Caterpillar Inc / CAT

Equity | Generated Sep 4, 2026 11:31 PM EDT

Current price	Daily move	Bid / Ask	Previous close
$813.00	+12.86 +1.61%	-/-	$800.14

Market	**NYSE**
Industry	**Machinery**
Market data as of	**Sep 4, 2026 11:31 PM EDT**

JW Intelligence Report

Complete | 3 of 3 sections | Sep 4, 2026 7:52 PM EDT

JW Rank	Rank label	Confidence	IV percentile
61.7 / 100	Balanced	high	29 / 100

Model reference	Upside scenario	Risk reference	Wheel strategy fit
$800.00	$845.00	$775.00	71 / 100

Options stance	**bullish**
Tail-risk safety	**64 / 100**
JW Rank data coverage / as of	**100.0% | Sep 4, 2026 7:52 PM EDT**

Key insight

CAT Options Imply Upside Potential Despite Recent Pullback

Market read

The market appears bullish on Caterpillar (CAT) despite a recent pullback in its share price. The implied volatility is elevated, suggesting expectations for increased price movement in the near term. This is supported by strong demand signals from the option chain, with call options outpacing put options.

Strategy context

Caterpillar's recent earnings beat and raised guidance have fueled optimism about the company's future prospects. The strong demand for construction equipment and data center power solutions is expected to drive continued growth.

JW AI conclusions

Short- and medium-term model interpretation

AI context bias	**Bullish**
AI analysis updated	**Sep 4, 2026 2:20 PM EDT**

Short-term scenario

Cautious hold or small buy on further weakness only; 1-3 week bounce possible but technicals remain mixed with high uncertainty from volatility, macro and whether $800 support holds.

Three-month outlook

Moderately constructive but highly uncertain. Record backlog, raised guidance and AI/power-generation demand provide fundamental support for a recovery toward $900+ (analysts imply ~20% upside), yet the stock has already pulled back 24% from highs, trades at elevated multiples for a cyclical, and faces tariff, economic-cycle and data-center execution risks. Sideways-to-lower action possible if Q3 results disappoint or sentiment sours; upside requires sustained order momentum. Clearly identify uncertainty: outcome depends on interest rates, geopolitics, tariff policy and whether AI infrastructure spending remains durable.

Market sentiment

Mixed-to-cautious: some traders highlighting bounce off April trendline and $776 support as attractive R/R given AI/data-center tailwinds and calling it a dip-buy; others viewing valuation as stretched for a cyclical name, noting insider selling and warning of further tests of lows or bubble-like behavior. Overall sentiment reflects post-rally digestion rather than strong conviction (high uncertainty as posts include both opportunistic and skeptical views).

Supporting evidence

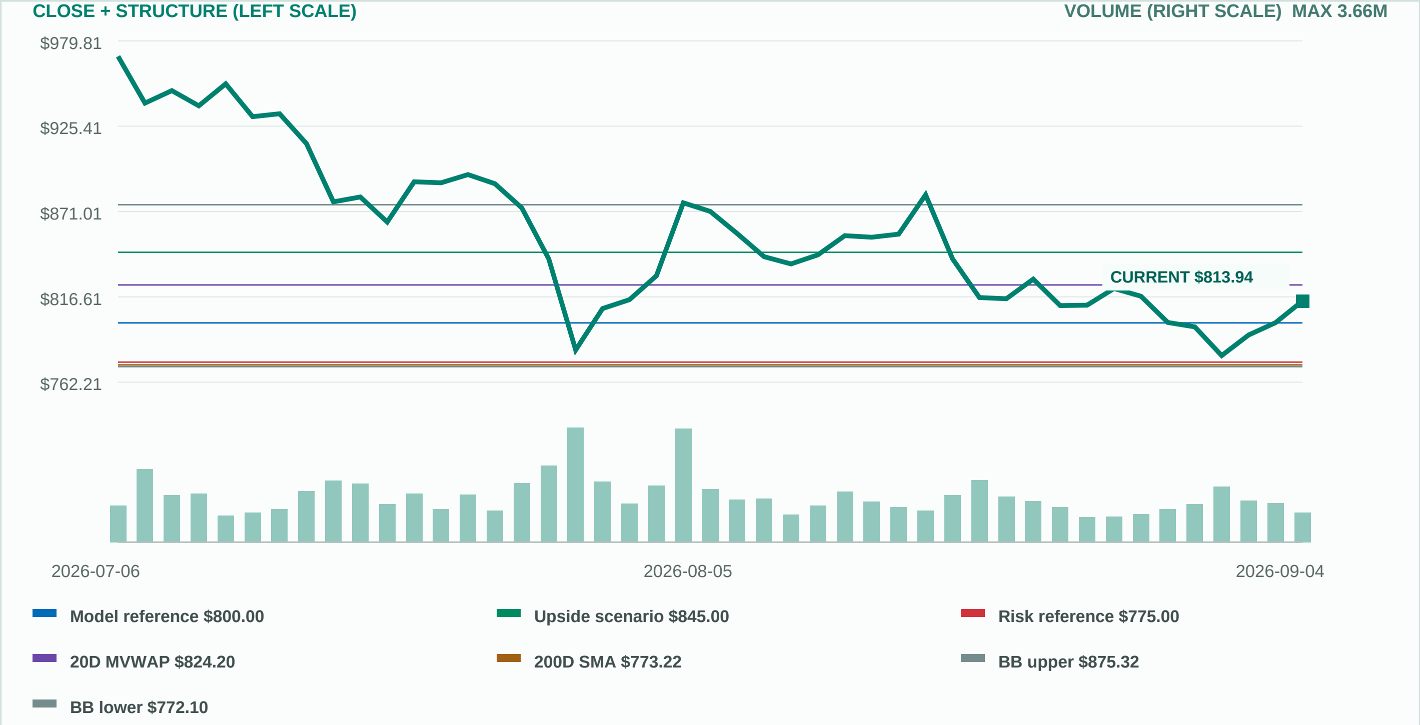
The front-month ATM IV is 32.17%, indicating a higher than average expectation of price movement. |
The delta 25 skew is positive at 0.7 points, suggesting a slight preference for upside potential. |
Call options are more actively traded than put options, indicating a greater belief in further price appreciation.

