



Caterpillar Inc / CAT

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

Current price	Daily move	Bid / Ask	Previous close
\$800.98	+4.80 +0.60%	-/-	\$796.18

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

JW Intelligence Report

Complete | 3 of 3 sections | Oct 9, 2026 7:50 PM EDT

JW Rank	Rank label	Confidence	IV percentile
63.2 / 100	Balanced	high	80 / 100
Model reference	Upside scenario	Risk reference	Wheel strategy fit
\$798.00	\$842.00	\$770.00	81 / 100

Options stance	neutral
Tail-risk safety	56 / 100
JW Rank data coverage / as of	100.0% Oct 9, 2026 7:50 PM EDT

Key insight

CAT Option Market Implies Balanced Outlook with Potential for Upside

Market read

The market appears to be cautiously optimistic about Caterpillar (CAT) as implied volatility is elevated but not extreme. The stock price has recently rebounded after a decline triggered by regulatory concerns, and the option chain shows balanced skew with potential for upside if earnings meet or exceed expectations.

Strategy context

The current market environment suggests that investors are cautiously optimistic about CAT's future prospects. The recent decline in the stock price has created opportunities for option buyers to potentially profit from a rebound.



JW AI conclusions

Short- and medium-term model interpretation

AI context bias	Mixed
AI analysis updated	Oct 9, 2026 2:23 PM EDT

Short-term scenario

Cautious tactical bounce only, not a high-conviction 1-3 week directional call. Price is stabilizing near the 200-day average after a sharp regulatory/rate-driven drop, but it remains below the 20- and 50-day averages and earnings timing plus rate headlines can overwhelm the setup. Prefer small size, and stand aside if \$770 fails. Levels are approximate; intraday volatility is high.

Three-month outlook

Base case is cautiously constructive: record backlog, data-center power demand, and raised mid-to-high-teens 2026 sales guidance support a recovery toward the mid-\$800s to low-\$900s if Q3 confirms order conversion and margins hold, which would still sit below many Street targets near \$970-\$1,100. Offsetting risks are an elevated trailing multiple, financing sensitivity to high yields, tariff and cost pressure, insider selling, and the FTC/USDA inquiry (currently described as headline risk, but scope is unknown until comments close in December). A sustained break below about \$770 would weaken the three-month recovery case and open a deeper retracement. Uncertainty is high on the rate path, earnings delivery versus already-raised expectations, and whether power demand continues to justify a growth multiple on a cyclical industrial.

Market sentiment

Quality stock-specific posts are sparse and the \$CAT feed is heavily polluted by unrelated crypto and solicitation spam, so social sentiment is an unreliable signal. Among relevant posts, some traders treat the pullback (roughly 25-30% off the June high) and the \$72B backlog as a setup for a pre-earnings bounce, with one widely viewed note calling the idea wrong below about \$770 and floating much higher levels only if earnings cooperate. Others highlight the FTC/USDA headline as near-term bearish for the equipment group. Older posts still warn that AI-power multiple expansion and insider selling left the stock vulnerable. Net: mixed, not a strong bullish consensus, and low sample quality.

Supporting evidence

Implied volatility is currently at 43.5%, suggesting moderate uncertainty about future price movements. | The term structure of implied volatility is in contango, indicating a belief that volatility will be higher in the future. | The stock's recent decline has been followed by a bounce near its 200-day moving average, but it remains below both the 20- and 50-day moving averages. | Analysts have a Moderate Buy/Buy rating on CAT with price targets clustering around \$970-\$990, implying potential upside of over 20%.

