Caterpillar Inc / CAT

Equity | Generated Oct 28, 2026 11:30 PM EDT

Current price	Daily move	Bid / Ask	Previous close
$720.00	+6.69 +0.94%	-/-	$713.31

Market	NYSE
Industry	Machinery
Market data as of	Oct 28, 2026 11:30 PM EDT

JW Intelligence Report

Complete | 3 of 3 sections | Oct 28, 2026 6:50 PM EDT

JW Rank	Rank label	Confidence	IV percentile
52.9 / 100	Balanced	high	73 / 100

Model reference	Upside scenario	Risk reference	Wheel strategy fit
$705.00	$755.00	$675.00	63 / 100

Options stance	mixed
Tail-risk safety	56 / 100
JW Rank data coverage / as of	100.0% | Oct 28, 2026 6:50 PM EDT

Key insight

CAT Options Imply Uncertainty Ahead of Earnings

Market read

The market is pricing in significant volatility for CAT ahead of its Q3 earnings release on October 29th. Implied volatility is elevated, with the front-month options suggesting a potential move of around 6-8%. Technical indicators show a bearish trend, but some analysts see oversold conditions and potential for a bounce. The recent pullback in share price has led to target reductions from several firms, reflecting concerns about bookings and AI spending. Overall, the market appears cautious ahead of the earnings report.

Strategy context

The market is pricing in a high probability of a move in either direction following the earnings release.

JW AI conclusions

Short- and medium-term model interpretation

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

Short-term scenario

High uncertainty due to earnings tomorrow (options imply roughly a 6-8% move). Prefer waiting for the reaction before sizing a position. If trading the setup, only a small speculative bounce attempt on oversold conditions is reasonable, with tight risk controls; a miss or soft guidance could extend the downtrend quickly.

Three-month outlook

Moderately constructive if the October 29 report and guidance confirm backlog conversion and sustained power-generation demand, which could support a recovery toward the low-to-mid $800s over time. Downside risk remains material toward the mid-$600s if results or outlook disappoint, tariff costs pressure margins, or AI-related capital spending concerns intensify. Valuation is elevated for a cyclical name, recent target cuts show analyst caution, and the technical downtrend has not reversed. Outcome is highly path-dependent on the earnings print and broader risk appetite; confidence is low.

Market sentiment

Recent posts are sparse and mostly earnings-preview oriented rather than high-conviction directional calls. Tone is cautiously mixed: some highlight an oversold RSI, a divergence versus rising earnings forecasts, and willingness to add under the 200-day moving average for a possible bounce into the report, while others note the sharp pullback from highs, questions about how long a data-center power premium lasts, and the sense that much of the boom may already be priced in. No clear bullish or bearish consensus emerges from available discussion.

Supporting evidence

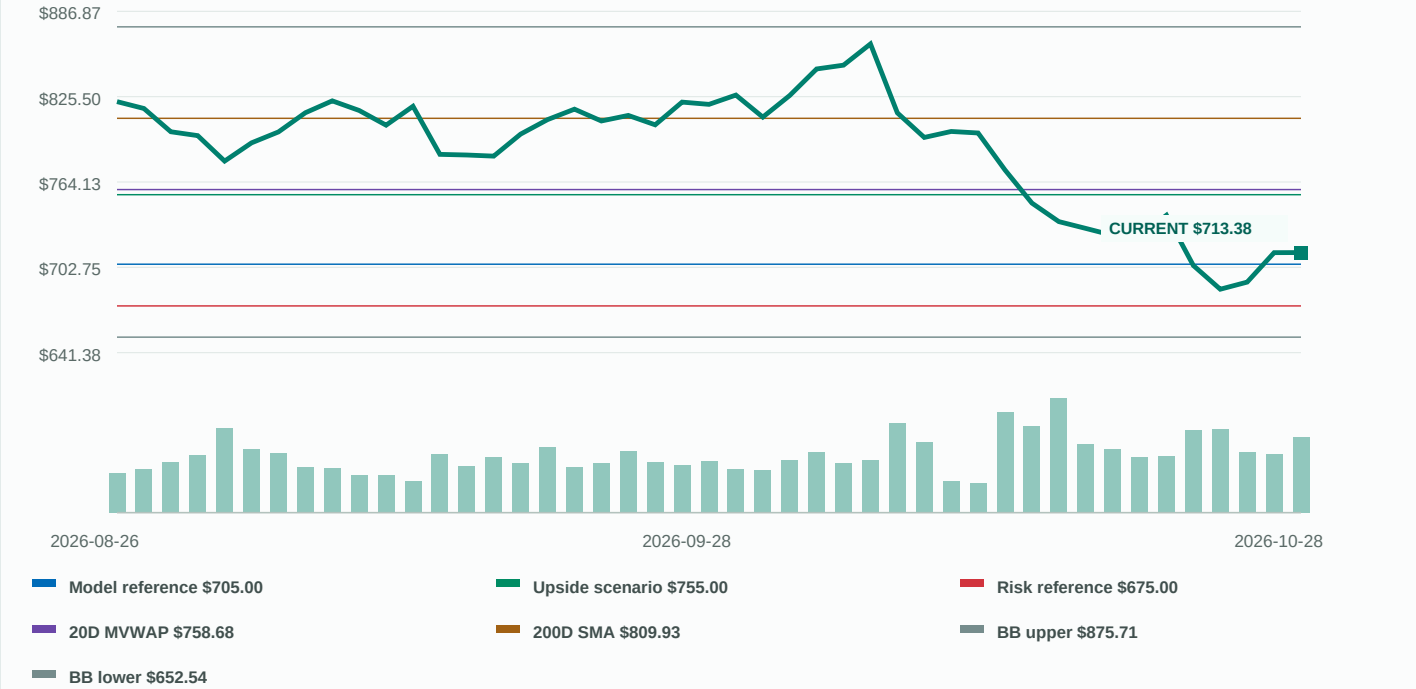
Implied volatility is high at 43.5% with a significant jump in options pricing for the October 30th expiration. | The stock is trading below its 10-day, 20-day, 50-day, and 200-day moving averages, indicating a bearish trend. | Recent analyst target reductions reflect concerns about bookings and AI spending. | Some analysts see oversold conditions and potential for a bounce into the earnings report.