Risk watch

The stock has pulled back 24% from its 52-week high, raising concerns about potential further downside risk.

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%	96.2
Strategy Fit	100.0%	71.3
Technical Trend	100.0%	47.0
Market Tail Risk	100.0%	63.8
Fundamental Quality	100.0%	59.2
Volatility Pressure	100.0%	52.8

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)	**51.94 / 45.45 / 44.97**
RSI velocity	**3.68**
MACD line / signal / histogram	**-19.11 / - / -19.83**
MACD acceleration	**0.87**
Stochastic K / D	**29.53 / 18.42**

Institutional footprints

Volume-weighted cost, price location and flow

Current read	**Below institutional MVWAP | Distribution bias**
Institutional flow	**-3.73**
20-day MVWAP	**$824.20**
Price vs 20-day MVWAP	**-1.36%**
Daily reference VWAP	**$811.98**
Price vs daily reference	**+0.13%**
Volume	**947.99K**

Structural context

Long-term trend and volatility boundaries

Current read	**Above 200-day trend | Negative macro velocity**
Macro velocity	**-2.73**
20-day / 200-day SMA	**$823.71 / $773.22**
Bollinger range	**$772.10 - $875.32**
Bollinger position	**0.405**

Options and volatility intelligence

Structure, premium conditions and principal risks

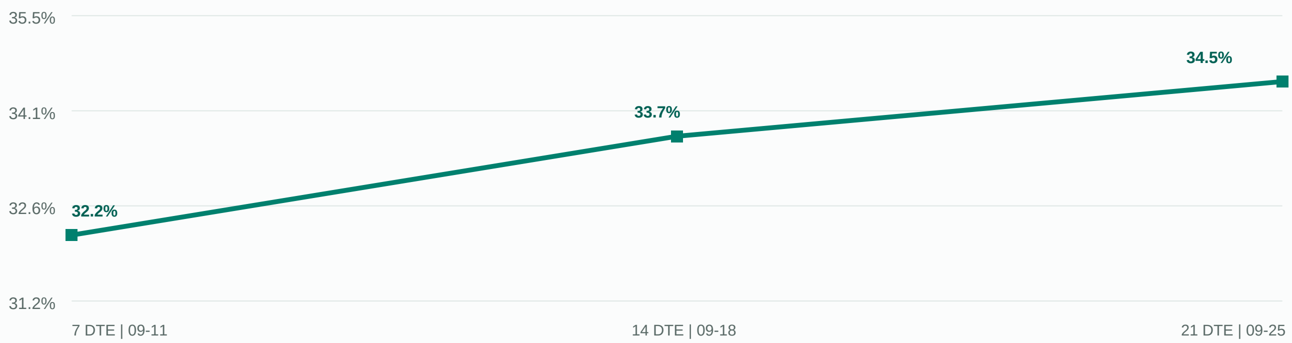
IV rank	IV percentile	VVIX	SKEW
37 / 100	**29 / 100**	**82.43**	**150.63**

Market regime	**Calm**
Tail-risk regime	**NORMAL TAIL RISK**
Term structure	**contango**
Term slope	**+2.33 pts**
Skew read	**balanced**
Liquidity / quote coverage	**100.0%**
Options observation	**Sep 4, 2026 4:22 PM EDT | Coverage 88.9%**