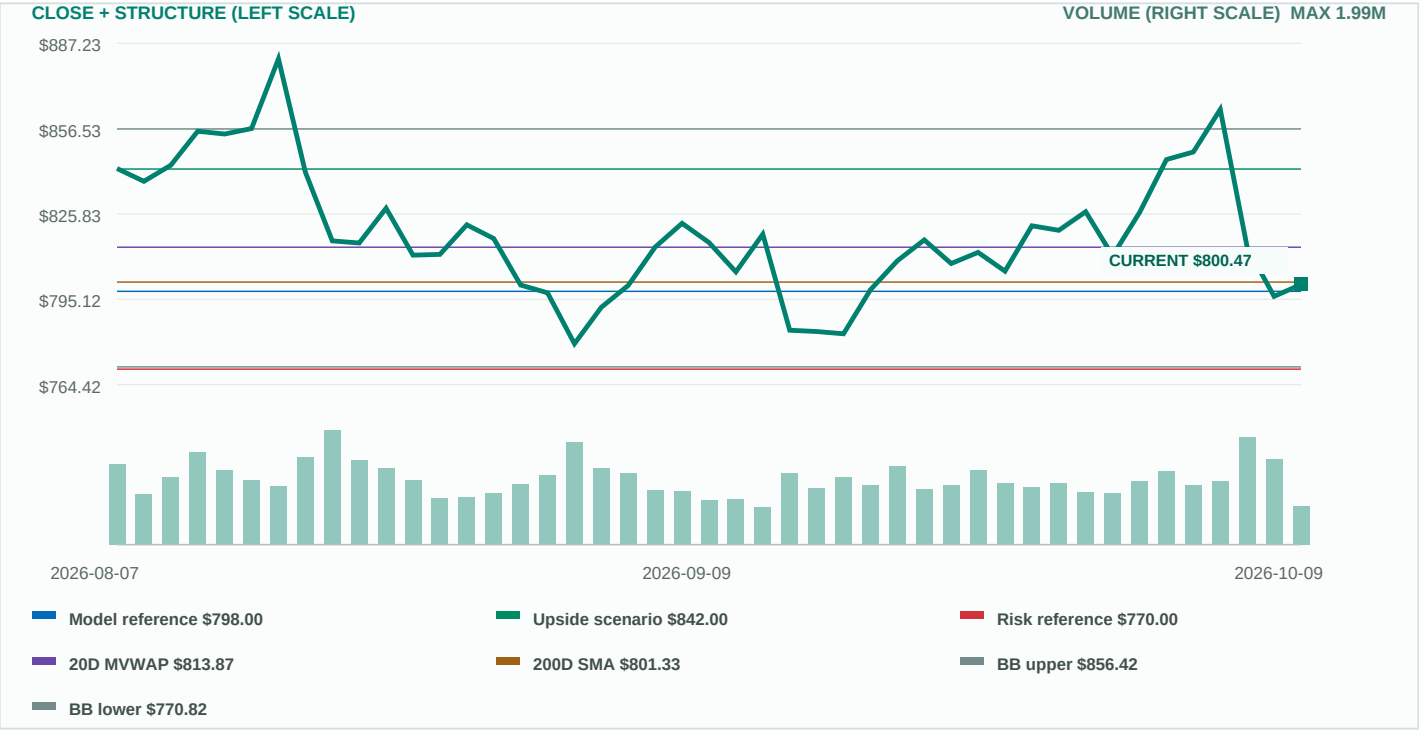
Risk watch

Regulatory uncertainty surrounding agricultural equipment manufacturing could weigh on the stock price. | High interest rates and potential cost pressures could impact margins and earnings growth.



