Caterpillar Inc / CAT

Equity | Generated Sep 1, 2026 11:30 PM EDT

Current price	Daily move	Bid / Ask	Previous close
$778.74	**-18.73 -2.35%**	**$775.00/$792.73**	**$797.47**

Market	**NYSE**
Industry	**Machinery**
Market data as of	**Sep 1, 2026 11:30 PM EDT**

JW Intelligence Report

Complete | 3 of 3 sections | Sep 1, 2026 7:51 PM EDT

JW Rank	Rank label	Confidence	IV percentile
56.9 / 100	**Balanced**	**high**	**31 / 100**

Model reference	Upside scenario	Risk reference	Wheel strategy fit
$775.00	**$820.00**	**$750.00**	**66 / 100**

Options stance	**mixed**
Tail-risk safety	**64 / 100**
JW Rank data coverage / as of	**100.0% | Sep 1, 2026 7:51 PM EDT**

Key insight

CAT Options Suggest Uncertainty Amidst Strong Fundamentals

Market read

The market for CAT options reflects a cautious outlook despite strong underlying fundamentals. While recent earnings and backlog growth are positive, the stock price has pulled back, and there's concern about regulatory headwinds and insider selling. The term structure is in backwardation, with near-term IV higher than further out dates, suggesting some uncertainty about short-term direction. Elevated put buying and high options volume indicate heightened investor anxiety.

Strategy context

CAT's strong fundamentals are countered by recent weakness and market uncertainty. The stock price is testing support levels, and options activity suggests a cautious outlook.

JW AI conclusions

Short- and medium-term model interpretation

AI context bias	**Bearish**
AI analysis updated	**Sep 1, 2026 2:07 PM EDT**

Short-term scenario

Cautious/speculative long only if $774-776 support holds with bounce confirmation (oversold RSI); otherwise wait. High uncertainty from macro, rates, geopolitics, and regulatory risks to AI demand. Not a high-conviction setup given mixed technicals and recent weakness.

Three-month outlook

Moderately constructive but uncertain. Record $72B backlog (majority deliverable in 12 months) and AI/infrastructure tailwinds support mid-teens+ growth and potential re-rating toward $850-950 if sentiment improves and support holds. Risks include further correction if data-center buildout slows (regulatory/political), recessionary pressure on construction/mining, high valuation (P/E 34x), tariffs, and insider selling. Broader market volatility and September seasonality add uncertainty; could test lower supports or resume uptrend depending on Q3 execution and macro data. Position sizing and risk management essential.

Market sentiment

Cautious/mixed with elevated options interest (99th percentile options-to-stock volume, near-extreme put buying, SVS 82/100). Traders watching $776 support and 200-DMA retest; some note historical September strength for CAT (avg +3.6%, positive 70% of last 10 years) and potential bounce. Concerns over insider selling, AI-hype valuation froth (earlier parabolic run), and broader market/geopolitical pressure. Low stock volume; spam/group promotion mixed with technical comments. Overall wait-and-see on whether support holds.

