



Caterpillar Inc / CAT

Equity | Generated Oct 13, 2026 11:30 PM EDT

Current price	Daily move	Bid / Ask	Previous close
\$772.56	-26.81 -3.35%	\$770.93/\$780.36	\$799.37

Market	NYSE
Industry	Machinery
Market data as of	Oct 13, 2026 11:30 PM EDT

JW Intelligence Report

Complete | 3 of 3 sections | Oct 13, 2026 7:50 PM EDT

JW Rank	Rank label	Confidence	IV percentile
54.0 / 100	Balanced	high	87 / 100
Model reference	Upside scenario	Risk reference	Wheel strategy fit
\$758.00	\$808.00	\$735.00	63 / 100

Options stance	bearish
Tail-risk safety	32 / 100
JW Rank data coverage / as of	100.0% Oct 13, 2026 7:50 PM EDT

Key insight

CAT Option Market Prices in Continued Downtrend and Earnings Risk

Market read

The CAT option market reflects a bearish outlook, driven by recent price weakness, analyst target cuts, and uncertainty surrounding upcoming earnings. Implied volatility is elevated, particularly for near-term expirations, suggesting heightened expectations for price swings around the earnings release. The term structure of implied volatility is in contango, with longer-dated options more expensive than shorter-dated ones, indicating a belief that volatility will persist.

Strategy context

CAT's option chain shows a preference for bearish strategies like put buying and bear call spreads. This aligns with the overall bearish sentiment reflected in the market.



JW AI conclusions

Short- and medium-term model interpretation

AI context bias

Mixed

AI analysis updated

Oct 13, 2026 2:29 PM EDT

Short-term scenario

High uncertainty — avoid treating this as a high-conviction long. Downtrend is intact, support is broken, and late-October earnings can gap the stock either way. Only a speculative bounce trade if price holds the ~755 area; otherwise wait for a close back above ~800.

Three-month outlook

Mixed, with material uncertainty. Fundamentals (record backlog, raised mid-to-high-teens 2026 sales outlook, power/data-center orders, and capacity investment) can support a partial recovery toward the \$850-\$950 area if Q3 confirms backlog growth and guidance holds. That is not assured: the multiple is well above CAT's historical norm, end markets are rate-sensitive, analyst targets have been cut, and the chart is broken. A soft backlog print, slower power orders, or still-high yields could extend the drawdown toward \$700-\$750. Earnings date and the durability of AI-related power demand are the main swing factors over the next three months.

Market sentiment

Near-term X tone is cautious to bearish: posts focus on the broken support, the Citi target cut, elevated long-term yields, and doubt that the data-center power premium will hold, while noting Deere did not fall with CAT today. A minority still treats sub-\$800 as a longer-term buy given backlog visibility into 2030. Engagement on today's posts is light, so sentiment is directional but not a high-conviction crowd signal.

Supporting evidence

CAT's stock price has declined significantly, breaking key support levels and triggering bearish technical signals. | Analyst target price reductions from Citi and Truist reflect concerns about data center spending and broader economic headwinds. | Elevated implied volatility, especially for near-term options expiring around the earnings date, suggests market anticipation of significant price movement. | The contango term structure of implied volatility points to expectations of sustained volatility in the coming months.

