Caterpillar Inc / CAT

Equity | Generated Sep 28, 2026 11:31 PM EDT

Current price	Daily move	Bid / Ask	Previous close
$819.90	-1.68 -0.20%	-/-	$821.58

Market	**NYSE**
Industry	**Machinery**
Market data as of	**Sep 28, 2026 11:31 PM EDT**

JW Intelligence Report

Complete | 3 of 3 sections | Sep 28, 2026 7:51 PM EDT

JW Rank	Rank label	Confidence	IV percentile
74.4 / 100	Constructive	high	80 / 100

Model reference	Upside scenario	Risk reference	Wheel strategy fit
$808.00	$850.00	$788.00	86 / 100

Options stance	**neutral**
Tail-risk safety	**64 / 100**
JW Rank data coverage / as of	**100.0% | Sep 28, 2026 7:51 PM EDT**

Key insight

CAT Option Market Implies Balanced Outlook

Market read

The CAT option market shows a balanced outlook with neutral implied volatility and a slight backwardation in the term structure. While recent earnings were strong, the stock is trading near its 52-week high, raising concerns about valuation. Technical indicators are mixed, suggesting consolidation after a significant run-up.

Strategy context

The option market shows balanced sentiment with neutral IV and a slight backwardation in the term structure.

JW AI conclusions

Short- and medium-term model interpretation

AI context bias	**Mixed**
AI analysis updated	**Sep 28, 2026 2:31 PM EDT**

Short-term scenario

Cautious tactical long on weakness, not a chase at the current price. Prefer entries near recent support if the low-$800s hold over the next 1-3 weeks; upside looks limited until price reclaims the 50-day area. Uncertainty is high because of rich valuation, mixed momentum, and positioning ahead of late-October earnings.

Three-month outlook

Cautiously constructive but uncertain over three months. Record backlog and data-center-related power demand, plus analyst targets near $975-$995, support a gradual move toward the high-$800s to low-$900s if late-October results confirm solid growth and the stock reclaims intermediate averages. Offsetting risks include a trailing multiple near 35x after a large prior run, cyclical industrial exposure, tariff or cost pressure, and the possibility that data-center orders cool. A miss or multiple compression could retest the mid-to-high $700s. This is not a high-confidence forecast; outcomes depend on orders, macro conditions, and whether the market continues to pay a premium multiple.

Market sentiment

Recent X commentary is sparse and mixed rather than a clear consensus. One technical trader framed CAT as still in a long-term uptrend but consolidating, with support near $780-$800 and a stronger recovery case above roughly $830 toward $900. A social post claimed Michael Burry closed a listed short in CAT; that claim is not independently confirmed in the news sources reviewed here. Other commentary has questioned treating a cyclical industrial like an AI growth name. Treat social sentiment as noisy and incomplete.

