Caterpillar Inc / CAT

Equity | Generated Nov 12, 2026 11:30 PM EST

Current price	Daily move	Bid / Ask	Previous close
$608.50	+6.89 +1.15%	-/-	$601.61

Market	**NYSE**
Industry	**Machinery**
Market data as of	**Nov 12, 2026 11:30 PM EST**

JW Intelligence Report

Complete | 3 of 3 sections | Nov 12, 2026 6:50 PM EST

JW Rank	Rank label	Confidence	IV percentile
44.5 / 100	Cautious	high	63 / 100

Model reference	Upside scenario	Risk reference	Wheel strategy fit
$598.00	$640.00	$572.00	64 / 100

Options stance	**mixed**
Tail-risk safety	**45 / 100**
JW Rank data coverage / as of	**100.0% | Nov 12, 2026 6:50 PM EST**

Key insight

CAT Option Market Implies Uncertainty Amidst Mixed Signals

Market read

The market for CAT options reflects a cautious outlook, with implied volatility suggesting potential for significant price swings. While recent earnings exceeded expectations and the backlog remains strong, concerns about tariffs, capacity constraints, and AI-related risks contribute to a mixed sentiment. The term structure is backwardated, indicating a preference for near-term protection.

Strategy context

CAT's recent performance has been volatile, with a strong earnings report followed by continued downward pressure. The market seems to be weighing the potential for future growth against current headwinds.

JW AI conclusions

Short- and medium-term model interpretation

AI context bias	**Mixed**
AI analysis updated	**Nov 12, 2026 2:41 PM EST**

Short-term scenario

Cautious tactical long on dips only. Prevailing downtrend and mixed sentiment make this a low-conviction 1-3 week bounce idea; size small and expect volatility.

Three-month outlook

Moderately constructive if backlog conversion and data-center power orders hold, with a possible recovery toward the mid-$600s to low-$700s as valuation resets from depressed levels and analyst targets remain well above the current price. Significant uncertainty remains from tariff costs, manufacturing capacity limits, sustainability of AI-related capex, and macro/political factors that could extend the downtrend or cap rebounds. This is not a high-conviction forecast.

Market sentiment

Mixed and cautious. Some posts treat the sharp multi-month decline as overdone given the intact record backlog, solid earnings, and ongoing AI power demand, favoring selective dip buying. Others highlight AI-bubble or election-related risks, still-elevated valuation versus historical cyclical norms, tariff pressure, and scope for further downside. Recent high-quality engagement is limited; tone is more accumulation-on-weakness than strong bullish conviction.