Enhanced price structure

45 trading days with volume, model levels and current technical reference bands

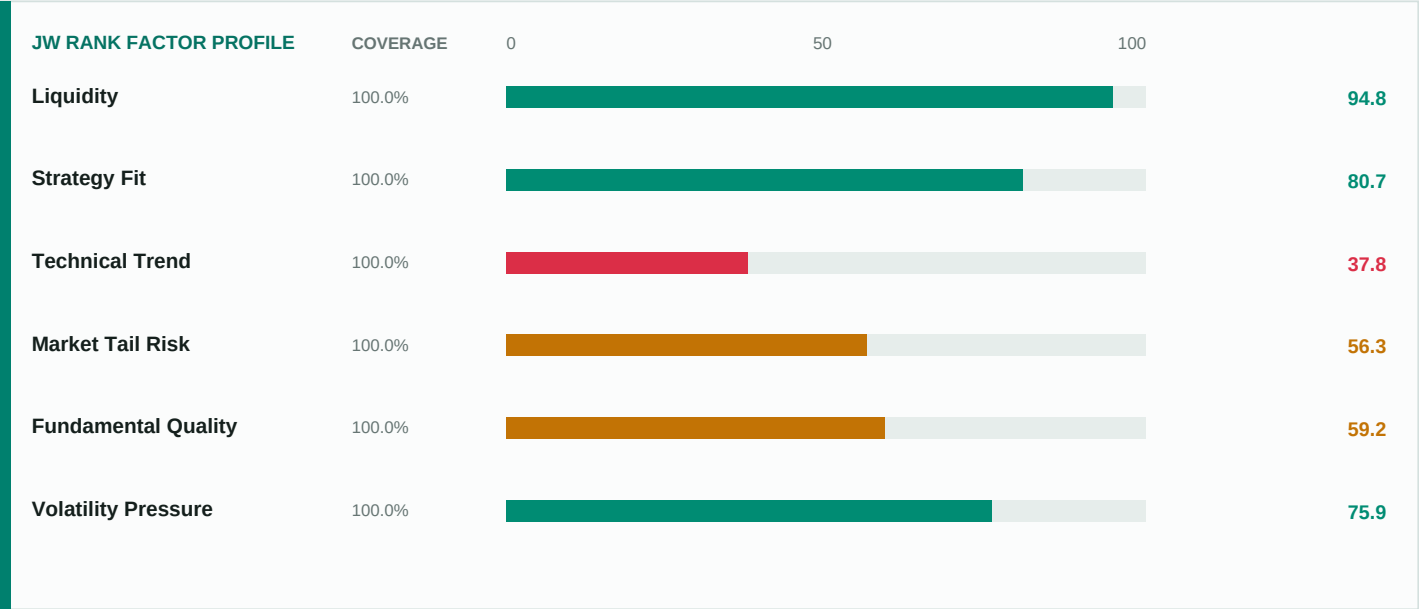


45 complete trading-session observations



JW Rank factors

Score, source coverage and interpretation for each decision factor



Decision summary

Primary model reads before the detailed indicator appendix

Momentum

bearish_warning

Institutional flow

Below MVWAP

Structure

Below 200D trend

Volatility

medium



Decision indicators

Detailed momentum, institutional and structural observations

Momentum kinematics

Direction, velocity and oscillator state

Current read	BEARISH WARNING neutral MACD decelerating
Trend signal	BEARISH WARNING
RSI signal	neutral
RSI (7 / 14 / 21)	39.67 / 44.60 / 45.52
RSI velocity	-6.28
MACD line / signal / histogram	-0.23 / - / 0.22
MACD acceleration	-2.14
Stochastic K / D	15.05 / 39.50

Institutional footprints

Volume-weighted cost, price location and flow

Current read	Below institutional MVWAP Distribution bias
Institutional flow	-0.20
20-day MVWAP	\$813.87
Price vs 20-day MVWAP	-1.58%
Daily reference VWAP	\$798.66
Price vs daily reference	+0.29%
Volume	666.25K

Structural context

Long-term trend and volatility boundaries

Current read	Below 200-day trend Negative macro velocity
Macro velocity	-0.48
20-day / 200-day SMA	\$813.62 / \$801.33
Bollinger range	\$770.82 - \$856.42
Bollinger position	0.346



Options and volatility intelligence

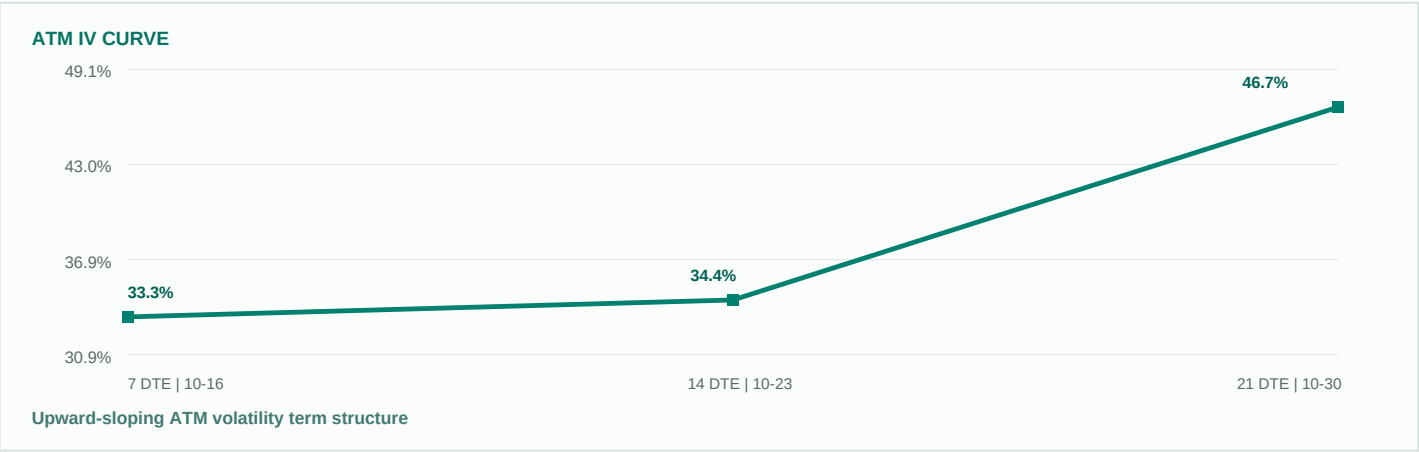
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
56 / 100	81 / 100	86.00	149.19

