Caterpillar Inc / CAT

Equity | Generated Sep 9, 2026 11:30 PM EDT

Current price	Daily move	Bid / Ask	Previous close
$813.41	**-9.07 -1.10%**	**$810.17/$821.79**	**$822.48**

Market	**NYSE**
Industry	**Machinery**
Market data as of	**Sep 9, 2026 11:30 PM EDT**

JW Intelligence Report

Complete | 3 of 3 sections | Sep 9, 2026 6:50 PM EDT

JW Rank	Rank label	Confidence	IV percentile
58.6 / 100	**Balanced**	**high**	**43 / 100**

Model reference	Upside scenario	Risk reference	Wheel strategy fit
$812.00	**$850.00**	**$795.00**	**67 / 100**

Options stance	**bullish**
Tail-risk safety	**32 / 100**
JW Rank data coverage / as of	**100.0% | Sep 9, 2026 6:50 PM EDT**

Key insight

Caterpillar Options Imply Continued Upside Potential

Market read

CAT options suggest continued optimism despite recent pullback. The stock's strong Q2 earnings, record backlog, and bullish analyst sentiment are reflected in the relatively high implied volatility and positive skew. While some caution exists due to valuation concerns and potential economic headwinds, the overall market view leans constructive.

Strategy context

The recent pullback in CAT's share price presents a potential buying opportunity for investors who believe the company's long-term growth prospects remain intact.

JW AI conclusions

Short- and medium-term model interpretation

AI context bias	**Bullish**
AI analysis updated	**Sep 9, 2026 2:14 PM EDT**

Short-term scenario

Neutral/cautious; potential bounce if $810-813 support holds given mixed technicals after the pullback, but high uncertainty from valuation stretch, tariffs, costs, and broader volatility. Wait for confirmation rather than chasing.

Three-month outlook

Moderately constructive bias toward $900-950 range if backlog converts and AI/infrastructure demand persists, aligning with the $976 analyst target (~19% upside). Strong Q2 momentum and raised guidance support this, but high uncertainty remains around stretched PE (35+), potential margin pressure, tariff impacts, economic slowdown, and Q3 earnings in late October. A break below support could extend the pullback; execution on capacity expansion is key.

Market sentiment

Mixed to cautious on X. Some note tightening action, higher lows, and a falling wedge for potential breakout. Mentions of Michael Burry shorting CAT among other names. Bulls cite the $72B backlog and are adding on the ~25% pullback from highs as a data-center/AI play. Skeptics flag overvaluation (treated like a growth stock), insider selling, and late-cycle heavy-equipment risks. Overall not uniformly bullish.

