Caterpillar Inc / CAT

Equity | Generated Nov 5, 2026 11:30 PM EST

Current price	Daily move	Bid / Ask	Previous close
$561.03	-30.27 -5.12%	$557.05/$562.65	$591.30

Market	**NYSE**
Industry	**Machinery**
Market data as of	**Nov 5, 2026 11:30 PM EST**

JW Intelligence Report

Complete | 3 of 3 sections | Nov 5, 2026 6:50 PM EST

JW Rank	Rank label	Confidence	IV percentile
44.3 / 100	Cautious	high	88 / 100

Model reference	Upside scenario	Risk reference	Wheel strategy fit
$552.00	$590.00	$530.00	57 / 100

Options stance	**bearish**
Tail-risk safety	**56 / 100**
JW Rank data coverage / as of	**100.0% | Nov 5, 2026 6:50 PM EST**

Key insight

CAT Option Market Prices in Continued Downtrend Concerns

Market read

The CAT option market reflects a bearish outlook, driven by recent earnings concerns and technical weakness. Implied volatility is elevated, suggesting heightened expectations for price swings. The term structure shows backwardation, with near-term options more expensive than longer-dated ones, indicating a belief that the stock will continue to decline in the short term. The significant drop in price following the Q3 earnings report, coupled with analyst concerns about tariffs and production constraints, has fueled this bearish sentiment.

Strategy context

The current market environment favors bearish strategies like put buying or bear call spreads.

JW AI conclusions

Short- and medium-term model interpretation

AI context bias	**Bearish**
AI analysis updated	**Nov 5, 2026 2:30 PM EST**

Short-term scenario

Cautious, small tactical long only for a possible 1-3 week oversold relief bounce; the primary trend remains down. Not a high-conviction setup. Uncertainty is high because selling pressure, tariff headlines, and a break of the $537-$552 zone could extend the decline.

Three-month outlook

Fundamentals can support a recovery if the record backlog converts and Power & Energy capacity ramps for data-center demand, consistent with maintained mid-to-high-teens 2026 growth and analyst expectations of solid 2026-2027 earnings growth. Offsetting risks are the ~$2.2B tariff burden, higher manufacturing and freight costs, production constraints, and recent downward estimate revisions, which can keep margins near the low end of targets and cap the multiple. Technically the stock is deeply damaged and needs to hold the mid-$530s to low-$550s and reclaim the high-$500s before a more durable rebound toward higher analyst targets is plausible. Uncertainty is high: guidance was reiterated rather than raised, capacity timing is uncertain, and durability of AI-related power demand plus tariff policy remain open questions.

Market sentiment

Mixed and cautious, with limited recent engagement. Some investors are buying the dip, citing the record backlog, a director purchase, the large drawdown from highs, and average price-target upside. Others see further downside risk, a thin support zone toward roughly $400-$415, and lingering concern that AI-linked valuation and tariff/cost issues can outweigh the earnings beat. Uncertainty: the sample is small and not a reliable measure of broader investor positioning.

