Caterpillar Inc / CAT

Equity | Generated Sep 21, 2026 11:31 PM EDT

Current price	Daily move	Bid / Ask	Previous close
$817.00	**+8.01 +0.99%**	**$813.80/$821.29**	**$808.99**

Market	**NYSE**
Industry	**Machinery**
Market data as of	**Sep 21, 2026 11:31 PM EDT**

JW Intelligence Report

Complete | 3 of 3 sections | Sep 21, 2026 6:51 PM EDT

JW Rank	Rank label	Confidence	IV percentile
58.6 / 100	**Balanced**	**high**	**25 / 100**

Model reference	Upside scenario	Risk reference	Wheel strategy fit
$810.00	**$850.00**	**$790.00**	**61 / 100**

Options stance	**bullish**
Tail-risk safety	**32 / 100**
JW Rank data coverage / as of	**100.0% | Sep 21, 2026 6:51 PM EDT**

Key insight

CAT Option Market Implies Bullish Outlook Despite Recent Pullback

Market read

The CAT option market displays a bullish outlook despite recent price weakness. While the stock has pulled back 18% over the past three months, implied volatility remains elevated, suggesting anticipation of continued volatility and potential upside. The term structure is in backwardation, with near-term options more expensive than longer-dated options, indicating a belief that CAT's price will move higher sooner rather than later. The skew is balanced, meaning there isn't a strong preference for either call or put options.

Strategy context

CAT's recent pullback presents a potential buying opportunity for investors with a bullish outlook. The elevated implied volatility suggests the market expects continued price swings, offering opportunities for both directional and volatility trades.

JW AI conclusions

Short- and medium-term model interpretation

AI context bias	**Bullish**
AI analysis updated	**Sep 21, 2026 2:17 PM EDT**

Short-term scenario

Cautious hold or small accumulation on any dip toward 810 amid mixed technicals and today's bounce. High uncertainty from macro (interest rates, tariffs) and post-correction volatility; 1-3 week swing could be range-bound. Not financial advice.

Three-month outlook

Moderately bullish with significant uncertainty. Record backlog, data-center power tailwinds, autonomy expansion, and raised guidance support a potential recovery toward $900-plus (analyst targets imply 19-22 percent upside). However, risks include higher rates slowing construction, lingering tariff costs, possible AI capex slowdown, and high valuation (P/E 35). Stock down 18 percent over past 3 months after parabolic run; could retest $780 support or rally on catalysts. Volatile (beta 1.6). Identify uncertainty: macro environment and execution on $72 billion backlog remain key variables.

Market sentiment

Mixed with cautious optimism. Positive posts highlight data-center diesel generator demand (stock up hundreds of percent since AI boom start), Citi catalyst watch, and upgrades to Buy. Some traders targeting $790-800 entries. Bearish notes on potential bubble after 95 percent 1-year gain, earlier insider selling, and diesel price doubling. Many low-engagement promotional posts. Overall, pullback seen as opportunity amid strong backlog but with bubble/valuation skepticism.

