%** return, while **MKR** is one of the most trust-driven assets. **UNI** sits near the middle with little clear directional bias. Here the data indicates that DeFi tokens generally perform better when confidence builds steadily, rather than during short-lived bursts of enthusiasm, with **LDO** being the exception.

While the correlations we report are modest in magnitude, they nonetheless provide a useful directional signal. Even small but consistent relationships between Mood–Trust divergence and forward returns are valuable in a market where sentiment can shift rapidly. Thus, the framework should be interpreted as an indicative lens rather than a deterministic model.

Taken together, the evidence is consistent across groups. **Mood-driven assets** (DOGE, SHIB; several newer Layer-1s) tend to benefit when short-term excitement outweighs longer-term trust. **Trust-driven assets** (NEAR, FLOKI, ETH, AAVE, MKR; other major Layer-1s) tend to perform better when confidence builds even as mood softens. This split provides a simple, practical lens: a **positive divergence** is constructive for mood-driven names but a warning for trust-driven names, while a **negative divergence** is constructive for **trust-driven** assets.

Summary

The analysis of Mood–Trust divergence reveals a split in asset behavior with regards to the relationships between community indicators and the price fluctuations. On one side are mood-driven tokens, which perform better when mood increases while trust declines. DOGE and SHIB stand out in this group, each showing around 40 persistent events with average seven-day returns of roughly +5%. Several Layer-1 protocols, including SEI, BCH, ICP, SOL, and EOS, also display positive correlations with mood-trust divergence, with SOL and BCH averaging +3% returns after events. Within DeFi, LDO is the main token aligned with mood dynamics, reflecting its connection to liquid staking narratives.

On the other side are trust-driven assets, which perform better when trust rises while mood declines. NEAR and FLOKI are the strongest examples of this pattern, each delivering average returns of +4% following divergence events. ETH and AAVE also exhibit steady gains of around +2% despite negative correlations, while MKR emerges as one of the most strongly trust-driven tokens.

Taken together, the evidence shows that meme tokens and newer Layer-1s are predominantly mood-driven, whereas larger Layer-1s and most DeFi tokens are trust-driven. The above findings suggest that various communities across the cryptocurrency landscape may be more sensitive to mood or trust. Thus, these indicators may contribute to developing a more robust understanding of the financial behavior and its relationship to the insights coming from the social media communities.

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