



Caterpillar Inc / CAT

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

Current price	Daily move	Bid / Ask	Previous close
\$624.89	-22.50 -3.48%	-/-	\$647.39

Market	NYSE
Industry	Machinery
Market data as of	Oct 30, 2026 11:31 PM EDT

JW Intelligence Report

Complete | 3 of 3 sections | Oct 30, 2026 6:50 PM EDT

JW Rank	Rank label	Confidence	IV percentile
47.9 / 100	Cautious	high	61 / 100
Model reference	Upside scenario	Risk reference	Wheel strategy fit
\$616.00	\$652.00	\$598.00	65 / 100

Options stance	mixed
Tail-risk safety	56 / 100
JW Rank data coverage / as of	100.0% Oct 30, 2026 6:50 PM EDT

Key insight

CAT Option Market Shows Caution After Earnings Miss

Market read

The CAT option market reflects a cautious outlook following recent earnings. While implied volatility is elevated, reflecting uncertainty around future growth and cost pressures, the term structure shows a slight backwardation, suggesting some expectation for near-term stabilization. The stock's sharp decline after earnings has pushed it into oversold territory, potentially attracting opportunistic buyers. However, bearish momentum persists, with analysts revising price targets downward and concerns about slowing demand and margin pressure.

Strategy context

The current market sentiment suggests potential for short-term volatility. A bounce could occur if the stock stabilizes near \$614-620 support, but further downside risk exists.



JW AI conclusions

Short- and medium-term model interpretation

AI context bias

Bearish

AI analysis updated

Oct 30, 2026 2:28 PM EDT

Short-term scenario

Cautious tactical long attempting an oversold relief bounce over 1-3 weeks only if price stabilizes near or above the \$614-620 support zone; high uncertainty because bearish momentum, negative earnings reaction, and potential support failure could produce further downside. Use small size and treat as a short-term trade, not a core position. This is not financial advice.

Three-month outlook

Operational backdrop remains constructive over a three-month horizon given the record backlog that extends visibility, continued data-center-related power demand, margin expansion from volume and pricing, and ongoing capital returns. Offsetting risks include persistent tariff costs near \$2.2 billion, higher manufacturing and freight expenses, inventory build, capacity constraints that slow backlog conversion, and the possibility that AI-related spending moderates. Valuation has reset but is not deeply discounted versus historical mid-cycle levels on some metrics, and recent analyst target cuts reflect that caution even as many still see upside. A base-case path is a volatile, gradual recovery toward the \$680-780 area if costs stabilize and demand holds; a downside case retests or breaks toward the mid-\$500s if guidance concerns or broader industrial/AI sentiment worsen. Uncertainty is high due to the sharp technical breakdown, conflicting fundamental signals, and macro sensitivity; outcomes can deviate materially from these ranges.

Market sentiment

Cautious and mixed with limited high-conviction volume. Recent posts highlight the post-earnings decline (cumulative drops cited around 9-11% or more) and list CAT among oversold names (RSI under 30). Some accounts frame the low-\$600s as a potential accumulate or hold zone for longer-term dividend-growth or AI-power-demand exposure and ask which earnings-punished stocks investors are buying on the dip. Others emphasize guidance disappointment, tariffs, costs, and moderating growth expectations as justification for the selloff. One trader noted \$627 as an initial key level. Overall tone is opportunistic rather than strongly bullish or panic-driven, with uncertainty dominant amid broader related-sector weakness.

Supporting evidence

CAT's implied volatility is elevated at 38.58%, indicating market uncertainty. | The term structure shows a slight backwardation, suggesting some expectation for near-term stabilization. | The stock is trading well below its 50-day and 200-day moving averages, signaling a strong bearish trend. | Analysts have cut price targets following the earnings report, reflecting concerns about growth sustainability and valuation.