Supporting evidence

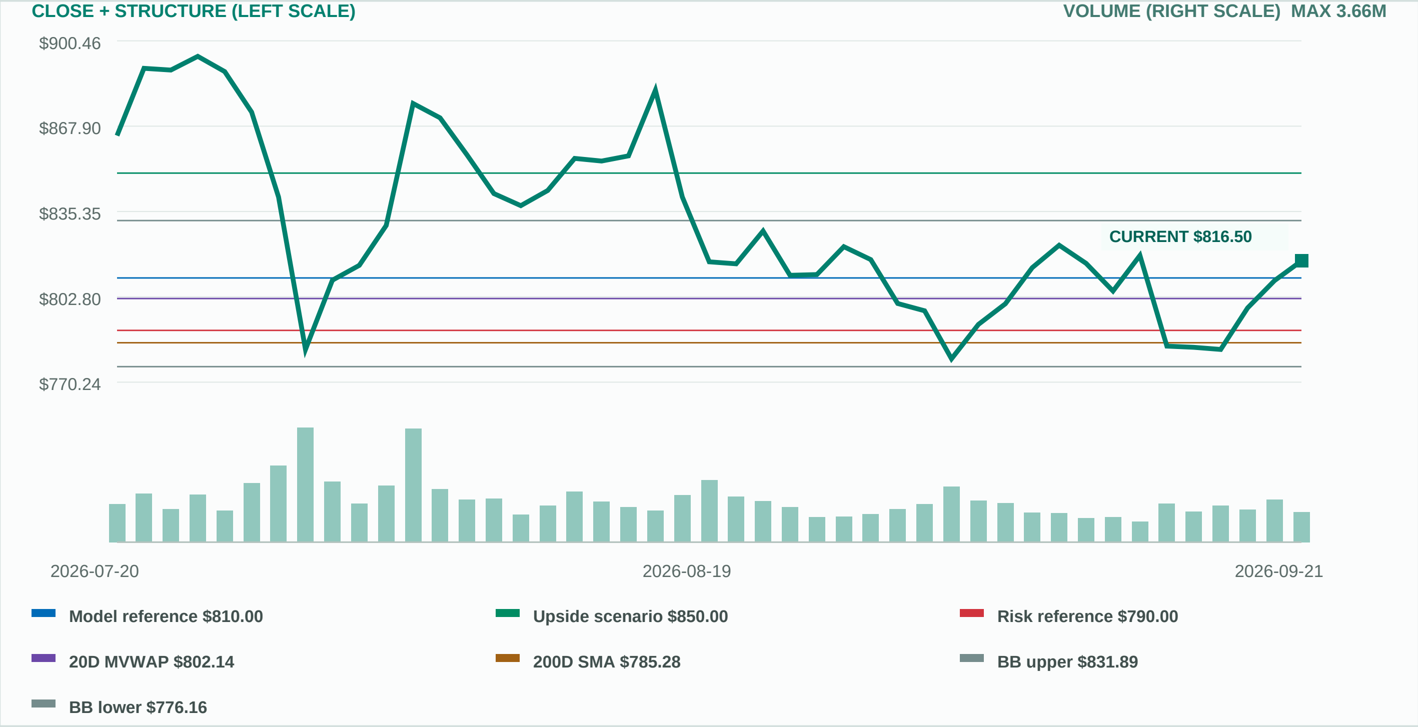
Implied volatility is elevated at 34.64%, suggesting market expectation of significant price movement. | The term structure is in backwardation with near-term options more expensive than longer-dated options, indicating a belief in near-term upside potential. | The balanced skew suggests equal probability of both upward and downward price movements. | Positive news flow from xAI analysis highlights strong fundamentals like record backlog driven by data center demand, successful autonomous hauling expansion, and analyst upgrades.

Risk watch

High valuation (P/E 35) could limit upside potential. | Macroeconomic uncertainty, including interest rates and tariffs, poses a risk to the construction sector.

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%	86.9
Strategy Fit	100.0%	60.9
Technical Trend	100.0%	61.4
Market Tail Risk	100.0%	32.0
Fundamental Quality	100.0%	59.2
Volatility Pressure	100.0%	51.5

Decision summary

Primary model reads before the detailed indicator appendix

Momentum	Institutional flow	Structure	Volatility
bullish_recovery	**Above 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)	**59.17 / 50.18 / 47.77**
RSI velocity	**3.67**
MACD line / signal / histogram	**-10.86 / - / -14.30**
MACD acceleration	**1.62**
Stochastic K / D	**61.97 / 44.22**

Institutional footprints

Volume-weighted cost, price location and flow

Current read	**Above institutional MVWAP | Distribution bias**
Institutional flow	**-0.98**
20-day MVWAP	**$802.14**
Price vs 20-day MVWAP	**+1.85%**
Daily reference VWAP	**$816.52**
Price vs daily reference	**+0.06%**
Volume	**964.50K**

Structural context

Long-term trend and volatility boundaries

Current read	**Above 200-day trend | Negative macro velocity**
Macro velocity	**-0.59**
20-day / 200-day SMA	**$804.02 / $785.28**
Bollinger range	**$776.16 - $831.89**
Bollinger position	**0.724**

