Caterpillar Inc / CAT

Equity | Generated Aug 28, 2026 12:24 AM EDT

Current price	Daily move	Bid / Ask	Previous close
$815.83	-1.17 -0.14%	$815.00/$821.52	$817.00

Market	**NYSE**
Industry	**Machinery**
Market data as of	**Aug 28, 2026 12:24 AM EDT**

JW Intelligence Report

Complete | 3 of 3 sections | Aug 27, 2026 6:50 PM EDT

JW Rank	Rank label	Confidence	IV percentile
58.8 / 100	Balanced	high	31 / 100

Model reference	Upside scenario	Risk reference	Wheel strategy fit
$805.00	$850.00	$780.00	69 / 100

Options stance	**mixed**
Tail-risk safety	**56 / 100**
JW Rank data coverage / as of	**100.0% | Aug 27, 2026 6:50 PM EDT**

Key insight

CAT Option Market Shows Mixed Signals Amidst Earnings Strength and Valuation Concerns

Market read

The market for CAT options reflects a mixed sentiment towards the stock. While recent earnings exceeded expectations with record sales and backlog, concerns about valuation and potential headwinds from tariffs and data-center regulation contribute to uncertainty. The term structure is backwardated, suggesting a slight bearish bias, but implied volatility remains elevated.

Strategy context

CAT's recent earnings beat fueled optimism but valuation concerns and macro uncertainty persist, creating a mixed outlook for options traders.

JW AI conclusions

Short- and medium-term model interpretation

AI context bias	**Bearish**
AI analysis updated	**Aug 27, 2026 2:05 PM EDT**

Short-term scenario

Cautious/wait for confirmation of support; potential dip-buy if 810 holds but high uncertainty from ongoing correction and mixed signals. Not a high-conviction 1-3 week trade.

Three-month outlook

Mildly constructive on record $72B backlog (visibility into 2027+), raised mid-high teens sales growth, and infrastructure/AI power demand, with analyst targets implying ~20% upside toward $950-1,000. However, elevated valuation, recent 23% pullback, possible further 10-20% downside on macro/tariff/data-center risks, and technical weakness create significant uncertainty. Choppy path likely; recovery not guaranteed.

Market sentiment

Mixed-to-cautious. Some see the ~23-25% drawdown from highs (still +45% YTD) and sub-30x forward P/E as a buying opportunity given record backlog. Others flag AI-hype valuation on a cyclical industrial, earlier insider selling, and bubble risks. Recent posts highlight bounce setups and strong fundamentals; overall not extremely bearish but skeptical of near-term momentum.