Supporting evidence

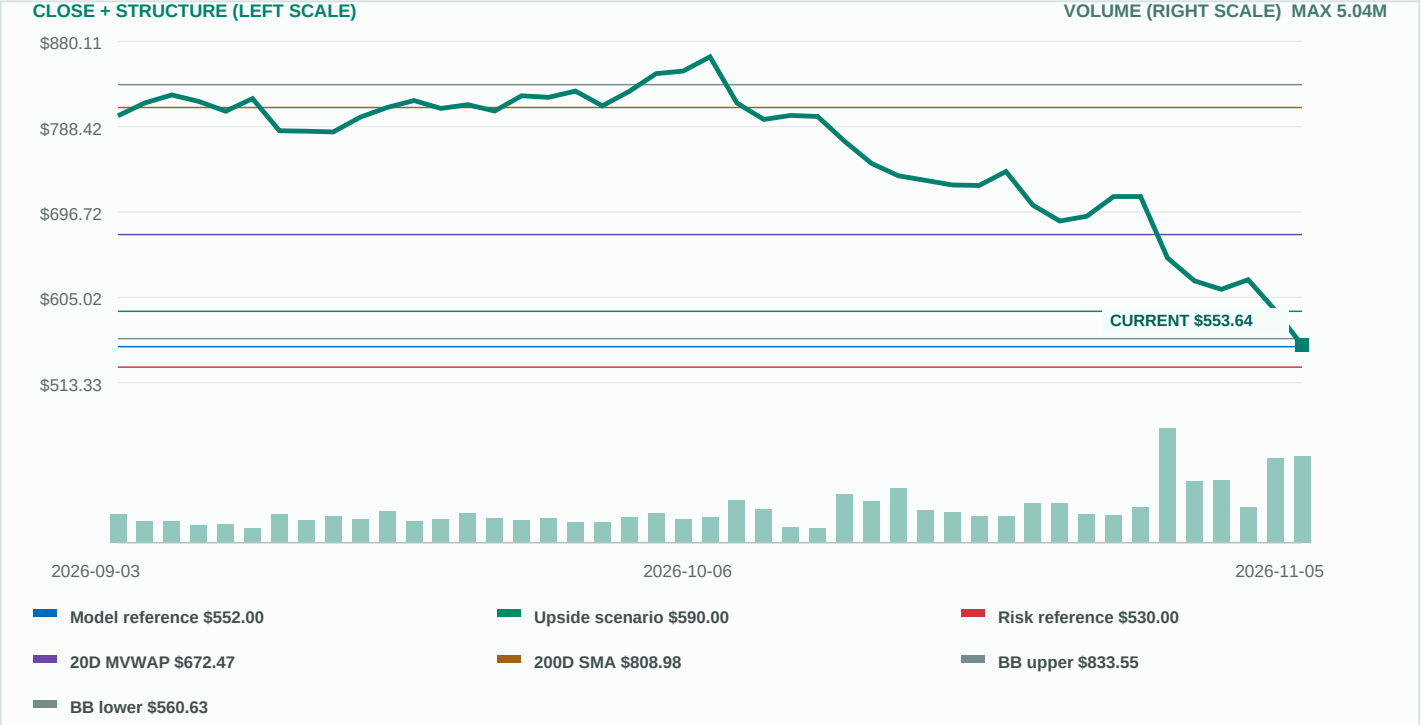
CAT's share price fell sharply after its Q3 earnings report despite beating estimates. | Analysts have expressed concerns about the impact of tariffs and production constraints on CAT's profitability. | The stock is trading below its short- and intermediate-term moving averages, indicating a downtrend. | Implied volatility is elevated, suggesting high expectations for price swings.

Risk watch

Further downside risk exists if the stock breaks below key support levels. | Tariffs and production constraints could negatively impact CAT's earnings.

Enhanced price structure

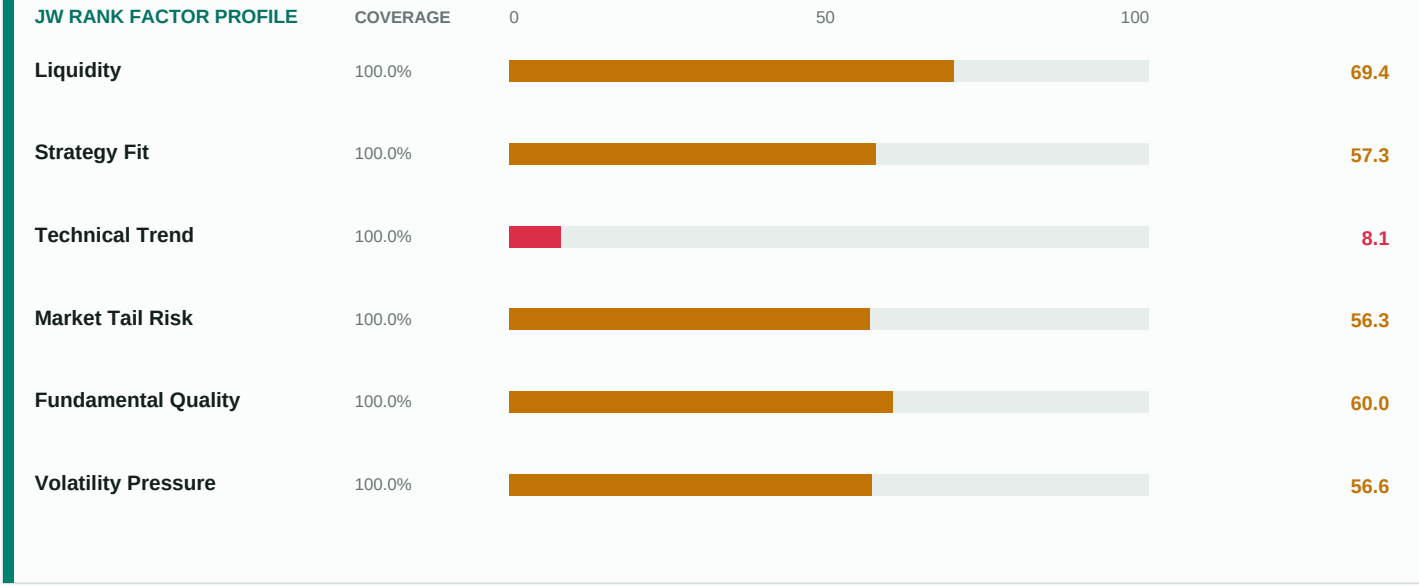
45 trading days with volume, model levels and current technical reference bands