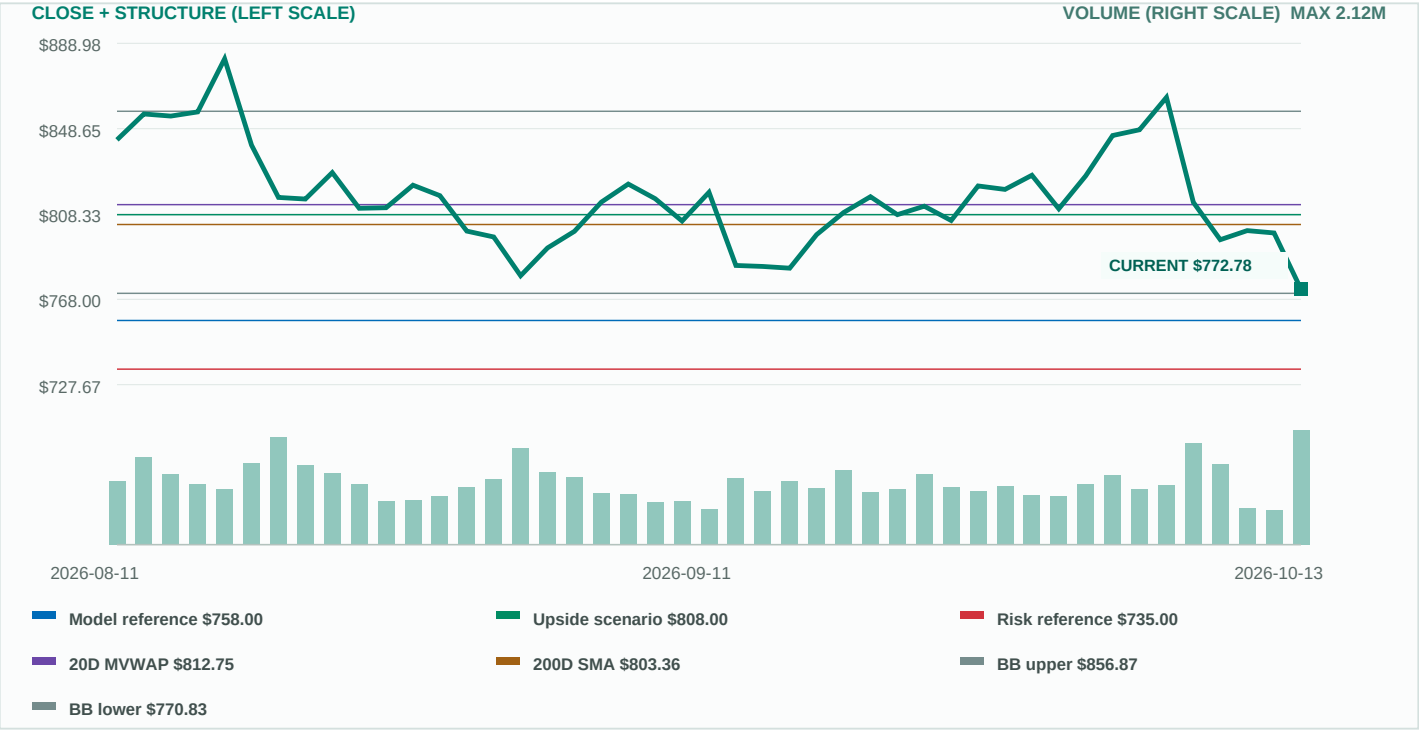
Risk watch

Earnings release on October 29th could trigger significant price volatility, either positive or negative, depending on the company's performance and guidance.