Supporting evidence

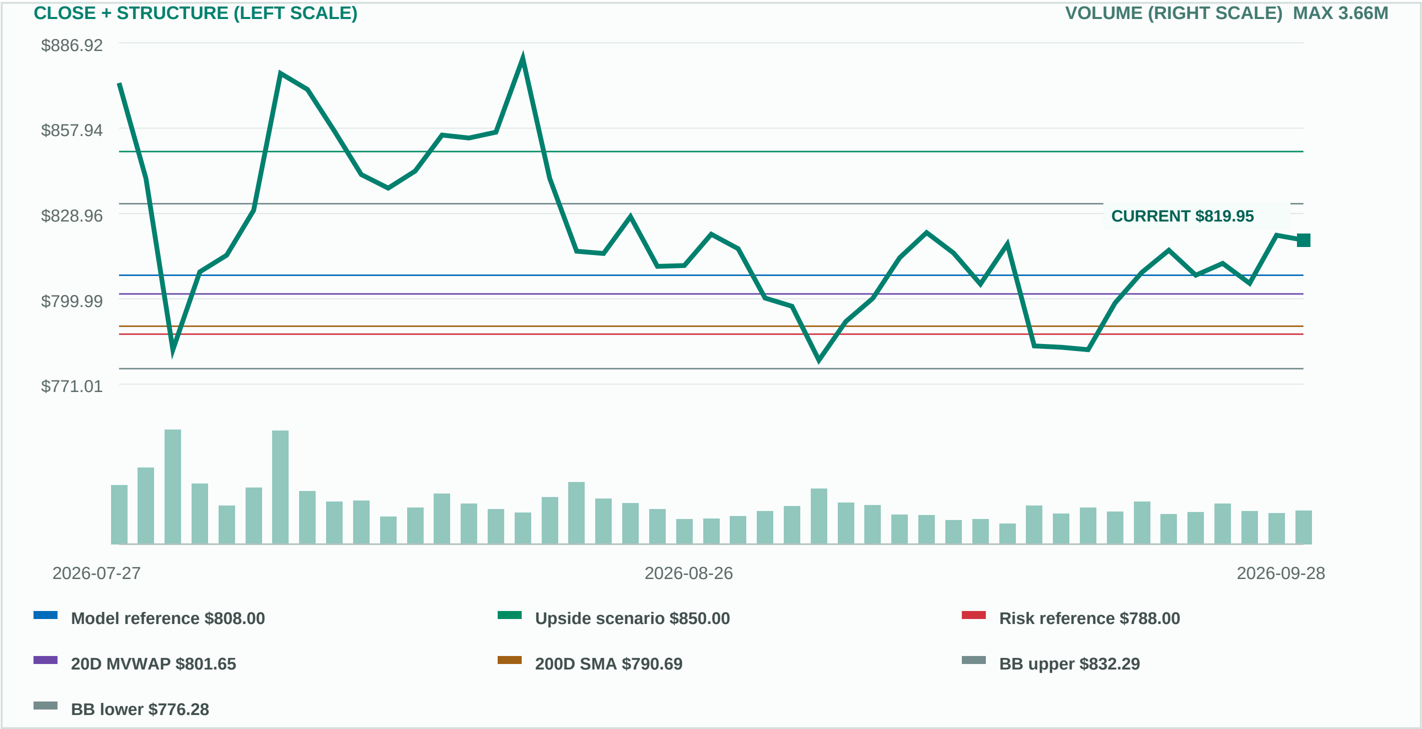
Implied volatility for CAT options is currently around 41.88%, indicating neutral market expectations for future price movement. | The term structure of implied volatility shows a slight backwardation, with near-term options more expensive than longer-term options, suggesting some uncertainty about the direction of the stock price in the coming months. | Recent earnings were strong, exceeding forecasts and driving an increase in the backlog. However, the stock is trading near its 52-week high, raising concerns about valuation.

Risk watch

Elevated valuation: CAT's forward P/E is in the mid-20s, which could make it vulnerable to multiple compression if growth expectations are not met.

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%	92.6
Strategy Fit	100.0%	86.1
Technical Trend	100.0%	66.9
Market Tail Risk	100.0%	63.8
Fundamental Quality	100.0%	59.2
Volatility Pressure	100.0%	81.8

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)	**59.37 / 51.67 / 48.89**
RSI velocity	**0.91**
MACD line / signal / histogram	**-4.63 / - / -9.24**
MACD acceleration	**1.27**
Stochastic K / D	**75.39 / 68.99**

Institutional footprints

Volume-weighted cost, price location and flow

Current read	**Above institutional MVWAP | Distribution bias**
Institutional flow	**-0.01**
20-day MVWAP	**$801.65**
Price vs 20-day MVWAP	**+2.28%**
Daily reference VWAP	**$818.57**
Price vs daily reference	**+0.16%**
Volume	**1.07M**

Structural context

Long-term trend and volatility boundaries

Current read	**Above 200-day trend | Positive macro velocity**
Macro velocity	**0.13**
20-day / 200-day SMA	**$804.29 / $790.69**
Bollinger range	**$776.28 - $832.29**
Bollinger position	**0.780**

