Caterpillar Inc / CAT

Equity | Generated Nov 17, 2026 11:30 PM EST

Current price	Daily move	Bid / Ask	Previous close
$573.05	+2.56 +0.45%	$566.28/$587.83	$570.49

Market	**NYSE**
Industry	**Machinery**
Market data as of	**Nov 17, 2026 11:30 PM EST**

JW Intelligence Report

Complete | 3 of 3 sections | Nov 17, 2026 6:50 PM EST

JW Rank	Rank label	Confidence	IV percentile
46.6 / 100	Cautious	high	82 / 100

Model reference	Upside scenario	Risk reference	Wheel strategy fit
$560.00	$592.00	$538.00	54 / 100

Options stance	**bearish**
Tail-risk safety	**32 / 100**
JW Rank data coverage / as of	**100.0% | Nov 17, 2026 6:50 PM EST**

Key insight

CAT Option Pricing Reflects Bearish Sentiment Amidst AI Concerns and Earnings Disappointment

Market read

The market appears bearish on Caterpillar (CAT) as implied volatility remains elevated, reflecting concerns over the company's exposure to the slowing AI infrastructure sector. The recent earnings report disappointed investors, with weaker-than-expected guidance and increased tariff costs contributing to the negative sentiment. Technical indicators also point towards a downtrend, with price action below key moving averages and oversold conditions.

Strategy context

The current market environment favors protective strategies for CAT investors, such as covered calls or cash-secured puts. However, traders should be cautious due to the high level of uncertainty surrounding the company's future performance.

JW AI conclusions

Short- and medium-term model interpretation

AI context bias	**Mixed**
AI analysis updated	**Nov 17, 2026 2:27 PM EST**

Short-term scenario

Cautious tactical long only for a possible 1-3 week oversold bounce, small size. The primary trend is still down and AI-related selling can resume. High uncertainty; not a high-conviction idea and the setup fails if nearby support breaks.

Three-month outlook

Cautiously constructive on fundamentals but highly uncertain on price path. Record backlog and data-center power demand support the mid-to-high-teens 2026 revenue-growth framework, and the multiple has compressed toward longer-term averages, which could allow partial recovery toward the low-to-mid $600s if orders hold and sentiment stabilizes. Offsetting risks include further AI-capex disappointment, data-center policy restrictions, tariffs, dealer inventory cuts, and capacity limits. A retest of the low-$540s or the 52-week low near $537 cannot be ruled out. Uncertainty is elevated and depends on unpredictable macro and AI-infrastructure news.

Market sentiment

Sentiment is cautious and mixed. Posts note the largest drawdown since 2008, about 44-47% below the peak, forward valuation near 19x, and RSI around 30, with some arguing the business remains durable independent of the AI boom. Others emphasize the AI-trade unwind, a large market-value loss since June, backlog versus moderate guidance risk, and buybacks executed at much higher prices. Many ticker mentions are low-quality promotional noise. Uncertainty: social posts are noisy, low-sample, and not a reliable forecast.

