



Caterpillar Inc / CAT

Equity | Generated Oct 7, 2026 11:30 PM EDT

Current price	Daily move	Bid / Ask	Previous close
\$815.63	-47.81 -5.54%	-/-	\$863.44

Market	NYSE
Industry	Machinery
Market data as of	Oct 7, 2026 11:30 PM EDT

JW Intelligence Report

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

JW Rank	Rank label	Confidence	IV percentile
69.8 / 100	Constructive	high	84 / 100
Model reference	Upside scenario	Risk reference	Wheel strategy fit
\$805.00	\$855.00	\$785.00	81 / 100

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

Key insight

CAT Option Market Shows Uncertainty Amidst Regulatory News and Earnings Approach

Market read

The CAT option market reflects a mixed sentiment as investors weigh recent regulatory news against upcoming earnings. While implied volatility is elevated, the term structure shows backwardation, suggesting some expectation for near-term price stability. The skew is balanced, indicating no strong directional bias. However, the significant drop in share price following the FTC and USDA inquiry creates uncertainty about future performance.

Strategy context

CAT's recent decline presents potential opportunities for option traders seeking to capitalize on near-term volatility or express directional views. However, the regulatory uncertainty and upcoming earnings release warrant caution.



JW AI conclusions

Short- and medium-term model interpretation

AI context bias	Mixed
AI analysis updated	Oct 7, 2026 2:40 PM EDT

Short-term scenario

Cautious tactical long for a possible 1-3 week relief bounce, sized small. High uncertainty from the open regulatory inquiry, rate sensitivity, and pre-earnings volatility; avoid if price fails to stabilize near \$800. Not a high-conviction idea.

Three-month outlook

Moderately constructive only if late-October earnings confirm continued backlog conversion and Power & Energy strength tied to data-center demand, which could support a path toward analyst targets near \$970. Premium valuation versus CAT's historical multiples, sensitivity to yields, and the unresolved FTC/USDA inquiry (CAT's pure agricultural exposure is more limited than pure farm-equipment peers, so the earnings impact is unclear) create meaningful downside risk. Base case is volatile and range-bound to modestly higher rather than a straight-line recovery. Outcome is highly dependent on earnings, macro rates, and any regulatory developments. This is not investment advice; uncertainty is material.

Market sentiment

Mixed and opportunistic. Some posts describe buying the dip near \$812, citing the data-center power backlog and viewing the decline as exaggerated on the regulatory headline, the Zacks cut, and higher yields. Others note that CAT has traded like an AI-exposed name and can sell off hard in risk-off tape. Engagement is generally low; there is no clear consensus of panic or strong bullish conviction. Sentiment can reverse quickly and is not a reliable signal.

Supporting evidence

Implied volatility at 44.29% is elevated, reflecting market uncertainty surrounding the FTC/USDA inquiry and upcoming earnings. | The term structure exhibits backwardation with near-term options more expensive than longer-dated ones, potentially indicating a belief that price volatility will subside. | A balanced skew suggests no strong directional bias in the market, with both call and put options relatively priced.