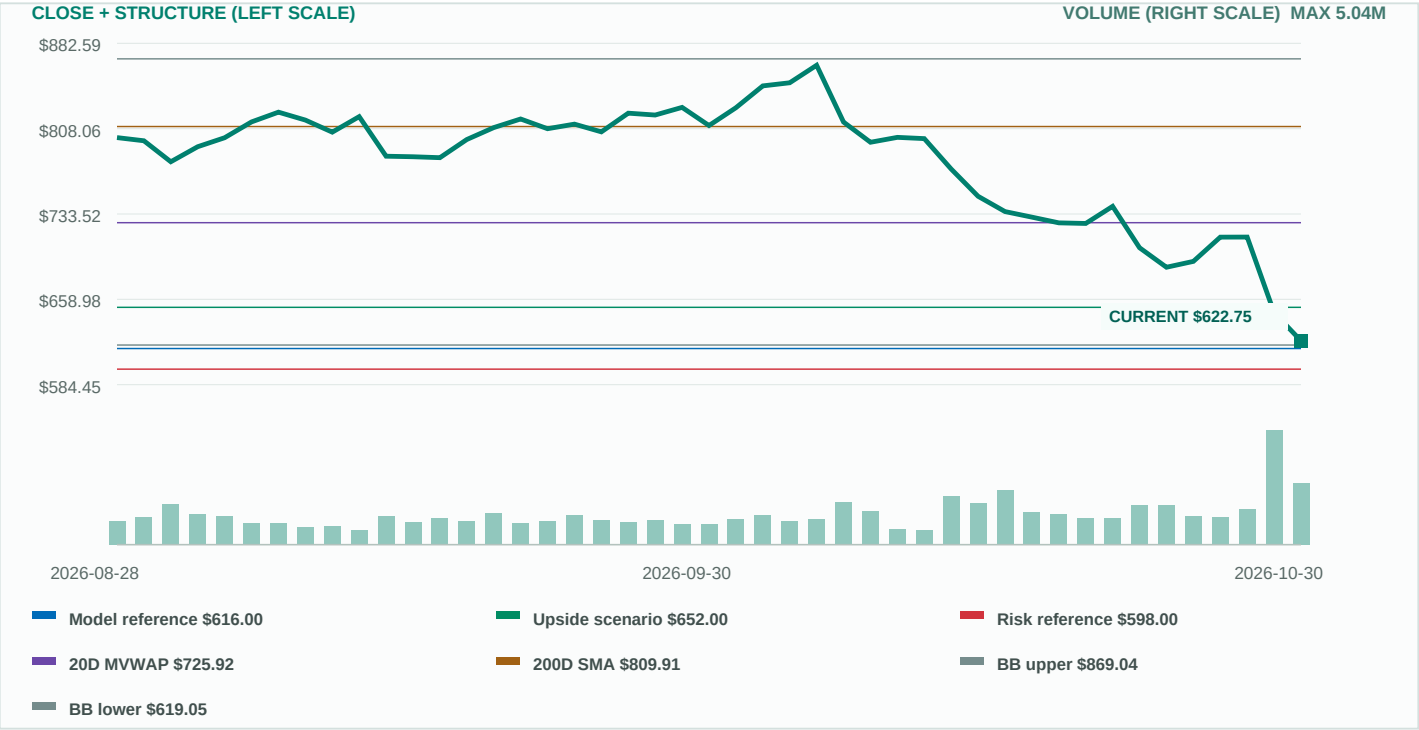
Risk watch

Persistent tariff costs and higher manufacturing expenses pose risks to margins. | Inventory build and capacity constraints could slow backlog conversion.