Supporting evidence

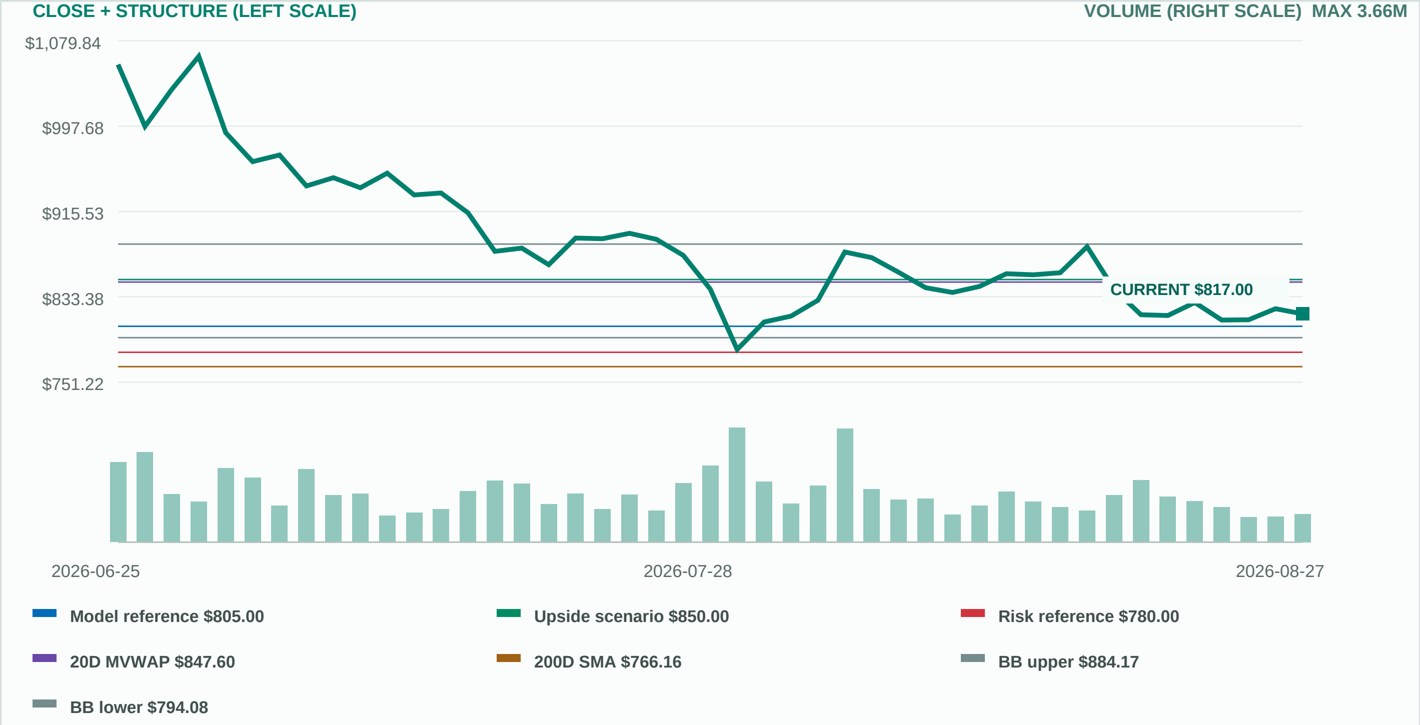
The option chain exhibits a balanced skew, indicating neutral sentiment towards directional movement. | The term structure is backwardated with near-term options more expensive than longer-dated ones, potentially reflecting some bearishness. | Implied volatility is elevated at 35.45%, suggesting market participants anticipate significant price swings in the coming months.

Risk watch

Potential downside risk from further correction due to elevated valuation and macroeconomic headwinds. | Uncertainty surrounding tariffs and data-center regulation could impact future earnings.

Enhanced price structure

45 trading days with volume, model levels and current technical reference bands



45 complete trading-session observations

JW Rank factors

Score, source coverage and interpretation for each decision factor

JW RANK FACTOR PROFILE	COVERAGE	0 – 50 – 100
Liquidity	100.0%	94.1
Strategy Fit	100.0%	68.5
Technical Trend	100.0%	44.1
Market Tail Risk	100.0%	56.3
Fundamental Quality	100.0%	59.2
Volatility Pressure	100.0%	51.2

Decision summary

Primary model reads before the detailed indicator appendix

Momentum	Institutional flow	Structure	Volatility
bullish_recovery	**Below MVWAP**	**Above 200D trend**	**medium**

Decision indicators

Detailed momentum, institutional and structural observations

Momentum kinematics

Direction, velocity and oscillator state

Current read	**BULLISH RECOVERY | neutral | MACD accelerating**
Trend signal	**BULLISH RECOVERY**
RSI signal	**neutral**
RSI (7 / 14 / 21)	**40.69 / 41.79 / 43.32**
RSI velocity	**0.67**
MACD line / signal / histogram	**-18.21 / - / -18.07**
MACD acceleration	**0.03**
Stochastic K / D	**18.11 / 15.70**

Institutional footprints

Volume-weighted cost, price location and flow

Current read	**Below institutional MVWAP | Accumulation bias**
Institutional flow	**2.10**
20-day MVWAP	**$847.60**
Price vs 20-day MVWAP	**-3.75%**
Daily reference VWAP	**$819.10**
Price vs daily reference	**-0.40%**
Volume	**902.34K**

Structural context

Long-term trend and volatility boundaries

Current read	**Above 200-day trend | Positive macro velocity**
Macro velocity	**0.29**
20-day / 200-day SMA	**$839.13 / $766.16**
Bollinger range	**$794.08 - $884.17**
Bollinger position	**0.254**