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	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)	**13.42 / 19.48 / 24.15**
RSI velocity	**-1.07**
MACD line / signal / histogram	**-54.00 / - / -40.77**
MACD acceleration	**-3.60**
Stochastic K / D	**5.76 / 5.73**

Institutional footprints

Volume-weighted cost, price location and flow

Current read	**Below institutional MVWAP | Distribution bias**
Institutional flow	**-13.89**
20-day MVWAP	**$672.47**
Price vs 20-day MVWAP	**-16.57%**
Daily reference VWAP	**$563.38**
Price vs daily reference	**-0.42%**
Volume	**3.80M**

Structural context

Long-term trend and volatility boundaries

Current read	**Below 200-day trend | Negative macro velocity**
Macro velocity	**-11.74**
20-day / 200-day SMA	**$697.09 / $808.98**
Bollinger range	**$560.63 - $833.55**
Bollinger position	**-0.026**

Options and volatility intelligence

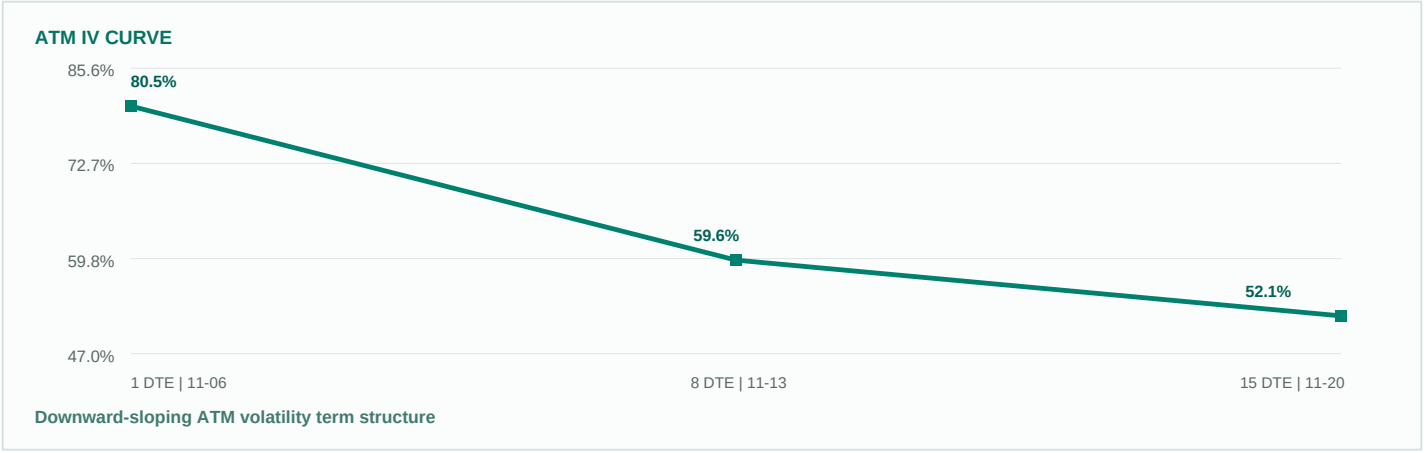
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
76 / 100	91 / 100	124.07	150.90