Enhanced price structure

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

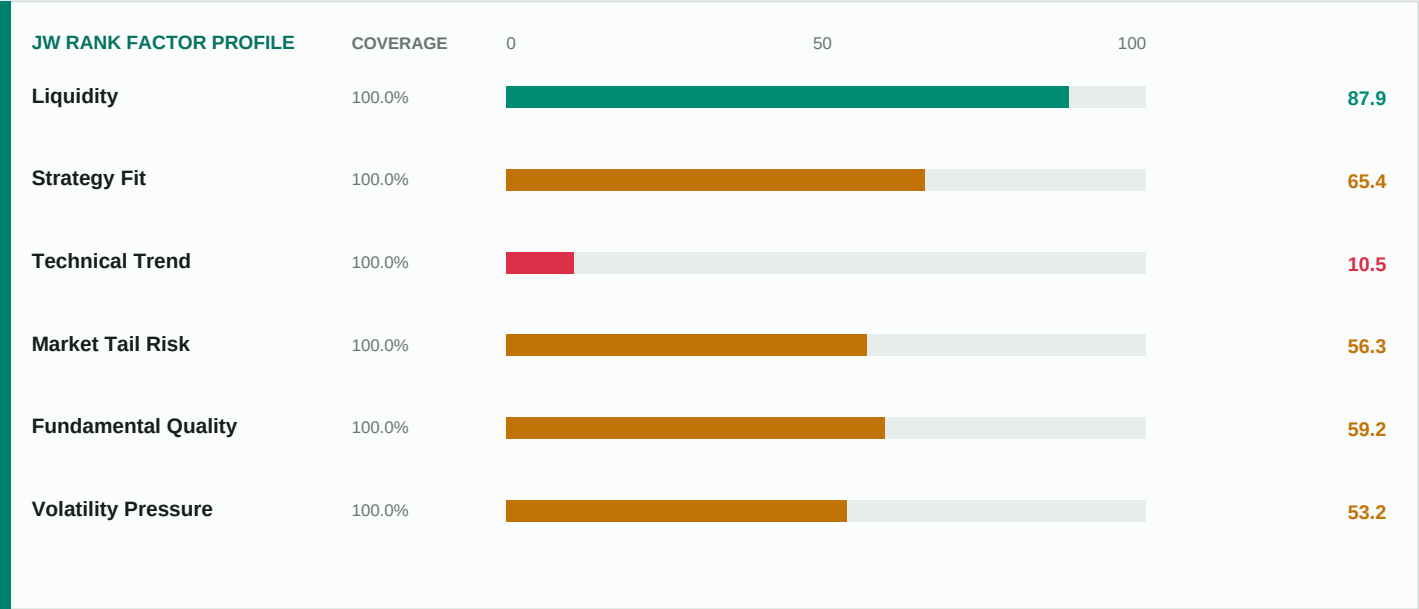


45 complete trading-session observations



JW Rank factors

Score, source coverage and interpretation for each decision factor



Decision summary

Primary model reads before the detailed indicator appendix

Momentum

strong_bear

Institutional flow

Below MVWAP

Structure

Below 200D trend

Volatility

high



Decision indicators

Detailed momentum, institutional and structural observations

Momentum kinematics

Direction, velocity and oscillator state

Current read	STRONG BEAR oversold MACD decelerating
Trend signal	STRONG BEAR
RSI signal	oversold
RSI (7 / 14 / 21)	17.21 / 23.59 / 28.19
RSI velocity	-4.24
MACD line / signal / histogram	-39.06 / - / -29.23
MACD acceleration	-2.79
Stochastic K / D	12.69 / 17.04

Institutional footprints

Volume-weighted cost, price location and flow

Current read	Below institutional MVWAP Distribution bias
Institutional flow	-12.34
20-day MVWAP	\$725.92
Price vs 20-day MVWAP	-13.92%
Daily reference VWAP	\$625.70
Price vs daily reference	-0.13%
Volume	2.69M

Structural context

Long-term trend and volatility boundaries

Current read	Below 200-day trend Negative macro velocity
Macro velocity	-8.32
20-day / 200-day SMA	\$744.04 / \$809.91
Bollinger range	\$619.05 - \$869.04
Bollinger position	0.015



Options and volatility intelligence

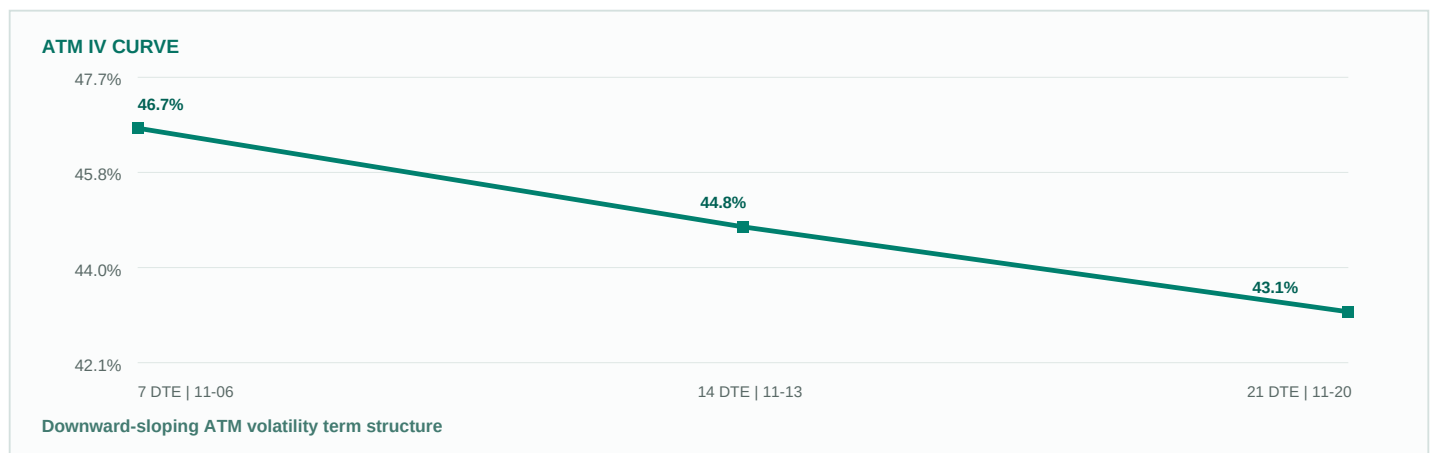
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
39 / 100	52 / 100	121.93	151.03

Market regime	Calm
Tail-risk regime	NORMAL TAIL RISK
Term structure	backwardation
Term slope	-3.61 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 30, 2026 2:47 PM EDT
Options data quality	Coverage 77.8%