Supporting evidence

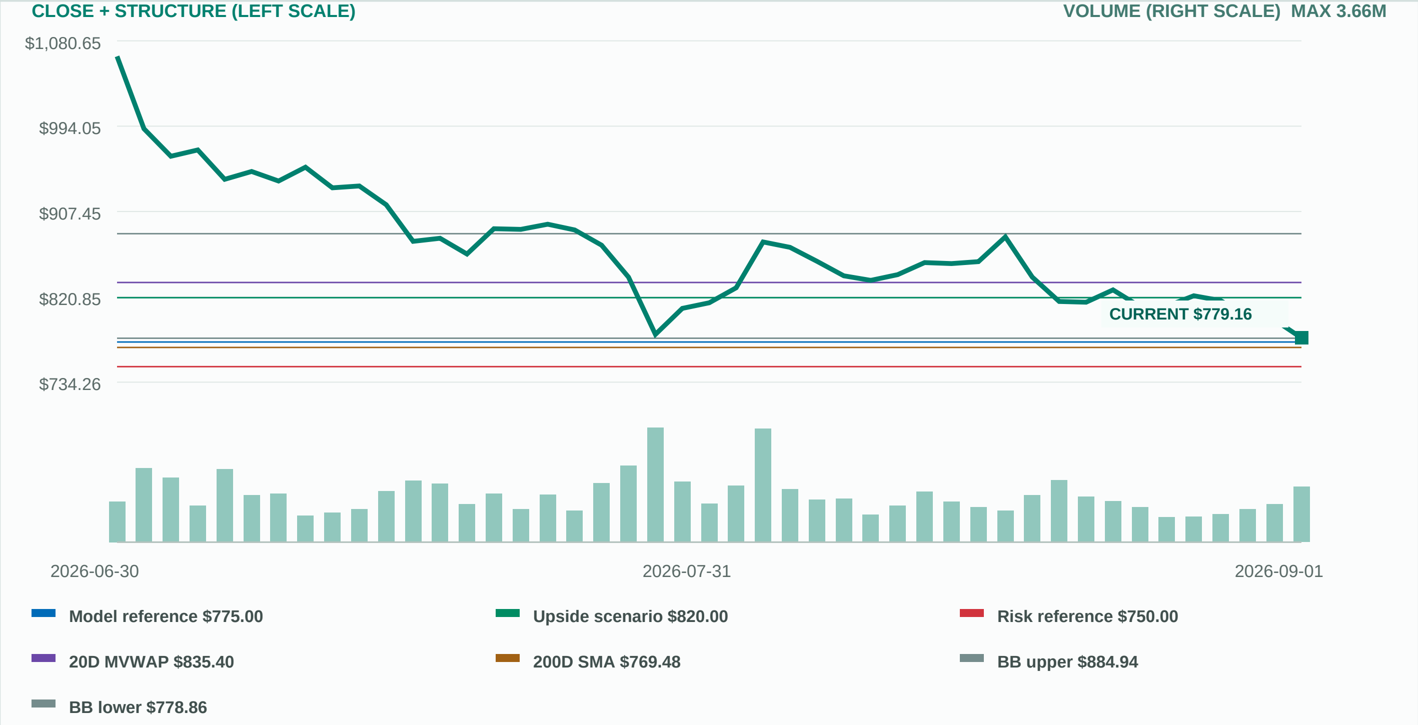
The stock price has pulled back from recent highs, testing support around $774-776. | Recent insider selling by CEO Joe Creed adds to market concerns. | High options volume and elevated put buying suggest increased uncertainty and potential for downside risk. | The term structure is in backwardation, with near-term IV higher than further out dates.

Risk watch

Regulatory headwinds to data-center demand in certain states could impact future growth. | Recessionary pressure on construction and mining sectors could negatively affect 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	Score (0–100)
Liquidity	100.0%	90.2
Strategy Fit	100.0%	66.2
Technical Trend	100.0%	34.8
Market Tail Risk	100.0%	63.8
Fundamental Quality	100.0%	59.2
Volatility Pressure	100.0%	54.1

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 decelerating**
Trend signal	**BULLISH RECOVERY**
RSI signal	**neutral**
RSI (7 / 14 / 21)	**24.96 / 34.40 / 38.60**
RSI velocity	**-2.46**
MACD line / signal / histogram	**-21.71 / - / -19.23**
MACD acceleration	**-1.17**
Stochastic K / D	**4.60 / 9.52**

Institutional footprints

Volume-weighted cost, price location and flow

Current read	**Below institutional MVWAP | Distribution bias**
Institutional flow	**-4.07**
20-day MVWAP	**$835.40**
Price vs 20-day MVWAP	**-6.78%**
Daily reference VWAP	**$781.31**
Price vs daily reference	**-0.33%**
Volume	**1.77M**

Structural context

Long-term trend and volatility boundaries

Current read	**Above 200-day trend | Negative macro velocity**
Macro velocity	**-2.41**
20-day / 200-day SMA	**$831.90 / $769.48**
Bollinger range	**$778.86 - $884.94**
Bollinger position	**0.003**

Options and volatility intelligence

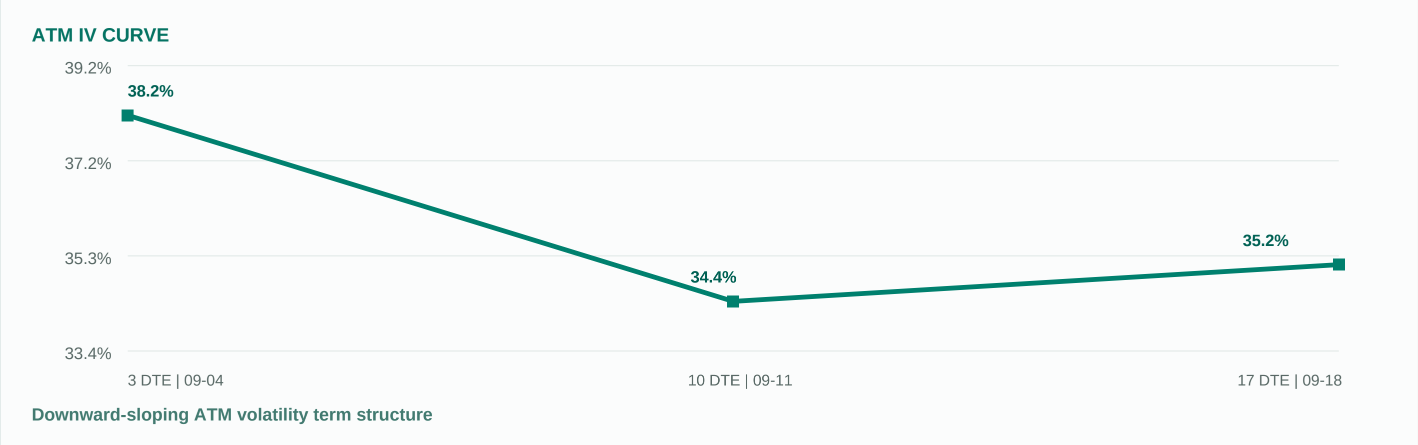
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
36 / 100	30 / 100	90.87	148.53

