Caterpillar Inc / CAT

Equity | Generated Nov 19, 2026 11:30 PM EST

Current price	Daily move	Bid / Ask	Previous close
$532.00	-26.77 -4.79%	$530.55/$535.00	$558.77

Market	**NYSE**
Industry	**Machinery**
Market data as of	**Nov 19, 2026 11:30 PM EST**

JW Intelligence Report

Complete | 3 of 3 sections | Nov 19, 2026 6:50 PM EST

JW Rank	Rank label	Confidence	IV percentile
42.7 / 100	Cautious	high	88 / 100

Model reference	Upside scenario	Risk reference	Wheel strategy fit
$540.00	$575.00	$524.00	45 / 100

Options stance	**bearish**
Tail-risk safety	**23 / 100**
JW Rank data coverage / as of	**100.0% | Nov 19, 2026 6:50 PM EST**

Key insight

CAT Options Price In Continued Weakness Amidst Earnings Concerns and AI Spending Uncertainty

Market read

The market is pricing in continued weakness for Caterpillar (CAT) as options data reflects investor concerns stemming from recent earnings results and uncertainty surrounding AI infrastructure spending. The stock's sharp decline following its Q3 earnings report, coupled with a cautious outlook for the coming quarter, has fueled bearish sentiment.

Strategy context

CAT's recent earnings report highlighted strong revenue growth but also raised concerns about slowing demand in certain sectors. The company's cautious outlook for Q4 has contributed to investor uncertainty.

JW AI conclusions

Short- and medium-term model interpretation

AI context bias	**Bearish**
AI analysis updated	**Nov 19, 2026 2:39 PM EST**

Short-term scenario

Cautious tactical bounce only, not a trend reversal. Oversold conditions near 52-week lows can support a 1-3 week rebound if the 535 area holds, but the downtrend is intact and a decisive break favors further downside. High uncertainty: size small or stand aside. These levels are a scenario, not a recommendation, and can be gapped through.

Three-month outlook

Mixed, with elevated uncertainty. If the roughly $78B backlog converts and data-center, construction, and resource demand hold, the compressed valuation (forward P/E in the high teens versus the prior AI-premium price) can support a partial recovery toward the low-to-mid $600s over three months—still well below average analyst targets and the 200-day average near $800. The bear case is further multiple compression and order caution if AI infrastructure spending slows or cancels, which, with broken technicals and beta near 1.6, could push shares toward the high $400s to low $500s. Key unknowns include order durability, tariff costs (company has guided a large full-year tariff burden), and whether the current test of 52-week lows holds. This range is not a forecast; realized prices can fall outside it.

Market sentiment

Genuine investor posts since early November are mostly cautious to bearish: the move is framed as an AI-capex unwind, with CAT described as down roughly 44-47% from the June peak, negative or flat year to date after a large earlier gain, and in one of its largest drawdowns in years. A minority treats RSI near 30 and a high-teens forward multiple as a value setup, arguing the equipment franchise and record backlog matter even if AI hype fades. Buyback prices well above the current tape are also cited critically. The latest $CAT keyword feed is heavily spam (promotional groups), so live sentiment is noisy and incomplete—not a reliable real-time signal.