Options and volatility intelligence

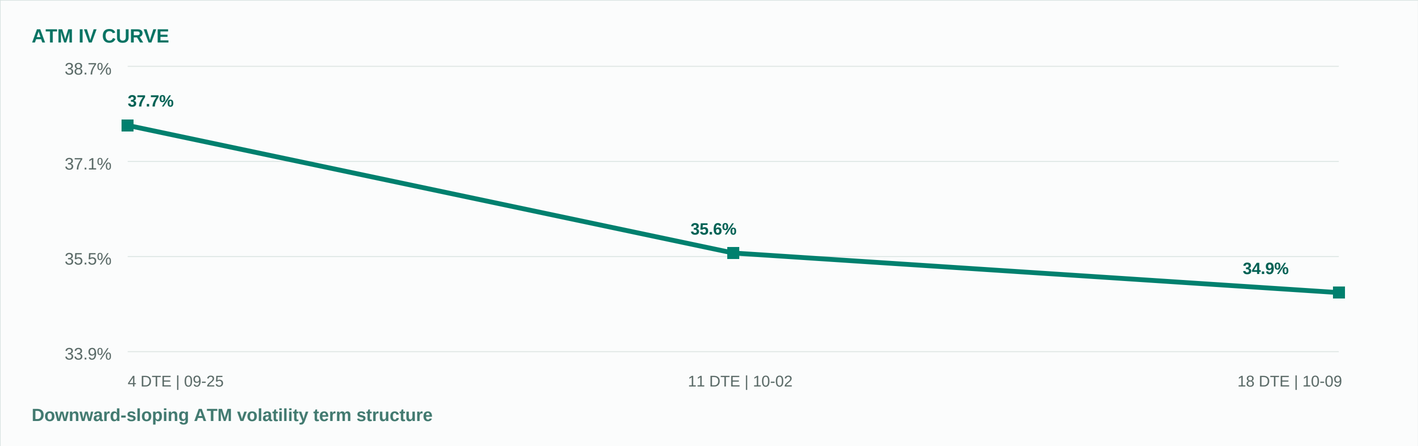
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
31 / 100	24 / 100	86.00	148.10

Market regime	**DANGER ZONE**
Tail-risk regime	**NORMAL TAIL RISK**
Term structure	**backwardation**
Term slope	**-2.83 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 21, 2026 2:47 PM EDT**
Options data quality	**Coverage 88.9%**

Option term structure

ATM implied-volatility curve by days to expiration



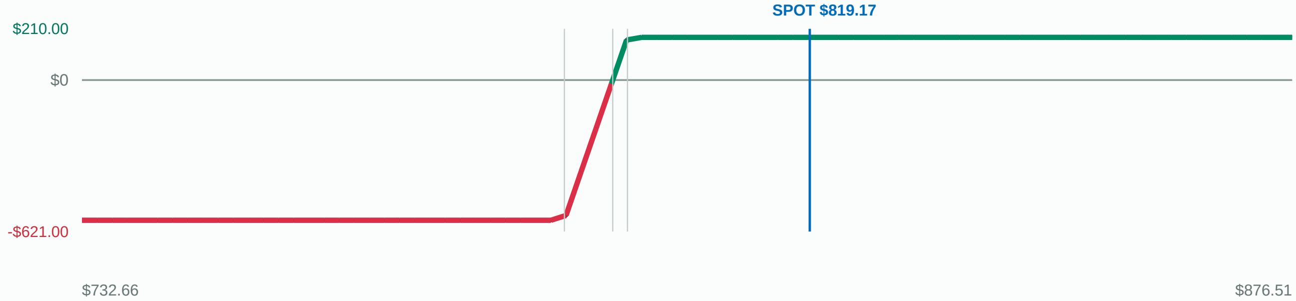
EXPIRATION	DTE	ATM IV	STATE
2026-09-25	4	37.7%	-
2026-10-02	11	35.6%	-
2026-10-09	18	34.9%	-

Reference spread payoff

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

Bull Put Spread reference

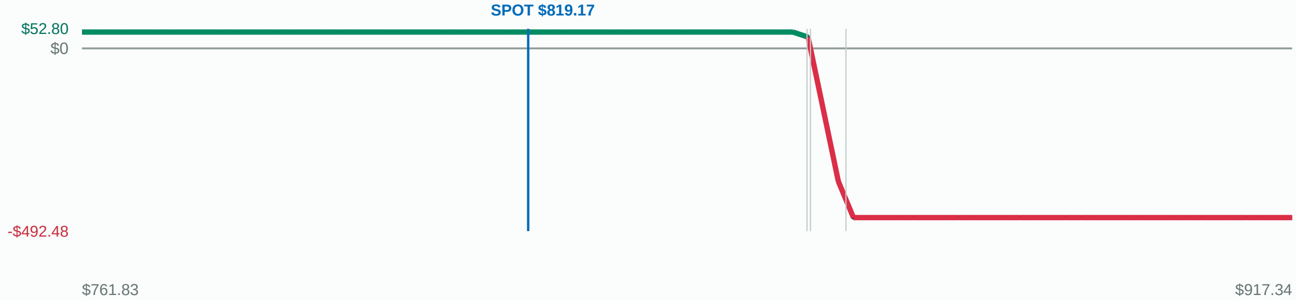
Short $797.50 | Long $790.00 | Width $7.50 | Net credit $1.75