Market regime	**DANGER ZONE**
Tail-risk regime	**NORMAL TAIL RISK**
Term structure	**backwardation**
Term slope	**-3.01 pts**
Skew read	**balanced**
Liquidity / quote coverage	**100.0%**
Options observation	**Sep 1, 2026 4:19 PM EDT | Coverage 88.9%**

Option term structure

ATM implied-volatility curve by days to expiration



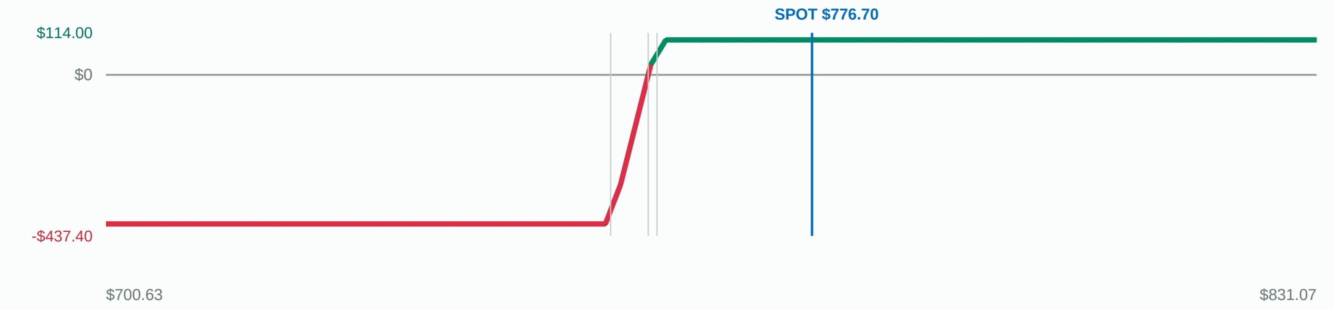
EXPIRATION	DTE	ATM IV	STATE
2026-09-04	3	38.2%	-
2026-09-11	10	34.4%	-
2026-09-18	17	35.2%	-

Reference spread payoff

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

Bull Put Spread reference

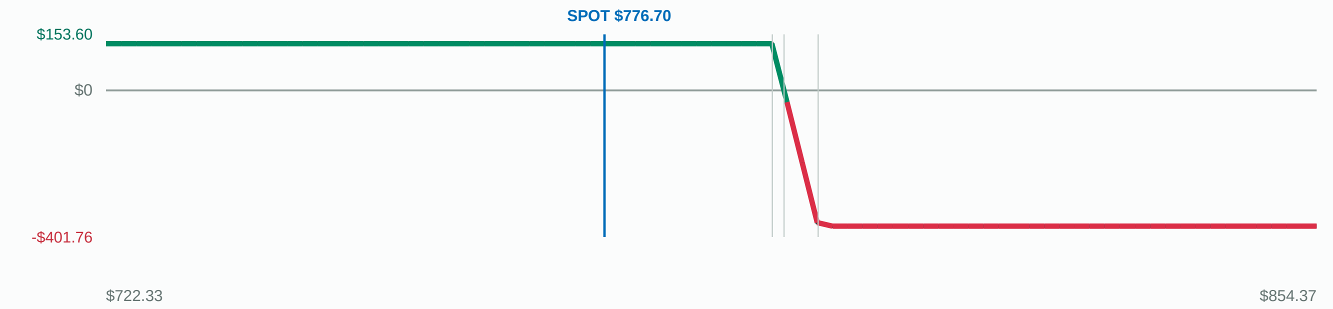
Short $760.00 | Long $755.00 | Width $5.00 | Net credit $0.95



