



Caterpillar Inc / CAT

Equity | Generated Oct 12, 2026 11:30 PM EDT

Current price	Daily move	Bid / Ask	Previous close
\$796.00	-4.47 -0.56%	-/-	\$800.47

Market	NYSE
Industry	Machinery
Market data as of	Oct 12, 2026 11:30 PM EDT

JW Intelligence Report

Complete | 3 of 3 sections | Oct 12, 2026 6:50 PM EDT

JW Rank	Rank label	Confidence	IV percentile
56.8 / 100	Balanced	high	81 / 100
Model reference	Upside scenario	Risk reference	Wheel strategy fit
\$802.00	\$838.00	\$776.00	69 / 100

Options stance	neutral
Tail-risk safety	32 / 100
JW Rank data coverage / as of	100.0% Oct 12, 2026 6:50 PM EDT

Key insight

CAT Option Market Implies Rangebound Trading Ahead of Earnings

Market read

The CAT option market suggests a period of consolidation ahead of its upcoming earnings release. While recent price action has been pressured by regulatory concerns and macroeconomic headwinds, implied volatility remains elevated, indicating uncertainty surrounding the company's performance. The term structure is in contango, with near-term options more expensive than longer-dated ones, potentially reflecting anticipation for a post-earnings move.

Strategy context

CAT's upcoming earnings release is likely to be a key driver of near-term option pricing. The market appears to be anticipating a potential move following the announcement.



JW AI conclusions

Short- and medium-term model interpretation

AI context bias

Mixed

AI analysis updated

Oct 12, 2026 2:35 PM EDT

Short-term scenario

Cautious tactical bounce attempt only, not a high-conviction hold. A 1-3 week long bias is reasonable only if price holds the recent \$791-796 lows, aiming for a retest of declining short-term averages, with reduced size because estimated earnings (late October/early November) fall inside the window and regulatory plus rate headlines remain live. Uncertainty is high: exact earnings timing is not uniform across sources, technicals are still soft, and a failed bounce is plausible. This is not a recommendation to buy or sell.

Three-month outlook

Base case is a choppy path toward the mid-\$800s to low-\$900s if upcoming results confirm backlog conversion and power-segment strength and if long-term yields stabilize. Street targets near \$950-990 imply larger upside over a longer horizon, supported by the raised 2026 growth outlook and data-center power demand. Material downside risks remain: the trailing multiple is still elevated, the stock is rate- and cycle-sensitive, an agricultural-equipment regulatory inquiry is open, and margins or AI-related orders could disappoint. A sustained break below the 200-day average and recent lows would weaken the setup. Three-month results are highly uncertain and depend on earnings, yields, and regulatory developments; past performance and backlog do not guarantee future returns.

Market sentiment

Recent X commentary is mixed and mostly low-engagement. Some posts treat the pullback (about 25% off highs) and levels near or below \$800 as a potential buy tied to the \$72B backlog and power/data-center demand, including setups that look for an earnings-related squeeze with invalidation below roughly \$770. Other posts are short-term bearish, citing continuation patterns or a possible head-and-shoulders and lower targets. An Oct 7 note highlighted the regulatory-driven drop while asking whether the dip is a warning or an opportunity. Older posts have warned that the stock had been priced more like an AI growth name and flagged insider selling. Overall tone is cautiously constructive on the multi-year story but wary of near-term technicals, rates, and headlines.

Supporting evidence

Implied volatility is currently at 43.65%, suggesting heightened market uncertainty. | The term structure is in contango, with near-term options priced higher than further out options. | Recent price action has been pressured by regulatory scrutiny and macroeconomic concerns. | Earnings are expected in late October/early November, potentially driving volatility.