Supporting evidence

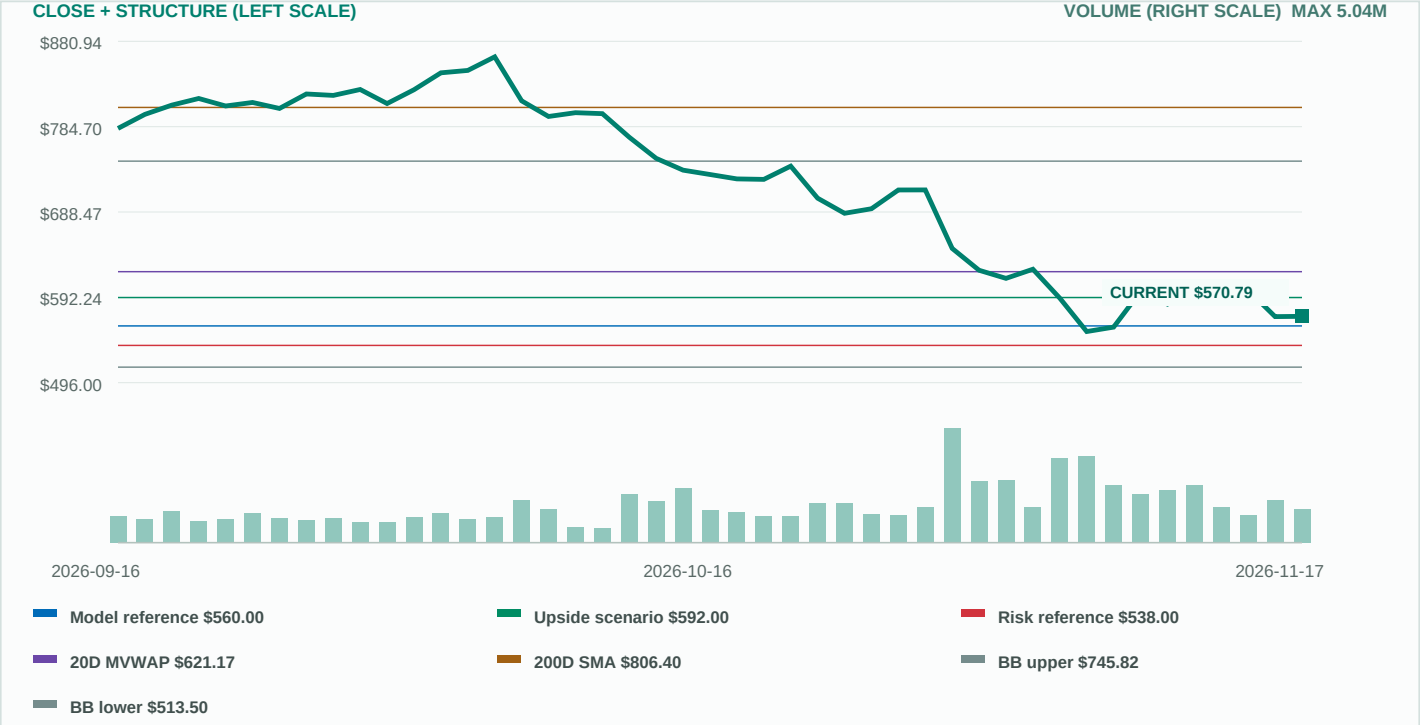
Implied volatility is elevated at 45.56%, suggesting heightened market uncertainty and potential for significant price swings. | The term structure of implied volatility shows backwardation, indicating that near-term options are more expensive than longer-term options, which could reflect concerns about short-term catalysts. | Put demand is elevated, as evidenced by the positive skew in the delta 25 put/call ratio. | Technical indicators like RSI and moving average divergence signal a bearish trend.

Risk watch

Continued weakness in the AI infrastructure sector could further pressure CAT's earnings and stock 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)	**31.99 / 31.38 / 32.31**
RSI velocity	**-1.63**
MACD line / signal / histogram	**-46.81 / - / -48.20**
MACD acceleration	**1.00**
Stochastic K / D	**18.52 / 23.16**

Institutional footprints

Volume-weighted cost, price location and flow

Current read	**Below institutional MVWAP | Distribution bias**
Institutional flow	**-4.66**
20-day MVWAP	**$621.17**
Price vs 20-day MVWAP	**-7.75%**
Daily reference VWAP	**$571.64**
Price vs daily reference	**+0.25%**
Volume	**1.48M**

Structural context

Long-term trend and volatility boundaries

Current read	**Below 200-day trend | Negative macro velocity**
Macro velocity	**-7.34**
20-day / 200-day SMA	**$629.66 / $806.40**
Bollinger range	**$513.50 - $745.82**
Bollinger position	**0.247**