Option term structure

ATM implied-volatility curve by days to expiration

ATM IV CURVE



Upward-sloping ATM volatility term structure

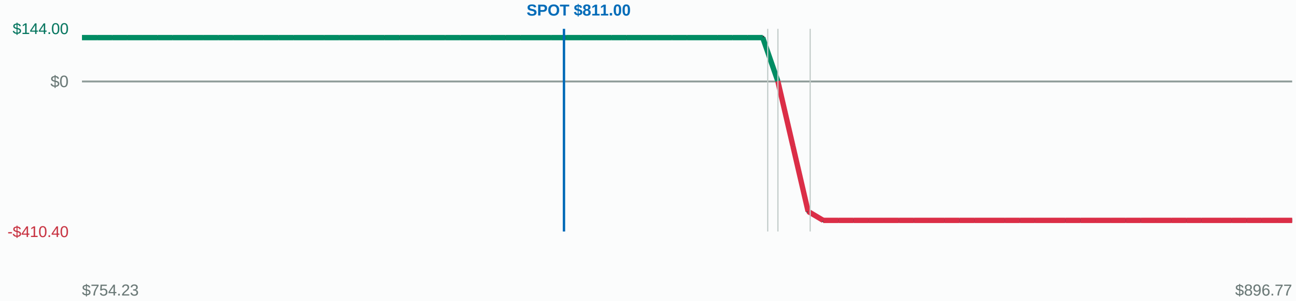
EXPIRATION	DTE	ATM IV	STATE
2026-09-11	7	32.2%	-
2026-09-18	14	33.7%	-
2026-09-25	21	34.5%	-

Reference spread payoff

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

Bear Call Spread reference

Short $835.00 | Long $840.00 | Width $5.00 | Net credit $1.20



Max profit $120.00 | Max loss -$380.00 | Break-even $836.20 | 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	**14.02**
VVIX	**82.43**
SKEW index	**150.63**
Observation confidence	**high**
Option quote quality	**reliable**
Contracts observed	**95**
Contracts with quotes	**95**

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

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Options context

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Wheel context

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Observed evidence

The front-month ATM IV is 32.17%, indicating a higher than average expectation of price movement. |
The delta 25 skew is positive at 0.7 points, suggesting a slight preference for upside potential. |
Call options are more actively traded than put options, indicating a greater belief in further price appreciation.

Principal risks to monitor

The stock has pulled back 24% from its 52-week high, raising concerns about potential further downside risk.

Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization **$374.15B**	P/E (TTM) **33.95**
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 **1.61**
52-week range **$414.29 - $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 **90.4%**
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 4, 2026 11:09 AM EDT

Covered Call | 2026-09-11

At signal $814.48 | Current $813.00

SHORT **Option $820.00 B $12.20 / A $14.05**

High turnover | CR $13.13

Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	**$27.69**
ATR as % of price	**3.4%**
Volatility environment	**medium**
Current IV	**35.0%**
IV rank	**36 / 100**
IV percentile	**29 / 100**

Technical health and risk radar

Derived indicator health and event context

Overall health	**78 / 100**
Trend health	**78 / 100**
Momentum health	**83 / 100**
Volatility health	**59 / 100**
Structure health	**91 / 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)	**$823.71 / $872.69 / $773.22**
EMA (9 / 21)	**$806.05 / $822.20**
Bollinger upper / middle / lower	**$875.32 / $823.71 / $772.10**
Bollinger %B	**0.405**
True high / low	**$821.00 / $800.14**

Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
5-day true high / low	**$821.00 / $771.39**

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	-2.731	**-**
SMA50	-4.196	**-**
MVWAP20	-3.734	**-**
MACD	0.865	**-**
RSI	3.683	**-**
Volume	-274952.330	**-**
ATR	-0.480	**-**
T1	-	**-21.06 / 826.03 / 803.92 / 781.49**
T2	-	**-21.84 / 829.63 / 793.94 / 771.39**
T3	-	**-21.71 / 835.40 / 797.47 / 774.55**

Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	**$811.00**
Options intelligence as of	**Sep 4, 2026 4:22 PM EDT**
Options data coverage	**88.9%**
SKEW regime	**HIGH TAIL RISK SKEW**
VVIX regime	**VVIX FLAT**
Front expiration / DTE	**2026-09-11 | 7 DTE**
Front at-the-money IV	**32.2%**
25-delta skew	**0.70**
Put / Call 25-delta	**$790.00 Delta -0.269 / $835.00 Delta 0.270**
Median option bid/ask spread	**14.0%**
Bid/ask spread	**-**
Contracts observed / quoted	**95 / 95**

Price context

Last Price: 811.00 | Bid: 810.84 | Ask: 811.17 | Previous Close: 800.14 | Change: 10.86 | Daily change: 1.36% | Update Time: 2026-09-04T14:35:57.357749-04:00 | Latest History Date: 2026-09-04 | Latest History Price: 811.00

Historical context

Trading-day sample: 60 sessions | First Date: 2026-06-11 | Latest Date: 2026-09-04 | Latest Price: 811.00 | Max Drawdown 60d Percent: -26.83%

Fundamental context

Current Iv Percent: 35.15% | Iv Rank: 36.54 | Iv Percentile: 29.37 | Next Earnings Date: 2026-10-29 | Ex Dividend Date: N/A | Dividend Yield: 0.00

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**
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