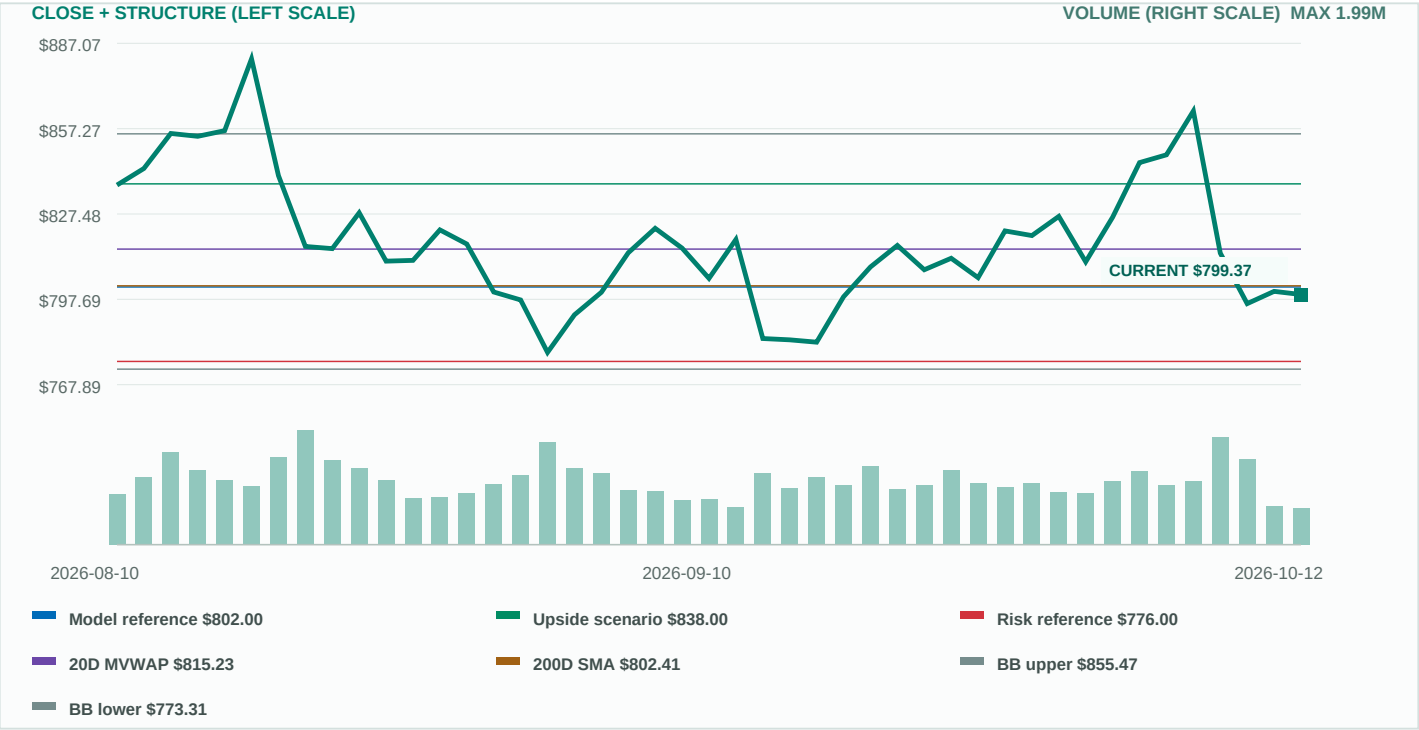
Risk watch

Regulatory uncertainty surrounding agricultural equipment manufacturing could weigh on sentiment.



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)	39.19 / 44.32 / 45.34
RSI velocity	-1.06
MACD line / signal / histogram	-1.79 / - / -0.18
MACD acceleration	-2.09
Stochastic K / D	11.11 / 21.57

Institutional footprints

Volume-weighted cost, price location and flow

Current read	Below institutional MVWAP Accumulation bias
Institutional flow	0.09
20-day MVWAP	\$815.23
Price vs 20-day MVWAP	-2.36%
Daily reference VWAP	\$802.38
Price vs daily reference	-0.80%
Volume	629.29K