Supporting evidence

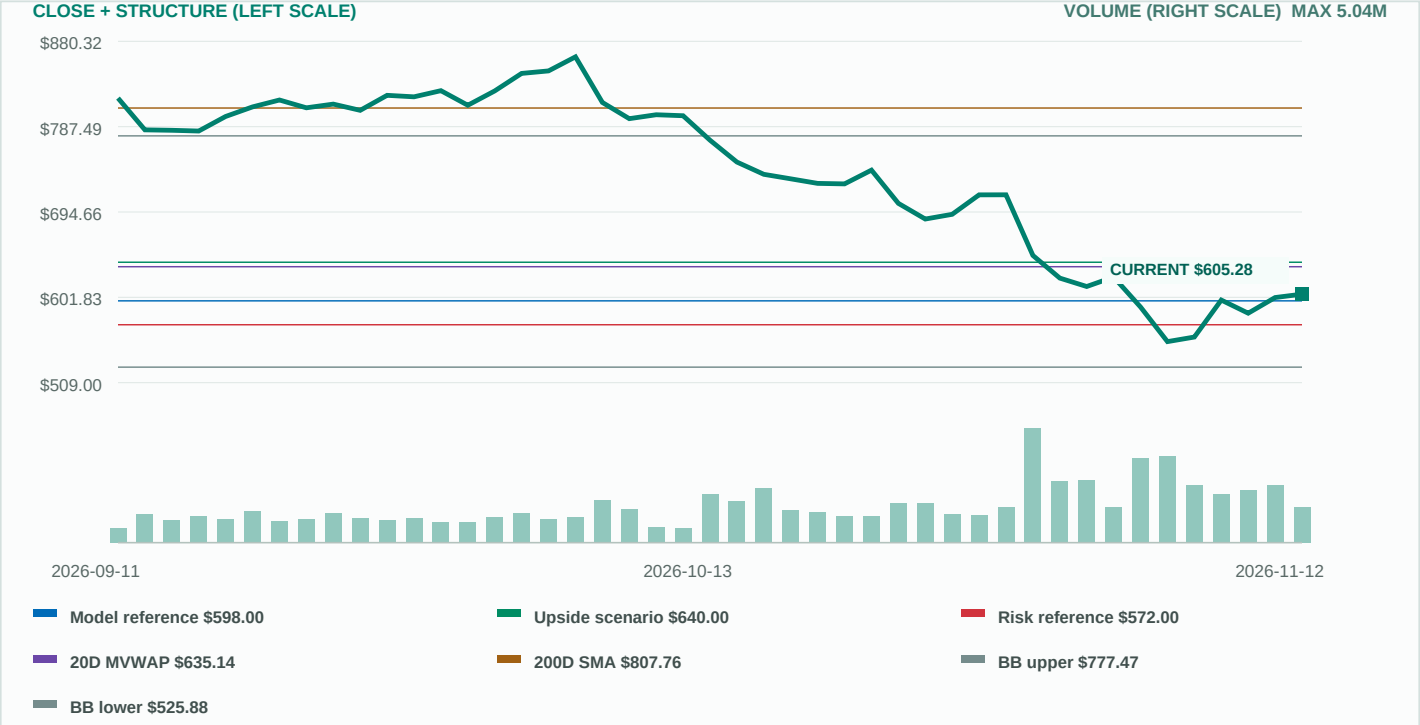
The option chain shows a slight skew towards put options, suggesting some bearishness. | Implied volatility is elevated at 40%, reflecting market uncertainty. | The term structure is backwardated, with shorter-dated options more expensive than longer-dated ones. | Recent news highlights both positive factors (strong earnings, record backlog) and negative concerns (tariffs, capacity constraints).

Risk watch

Elevated tariff costs could impact profitability and weigh on share price.

Enhanced price structure

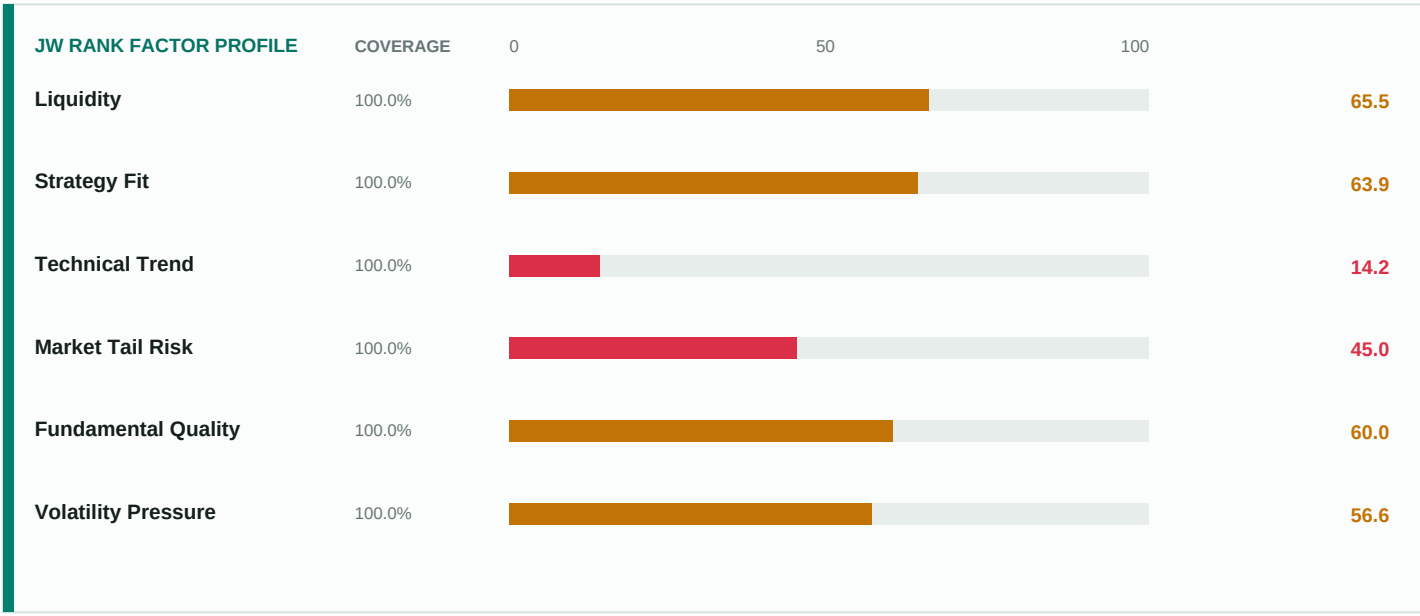
45 trading days with volume, model levels and current technical reference bands