Options and volatility intelligence

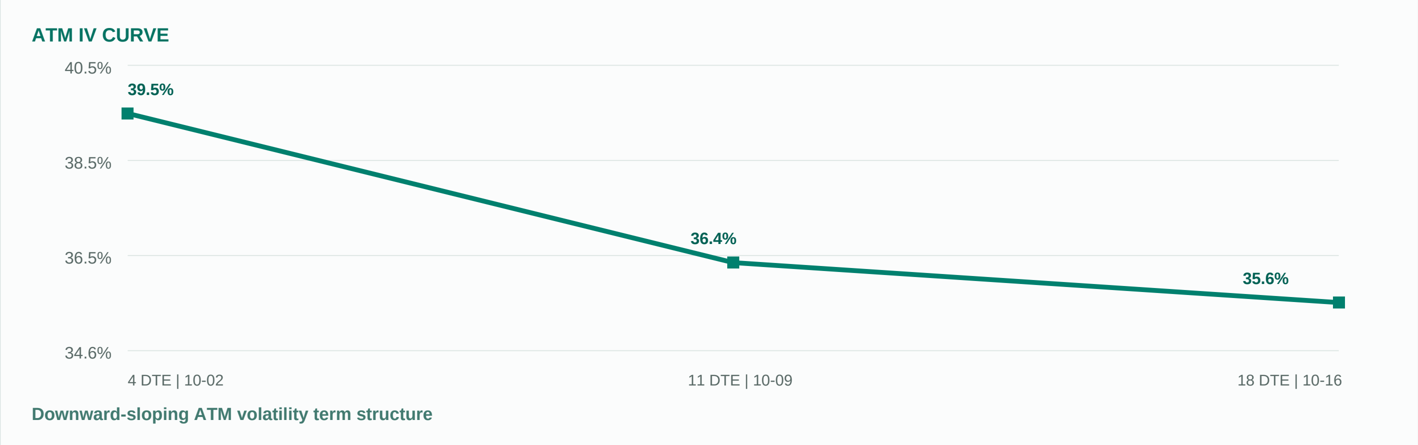
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
50 / 100	**78 / 100**	**90.44**	**144.91**

Market regime	**Calm**
Tail-risk regime	**NORMAL TAIL RISK**
Term structure	**backwardation**
Term slope	**-3.93 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 28, 2026 2:46 PM EDT**
Options data quality	**Coverage 88.9%**

Option term structure

ATM implied-volatility curve by days to expiration



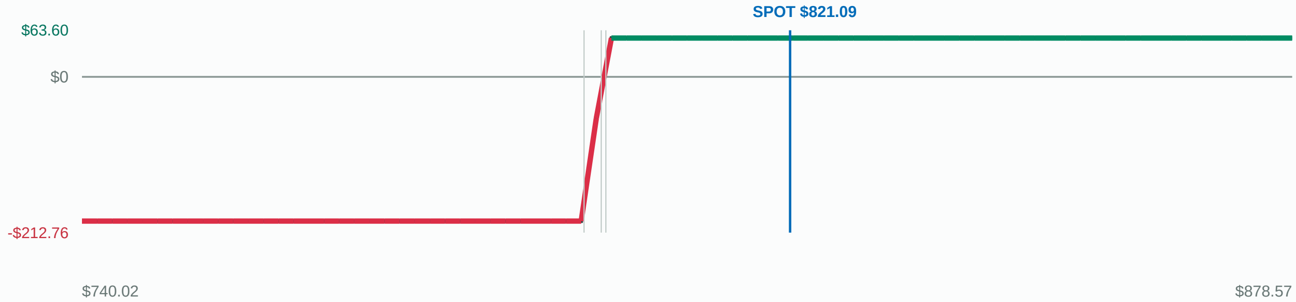
EXPIRATION	DTE	ATM IV	STATE
2026-10-02	4	39.5%	-
2026-10-09	11	36.4%	-
2026-10-16	18	35.6%	-

Reference spread payoff

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

Bull Put Spread reference

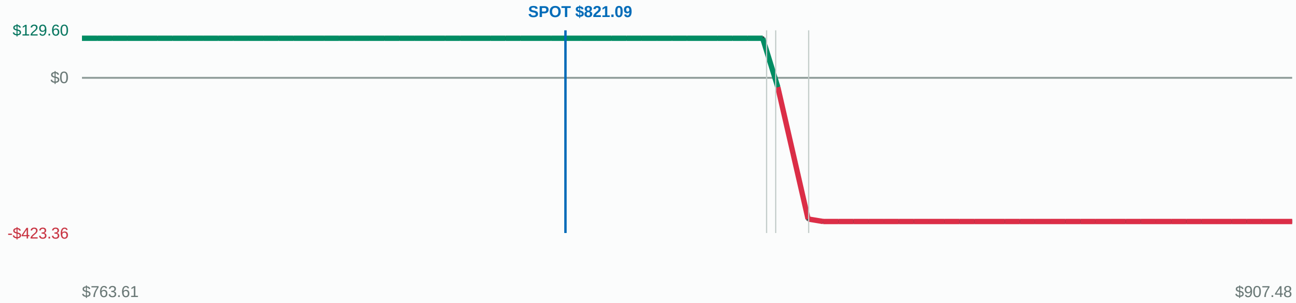
Short $800.00 | Long $797.50 | Width $2.50 | Net credit $0.53



