



Caterpillar Inc / CAT

Equity | Generated Sep 17, 2026 11:31 PM EDT

Current price	Daily move	Bid / Ask	Previous close
\$797.55	+14.83 +1.89%	-/-	\$782.72

Market	NYSE
Industry	Machinery
Market data as of	Sep 17, 2026 11:31 PM EDT

JW Intelligence Report

Complete | 3 of 3 sections | Sep 17, 2026 7:50 PM EDT

JW Rank	Rank label	Confidence	IV percentile
59.7 / 100	Balanced	high	27 / 100
Model reference	Upside scenario	Risk reference	Wheel strategy fit
\$790.00	\$830.00	\$770.00	71 / 100

Options stance	bullish
Tail-risk safety	56 / 100
JW Rank data coverage / as of	100.0% Sep 17, 2026 7:50 PM EDT

Key insight

CAT Option Market Implies Upside Potential Despite Recent Pullback

Market read

The CAT option market suggests bullish sentiment despite recent price pullback. While implied volatility is elevated, the term structure shows a backwardation pattern with near-term options more expensive than longer-dated ones. This indicates traders anticipate potential upside movement in the coming weeks. Additionally, strong demand for call options and positive news flow surrounding record backlog growth and AI-driven demand contribute to the bullish outlook.

Strategy context

The market appears to be pricing in a potential bounce following the recent pullback, with near-term upside expectations outweighing concerns about valuation.



JW AI conclusions

Short- and medium-term model interpretation

AI context bias

Mixed

AI analysis updated

Sep 17, 2026 2:12 PM EDT

Short-term scenario

Cautious/neutral hold with possible dip-buy; oversold RSI and strong backlog support a 1-3 week bounce, but high uncertainty from downtrend, elevated valuation, and macro/AI-capex risks. Prefer confirmation above resistance or wait for support test.

Three-month outlook

Moderately bullish on record backlog, AI/power-gen demand, raised guidance and Q3 earnings (Oct 28), with analysts targeting \$975+; however high uncertainty from PE ~34 (well above historical), potential construction slowdown, tariffs, insider sales, and sustainability of AI infrastructure spend. Possible range 750-900 with volatility; not a low-risk setup.

Market sentiment

Mixed with caution; recent analyst upgrades (Citi reiterates Buy \$1100, Freedom Broker to Buy \$980) viewed positively alongside oversold bounce talk, but concerns over stretched valuation (PE 34 vs historical), insider selling, and AI-hype bubble in industrials. Recent mentions dominated by spam; overall cautious amid pullback.

Supporting evidence

The term structure of CAT options exhibits a backwardation pattern, with near-term implied volatility exceeding longer-dated IV. | Strong demand for CAT call options suggests bullish sentiment among traders. | Recent news highlights record backlog growth and positive developments in AI-driven power generation demand.