Options and volatility intelligence

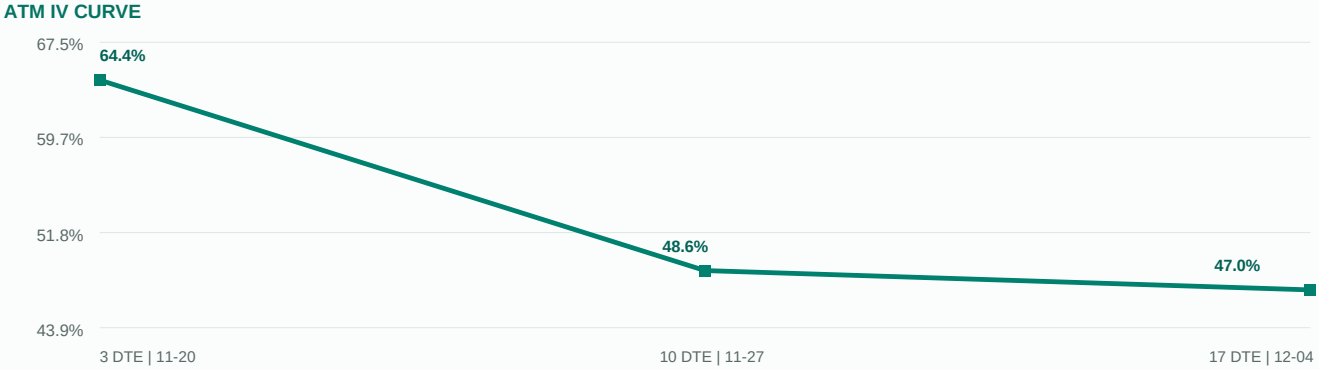
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
64 / 100	85 / 100	124.35	146.33

Market regime	**DANGER ZONE**
Tail-risk regime	**NORMAL TAIL RISK**
Term structure	**backwardation**
Term slope	**-17.36 pts**
Skew read	**PUT DEMAND ELEVATED**
Liquidity / quote coverage	**100.0%**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Nov 17, 2026 2:49 PM EST**
Options data quality	**Coverage 88.9%**

Option term structure

ATM implied-volatility curve by days to expiration



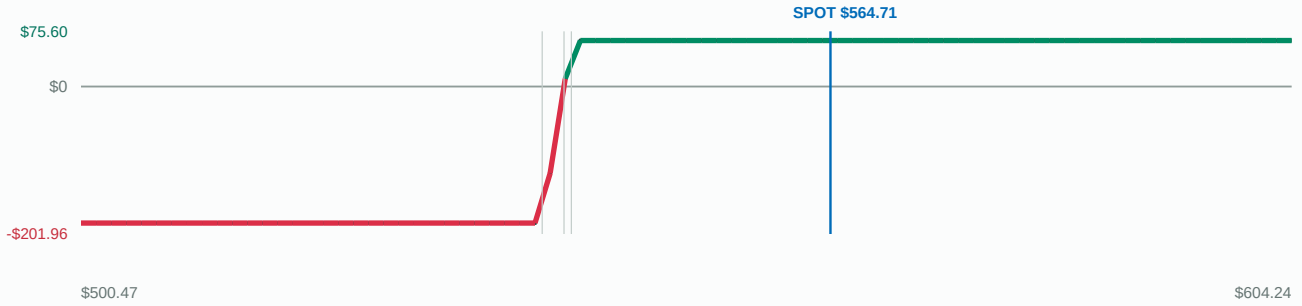
EXPIRATION	DTE	ATM IV	STATE
2026-11-20	3	64.4%	-
2026-11-27	10	48.6%	-
2026-12-04	17	47.0%	-

Reference spread payoff

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

Bull Put Spread reference

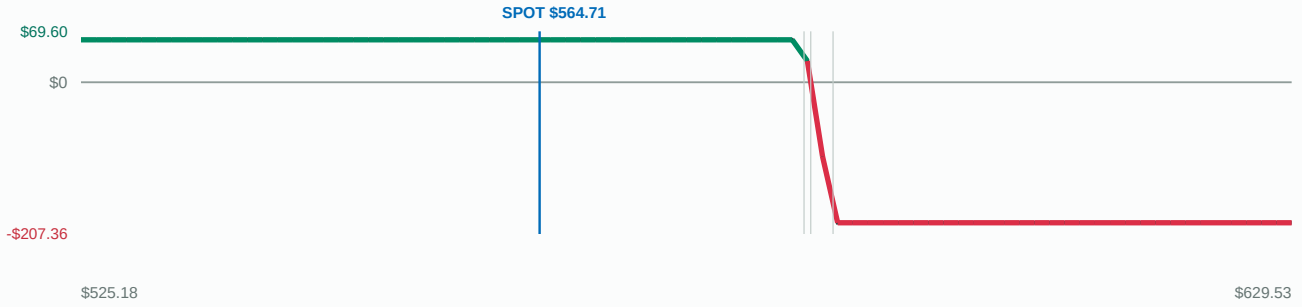
Short $542.50 | Long $540.00 | Width $2.50 | Net credit $0.63