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 | neutral | MACD accelerating**
Trend signal	**STRONG BEAR**
RSI signal	**neutral**
RSI (7 / 14 / 21)	**43.14 / 36.26 / 35.66**
RSI velocity	**1.21**
MACD line / signal / histogram	**-49.80 / - / -49.17**
MACD acceleration	**1.96**
Stochastic K / D	**25.47 / 21.67**

Institutional footprints

Volume-weighted cost, price location and flow

Current read	**Below institutional MVWAP | Distribution bias**
Institutional flow	**-7.65**
20-day MVWAP	**$635.14**
Price vs 20-day MVWAP	**-4.19%**
Daily reference VWAP	**$603.18**
Price vs daily reference	**+0.88%**
Volume	**1.54M**

Structural context

Long-term trend and volatility boundaries

Current read	**Below 200-day trend | Negative macro velocity**
Macro velocity	**-7.77**
20-day / 200-day SMA	**$651.67 / $807.76**
Bollinger range	**$525.88 - $777.47**
Bollinger position	**0.316**

Options and volatility intelligence

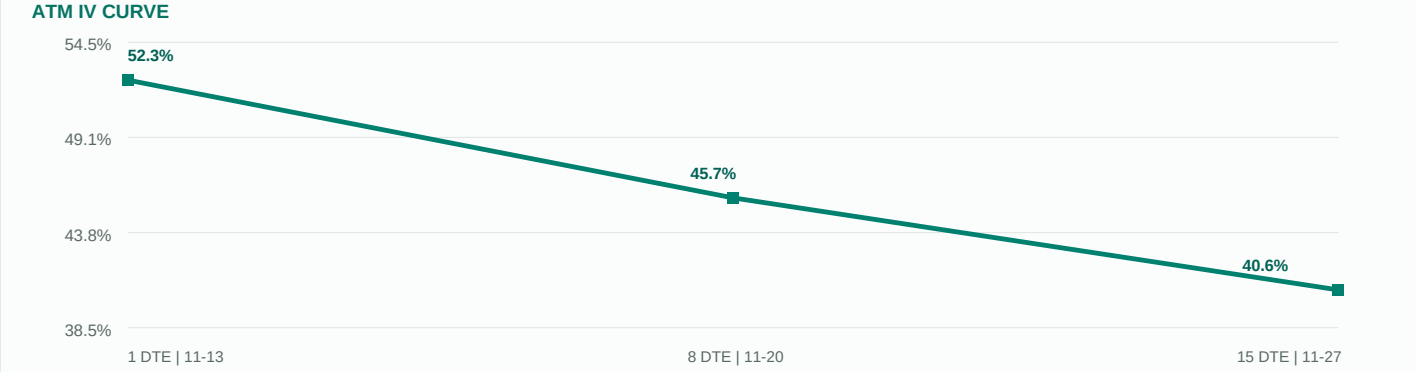
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
44 / 100	**58 / 100**	**97.16**	**149.09**