Supporting evidence

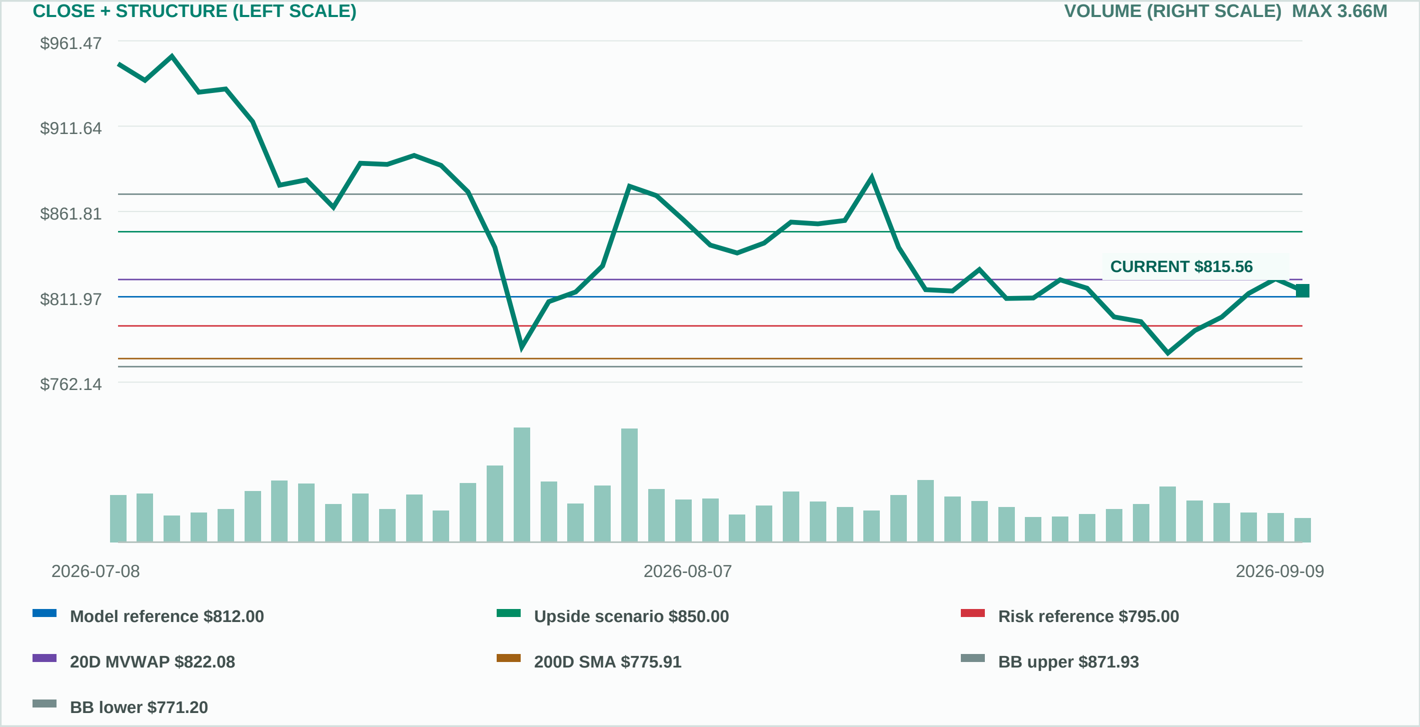
CAT options exhibit a positive skew with call options more expensive than put options of similar strike prices. | Implied volatility is elevated at 37%, suggesting expectations for continued price movement in either direction. | The term structure shows a backwardated curve, indicating higher implied volatility for near-term expirations compared to longer-dated options. | Analyst consensus remains bullish with an average target price of $975.61, representing ~19% upside from current levels.

Risk watch

Valuation concerns exist as CAT trades at a premium P/E ratio. | Economic slowdown and potential tariff impacts could negatively affect demand for heavy equipment.

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%	89.1
Strategy Fit	100.0%	66.9
Technical Trend	100.0%	49.3
Market Tail Risk	100.0%	32.0
Fundamental Quality	100.0%	59.2
Volatility Pressure	100.0%	65.3

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)	**51.84 / 46.10 / 45.41**
RSI velocity	**1.62**
MACD line / signal / histogram	**-15.15 / - / -18.39**
MACD acceleration	**1.97**
Stochastic K / D	**60.63 / 45.22**

Institutional footprints

Volume-weighted cost, price location and flow

Current read	**Below institutional MVWAP | Distribution bias**
Institutional flow	**-1.32**
20-day MVWAP	**$822.08**
Price vs 20-day MVWAP	**-1.05%**
Daily reference VWAP	**$819.01**
Price vs daily reference	**-0.68%**
Volume	**777.13K**

Structural context

Long-term trend and volatility boundaries

Current read	**Above 200-day trend | Negative macro velocity**
Macro velocity	**-1.19**
20-day / 200-day SMA	**$821.56 / $775.91**
Bollinger range	**$771.20 - $871.93**
Bollinger position	**0.440**

Options and volatility intelligence

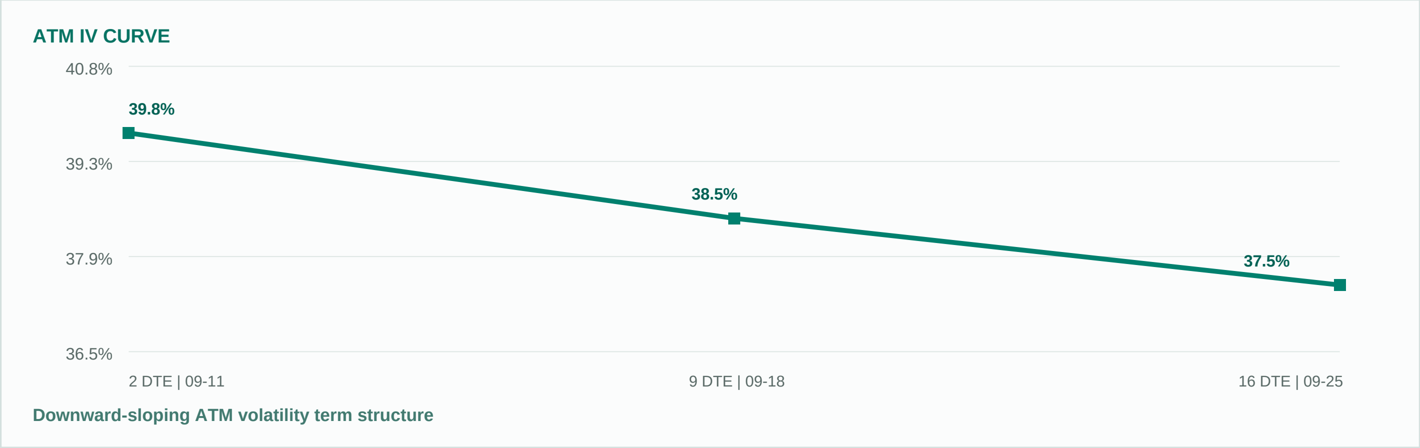
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
41 / 100	45 / 100	93.31	148.86