Risk watch

Earnings miss or soft guidance could extend the downtrend. | Tariff costs and margin pressure pose risks to future performance.

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	Institutional flow	Structure	Volatility
strong_bear	Below MVWAP	Below 200D trend	medium

Decision indicators

Detailed momentum, institutional and structural observations

Momentum kinematics

Direction, velocity and oscillator state

Current read	**STRONG BEAR | neutral | MACD decelerating**
Trend signal	**STRONG BEAR**
RSI signal	**neutral**
RSI (7 / 14 / 21)	**38.31 / 36.35 / 37.87**
RSI velocity	**3.20**
MACD line / signal / histogram	**-29.86 / - / -24.94**
MACD acceleration	**-0.13**
Stochastic K / D	**18.97 / 11.83**

Institutional footprints

Volume-weighted cost, price location and flow

Current read	**Below institutional MVWAP | Distribution bias**
Institutional flow	**-4.82**
20-day MVWAP	**$758.68**
Price vs 20-day MVWAP	**-5.10%**
Daily reference VWAP	**$717.91**
Price vs daily reference	**+0.29%**
Volume	**1.58M**

Structural context

Long-term trend and volatility boundaries

Current read	**Below 200-day trend | Negative macro velocity**
Macro velocity	**-5.64**
20-day / 200-day SMA	**$764.12 / $809.93**
Bollinger range	**$652.54 - $875.71**
Bollinger position	**0.273**

Options and volatility intelligence

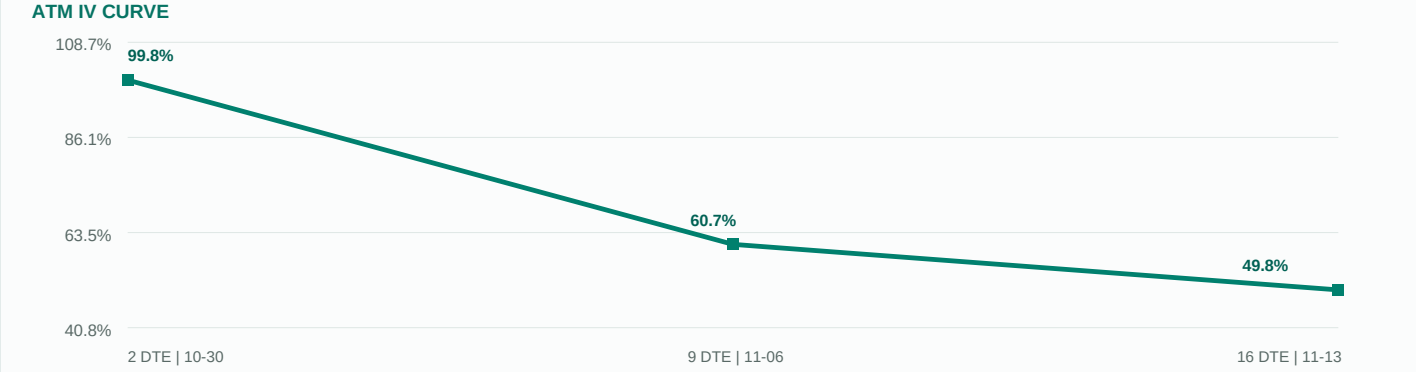
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
56 / 100	76 / 100	96.85	149.22