Max profit $95.00 | Max loss -$405.00 | Break-even $759.05 | Per contract at expiry

Bear Call Spread reference

Short $795.00 | Long $800.00 | Width $5.00 | Net credit $1.28



Max profit $128.00 | Max loss -$372.00 | Break-even $796.28 | 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	**16.20**
VVIX	**90.87**
SKEW index	**148.53**
Observation confidence	**high**
Option quote quality	**reliable**
Contracts observed	**113**

Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	**113**

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The market for CAT options reflects a cautious outlook despite strong underlying fundamentals. While recent earnings and backlog growth are positive, the stock price has pulled back, and there's concern about regulatory headwinds and insider selling. The term structure is in backwardation, with near-term IV higher than further out dates, suggesting some uncertainty about short-term direction. Elevated put buying and high options volume indicate heightened investor anxiety.

Options context

CAT Options Suggest Uncertainty Amidst Strong Fundamentals

Wheel context

CAT's strong fundamentals are countered by recent weakness and market uncertainty. The stock price is testing support levels, and options activity suggests a cautious outlook.

Observed evidence

The stock price has pulled back from recent highs, testing support around $774-776. | Recent insider selling by CEO Joe Creed adds to market concerns. | High options volume and elevated put buying suggest increased uncertainty and potential for downside risk. | The term structure is in backwardation, with near-term IV higher than further out dates.

Principal risks to monitor

Regulatory headwinds to data-center demand in certain states could impact future growth. | Recessionary pressure on construction and mining sectors could negatively affect earnings.

Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization **$358.16B**	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 **1.57**
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 **90.3%**
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

Sep 1, 2026 9:59 AM EDT

Covered Call | 2026-09-11

At signal $781.42 | Current $778.74

SHORT **Option $780.00 B $17.60 / A $20.40**

High turnover | CR $19.00

Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	**$29.13**
ATR as % of price	**3.7%**
Volatility environment	**medium**
Current IV	**35.5%**
IV rank	**38 / 100**
IV percentile	**31 / 100**

Technical health and risk radar

Derived indicator health and event context

Overall health	**64 / 100**
Trend health	**78 / 100**
Momentum health	**63 / 100**
Volatility health	**54 / 100**
Structure health	**50 / 100**
Earnings risk / date	**low | 2026-10-29**
Macro risk	**unknown**
Volatility risk	**medium**
Structure risk	**medium**

Structural indicator levels

Moving averages, volatility bands and observed trading ranges

SMA (20 / 50 / 200)	**$831.90 / $885.28 / $769.48**
EMA (9 / 21)	**$808.26 / $828.62**
Bollinger upper / middle / lower	**$884.94 / $831.90 / $778.86**
Bollinger %B	**0.003**
True high / low	**$797.47 / $774.55**

Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
5-day true high / low	**$832.99 / $774.55**

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	-2.408	**-**
SMA50	-3.914	**-**
MVWAP20	-4.065	**-**
MACD	-1.166	**-**
RSI	-2.462	**-**
Volume	290153.670	**-**
ATR	-0.787	**-**
T1	-	**-19.89 / 846.51 / 802.90 / 789.05**
T2	-	**-19.15 / 847.18 / 821.23 / 799.16**
T3	-	**-18.21 / 847.60 / 832.99 / 807.31**

Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	**$776.70**
Options intelligence as of	**Sep 1, 2026 4:19 PM EDT**
Options data coverage	**88.9%**
SKEW regime	**HIGH TAIL RISK SKEW**
VVIX regime	**VVIX FLAT**
Front expiration / DTE	**2026-09-04 | 3 DTE**
Front at-the-money IV	**38.2%**
25-delta skew	**0.40**
Put / Call 25-delta	**$760.00 Delta -0.264 / $795.00 Delta 0.259**
Median option bid/ask spread	**15.9%**
Bid/ask spread	**-**
Contracts observed / quoted	**113 / 113**

Price context

Last Price: 776.70 | Bid: 776.39 | Ask: 777.00 | Previous Close: 797.47 | Change: -20.77 | Daily change: -2.60% | Update Time: 2026-09-01T14:32:27.915862-04:00 | Latest History Date: 2026-09-01 | Latest History Price: 776.70

Historical context

Trading-day sample: 60 sessions | First Date: 2026-06-08 | Latest Date: 2026-09-01 | Latest Price: 776.70 | Max Drawdown 60d Percent: -27.06%

Fundamental context

Current Iv Percent: 34.92% | Iv Rank: 35.84 | Iv Percentile: 30.16 | Next Earnings Date: 2026-10-29 | Ex Dividend Date: 2026-07-19 | Dividend Yield: 82.00

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

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