Max profit $63.00 | Max loss -$187.00 | Break-even $541.87 | Per contract at expiry

Bear Call Spread reference

Short $587.50 | Long $590.00 | Width $2.50 | Net credit $0.58



Max profit $58.00 | Max loss -$192.00 | Break-even $588.08 | 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	**25.99**
VVIX	**124.35**
SKEW index	**146.33**
Observation confidence	**high**
Option quote quality	**reliable**
Contracts observed	**132**

Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	**132**

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

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Options context

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Wheel context

The current market environment favors protective strategies for CAT investors, such as covered calls or cash-secured puts. However, traders should be cautious due to the high level of uncertainty surrounding the company's future performance.

Observed evidence

Implied volatility is elevated at 45.56%, suggesting heightened market uncertainty and potential for significant price swings. | The term structure of implied volatility shows backwardation, indicating that near-term options are more expensive than longer-term options, which could reflect concerns about short-term catalysts. | Put demand is elevated, as evidenced by the positive skew in the delta 25 put/call ratio. | Technical indicators like RSI and moving average divergence signal a bearish trend.

Principal risks to monitor

Continued weakness in the AI infrastructure sector could further pressure CAT's earnings and stock price.

Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization	P/E (TTM)
$261.05B	**22.35**
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	**8.4%**
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 17, 2026 9:34 AM EST

Covered Call | 2026-11-20

At signal $576.10 | Current $573.05

SHORT **Option $575.00 B $13.35 / A $14.70**

Conservative | CR $14.03

Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	**$28.47**
ATR as % of price	**5.0%**
Volatility environment	**high**
Current IV	**45.1%**
IV rank	**62 / 100**
IV percentile	**82 / 100**
Technical Snapshot IV source	**Private fundamentals snapshot**
Technical Snapshot IV observed at	**Nov 17, 2026 6:30 PM EST**

Technical health and risk radar

Derived indicator health and event context

Overall health	**45 / 100**
Trend health	**25 / 100**
Momentum health	**57 / 100**
Volatility health	**35 / 100**
Structure health	**75 / 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)	**$629.66 / $730.87 / $806.40**
EMA (9 / 21)	**$592.40 / $632.85**
Bollinger upper / middle / lower	**$745.82 / $629.66 / $513.50**

Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	**0.247**
True high / low	**$580.86 / $563.27**
5-day true high / low	**$613.57 / $563.27**

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	-7.339	**-**
SMA50	-4.634	**-**
MVWAP20	-4.657	**-**
MACD	0.997	**-**
RSI	-1.626	**-**
Volume	-19902.670	**-**
ATR	-0.402	**-**
T1	-	**-47.40 / 625.57 / 600.20 / 568.25**
T2	-	**-47.43 / 630.85 / 611.93 / 590.26**
T3	-	**-49.80 / 635.14 / 613.57 / 590.69**

Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	**$564.71**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Nov 17, 2026 2:49 PM EST**
Options data coverage	**88.9%**
SKEW regime	**HIGH TAIL RISK SKEW**
VVIX regime	**VVIX FLAT**
Front expiration / DTE	**2026-11-20 | 3 DTE**
Front at-the-money IV	**64.4%**
25-delta skew	**6.74**
Put / Call 25-delta	**$542.50 Delta -0.249 / $587.50 Delta 0.252**
Median option bid/ask spread	**13.2%**
Bid/ask spread	**-**
Contracts observed / quoted	**132 / 132**

Price context

Last Price: 564.71 | Bid: 564.47 | Ask: 564.85 | Previous Close: 570.49 | Change: -5.78 | Daily change: -1.01% | Update Time: 2026-11-17T14:49:24.034265-05:00 | Latest History Date: 2026-11-17 | Latest History Price: 564.77

Historical context

Trading-day sample: 60 sessions | First Date: 2026-08-25 | Latest Date: 2026-11-17 | Latest Price: 564.77 | Max Drawdown 60d Percent: -35.88%

Fundamental context

Current Iv Percent: 45.56% | Iv Rank: 63.79 | Iv Percentile: 84.86 | 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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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 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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