Market regime	**Calm**
Tail-risk regime	**NORMAL TAIL RISK**
Term structure	**backwardation**
Term slope	**-28.44 pts**
Skew read	**balanced**
Liquidity / quote coverage	**100.0%**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Nov 5, 2026 2:48 PM EST**
Options data quality	**Coverage 88.9%**

Option term structure

ATM implied-volatility curve by days to expiration



Downward-sloping ATM volatility term structure

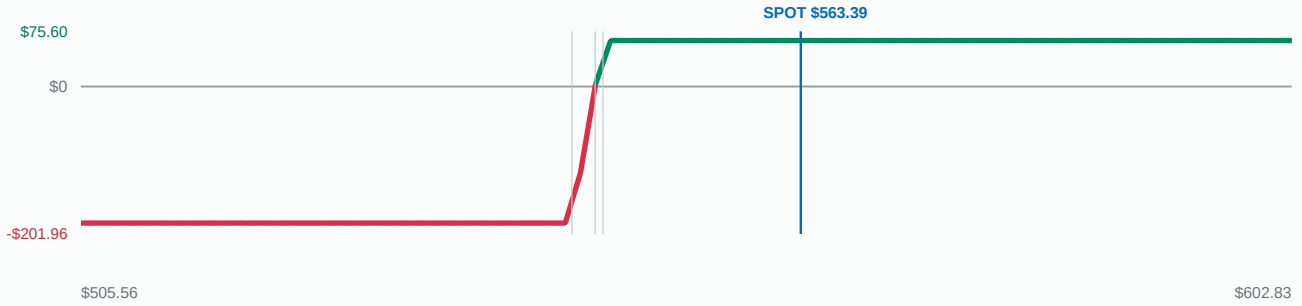
EXPIRATION	DTE	ATM IV	STATE
2026-11-06	1	80.5%	-
2026-11-13	8	59.6%	-
2026-11-20	15	52.1%	-

Reference spread payoff

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

Bull Put Spread reference

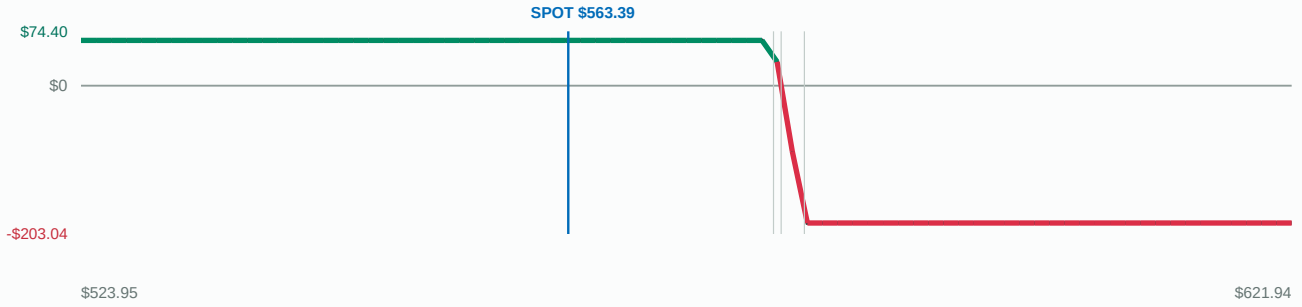
Short $547.50 | Long $545.00 | Width $2.50 | Net credit $0.63



Max profit $63.00 | Max loss -$187.00 | Break-even $546.87 | Per contract at expiry

Bear Call Spread reference

Short $580.00 | Long $582.50 | Width $2.50 | Net credit $0.62



Max profit $62.00 | Max loss -$188.00 | Break-even $580.62 | Per contract at expiry

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	**26.33**
VVIX	**124.07**
SKEW index	**150.90**
Observation confidence	**high**
Option quote quality	**reliable**
Contracts observed	**107**

Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	**107**

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The CAT option market reflects a bearish outlook, driven by recent earnings concerns and technical weakness. Implied volatility is elevated, suggesting heightened expectations for price swings. The term structure shows backwardation, with near-term options more expensive than longer-dated ones, indicating a belief that the stock will continue to decline in the short term. The significant drop in price following the Q3 earnings report, coupled with analyst concerns about tariffs and production constraints, has fueled this bearish sentiment.

Options context

CAT Option Market Prices in Continued Downtrend Concerns

Wheel context

The current market environment favors bearish strategies like put buying or bear call spreads.