Market regime	**COMPRESSION RISK**
Tail-risk regime	**NORMAL TAIL RISK**
Term structure	**backwardation**
Term slope	**-11.76 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 12, 2026 2:49 PM EST**
Options data quality	**Coverage 88.9%**

Option term structure

ATM implied-volatility curve by days to expiration



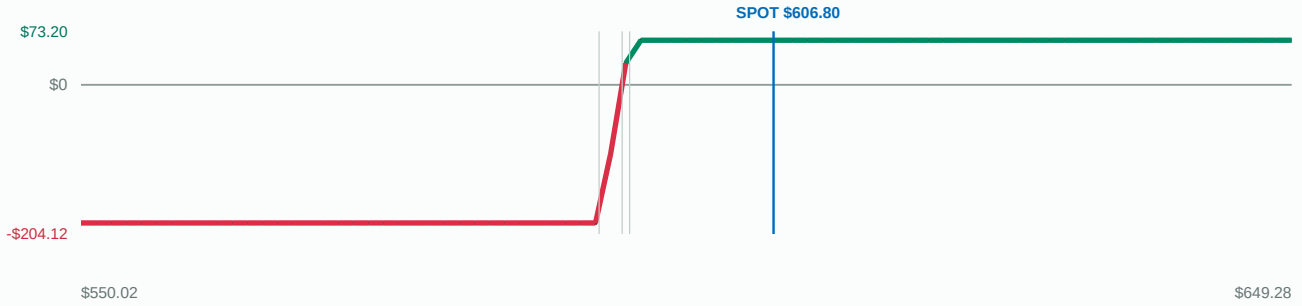
EXPIRATION	DTE	ATM IV	STATE
2026-11-13	1	52.3%	-
2026-11-20	8	45.7%	-
2026-11-27	15	40.6%	-

Reference spread payoff

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

Bull Put Spread reference

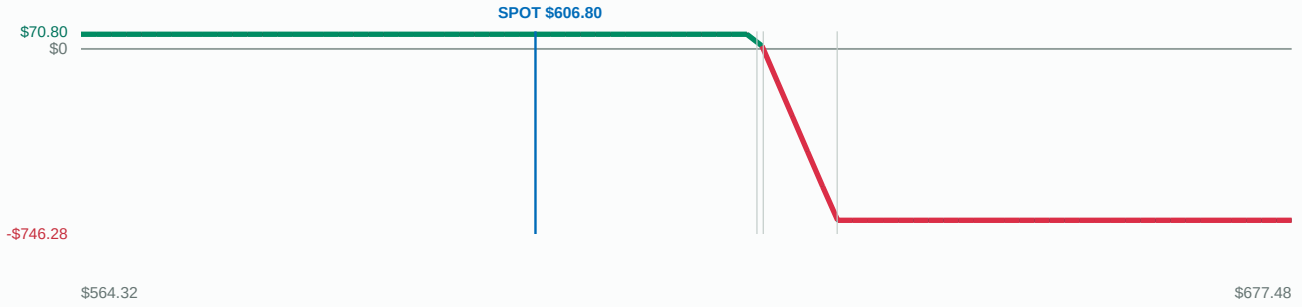
Short $595.00 | Long $592.50 | Width $2.50 | Net credit $0.61



Max profit $61.00 | Max loss -$189.00 | Break-even $594.39 | Per contract at expiry

Bear Call Spread reference

Short $627.50 | Long $635.00 | Width $7.50 | Net credit $0.59



Max profit $59.00 | Max loss -$691.00 | Break-even $628.09 | 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	**18.31**
VVIX	**97.16**
SKEW index	**149.09**
Observation confidence	**high**
Option quote quality	**reliable**
Contracts observed	**136**

Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	**136**

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The market for CAT options reflects a cautious outlook, with implied volatility suggesting potential for significant price swings. While recent earnings exceeded expectations and the backlog remains strong, concerns about tariffs, capacity constraints, and AI-related risks contribute to a mixed sentiment. The term structure is backwardated, indicating a preference for near-term protection.