Options and volatility intelligence

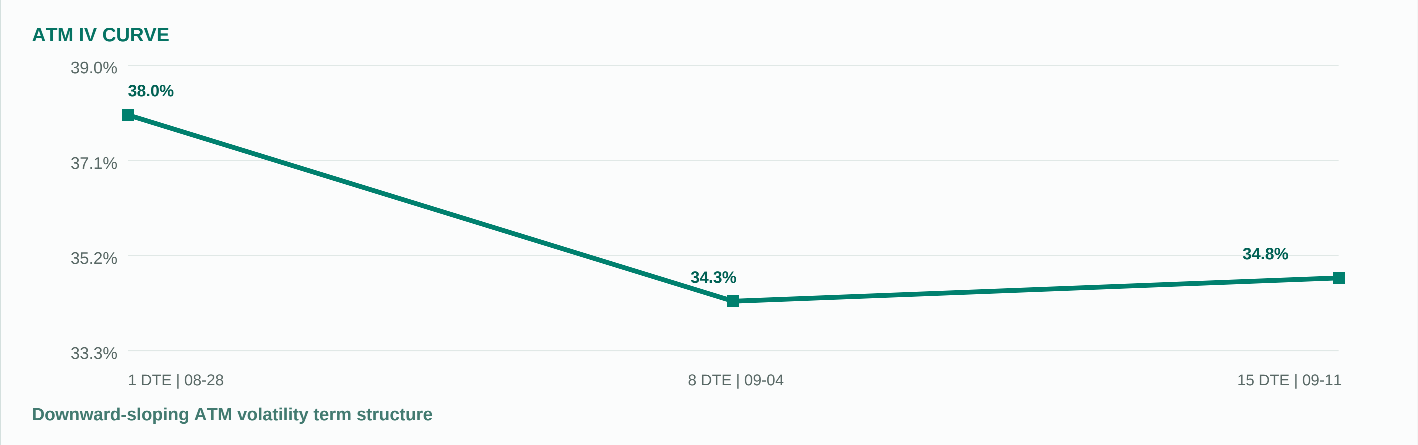
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
40 / 100	**31 / 100**	**83.45**	**142.96**

Market regime	**Calm**
Tail-risk regime	**NORMAL TAIL RISK**
Term structure	**backwardation**
Term slope	**-3.29 pts**
Skew read	**balanced**
Liquidity / quote coverage	**98.5%**
Options observation	**Aug 27, 2026 4:18 PM EDT | Coverage 88.9%**

Option term structure

ATM implied-volatility curve by days to expiration



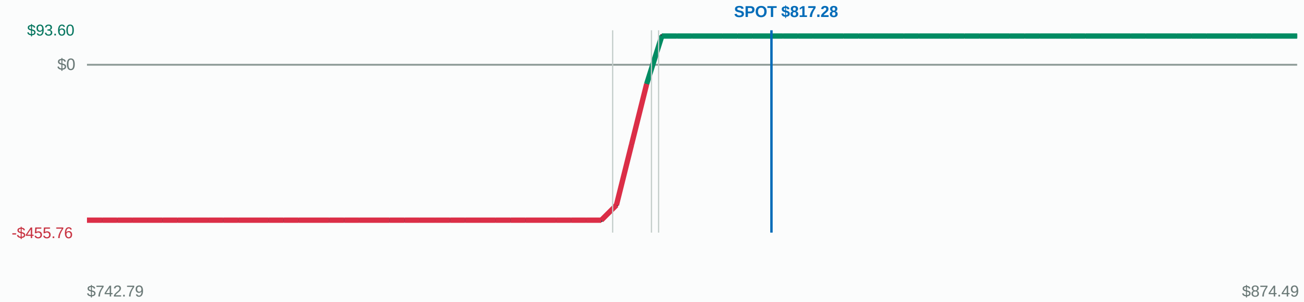
EXPIRATION	DTE	ATM IV	STATE
2026-08-28	1	38.0%	-
2026-09-04	8	34.3%	-
2026-09-11	15	34.8%	-

Reference spread payoff

Illustrative expiry profit/loss per one-lot structure, including quoted net credit