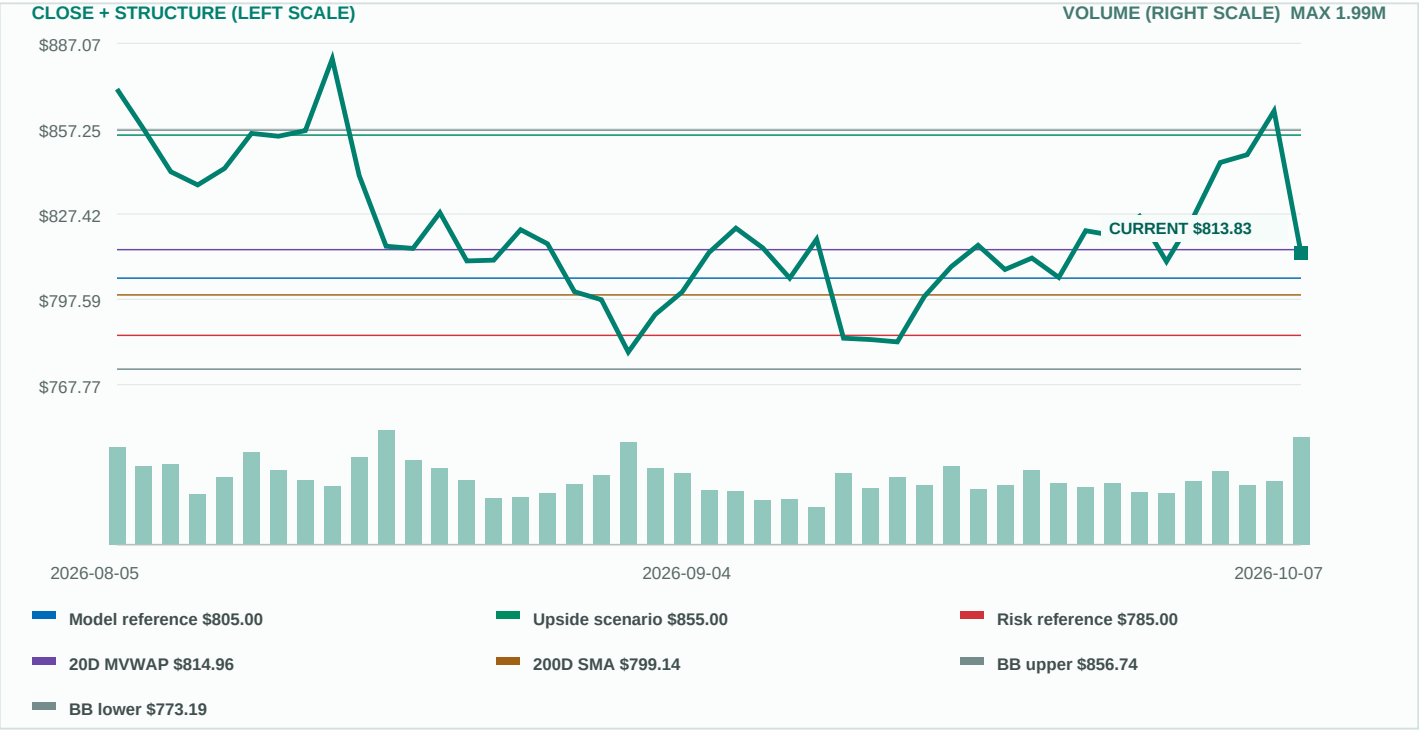
Risk watch

The FTC/USDA inquiry could have a material impact on CAT's business, particularly if it leads to increased regulation or fines. | Earnings results are due in late October and could significantly influence share price movement.



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

Above 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 accelerating
Trend signal	BULLISH RECOVERY
RSI signal	neutral
RSI (7 / 14 / 21)	43.66 / 47.50 / 47.50
RSI velocity	-3.77
MACD line / signal / histogram	4.47 / - / 0.00
MACD acceleration	1.14
Stochastic K / D	64.89 / 78.79

Institutional footprints

Volume-weighted cost, price location and flow

Current read	Above institutional MVWAP Accumulation bias
Institutional flow	1.43
20-day MVWAP	\$814.96
Price vs 20-day MVWAP	+0.08%
Daily reference VWAP	\$822.04
Price vs daily reference	-0.78%
Volume	1.87M

Structural context

Long-term trend and volatility boundaries

Current read	Above 200-day trend Positive macro velocity
Macro velocity	1.22
20-day / 200-day SMA	\$814.97 / \$799.14
Bollinger range	\$773.19 - \$856.74
Bollinger position	0.486



Options and volatility intelligence

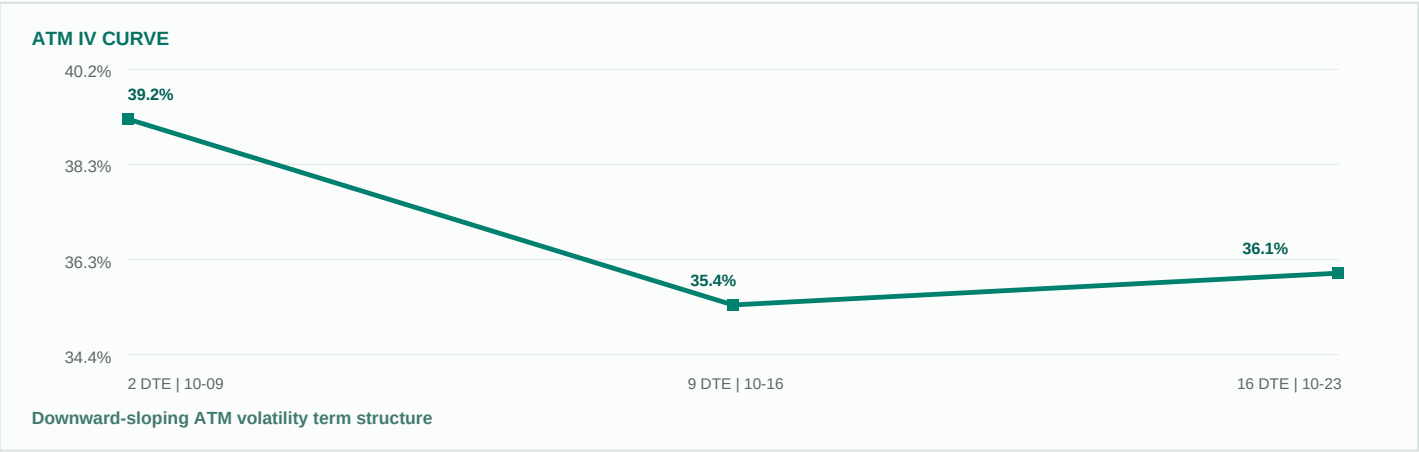
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
59 / 100	85 / 100	84.24	141.21