Structural context

Long-term trend and volatility boundaries

Current read	Below 200-day trend Negative macro velocity
Macro velocity	-0.19
20-day / 200-day SMA	\$814.39 / \$802.41
Bollinger range	\$773.31 - \$855.47
Bollinger position	0.317



Options and volatility intelligence

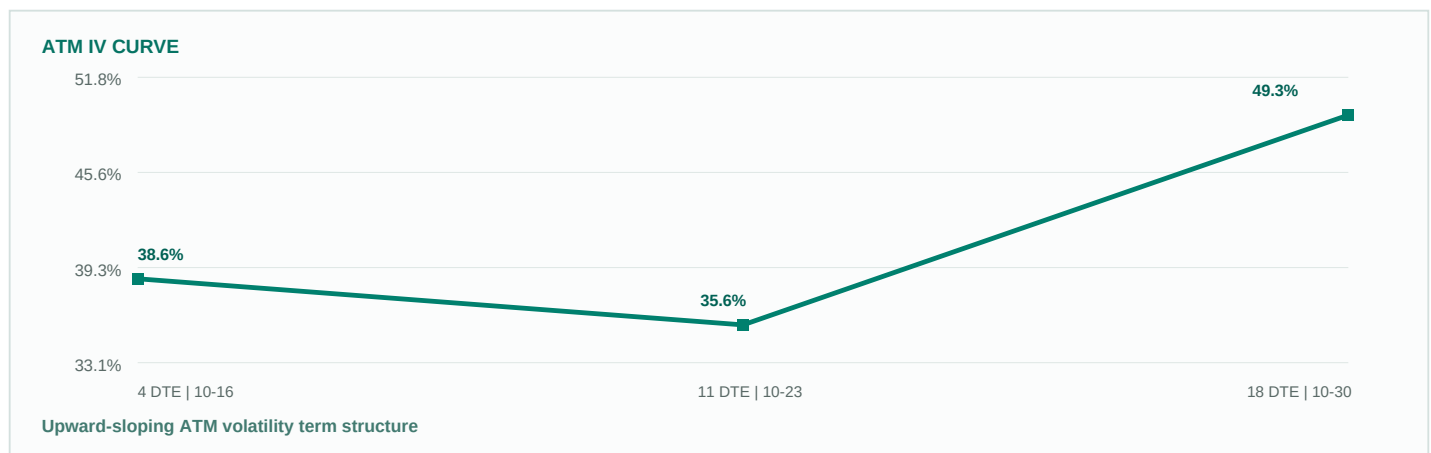
Structure, premium conditions and principal risks

IV rank 57 / 100	IV percentile 82 / 100	VVIX 86.99	SKEW 154.34
----------------------------	----------------------------------	----------------------	-----------------------

Market regime	DANGER ZONE
Tail-risk regime	NORMAL TAIL RISK
Term structure	contango
Term slope	+10.75 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 12, 2026 2:45 PM EDT
Options data quality	Coverage 88.9%