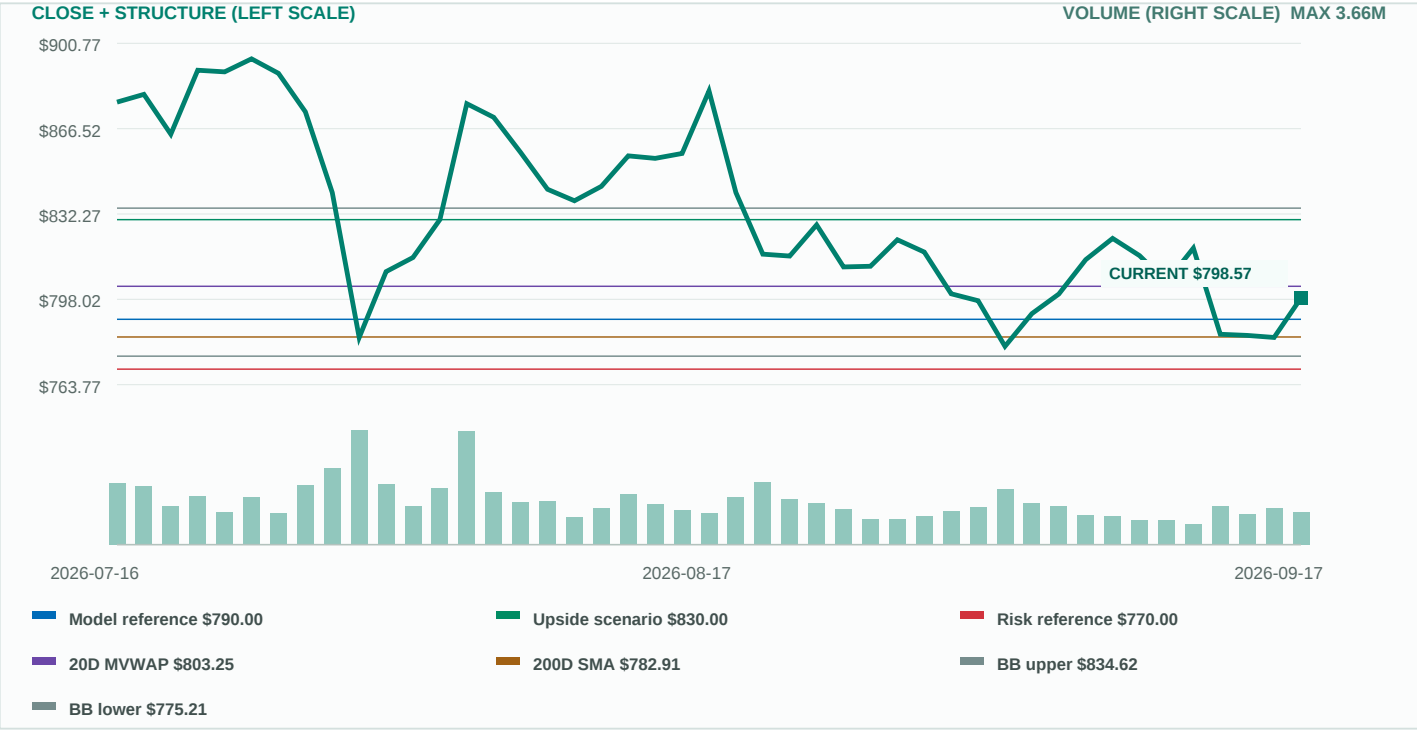
Risk watch

Elevated implied volatility suggests heightened uncertainty and potential for price swings.



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



Decision summary

Primary model reads before the detailed indicator appendix

Momentum

bullish_recovery

Institutional flow

Below MVWAP

Structure

Above 200D trend

Volatility

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)	47.89 / 44.60 / 44.35
RSI velocity	1.71
MACD line / signal / histogram	-14.76 / - / -15.71
MACD acceleration	-0.17
Stochastic K / D	28.03 / 28.53

Institutional footprints

Volume-weighted cost, price location and flow

Current read	Below institutional MVWAP Distribution bias
Institutional flow	-3.22
20-day MVWAP	\$803.25
Price vs 20-day MVWAP	-0.71%
Daily reference VWAP	\$802.51
Price vs daily reference	-0.62%
Volume	1.04M

Structural context

Long-term trend and volatility boundaries

Current read	Above 200-day trend Negative macro velocity
Macro velocity	-2.90
20-day / 200-day SMA	\$804.91 / \$782.91
Bollinger range	\$775.21 - \$834.62
Bollinger position	0.393



Options and volatility intelligence

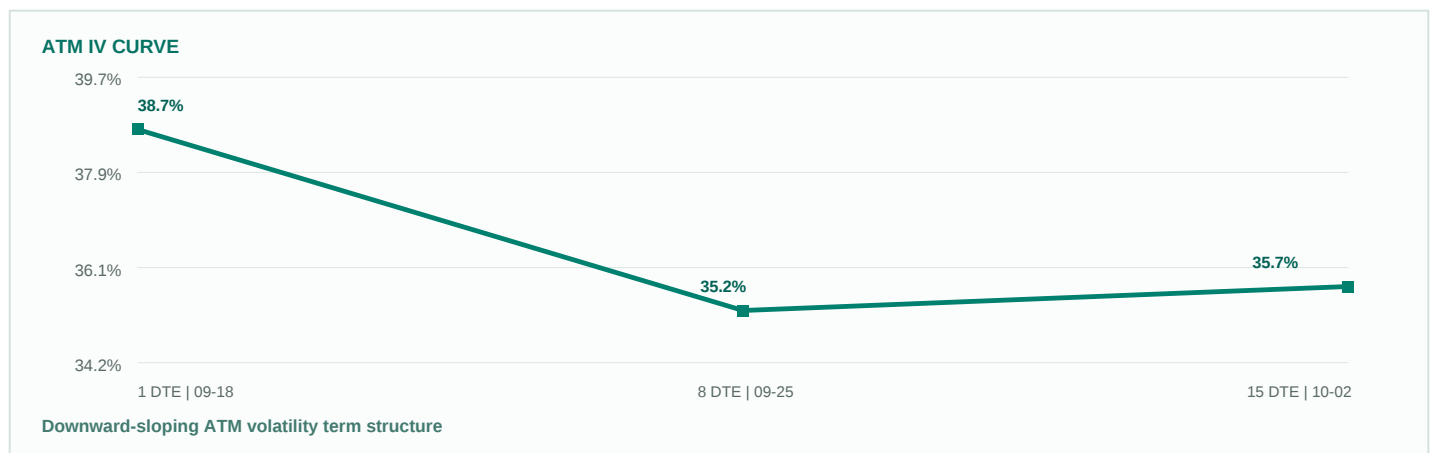
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
34 / 100	29 / 100	88.56	145.95

Market regime	Calm
Tail-risk regime	NORMAL TAIL RISK
Term structure	backwardation
Term slope	-3.01 pts
Skew read	balanced
Liquidity / quote coverage	99.3%
Options Snapshot IV sources	ATM: option chain Rank/percentile: fundamentals
Options Snapshot IV observed at	Sep 17, 2026 2:46 PM EDT
Options data quality	Coverage 88.9%