Market regime	Calm
Tail-risk regime	NORMAL TAIL RISK
Term structure	backwardation
Term slope	-3.10 pts
Skew read	balanced
Liquidity / quote coverage	100.0%
Options Snapshot IV sources	ATM: option chain Rank/percentile: fundamentals
Options Snapshot IV observed at	Oct 7, 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
2026-10-09	2	39.2%	-
2026-10-16	9	35.4%	-
2026-10-23	16	36.1%	-

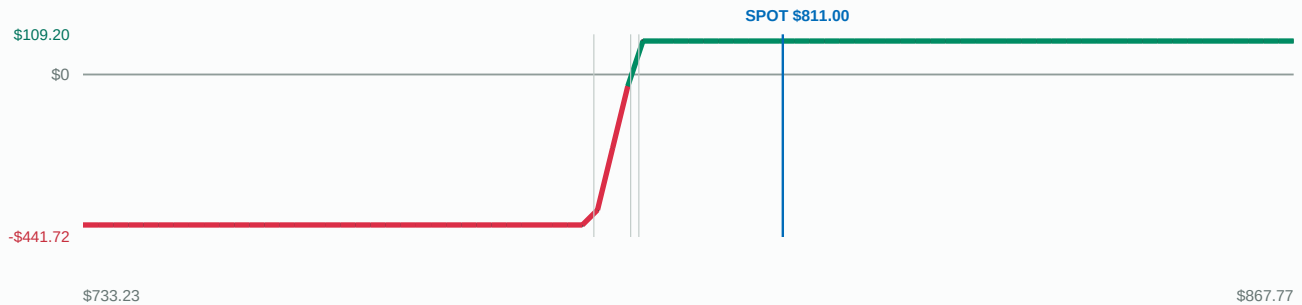


Reference spread payoff

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

Bull Put Spread reference

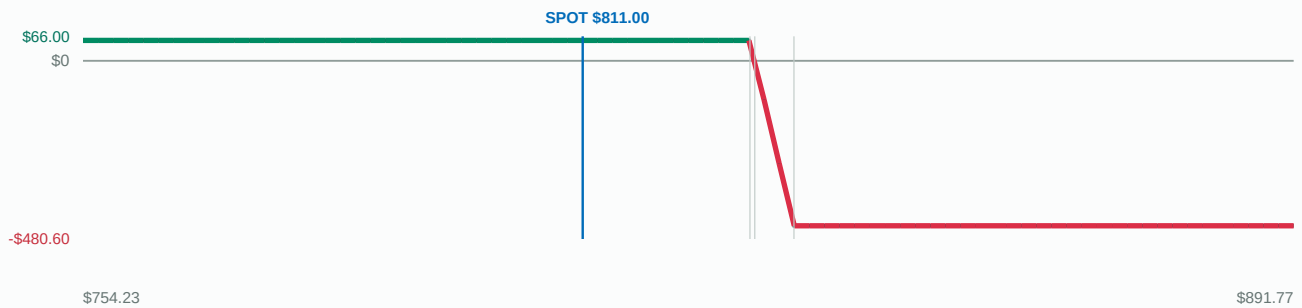
Short \$795.00 | Long \$790.00 | Width \$5.00 | Net credit \$0.91



Max profit \$91.00 | Max loss -\$409.00 | Break-even \$794.09 | Per contract at expiry