Option term structure

ATM implied-volatility curve by days to expiration

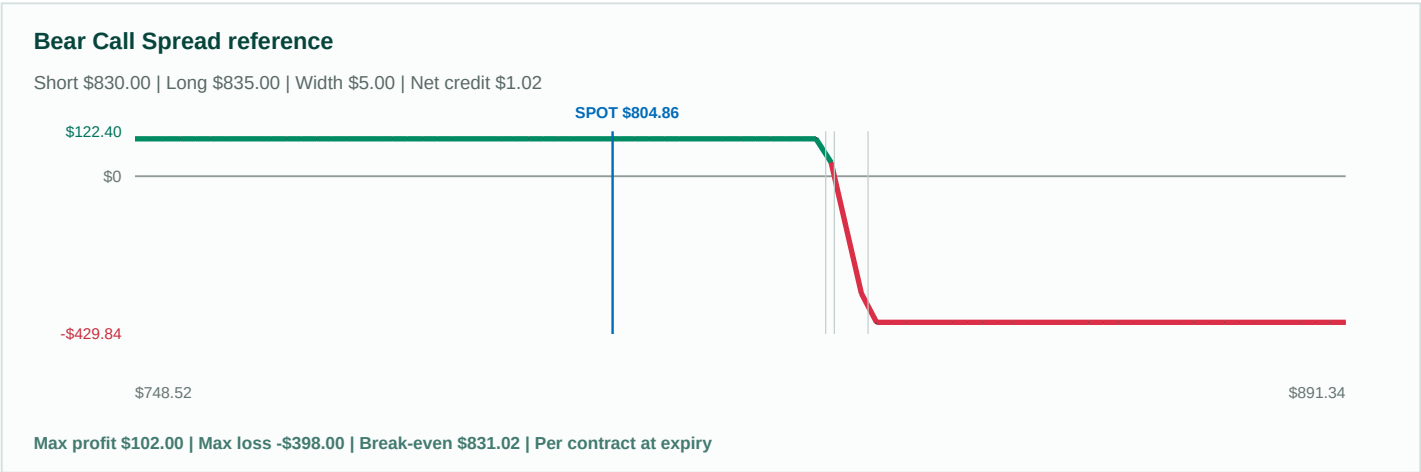
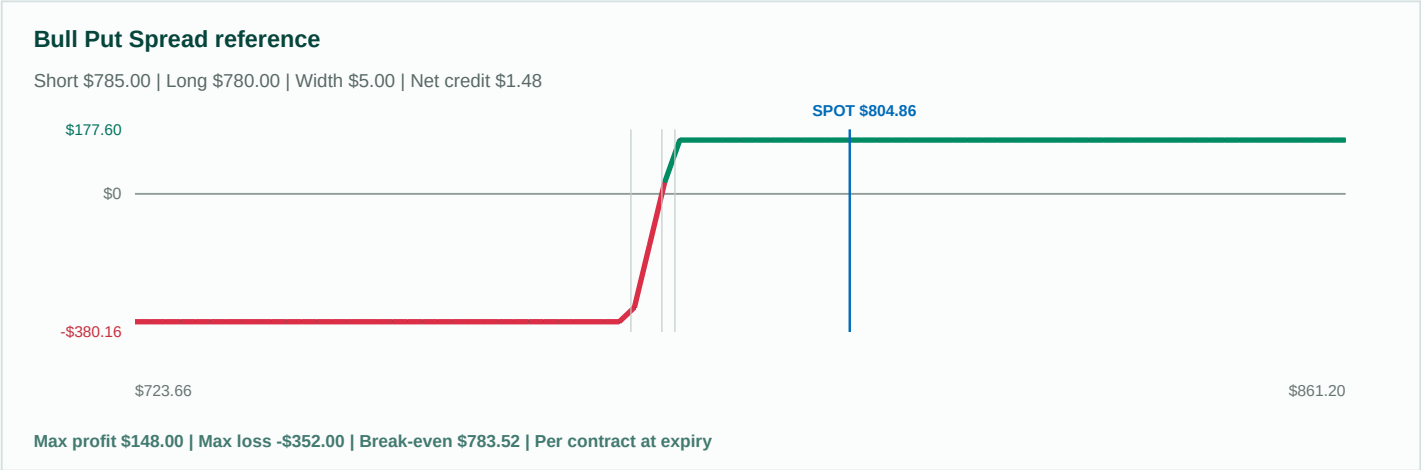


EXPIRATION	DTE	ATM IV	STATE
2026-10-16	4	38.6%	-
2026-10-23	11	35.6%	-
2026-10-30	18	49.3%	-



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	unknown
VIX	15.25
VVIX	86.99
SKEW index	154.34
Observation confidence	high
Option quote quality	reliable
Contracts observed	133



Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	133

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The CAT option market suggests a period of consolidation ahead of its upcoming earnings release. While recent price action has been pressured by regulatory concerns and macroeconomic headwinds, implied volatility remains elevated, indicating uncertainty surrounding the company's performance. The term structure is in contango, with near-term options more expensive than longer-dated ones, potentially reflecting anticipation for a post-earnings move.