Enhanced price structure

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

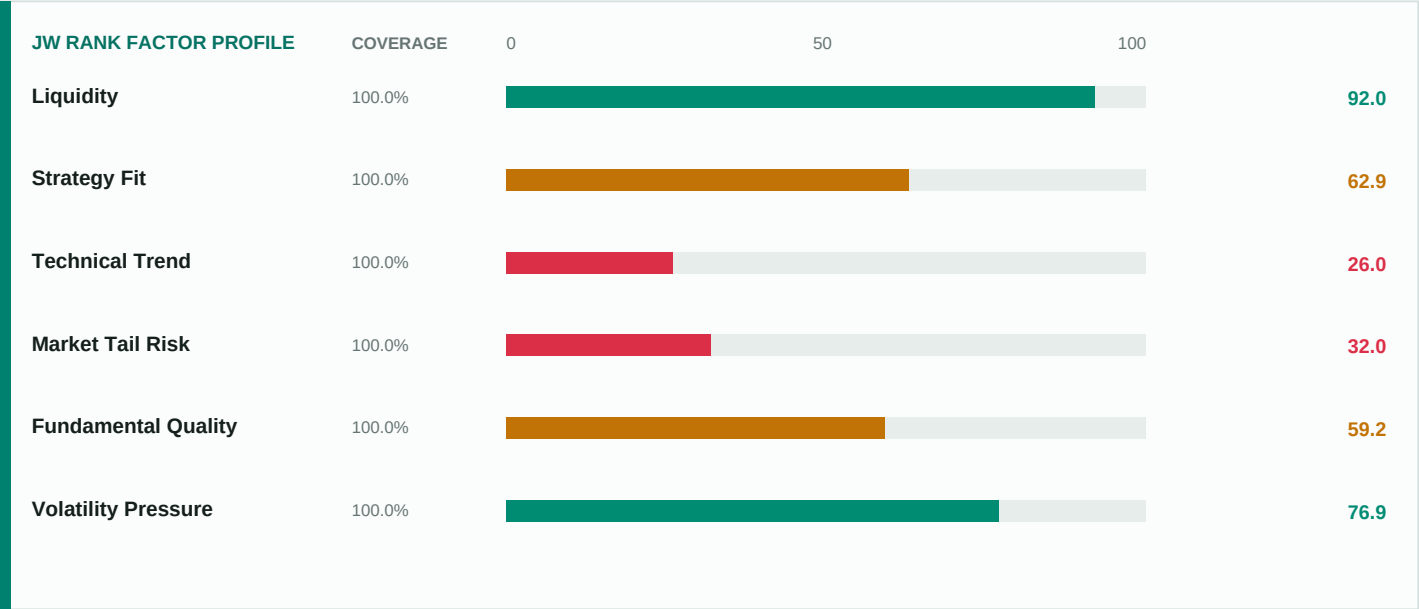


45 complete trading-session observations



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)	29.24 / 38.19 / 41.18
RSI velocity	-1.71
MACD line / signal / histogram	-5.11 / - / -1.17
MACD acceleration	-2.26
Stochastic K / D	13.14 / 13.10

Institutional footprints

Volume-weighted cost, price location and flow

Current read	Below institutional MVWAP Distribution bias
Institutional flow	-0.58
20-day MVWAP	\$812.75
Price vs 20-day MVWAP	-4.94%
Daily reference VWAP	\$773.60
Price vs daily reference	-0.13%
Volume	2.12M

Structural context

Long-term trend and volatility boundaries

Current read	Below 200-day trend Negative macro velocity
Macro velocity	-0.22
20-day / 200-day SMA	\$813.85 / \$803.36
Bollinger range	\$770.83 - \$856.87
Bollinger position	0.023



Options and volatility intelligence

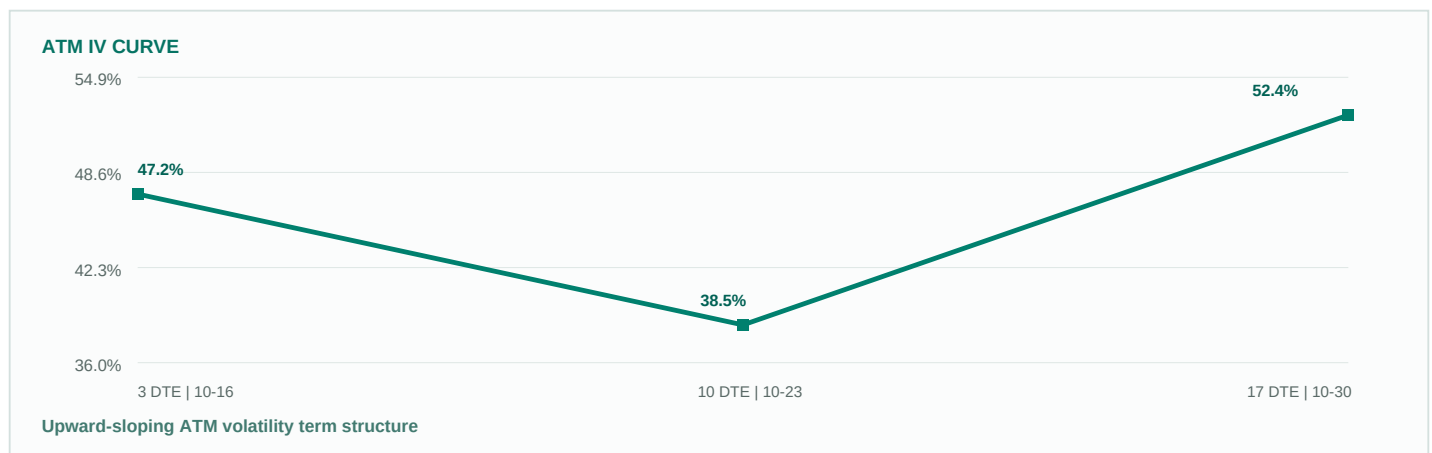
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
64 / 100	88 / 100	85.87	155.06