Bear Call Spread reference

Short \$830.00 | Long \$835.00 | Width \$5.00 | Net credit \$0.55



Max profit \$55.00 | Max loss -\$445.00 | Break-even \$830.55 | 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	15.14
VVIX	84.24
SKEW index	141.21
Observation confidence	high
Option quote quality	reliable
Contracts observed	138



Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	138

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The CAT option market reflects a mixed sentiment as investors weigh recent regulatory news against upcoming earnings. While implied volatility is elevated, the term structure shows backwardation, suggesting some expectation for near-term price stability. The skew is balanced, indicating no strong directional bias. However, the significant drop in share price following the FTC and USDA inquiry creates uncertainty about future performance.

Options context

CAT Option Market Shows Uncertainty Amidst Regulatory News and Earnings Approach

Wheel context

CAT's recent decline presents potential opportunities for option traders seeking to capitalize on near-term volatility or express directional views. However, the regulatory uncertainty and upcoming earnings release warrant caution.

Observed evidence

Implied volatility at 44.29% is elevated, reflecting market uncertainty surrounding the FTC/USDA inquiry and upcoming earnings. | The term structure exhibits backwardation with near-term options more expensive than longer-dated ones, potentially indicating a belief that price volatility will subside. | A balanced skew suggests no strong directional bias in the market, with both call and put options relatively priced.

Principal risks to monitor

The FTC/USDA inquiry could have a material impact on CAT's business, particularly if it leads to increased regulation or fines. | Earnings results are due in late October and could significantly influence share price movement.



Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization	P/E (TTM)
\$396.90B	36.73
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%	1.60
52-week range	
\$483.55 - \$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	70.4%
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	Oct 6, 2026 3:25 PM EDT
Covered Call 2026-10-09	
At signal \$866.03 Current \$815.63	
SHORT Option \$870.00 B \$9.20 / A \$10.50	
Conservative CR \$9.85	



Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	\$26.88
ATR as % of price	3.3%
Volatility environment	medium
Current IV	43.8%
IV rank	57 / 100
IV percentile	84 / 100
Technical Snapshot IV source	Private fundamentals snapshot
Technical Snapshot IV observed at	Oct 7, 2026 3:50 PM EDT

Technical health and risk radar

Derived indicator health and event context

Overall health	81 / 100
Trend health	78 / 100
Momentum health	87 / 100
Volatility health	61 / 100
Structure health	99 / 100
Earnings risk / date	medium 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)	\$814.97 / \$821.90 / \$799.14
EMA (9 / 21)	\$830.32 / \$822.84
Bollinger upper / middle / lower	\$856.74 / \$814.97 / \$773.19



Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	0.486
True high / low	\$863.44 / \$806.29
5-day true high / low	\$876.95 / \$802.44

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	1.224	-
SMA50	-0.516	-
MVWAP20	1.428	-
MACD	1.143	-
RSI	-3.775	-
Volume	198740.670	-
ATR	1.190	-
T1	-	6.20 / 814.47 / 876.95 / 848.14
T2	-	3.27 / 812.21 / 857.85 / 821.77
T3	-	1.04 / 810.68 / 858.87 / 826.35



Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	\$811.00
Options Snapshot IV sources	ATM: option chain Rank/percentile: fundamentals
Options Snapshot IV observed at	Oct 7, 2026 2:47 PM EDT
Options data coverage	88.9%
SKEW regime	HIGH TAIL RISK SKEW
VVIX regime	VVIX FLAT
Front expiration / DTE	2026-10-09 2 DTE
Front at-the-money IV	39.2%
25-delta skew	-0.44
Put / Call 25-delta	\$795.00 Delta -0.244 / \$830.00 Delta 0.238
Median option bid/ask spread	17.7%
Bid/ask spread	-
Contracts observed / quoted	138 / 138

Price context

Last Price: 811.00 | Bid: 810.91 | Ask: 811.27 | Previous Close: 863.44 | Change: -52.44 | Daily change: -6.07% | Update Time: 2026-10-07T14:47:06.374929-04:00 | Latest History Date: 2026-10-07 | Latest History Price: 811.00

Historical context

Trading-day sample: 60 sessions | First Date: 2026-07-15 | Latest Date: 2026-10-07 | Latest Price: 811.00 | Max Drawdown 60d Percent: -14.78%

Fundamental context

Current Iv Percent: 44.29% | Iv Rank: 59.20 | Iv Percentile: 85.26 | 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 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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