Market regime	**Calm**
Tail-risk regime	**NORMAL TAIL RISK**
Term structure	**backwardation**
Term slope	**-49.94 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 28, 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
2026-10-30	2	99.8%	-
2026-11-06	9	60.7%	-
2026-11-13	16	49.8%	-

Event and tail-risk context

Known event windows and broad volatility conditions

Next earnings date	**2026-10-29**
Earnings IV-crush risk	**high**
Event IV premium	**39.10**
VIX	**17.18**
VVIX	**96.85**
SKEW index	**149.22**
Observation confidence	**high**
Option quote quality	**reliable**
Contracts observed	**150**
Contracts with quotes	**150**

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

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Options context

CAT Options Imply Uncertainty Ahead of Earnings

Wheel context

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Observed evidence

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Principal risks to monitor

Earnings miss or soft guidance could extend the downtrend. | Tariff costs and margin pressure pose risks to future performance.

Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization	P/E (TTM)
$328.85B	**30.21**
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

$521.43 - $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
459.67M	**35.3%**
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 21, 2026 11:07 AM EDT

Covered Call | 2026-10-23

At signal $731.70 | Current $720.00

SHORT **Option $740.00 B $8.20 / A $9.40**

Conservative | CR $8.80

Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	**$26.33**
ATR as % of price	**3.7%**
Volatility environment	**medium**
Current IV	**42.5%**
IV rank	**53 / 100**
IV percentile	**73 / 100**
Technical Snapshot IV source	**Private fundamentals snapshot**
Technical Snapshot IV observed at	**Oct 28, 2026 7:30 PM EDT**

Technical health and risk radar

Derived indicator health and event context

Overall health	**52 / 100**
Trend health	**25 / 100**
Momentum health	**66 / 100**
Volatility health	**55 / 100**
Structure health	**77 / 100**
Earnings risk / date	**high | 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)	**$764.12 / $790.53 / $809.93**
EMA (9 / 21)	**$720.03 / $749.80**
Bollinger upper / middle / lower	**$875.71 / $764.12 / $652.54**

Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	**0.273**
True high / low	**$732.73 / $707.63**
5-day true high / low	**$740.21 / $679.50**

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	-5.643	**-**
SMA50	-3.069	**-**
MVWAP20	-4.816	**-**
MACD	-0.132	**-**
RSI	3.201	**-**
Volume	-56301.670	**-**
ATR	-0.351	**-**
T1	-	**-30.70 / 762.94 / 716.00 / 692.13**
T2	-	**-31.30 / 767.40 / 696.22 / 679.50**
T3	-	**-29.47 / 773.13 / 704.05 / 681.23**

Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	**$718.42**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Oct 28, 2026 2:45 PM EDT**
Options data coverage	**88.9%**
SKEW regime	**HIGH TAIL RISK SKEW**
VVIX regime	**VVIX FLAT**
Front expiration / DTE	**2026-10-30 | 2 DTE**
Front at-the-money IV	**99.8%**
25-delta skew	**1.69**
Put / Call 25-delta	**$687.50 Delta -0.265 / $747.50 Delta 0.310**
Median option bid/ask spread	**22.7%**
Bid/ask spread	**-**
Contracts observed / quoted	**150 / 150**

Price context

Last Price: 718.42 | Bid: 717.95 | Ask: 718.54 | Previous Close: 713.31 | Change: 5.11 | Daily change: 0.72% | Update Time: 2026-10-28T14:45:52.476766-04:00 | Latest History Date: 2026-10-28 | Latest History Price: 717.87

Historical context

Trading-day sample: 60 sessions | First Date: 2026-08-05 | Latest Date: 2026-10-28 | Latest Price: 717.87 | Max Drawdown 60d Percent: -22.08%

Fundamental context

Current Iv Percent: 43.50% | Iv Rank: 56.32 | Iv Percentile: 76.49 | Next Earnings Date: 2026-10-29 | Ex Dividend Date: 2026-10-25

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.

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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

Official product terms and standardized options disclosure

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