Max profit $175.00 | Max loss -$575.00 | Break-even $795.75 | Per contract at expiry

Bear Call Spread reference

Short $855.00 | Long $860.00 | Width $5.00 | Net credit $0.44



Max profit $44.00 | Max loss -$456.00 | Break-even $855.44 | 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	**15.04**
VVIX	**86.00**
SKEW index	**148.10**
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 CAT option market displays a bullish outlook despite recent price weakness. While the stock has pulled back 18% over the past three months, implied volatility remains elevated, suggesting anticipation of continued volatility and potential upside. The term structure is in backwardation, with near-term options more expensive than longer-dated options, indicating a belief that CAT's price will move higher sooner rather than later. The skew is balanced, meaning there isn't a strong preference for either call or put options.

Options context

CAT Option Market Implies Bullish Outlook Despite Recent Pullback

Wheel context

CAT's recent pullback presents a potential buying opportunity for investors with a bullish outlook. The elevated implied volatility suggests the market expects continued price swings, offering opportunities for both directional and volatility trades.

Observed evidence

Implied volatility is elevated at 34.64%, suggesting market expectation of significant price movement. | The term structure is in backwardation with near-term options more expensive than longer-dated options, indicating a belief in near-term upside potential. | The balanced skew suggests equal probability of both upward and downward price movements. | Positive news flow from xAI analysis highlights strong fundamentals like record backlog driven by data center demand, successful autonomous hauling expansion, and analyst upgrades.

Principal risks to monitor

High valuation (P/E 35) could limit upside potential. | Macroeconomic uncertainty, including interest rates and tariffs, poses a risk to the construction sector.

Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization **$371.87B**	P/E (TTM) **34.29**
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 **$448.87 - $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 **73.2%**
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 21, 2026 10:17 AM EDT

Covered Call | 2026-10-02

At signal $813.83 | Current $817.00

SHORT **Option $810.00 B $22.25 / A $24.60**

High turnover | CR $23.43

Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	**$24.77**
ATR as % of price	**3.0%**
Volatility environment	**medium**
Current IV	**34.8%**
IV rank	**31 / 100**
IV percentile	**25 / 100**
Technical Snapshot IV source	**Private fundamentals snapshot**
Technical Snapshot IV observed at	**Sep 21, 2026 7:31 PM EDT**

Technical health and risk radar

Derived indicator health and event context

Overall health	**79 / 100**
Trend health	**78 / 100**
Momentum health	**91 / 100**
Volatility health	**65 / 100**
Structure health	**78 / 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)	**$804.02 / $837.42 / $785.28**
EMA (9 / 21)	**$803.35 / $810.30**
Bollinger upper / middle / lower	**$831.89 / $804.02 / $776.16**

Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	**0.724**
True high / low	**$827.81 / $805.24**
5-day true high / low	**$827.81 / $774.47**

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	-0.590	**-**
SMA50	-2.766	**-**
MVWAP20	-0.979	**-**
MACD	1.625	**-**
RSI	3.666	**-**
Volume	-68800.330	**-**
ATR	-0.282	**-**
T1	-	**-12.99 / 802.85 / 809.49 / 798.57**
T2	-	**-14.76 / 803.25 / 813.95 / 782.72**
T3	-	**-15.74 / 805.08 / 798.39 / 774.47**

Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	**$819.17**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Sep 21, 2026 2:47 PM EDT**
Options data coverage	**88.9%**
SKEW regime	**HIGH TAIL RISK SKEW**
VVIX regime	**VVIX FALLING**
Front expiration / DTE	**2026-09-25 | 4 DTE**
Front at-the-money IV	**37.7%**
25-delta skew	**2.35**
Put / Call 25-delta	**$797.50 Delta -0.243 / $855.00**
Median option bid/ask spread	**15.5%**
Bid/ask spread	**-**
Contracts observed / quoted	**113 / 113**

Price context

Last Price: 819.17 | Bid: 819.17 | Ask: 819.52 | Previous Close: 808.99 | Change: 10.18 | Daily change: 1.26% | Update Time: 2026-09-21T14:47:53.239307-04:00 | Latest History Date: 2026-09-21 | Latest History Price: 819.17

Historical context

Trading-day sample: 60 sessions | First Date: 2026-06-26 | Latest Date: 2026-09-21 | Latest Price: 819.17 | Max Drawdown 60d Percent: -26.83%

Fundamental context

Current Iv Percent: 34.64% | Iv Rank: 31.05 | Iv Percentile: 24.30 | 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.

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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Options Disclosure Document	**theocc.com / Options Disclosure Document**