Options context

CAT Option Market Implies Rangebound Trading Ahead of Earnings

Wheel context

CAT's upcoming earnings release is likely to be a key driver of near-term option pricing. The market appears to be anticipating a potential move following the announcement.

Observed evidence

Implied volatility is currently at 43.65%, suggesting heightened market uncertainty. | The term structure is in contango, with near-term options priced higher than further out options. | Recent price action has been pressured by regulatory scrutiny and macroeconomic concerns. | Earnings are expected in late October/early November, potentially driving volatility.

Principal risks to monitor

Regulatory uncertainty surrounding agricultural equipment manufacturing could weigh on sentiment.



Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization	P/E (TTM)
\$367.96B	33.93
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	
\$491.30 - \$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	60.0%
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 12, 2026 9:56 AM EDT
Covered Call 2026-10-16	
At signal \$804.69 Current \$796.00	
SHORT Option \$820.00 B \$7.55 / A \$8.50	
Conservative CR \$8.03	



Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	\$25.58
ATR as % of price	3.2%
Volatility environment	medium
Current IV	43.5%
IV rank	56 / 100
IV percentile	81 / 100
Technical Snapshot IV source	Private fundamentals snapshot
Technical Snapshot IV observed at	Oct 12, 2026 7:30 PM EDT

Technical health and risk radar

Derived indicator health and event context

Overall health	62 / 100
Trend health	38 / 100
Momentum health	81 / 100
Volatility health	62 / 100
Structure health	82 / 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)	\$814.39 / \$821.69 / \$802.41
EMA (9 / 21)	\$814.98 / \$816.85
Bollinger upper / middle / lower	\$855.47 / \$814.39 / \$773.31



Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	0.317
True high / low	\$812.00 / \$795.76
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	-0.193	-
SMA50	-0.071	-
MVWAP20	0.092	-
MACD	-2.086	-
RSI	-1.057	-
Volume	-414082.330	-
ATR	-0.431	-
T1	-	-0.23 / 813.87 / 804.31 / 791.19
T2	-	1.65 / 814.48 / 821.91 / 788.89
T3	-	4.47 / 814.96 / 863.44 / 806.29



Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	\$804.86
Options Snapshot IV sources	ATM: option chain Rank/percentile: fundamentals
Options Snapshot IV observed at	Oct 12, 2026 2:45 PM EDT
Options data coverage	88.9%
SKEW regime	HIGH TAIL RISK SKEW
VVIX regime	VVIX FLAT
Front expiration / DTE	2026-10-16 4 DTE
Front at-the-money IV	38.6%
25-delta skew	-0.03
Put / Call 25-delta	\$785.00 Delta -0.258 / \$830.00 Delta 0.239
Median option bid/ask spread	14.6%
Bid/ask spread	-
Contracts observed / quoted	133 / 133

Price context

Last Price: 804.86 | Bid: 804.86 | Ask: 805.28 | Previous Close: 800.47 | Change: 4.39 | Daily change: 0.55% | Update Time: 2026-10-12T14:45:56.176914-04:00 | Latest History Date: 2026-10-12 | Latest History Price: 804.86

Historical context

Trading-day sample: 60 sessions | First Date: 2026-07-20 | Latest Date: 2026-10-12 | Latest Price: 804.86 | Max Drawdown 60d Percent: -12.90%

Fundamental context

Current Iv Percent: 43.65% | Iv Rank: 56.90 | Iv Percentile: 81.67 | 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.

Generated Oct 12, 2026 11:30 PM EDT. Jason Wheel Terms of Use and Privacy Policy apply. Copyright Jason Wheel Research LLC. All rights reserved.

Reference documents

Official product terms and standardized options disclosure

Jason Wheel	jasonwheel.com
Terms of Use	jasonwheel.com / Terms
Privacy Policy	jasonwheel.com / Privacy
Options Disclosure Document	theocc.com / Options Disclosure Document