Option term structure

ATM implied-volatility curve by days to expiration



EXPIRATION	DTE	ATM IV	STATE
2026-11-06	7	46.7%	-
2026-11-13	14	44.8%	-
2026-11-20	21	43.1%	-



Event and tail-risk context

Known event windows and broad volatility conditions

Next earnings date	2027-01-28
Earnings IV-crush risk	NOT MEASURED
VIX	22.61
VVIX	121.93
SKEW index	151.03
Observation confidence	medium
Option quote quality	reliable
Contracts observed	112
Contracts with quotes	112

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The CAT option market reflects a cautious outlook following recent earnings. While implied volatility is elevated, reflecting uncertainty around future growth and cost pressures, the term structure shows a slight backwardation, suggesting some expectation for near-term stabilization. The stock's sharp decline after earnings has pushed it into oversold territory, potentially attracting opportunistic buyers. However, bearish momentum persists, with analysts revising price targets downward and concerns about slowing demand and margin pressure.

Options context

CAT Option Market Shows Caution After Earnings Miss

Wheel context

The current market sentiment suggests potential for short-term volatility. A bounce could occur if the stock stabilizes near \$614-620 support, but further downside risk exists.

Observed evidence

CAT's implied volatility is elevated at 38.58%, indicating market uncertainty. | The term structure shows a slight backwardation, suggesting some expectation for near-term stabilization. | The stock is trading well below its 50-day and 200-day moving averages, signaling a strong bearish trend. | Analysts have cut price targets following the earnings report, reflecting concerns about growth sustainability and valuation.

Principal risks to monitor

Persistent tariff costs and higher manufacturing expenses pose risks to margins. | Inventory build and capacity constraints could slow backlog conversion.



Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization	P/E (TTM)
\$287.88B	26.84
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	
\$537.08 - \$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	10.6%
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
Covered Call | 2026-10-23
At signal \$731.70 | Current \$624.89
SHORT Option \$740.00 B \$8.20 / A \$9.40
Conservative | CR \$8.80

Oct 21, 2026 11:07 AM EDT



Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	\$30.36
ATR as % of price	4.9%
Volatility environment	high
Current IV	40.0%
IV rank	44 / 100
IV percentile	61 / 100
Technical Snapshot IV source	Private fundamentals snapshot
Technical Snapshot IV observed at	Oct 30, 2026 7:31 PM EDT

Technical health and risk radar

Derived indicator health and event context

Overall health	37 / 100
Trend health	25 / 100
Momentum health	43 / 100
Volatility health	37 / 100
Structure health	51 / 100
Earnings risk / date	low 2027-01-28
Macro risk	unknown
Volatility risk	high
Structure risk	medium

Structural indicator levels

Moving averages, volatility bands and observed trading ranges

SMA (20 / 50 / 200)	\$744.04 / \$783.30 / \$809.91
EMA (9 / 21)	\$688.95 / \$729.79
Bollinger upper / middle / lower	\$869.04 / \$744.04 / \$619.05



Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	0.015
True high / low	\$647.39 / \$616.66
5-day true high / low	\$732.73 / \$616.66

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	-8.317	-
SMA50	-3.259	-
MVWAP20	-12.340	-
MACD	-2.788	-
RSI	-4.243	-
Volume	486888.670	-
ATR	1.313	-
T1	-	-34.14 / 739.11 / 713.38 / 631.01
T2	-	-29.86 / 758.68 / 732.73 / 707.63
T3	-	-30.70 / 762.94 / 716.00 / 692.13



Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	\$617.84
Options Snapshot IV sources	ATM: option chain Rank/percentile: fundamentals
Options Snapshot IV observed at	Oct 30, 2026 2:47 PM EDT
Options data coverage	77.8%
SKEW regime	HIGH TAIL RISK SKEW
VVIX regime	VVIX FLAT
Front expiration / DTE	2026-11-06 7 DTE
Front at-the-money IV	46.7%
25-delta skew	2.27
Put / Call 25-delta	\$592.50 Delta -0.251 / \$647.50 Delta 0.246
Median option bid/ask spread	20.8%
Bid/ask spread	-
Contracts observed / quoted	112 / 112

Price context

Last Price: 617.84 | Bid: 617.77 | Ask: 618.04 | Previous Close: 647.39 | Change: -29.55 | Daily change: -4.56% | Update Time: 2026-10-30T14:47:11.275739-04:00 | Latest History Date: 2026-10-30 | Latest History Price: 617.96

Historical context

Trading-day sample: 60 sessions | First Date: 2026-08-07 | Latest Date: 2026-10-30 | Latest Price: 617.96 | Max Drawdown 60d Percent: -29.91%

Fundamental context

Current Iv Percent: 38.58% | Iv Rank: 38.51 | Iv Percentile: 52.19 | Next Earnings Date: 2027-01-28 | 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.

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 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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