Observed evidence

CAT's share price fell sharply after its Q3 earnings report despite beating estimates. | Analysts have expressed concerns about the impact of tariffs and production constraints on CAT's profitability. | The stock is trading below its short- and intermediate-term moving averages, indicating a downtrend. | Implied volatility is elevated, suggesting high expectations for price swings.

Principal risks to monitor

Further downside risk exists if the stock breaks below key support levels. | Tariffs and production constraints could negatively impact CAT's earnings.

Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization	P/E (TTM)
$271.81B	**22.77**
ROE	Revenue growth
58.5%	**4.4%**
EPS growth	Operating margin
14.2%	**18.3%**
Net profit margin	Gross margin
15.2%	**-**
Free cash flow CAGR	Debt / equity
12.1%	**2.03**
Dividend yield	Beta
2.1%	**1.63**

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	**8.0%**
Book value per share	Revenue per share
$46.74	**$168.74**

Website	**caterpillar.com**

Latest strategy observation

Most recent shared general market signal available when this report was generated

CAT Covered Call signal

Nov 3, 2026 9:39 AM EST

Covered Call | 2026-11-06

At signal $620.40 | Current $561.03

SHORT **Option $622.50 B $13.75 / A $14.80**

Conservative | CR $14.28

Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	**$30.38**
ATR as % of price	**5.5%**
Volatility environment	**high**
Current IV	**46.4%**
IV rank	**67 / 100**
IV percentile	**88 / 100**
Technical Snapshot IV source	**Private fundamentals snapshot**
Technical Snapshot IV observed at	**Nov 5, 2026 6:30 PM EST**

Technical health and risk radar

Derived indicator health and event context

Overall health	**33 / 100**
Trend health	**25 / 100**
Momentum health	**36 / 100**
Volatility health	**28 / 100**
Structure health	**47 / 100**
Earnings risk / date	**low | 2027-01-28**
Macro risk	**unknown**
Volatility risk	**high**
Structure risk	**high**

Structural indicator levels

Moving averages, volatility bands and observed trading ranges

SMA (20 / 50 / 200)	**$697.09 / $765.51 / $808.98**
EMA (9 / 21)	**$630.23 / $686.44**
Bollinger upper / middle / lower	**$833.55 / $697.09 / $560.63**

Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	**-0.026**
True high / low	**$591.30 / $550.81**
5-day true high / low	**$647.39 / $550.81**

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	-11.743	**-**
SMA50	-4.502	**-**
MVWAP20	-13.888	**-**
MACD	-3.600	**-**
RSI	-1.069	**-**
Volume	349721.330	**-**
ATR	0.203	**-**
T1	-	**-48.73 / 688.63 / 623.94 / 582.51**
T2	-	**-45.13 / 705.47 / 628.30 / 613.62**
T3	-	**-43.20 / 714.13 / 632.00 / 609.89**

Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	**$563.39**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Nov 5, 2026 2:48 PM EST**
Options data coverage	**88.9%**
SKEW regime	**HIGH TAIL RISK SKEW**
VVIX regime	**VVIX RISING**
Front expiration / DTE	**2026-11-06 | 1 DTE**
Front at-the-money IV	**80.5%**
25-delta skew	**3.96**
Put / Call 25-delta	**$547.50 Delta -0.243 / $580.00 Delta 0.260**
Median option bid/ask spread	**18.6%**
Bid/ask spread	**-**
Contracts observed / quoted	**107 / 107**

Price context

Last Price: 563.39 | Bid: 563.12 | Ask: 563.68 | Previous Close: 591.30 | Change: -27.91 | Daily change: -4.72% | Update Time: 2026-11-05T14:48:24.651609-05:00 | Latest History Date: 2026-11-05 | Latest History Price: 563.38

Historical context

Trading-day sample: 60 sessions | First Date: 2026-08-13 | Latest Date: 2026-11-05 | Latest Price: 563.38 | Max Drawdown 60d Percent: -36.10%

Fundamental context

Current Iv Percent: 48.89% | Iv Rank: 75.86 | Iv Percentile: 90.84 | Next Earnings Date: 2027-01-28 | Ex Dividend Date: 2026-10-25

Important disclosures

Scope, limitations, risk and permitted interpretation

General market information only

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Model observations - not instructions

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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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