Option term structure

ATM implied-volatility curve by days to expiration



EXPIRATION	DTE	ATM IV	STATE
2026-09-18	1	38.7%	-
2026-09-25	8	35.2%	-
2026-10-02	15	35.7%	-



Reference spread payoff

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



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	15.53
VVIX	88.56
SKEW index	145.95
Observation confidence	high
Option quote quality	reliable
Contracts observed	144



Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	143

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The CAT option market suggests bullish sentiment despite recent price pullback. While implied volatility is elevated, the term structure shows a backwardation pattern with near-term options more expensive than longer-dated ones. This indicates traders anticipate potential upside movement in the coming weeks. Additionally, strong demand for call options and positive news flow surrounding record backlog growth and AI-driven demand contribute to the bullish outlook.

Options context

CAT Option Market Implies Upside Potential Despite Recent Pullback

Wheel context

The market appears to be pricing in a potential bounce following the recent pullback, with near-term upside expectations outweighing concerns about valuation.

Observed evidence

The term structure of CAT options exhibits a backwardation pattern, with near-term implied volatility exceeding longer-dated IV. | Strong demand for CAT call options suggests bullish sentiment among traders. | Recent news highlights record backlog growth and positive developments in AI-driven power generation demand.

Principal risks to monitor

Elevated implied volatility suggests heightened uncertainty and potential for price swings.



Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization	P/E (TTM)
\$359.80B	33.31
ROE	Revenue growth
54.2%	4.4%
EPS growth	Operating margin
14.2%	17.5%
Net profit margin	Gross margin
14.5%	-
Free cash flow CAGR	Debt / equity
12.1%	2.03
Dividend yield	Beta
2.1%	1.61
52-week range	
\$430.61 - \$1,073.46	

Company or fund profile

Issuer identity and classification

Name	Market
Caterpillar Inc	NYSE
Industry	Country
Machinery	US
Currency	IPO date
USD	1929-12-02
Shares outstanding	52-week return
460.59M	79.7%
Book value per share	Revenue per share
\$42.11	\$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 17, 2026 10:09 AM EDT
Covered Call 2026-09-25	
At signal \$797.72 Current \$797.55	
SHORT Option \$747.50 B \$52.25 / A \$60.45	
High turnover CR \$56.35	



Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	\$26.01
ATR as % of price	3.3%
Volatility environment	medium
Current IV	35.2%
IV rank	33 / 100
IV percentile	27 / 100
Technical Snapshot IV source	Private fundamentals snapshot
Technical Snapshot IV observed at	Sep 17, 2026 3:50 PM EDT

Technical health and risk radar

Derived indicator health and event context

Overall health	78 / 100
Trend health	78 / 100
Momentum health	81 / 100
Volatility health	61 / 100
Structure health	89 / 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)	\$804.91 / \$842.73 / \$782.91
EMA (9 / 21)	\$797.83 / \$809.75
Bollinger upper / middle / lower	\$834.62 / \$804.91 / \$775.21



Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	0.393
True high / low	\$813.95 / \$782.72
5-day true high / low	\$826.00 / \$772.86

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	-2.897	-
SMA50	-3.289	-
MVWAP20	-3.218	-
MACD	-0.170	-
RSI	1.712	-
Volume	-65884.000	-
ATR	-0.193	-
T1	-	-15.74 / 805.08 / 798.39 / 774.47
T2	-	-15.14 / 808.84 / 791.20 / 776.50
T3	-	-14.25 / 812.90 / 818.57 / 772.86



Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	\$796.68
Options Snapshot IV sources	ATM: option chain Rank/percentile: fundamentals
Options Snapshot IV observed at	Sep 17, 2026 2:46 PM EDT
Options data coverage	88.9%
SKEW regime	HIGH TAIL RISK SKEW
VVIX regime	VVIX FLAT
Front expiration / DTE	2026-09-18 1 DTE
Front at-the-money IV	38.7%
25-delta skew	-0.22
Put / Call 25-delta	\$785.00 Delta -0.226 / \$810.00 Delta 0.208
Median option bid/ask spread	22.3%
Bid/ask spread	-
Contracts observed / quoted	144 / 143

Price context

Last Price: 796.68 | Bid: 796.60 | Ask: 796.76 | Previous Close: 782.72 | Change: 13.96 | Daily change: 1.78% | Update Time: 2026-09-17T14:46:54.958129-04:00 | Latest History Date: 2026-09-17 | Latest History Price: 796.68

Historical context

Trading-day sample: 60 sessions | First Date: 2026-06-24 | Latest Date: 2026-09-17 | Latest Price: 796.68 | Max Drawdown 60d Percent: -26.83%

Fundamental context

Current Iv Percent: 35.59% | Iv Rank: 34.21 | Iv Percentile: 29.08 | 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

Official product terms and standardized options disclosure

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