Market regime	**DANGER ZONE**
Tail-risk regime	**NORMAL TAIL RISK**
Term structure	**backwardation**
Term slope	**-2.28 pts**
Skew read	**balanced**
Liquidity / quote coverage	**100.0%**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Sep 9, 2026 2:44 PM EDT**
Options data quality	**Coverage 88.9%**

Option term structure

ATM implied-volatility curve by days to expiration



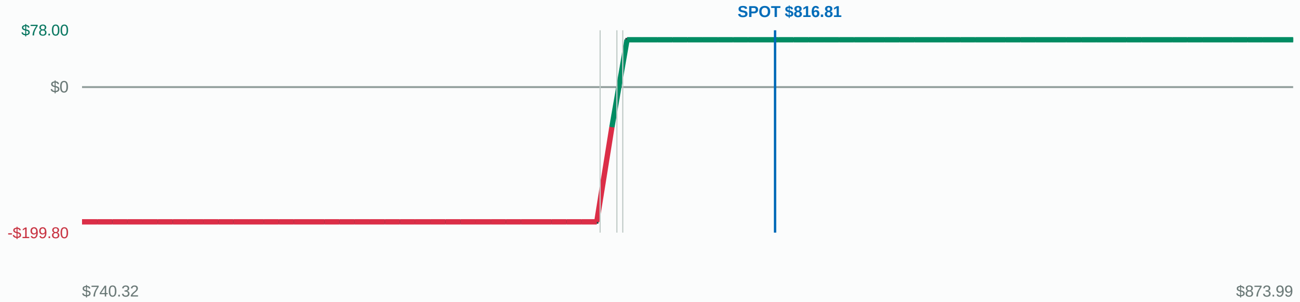
EXPIRATION	DTE	ATM IV	STATE
2026-09-11	2	39.8%	-
2026-09-18	9	38.5%	-
2026-09-25	16	37.5%	-

Reference spread payoff

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

Bull Put Spread reference

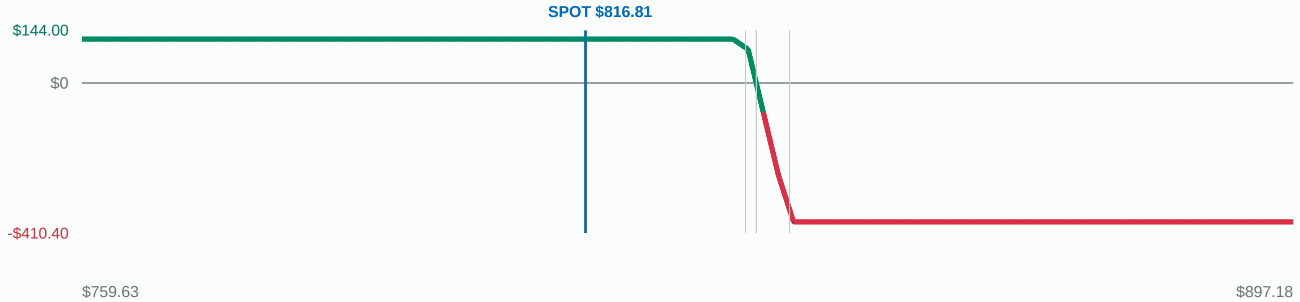
Short $800.00 | Long $797.50 | Width $2.50 | Net credit $0.65



Max profit $65.00 | Max loss -$185.00 | Break-even $799.35 | Per contract at expiry

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	**16.21**
VVIX	**93.31**
SKEW index	**148.86**
Observation confidence	**high**
Option quote quality	**reliable**
Contracts observed	**96**

Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	**96**

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

CAT options suggest continued optimism despite recent pullback. The stock's strong Q2 earnings, record backlog, and bullish analyst sentiment are reflected in the relatively high implied volatility and positive skew. While some caution exists due to valuation concerns and potential economic headwinds, the overall market view leans constructive.