Supporting evidence

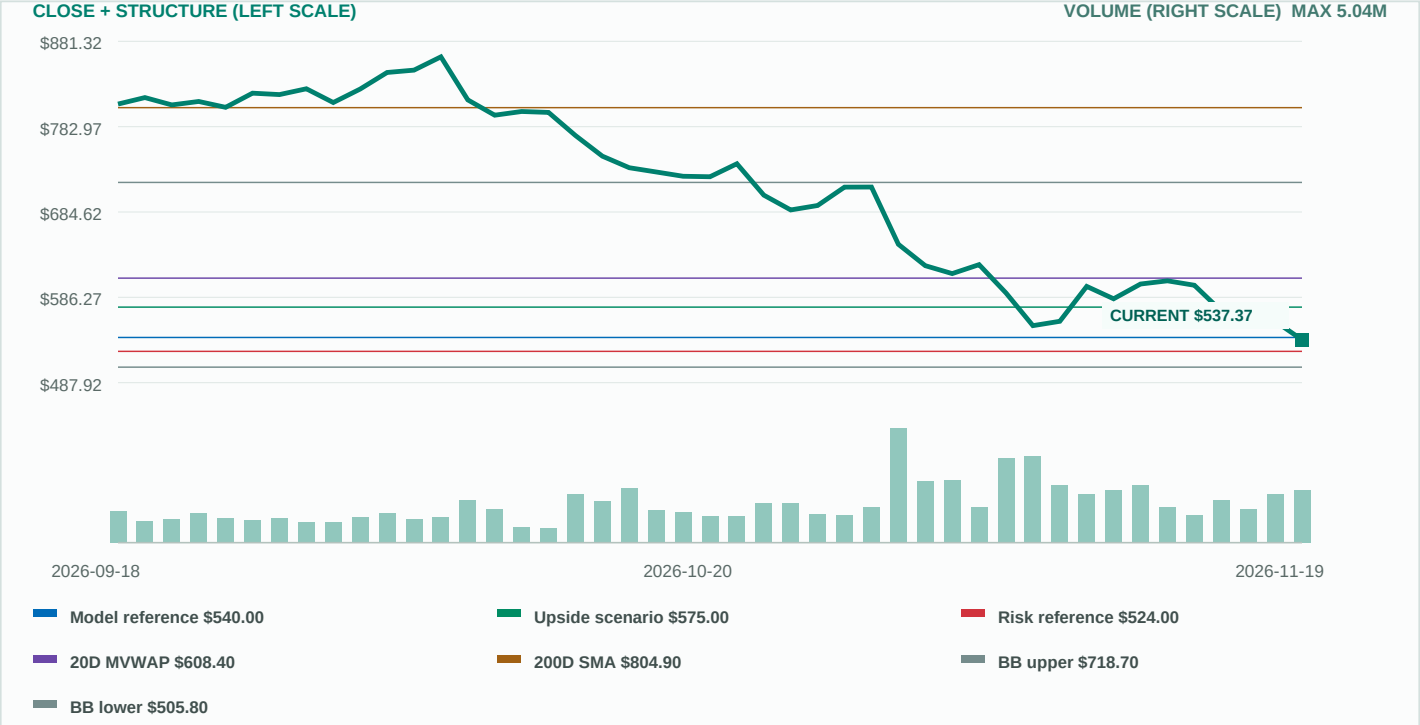
The term structure of CAT options exhibits backwardation, indicating that near-term options are more expensive than longer-term options. This suggests market participants anticipate further downside risk in the near future. | Implied volatility is elevated at 46.51%, reflecting heightened uncertainty surrounding CAT's future performance. | Put demand is elevated, as evidenced by a positive skew with put options trading at a premium to call options. | The stock's technical indicators are strongly bearish, with price action below key moving averages and oversold conditions on the RSI.

Risk watch

The potential for further weakness in AI infrastructure spending could negatively impact CAT's sales and profitability.