Bull Put Spread reference

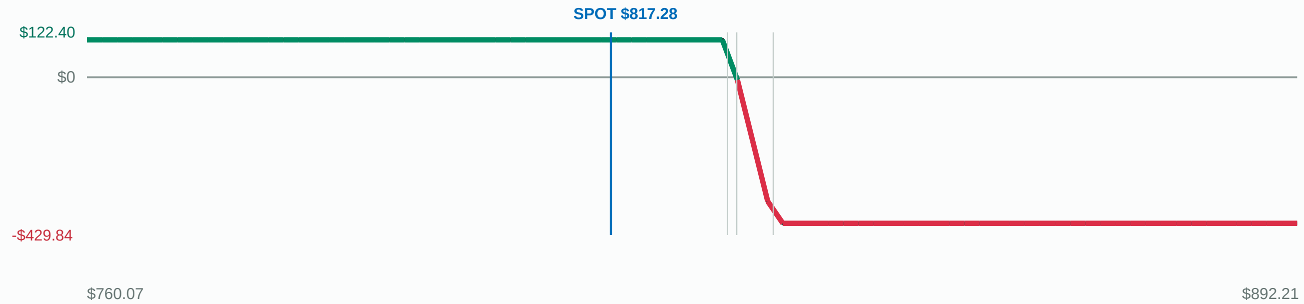
Short $805.00 | Long $800.00 | Width $5.00 | Net credit $0.78



Max profit $78.00 | Max loss -$422.00 | Break-even $804.22 | Per contract at expiry

Bear Call Spread reference

Short $830.00 | Long $835.00 | Width $5.00 | Net credit $1.02



Max profit $102.00 | Max loss -$398.00 | Break-even $831.02 | Per contract at expiry

Event and tail-risk context

Known event windows and broad volatility conditions

Next earnings date	**2026-10-29**
Earnings IV-crush risk	**NOT MEASURED**
VIX	**14.68**
VVIX	**83.45**
SKEW index	**142.96**
Observation confidence	**high**
Option quote quality	**reliable**
Contracts observed	**131**

Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	**129**

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The market for CAT options reflects a mixed sentiment towards the stock. While recent earnings exceeded expectations with record sales and backlog, concerns about valuation and potential headwinds from tariffs and data-center regulation contribute to uncertainty. The term structure is backwardated, suggesting a slight bearish bias, but implied volatility remains elevated.

Options context

CAT Option Market Shows Mixed Signals Amidst Earnings Strength and Valuation Concerns

Wheel context

CAT's recent earnings beat fueled optimism but valuation concerns and macro uncertainty persist, creating a mixed outlook for options traders.

Observed evidence

The option chain exhibits a balanced skew, indicating neutral sentiment towards directional movement. | The term structure is backwardated with near-term options more expensive than longer-dated ones, potentially reflecting some bearishness. | Implied volatility is elevated at 35.45%, suggesting market participants anticipate significant price swings in the coming months.

Principal risks to monitor

Potential downside risk from further correction due to elevated valuation and macroeconomic headwinds. | Uncertainty surrounding tariffs and data-center regulation could impact future earnings.

Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization **$375.54B**	P/E (TTM) **36.30**
ROE **54.2%**	Revenue growth **4.4%**
EPS growth **14.2%**	Operating margin **17.5%**
Net profit margin **14.5%**	Gross margin **-**
Free cash flow CAGR **12.1%**	Debt / equity **2.03**
Dividend yield **2.1%**	Beta **1.58**
52-week range **$410.52 - $1,073.46**	

Company or fund profile

Issuer identity and classification

Name **Caterpillar Inc**	Market **NYSE**
Industry **Machinery**	Country **US**
Currency **USD**	IPO date **1929-12-02**
Shares outstanding **460.59M**	52-week return **90.6%**
Book value per share **$42.11**	Revenue per share **$161.58**

Website	caterpillar.com

Latest strategy observation

Most recent shared general market signal available when this report was generated

CAT Covered Call signal

Aug 27, 2026 2:11 PM EDT

Covered Call | 2026-09-04

At signal $815.99 | Current $815.83

SHORT **Option $835.00 B $8.35 / A $9.60**

High turnover | CR $8.98

Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	**$31.49**
ATR as % of price	**3.9%**
Volatility environment	**medium**
Current IV	**35.4%**
IV rank	**40 / 100**
IV percentile	**31 / 100**

Technical health and risk radar

Derived indicator health and event context

Overall health	**72 / 100**
Trend health	**78 / 100**
Momentum health	**76 / 100**
Volatility health	**52 / 100**
Structure health	**75 / 100**
Earnings risk / date	**low | 2026-10-29**
Macro risk	**unknown**
Volatility risk	**medium**
Structure risk	**low**