Market regime	Calm
Tail-risk regime	NORMAL TAIL RISK
Term structure	contango
Term slope	+13.38 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 9, 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
2026-10-16	7	33.3%	-
2026-10-23	14	34.4%	-
2026-10-30	21	46.7%	-

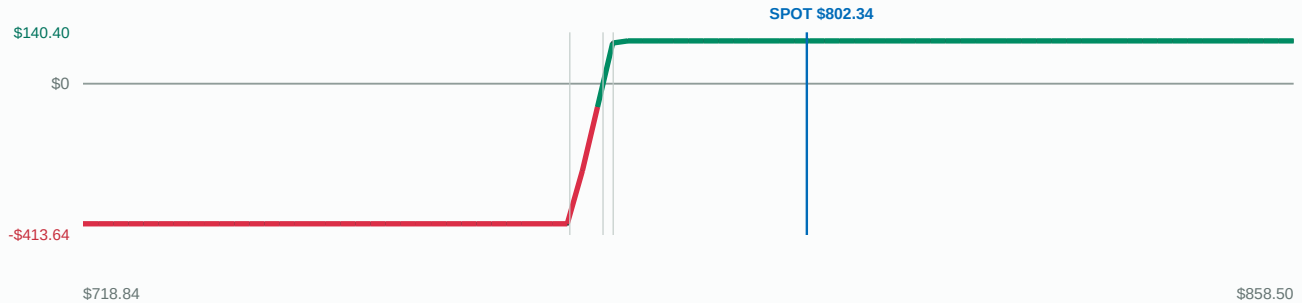


Reference spread payoff

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

Bull Put Spread reference

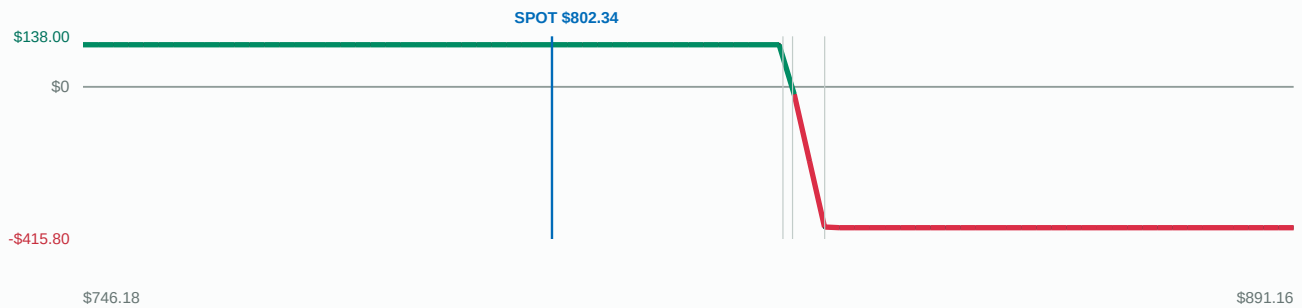
Short \$780.00 | Long \$775.00 | Width \$5.00 | Net credit \$1.17



Max profit \$117.00 | Max loss -\$383.00 | Break-even \$778.83 | Per contract at expiry

Bear Call Spread reference

Short \$830.00 | Long \$835.00 | Width \$5.00 | Net credit \$1.15



Max profit \$115.00 | Max loss -\$385.00 | Break-even \$831.15 | 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	unknown
VIX	14.87
VVIX	86.00
SKEW index	149.19
Observation confidence	high
Option quote quality	reliable
Contracts observed	130



Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	130

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The market appears to be cautiously optimistic about Caterpillar (CAT) as implied volatility is elevated but not extreme. The stock price has recently rebounded after a decline triggered by regulatory concerns, and the option chain shows balanced skew with potential for upside if earnings meet or exceed expectations.