Market regime	DANGER ZONE
Tail-risk regime	NORMAL TAIL RISK
Term structure	contango
Term slope	+5.22 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 13, 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	3	47.2%	-
2026-10-23	10	38.5%	-
2026-10-30	17	52.4%	-

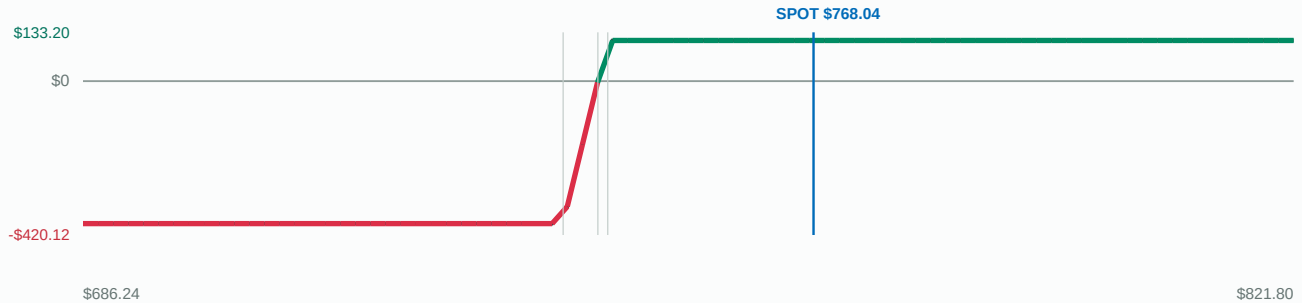


Reference spread payoff

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

Bull Put Spread reference

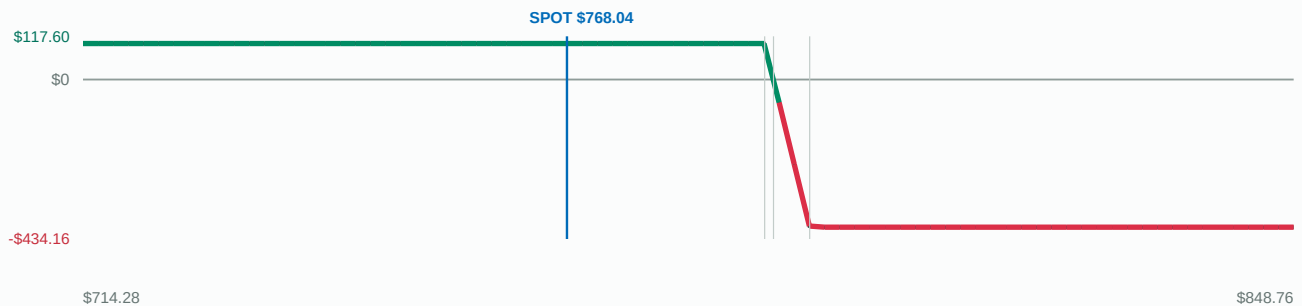
Short \$745.00 | Long \$740.00 | Width \$5.00 | Net credit \$1.11



Max profit \$111.00 | Max loss -\$389.00 | Break-even \$743.89 | Per contract at expiry