Structural indicator levels

Moving averages, volatility bands and observed trading ranges

SMA (20 / 50 / 200)	**$839.13 / $897.02 / $766.16**
EMA (9 / 21)	**$825.00 / $840.87**
Bollinger upper / middle / lower	**$884.17 / $839.13 / $794.08**
Bollinger %B	**0.254**
True high / low	**$832.99 / $807.31**

Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
5-day true high / low	**$834.45 / $804.49**

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	0.292	**-**
SMA50	-2.265	**-**
MVWAP20	2.098	**-**
MACD	0.034	**-**
RSI	0.670	**-**
Volume	-74180.000	**-**
ATR	-0.720	**-**
T1	-	**-18.45 / 846.07 / 824.62 / 811.29**
T2	-	**-18.99 / 840.77 / 834.45 / 804.75**
T3	-	**-18.31 / 841.30 / 827.90 / 804.49**

Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	**$817.28**
Options intelligence as of	**Aug 27, 2026 4:18 PM EDT**
Options data coverage	**88.9%**
SKEW regime	**HIGH TAIL RISK SKEW**
VVIX regime	**VVIX FLAT**
Front expiration / DTE	**2026-08-28 | 1 DTE**
Front at-the-money IV	**38.0%**
25-delta skew	**-0.82**
Put / Call 25-delta	**$805.00 Delta -0.237 / $830.00 Delta 0.231**
Median option bid/ask spread	**20.8%**
Bid/ask spread	**-**
Contracts observed / quoted	**131 / 129**

Price context

Last Price: 817.28 | Bid: 816.50 | Ask: 817.28 | Previous Close: 821.93 | Change: -4.65 | Daily change: -0.57% | Update Time: 2026-08-27T14:31:13.694931-04:00 | Latest History Date: 2026-08-27 | Latest History Price: 817.28

Historical context

Trading-day sample: 60 sessions | First Date: 2026-06-03 | Latest Date: 2026-08-27 | Latest Price: 817.28 | Max Drawdown 60d Percent: -26.50%

Fundamental context

Current Iv Percent: 35.45% | Iv Rank: 39.71 | Iv Percentile: 30.68 | Next Earnings Date: 2026-10-29 | Ex Dividend Date: 2026-07-19 | Dividend Yield: 79.00

Important disclosures

Scope, limitations, risk and permitted interpretation

General market information only

This report is general quantitative research and market commentary. It is not investment, legal, tax or accounting advice; it is not an offer, solicitation, order, recommendation or promise of performance. It does not consider any reader's holdings, objectives, financial circumstances, risk tolerance or suitability.

Model observations - not instructions

JW Rank, strategy fit, model reference, upside scenario and risk reference levels are model observations. They are not entries, price targets, stops, position sizes or instructions to buy, sell, open, close or hold a security or option. A higher score does not imply lower risk or a guaranteed favorable outcome.

Data, AI and model limitations

Prices, volumes, fundamentals, options data, news-derived context and model outputs reflect the timestamps shown and may be delayed, incomplete, revised or inaccurate. AI-generated explanations can omit context or produce errors. Models can fail when volatility, liquidity, correlations or market regimes change.

Performance and scenario limitations

Past, hypothetical, back-tested, simulated and model-derived results are not indicative of future results. Strategy statistics may exclude commissions, fees, taxes, slippage, early assignment, execution constraints and other costs unless expressly stated. Actual outcomes may differ materially.

Options risk

Options are complex and are not suitable for all investors. They may involve total or substantial loss, assignment, early exercise, margin calls, liquidity and spread risk, volatility and Greek exposure, event risk, regime shifts and expiration risk. Multi-leg positions may not execute or close at modeled prices.

Investor responsibility and ODD

Use current market information, assess suitability independently and consult qualified professionals when appropriate. Before trading listed options, read Characteristics and Risks of Standardized Options (ODD) available from the Options Clearing Corporation at theocc.com.

Reference documents

Official product terms and standardized options disclosure

Jason Wheel	**jasonwheel.com**
Terms of Use	**jasonwheel.com / Terms**
Privacy Policy	**jasonwheel.com / Privacy**
Options Disclosure Document	**theocc.com / Options Disclosure Document**