Options context

CAT Option Market Implies Balanced Outlook with Potential for Upside

Wheel context

The current market environment suggests that investors are cautiously optimistic about CAT's future prospects. The recent decline in the stock price has created opportunities for option buyers to potentially profit from a rebound.

Observed evidence

Implied volatility is currently at 43.5%, suggesting moderate uncertainty about future price movements. | The term structure of implied volatility is in contango, indicating a belief that volatility will be higher in the future. | The stock's recent decline has been followed by a bounce near its 200-day moving average, but it remains below both the 20- and 50-day moving averages. | Analysts have a Moderate Buy/Buy rating on CAT with price targets clustering around \$970-\$990, implying potential upside of over 20%.

Principal risks to monitor

Regulatory uncertainty surrounding agricultural equipment manufacturing could weigh on the stock price. | High interest rates and potential cost pressures could impact margins and earnings growth.



Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization	P/E (TTM)
\$365.98B	34.17
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%	1.59
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	67.2%
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 9, 2026 10:08 AM EDT
Covered Call 2026-10-16	
At signal \$799.50 Current \$800.98	
SHORT Option \$800.00 B \$14.80 / A \$16.95	
Conservative CR \$15.88	



Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	\$26.30
ATR as % of price	3.3%
Volatility environment	medium
Current IV	43.2%
IV rank	55 / 100
IV percentile	80 / 100
Technical Snapshot IV source	Private fundamentals snapshot
Technical Snapshot IV observed at	Oct 9, 2026 3:50 PM EDT

Technical health and risk radar

Derived indicator health and event context

Overall health	63 / 100
Trend health	38 / 100
Momentum health	81 / 100
Volatility health	61 / 100
Structure health	85 / 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)	\$813.62 / \$822.00 / \$801.33
EMA (9 / 21)	\$818.89 / \$818.60
Bollinger upper / middle / lower	\$856.42 / \$813.62 / \$770.82



Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	0.346
True high / low	\$804.31 / \$791.19
5-day true high / low	\$876.95 / \$788.89

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	-0.478	-
SMA50	-0.148	-
MVWAP20	-0.200	-
MACD	-2.143	-
RSI	-6.277	-
Volume	-146357.000	-
ATR	0.585	-
T1	-	1.65 / 814.48 / 821.91 / 788.89
T2	-	4.47 / 814.96 / 863.44 / 806.29
T3	-	6.20 / 814.47 / 876.95 / 848.14



Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	\$802.34
Options Snapshot IV sources	ATM: option chain Rank/percentile: fundamentals
Options Snapshot IV observed at	Oct 9, 2026 2:46 PM EDT
Options data coverage	88.9%
SKEW regime	HIGH TAIL RISK SKEW
VVIX regime	VVIX FLAT
Front expiration / DTE	2026-10-16 7 DTE
Front at-the-money IV	33.3%
25-delta skew	1.08
Put / Call 25-delta	\$780.00 Delta -0.260 / \$830.00 Delta 0.241
Median option bid/ask spread	11.6%
Bid/ask spread	-
Contracts observed / quoted	130 / 130

Price context

Last Price: 802.34 | Bid: 801.98 | Ask: 802.69 | Previous Close: 796.18 | Change: 6.16 | Daily change: 0.77% | Update Time: 2026-10-09T14:46:58.618795-04:00 | Latest History Date: 2026-10-09 | Latest History Price: 802.33

Historical context

Trading-day sample: 60 sessions | First Date: 2026-07-17 | Latest Date: 2026-10-09 | Latest Price: 802.33 | Max Drawdown 60d Percent: -12.90%

Fundamental context

Current Iv Percent: 43.50% | Iv Rank: 56.32 | Iv Percentile: 80.88 | 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.

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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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