Max profit $53.00 | Max loss -$197.00 | Break-even $799.47 | Per contract at expiry

Bear Call Spread reference

Short $845.00 | Long $850.00 | Width $5.00 | Net credit $1.08



Max profit $108.00 | Max loss -$392.00 | Break-even $846.08 | 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	**15.90**
VVIX	**90.44**
SKEW index	**144.91**
Observation confidence	**high**
Option quote quality	**reliable**
Contracts observed	**118**

Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	**118**

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The CAT option market shows a balanced outlook with neutral implied volatility and a slight backwardation in the term structure. While recent earnings were strong, the stock is trading near its 52-week high, raising concerns about valuation. Technical indicators are mixed, suggesting consolidation after a significant run-up.

Options context

CAT Option Market Implies Balanced Outlook

Wheel context

The option market shows balanced sentiment with neutral IV and a slight backwardation in the term structure.

Observed evidence

Implied volatility for CAT options is currently around 41.88%, indicating neutral market expectations for future price movement. | The term structure of implied volatility shows a slight backwardation, with near-term options more expensive than longer-term options, suggesting some uncertainty about the direction of the stock price in the coming months. | Recent earnings were strong, exceeding forecasts and driving an increase in the backlog. However, the stock is trading near its 52-week high, raising concerns about valuation.

Principal risks to monitor

Elevated valuation: CAT's forward P/E is in the mid-20s, which could make it vulnerable to multiple compression if growth expectations are not met.

Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization **$377.66B**	P/E (TTM) **34.83**
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 **$459.58 - $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 **77.2%**
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 28, 2026 10:59 AM EDT

Covered Call | 2026-10-09

At signal $814.98 | Current $819.90

SHORT **Option $820.00 B $18.50 / A $20.95**

High turnover | CR $19.73

Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	**$22.54**
ATR as % of price	**2.8%**
Volatility environment	**medium**
Current IV	**42.1%**
IV rank	**51 / 100**
IV percentile	**80 / 100**
Technical Snapshot IV source	**Private fundamentals snapshot**
Technical Snapshot IV observed at	**Sep 28, 2026 3:51 PM EDT**

Technical health and risk radar

Derived indicator health and event context

Overall health	**79 / 100**
Trend health	**78 / 100**
Momentum health	**94 / 100**
Volatility health	**69 / 100**
Structure health	**72 / 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)	**$804.29 / $828.03 / $790.69**
EMA (9 / 21)	**$811.10 / $811.71**
Bollinger upper / middle / lower	**$832.29 / $804.29 / $776.28**

Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	**0.780**
True high / low	**$827.57 / $808.20**
5-day true high / low	**$827.57 / $794.20**

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	0.127	**-**
SMA50	-1.500	**-**
MVWAP20	-0.007	**-**
MACD	1.270	**-**
RSI	0.908	**-**
Volume	-73925.000	**-**
ATR	-0.347	**-**
T1	-	**-6.02 / 801.07 / 823.00 / 805.25**
T2	-	**-7.86 / 801.05 / 812.02 / 794.20**
T3	-	**-8.44 / 801.67 / 816.76 / 798.53**

Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	**$821.09**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Sep 28, 2026 2:46 PM EDT**
Options data coverage	**88.9%**
SKEW regime	**HIGH TAIL RISK SKEW**
VVIX regime	**VVIX FLAT**
Front expiration / DTE	**2026-10-02 | 4 DTE**
Front at-the-money IV	**39.5%**
25-delta skew	**-0.28**
Put / Call 25-delta	**$800.00 Delta -0.255 / $845.00 Delta 0.260**
Median option bid/ask spread	**15.2%**
Bid/ask spread	**-**
Contracts observed / quoted	**118 / 118**

Price context

Last Price: 821.09 | Bid: 820.94 | Ask: 821.42 | Previous Close: 821.58 | Change: -0.49 | Daily change: -0.06% | Update Time: 2026-09-28T14:46:52.837477-04:00 | Latest History Date: 2026-09-28 | Latest History Price: 821.19

Historical context

Trading-day sample: 60 sessions | First Date: 2026-07-06 | Latest Date: 2026-09-28 | Latest Price: 821.19 | Max Drawdown 60d Percent: -19.67%

Fundamental context

Current Iv Percent: 41.88% | Iv Rank: 50.40 | Iv Percentile: 78.49 | 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.

Reference documents

Official product terms and standardized options disclosure

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