Bear Call Spread reference

Short \$790.00 | Long \$795.00 | Width \$5.00 | Net credit \$0.98



Max profit \$98.00 | Max loss -\$402.00 | Break-even \$790.98 | 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	15.42
VVIX	85.87
SKEW index	155.06
Observation confidence	high
Option quote quality	reliable
Contracts observed	141



Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	141

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The CAT option market reflects a bearish outlook, driven by recent price weakness, analyst target cuts, and uncertainty surrounding upcoming earnings. Implied volatility is elevated, particularly for near-term expirations, suggesting heightened expectations for price swings around the earnings release. The term structure of implied volatility is in contango, with longer-dated options more expensive than shorter-dated ones, indicating a belief that volatility will persist.

Options context

CAT Option Market Prices in Continued Downtrend and Earnings Risk

Wheel context

CAT's option chain shows a preference for bearish strategies like put buying and bear call spreads. This aligns with the overall bearish sentiment reflected in the market.

Observed evidence

CAT's stock price has declined significantly, breaking key support levels and triggering bearish technical signals. | Analyst target price reductions from Citi and Truist reflect concerns about data center spending and broader economic headwinds. | Elevated implied volatility, especially for near-term options expiring around the earnings date, suggests market anticipation of significant price movement. | The contango term structure of implied volatility points to expectations of sustained volatility in the coming months.

Principal risks to monitor

Earnings release on October 29th could trigger significant price volatility, either positive or negative, depending on the company's performance and guidance.



Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization	P/E (TTM)
\$367.45B	34.31
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 \$772.56	
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	\$26.90
ATR as % of price	3.5%
Volatility environment	medium
Current IV	45.1%
IV rank	62 / 100
IV percentile	87 / 100
Technical Snapshot IV source	Private fundamentals snapshot
Technical Snapshot IV observed at	Oct 13, 2026 3:50 PM EDT

Technical health and risk radar

Derived indicator health and event context

Overall health	53 / 100
Trend health	38 / 100
Momentum health	70 / 100
Volatility health	58 / 100
Structure health	52 / 100
Earnings risk / date	medium 2026-10-29
Macro risk	unknown
Volatility risk	medium
Structure risk	medium

Structural indicator levels

Moving averages, volatility bands and observed trading ranges

SMA (20 / 50 / 200)	\$813.85 / \$820.54 / \$803.36
EMA (9 / 21)	\$806.54 / \$812.85
Bollinger upper / middle / lower	\$856.87 / \$813.85 / \$770.83



Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	0.023
True high / low	\$799.37 / \$755.31
5-day true high / low	\$863.44 / \$755.31

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	-0.225	-
SMA50	-0.542	-
MVWAP20	-0.577	-
MACD	-2.255	-
RSI	-1.711	-
Volume	209553.670	-
ATR	-0.138	-
T1	-	-1.79 / 815.23 / 812.00 / 795.76
T2	-	-0.23 / 813.87 / 804.31 / 791.19
T3	-	1.65 / 814.48 / 821.91 / 788.89



Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	\$768.04
Options Snapshot IV sources	ATM: option chain Rank/percentile: fundamentals
Options Snapshot IV observed at	Oct 13, 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 3 DTE
Front at-the-money IV	47.2%
25-delta skew	1.25
Put / Call 25-delta	\$745.00 Delta -0.243 / \$790.00 Delta 0.266
Median option bid/ask spread	20.8%
Bid/ask spread	-
Contracts observed / quoted	141 / 141

Price context

Last Price: 768.04 | Bid: 767.78 | Ask: 768.26 | Previous Close: 799.38 | Change: -31.34 | Daily change: -3.92% | Update Time: 2026-10-13T14:45:55.975183-04:00 | Latest History Date: 2026-10-13 | Latest History Price: 768.03

Historical context

Trading-day sample: 60 sessions | First Date: 2026-07-21 | Latest Date: 2026-10-13 | Latest Price: 768.03 | Max Drawdown 60d Percent: -14.14%

Fundamental context

Current Iv Percent: 45.56% | Iv Rank: 63.79 | Iv Percentile: 88.45 | 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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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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