Options context

CAT Option Market Implies Uncertainty Amidst Mixed Signals

Wheel context

CAT's recent performance has been volatile, with a strong earnings report followed by continued downward pressure. The market seems to be weighing the potential for future growth against current headwinds.

Observed evidence

The option chain shows a slight skew towards put options, suggesting some bearishness. | Implied volatility is elevated at 40%, reflecting market uncertainty. | The term structure is backwardated, with shorter-dated options more expensive than longer-dated ones. | Recent news highlights both positive factors (strong earnings, record backlog) and negative concerns (tariffs, capacity constraints).

Principal risks to monitor

Elevated tariff costs could impact profitability and weigh on share price.

Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization	P/E (TTM)
$277.68B	**23.58**
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%	**1.64**

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	**5.9%**
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 12, 2026 9:49 AM EST

Covered Call | 2026-11-20

At signal $594.23 | Current $608.50

SHORT **Option $600.00 B $13.75 / A $15.60**

Conservative | CR $14.68

Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	**$29.67**
ATR as % of price	**4.9%**
Volatility environment	**high**
Current IV	**40.8%**
IV rank	**47 / 100**
IV percentile	**63 / 100**
Technical Snapshot IV source	**Private fundamentals snapshot**
Technical Snapshot IV observed at	**Nov 12, 2026 6:30 PM EST**

Technical health and risk radar

Derived indicator health and event context

Overall health	**49 / 100**
Trend health	**25 / 100**
Momentum health	**66 / 100**
Volatility health	**36 / 100**
Structure health	**82 / 100**
Earnings risk / date	**low | 2027-01-28**
Macro risk	**unknown**
Volatility risk	**high**
Structure risk	**low**

Structural indicator levels

Moving averages, volatility bands and observed trading ranges

SMA (20 / 50 / 200)	**$651.67 / $744.77 / $807.76**
EMA (9 / 21)	**$605.74 / $650.48**
Bollinger upper / middle / lower	**$777.47 / $651.67 / $525.88**

Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	**0.316**
True high / low	**$613.57 / $590.69**
5-day true high / low	**$613.57 / $553.64**

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	-7.766	**-**
SMA50	-3.850	**-**
MVWAP20	-7.647	**-**
MACD	1.963	**-**
RSI	1.206	**-**
Volume	-201274.000	**-**
ATR	-0.226	**-**
T1	-	**-52.63 / 641.24 / 610.50 / 584.57**
T2	-	**-55.09 / 648.32 / 598.88 / 566.12**
T3	-	**-55.69 / 658.08 / 599.78 / 558.63**

Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	**$606.80**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Nov 12, 2026 2:49 PM EST**
Options data coverage	**88.9%**
SKEW regime	**HIGH TAIL RISK SKEW**
VVIX regime	**VVIX FALLING**
Front expiration / DTE	**2026-11-13 | 1 DTE**
Front at-the-money IV	**52.3%**
25-delta skew	**1.38**
Put / Call 25-delta	**$595.00 Delta -0.235 / $627.50**
Median option bid/ask spread	**19.6%**
Bid/ask spread	**-**
Contracts observed / quoted	**136 / 136**

Price context

Last Price: 606.80 | Bid: 606.80 | Ask: 607.10 | Previous Close: 601.61 | Change: 5.19 | Daily change: 0.86% | Update Time: 2026-11-12T14:49:26.079987-05:00 | Latest History Date: 2026-11-12 | Latest History Price: 606.80

Historical context

Trading-day sample: 60 sessions | First Date: 2026-08-20 | Latest Date: 2026-11-12 | Latest Price: 606.80 | Max Drawdown 60d Percent: -35.88%

Fundamental context

Current Iv Percent: 40.00% | Iv Rank: 43.68 | Iv Percentile: 57.77 | 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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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

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