Enhanced price structure

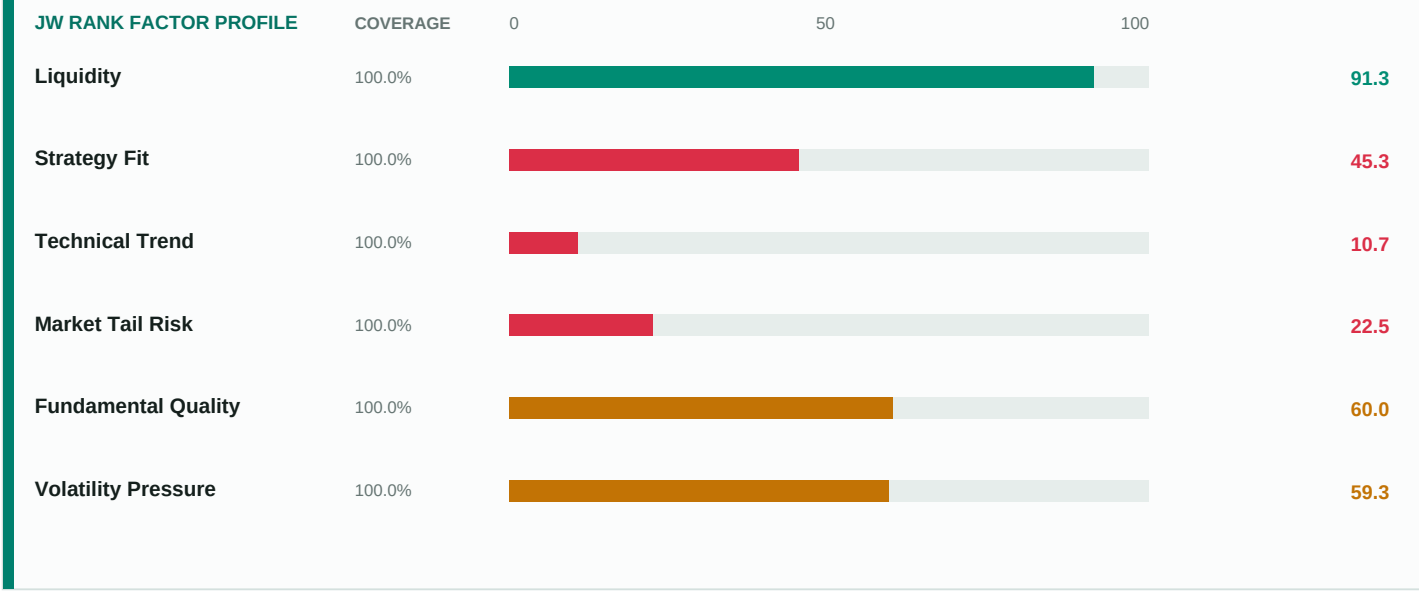
45 trading days with volume, model levels and current technical reference bands



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)	**23.07 / 27.02 / 29.23**
RSI velocity	**-1.43**
MACD line / signal / histogram	**-47.93 / - / -47.91**
MACD acceleration	**-0.17**
Stochastic K / D	**9.55 / 13.53**

Institutional footprints

Volume-weighted cost, price location and flow

Current read	**Below institutional MVWAP | Distribution bias**
Institutional flow	**-5.72**
20-day MVWAP	**$608.40**
Price vs 20-day MVWAP	**-12.56%**
Daily reference VWAP	**$547.56**
Price vs daily reference	**-2.84%**
Volume	**2.31M**

Structural context

Long-term trend and volatility boundaries

Current read	**Below 200-day trend | Negative macro velocity**
Macro velocity	**-8.38**
20-day / 200-day SMA	**$612.25 / $804.90**
Bollinger range	**$505.80 - $718.70**
Bollinger position	**0.148**

Options and volatility intelligence

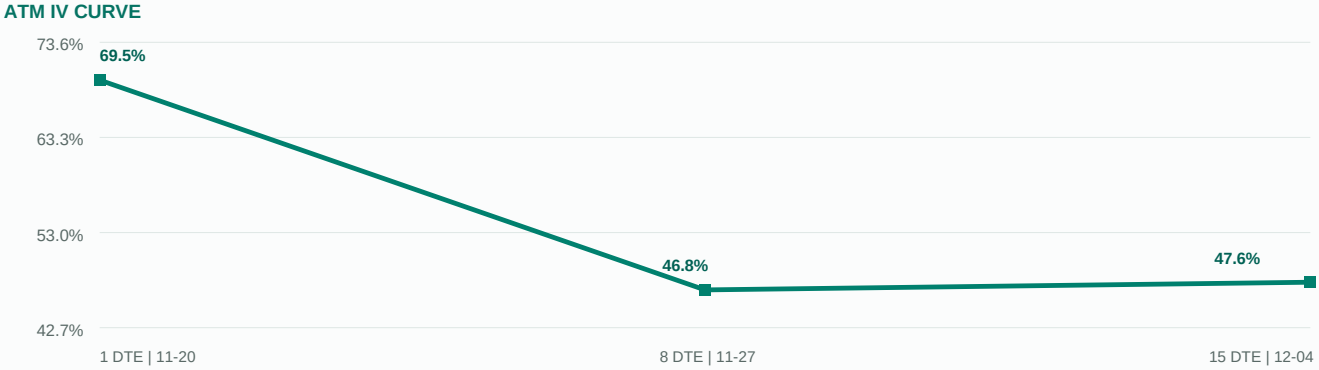
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
67 / 100	88 / 100	124.95	142.84