Options context

Caterpillar Options Imply Continued Upside Potential

Wheel context

The recent pullback in CAT's share price presents a potential buying opportunity for investors who believe the company's long-term growth prospects remain intact.

Observed evidence

CAT options exhibit a positive skew with call options more expensive than put options of similar strike prices. | Implied volatility is elevated at 37%, suggesting expectations for continued price movement in either direction. | The term structure shows a backwardated curve, indicating higher implied volatility for near-term expirations compared to longer-dated options. | Analyst consensus remains bullish with an average target price of $975.61, representing ~19% upside from current levels.

Principal risks to monitor

Valuation concerns exist as CAT trades at a premium P/E ratio. | Economic slowdown and potential tariff impacts could negatively affect demand for heavy equipment.

Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization **$374.89B**	P/E (TTM) **34.62**
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 **1.60**
52-week range **$416.44 - $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 **94.5%**
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 9, 2026 12:28 PM EDT

Covered Call | 2026-09-18

At signal $815.91 | Current $813.41

SHORT **Option $810.00 B $21.70 / A $24.80**

High turnover | CR $23.25

Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	**$26.00**
ATR as % of price	**3.2%**
Volatility environment	**medium**
Current IV	**36.8%**
IV rank	**40 / 100**
IV percentile	**43 / 100**
Technical Snapshot IV source	**Private fundamentals snapshot**
Technical Snapshot IV observed at	**Sep 9, 2026 7:30 PM EDT**

Technical health and risk radar

Derived indicator health and event context

Overall health	**80 / 100**
Trend health	**78 / 100**
Momentum health	**84 / 100**
Volatility health	**62 / 100**
Structure health	**94 / 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)	**$821.56 / $864.84 / $775.91**
EMA (9 / 21)	**$810.58 / $821.62**
Bollinger upper / middle / lower	**$871.93 / $821.56 / $771.20**

Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	**0.440**
True high / low	**$827.96 / $813.50**
5-day true high / low	**$830.50 / $771.39**

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	-1.186	**-**
SMA50	-4.238	**-**
MVWAP20	-1.316	**-**
MACD	1.971	**-**
RSI	1.623	**-**
Volume	-155446.000	**-**
ATR	-0.736	**-**
T1	-	**-16.69 / 823.50 / 830.50 / 813.94**
T2	-	**-19.11 / 824.20 / 821.00 / 800.14**
T3	-	**-21.06 / 826.03 / 803.92 / 781.49**

Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	**$816.81**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Sep 9, 2026 2:44 PM EDT**
Options data coverage	**88.9%**
SKEW regime	**HIGH TAIL RISK SKEW**
VVIX regime	**VVIX FLAT**
Front expiration / DTE	**2026-09-11 | 2 DTE**
Front at-the-money IV	**39.8%**
25-delta skew	**0.81**
Put / Call 25-delta	**$800.00 Delta -0.239 / $835.00 Delta 0.236**
Median option bid/ask spread	**20.1%**
Bid/ask spread	**-**
Contracts observed / quoted	**96 / 96**

Price context

Last Price: 816.81 | Bid: 816.53 | Ask: 816.92 | Previous Close: 822.48 | Change: -5.67 | Daily change: -0.69% | Update Time: 2026-09-09T14:44:30.104954-04:00 | Latest History Date: 2026-09-09 | Latest History Price: 816.81

Historical context

Trading-day sample: 60 sessions | First Date: 2026-06-15 | Latest Date: 2026-09-09 | Latest Price: 816.81 | Max Drawdown 60d Percent: -26.83%

Fundamental context

Current Iv Percent: 37.06% | Iv Rank: 41.00 | Iv Percentile: 45.02 | Next Earnings Date: 2026-10-29 | Ex Dividend Date: 2026-07-19

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.

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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.

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Reference documents

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