Market regime	**Calm**
Tail-risk regime	**HIGH TAIL RISK**
Term structure	**backwardation**
Term slope	**-21.88 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 19, 2026 2:49 PM EST**
Options data quality	**Coverage 88.9%**

Option term structure

ATM implied-volatility curve by days to expiration



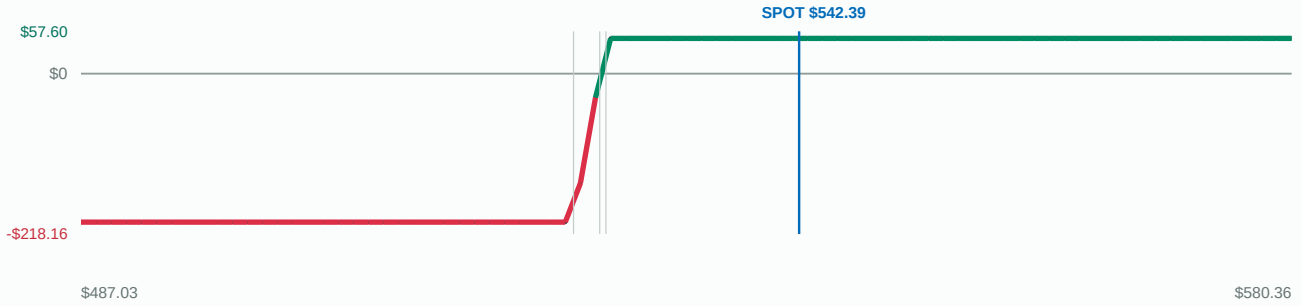
EXPIRATION	DTE	ATM IV	STATE
2026-11-20	1	69.5%	-
2026-11-27	8	46.8%	-
2026-12-04	15	47.6%	-

Reference spread payoff

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

Bull Put Spread reference

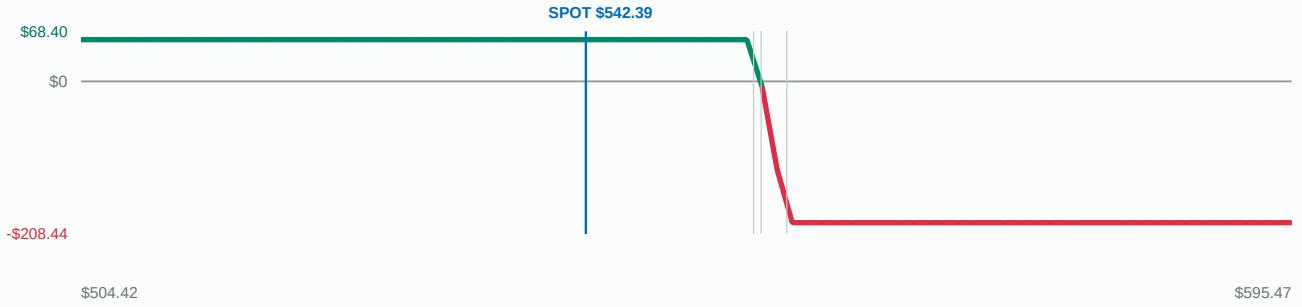
Short $527.50 | Long $525.00 | Width $2.50 | Net credit $0.48



Max profit $48.00 | Max loss -$202.00 | Break-even $527.02 | Per contract at expiry

Bear Call Spread reference

Short $555.00 | Long $557.50 | Width $2.50 | Net credit $0.57



Max profit $57.00 | Max loss -$193.00 | Break-even $555.57 | 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	**27.45**
VVIX	**124.95**
SKEW index	**142.84**
Observation confidence	**high**
Option quote quality	**reliable**
Contracts observed	**116**

Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	**116**

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The market is pricing in continued weakness for Caterpillar (CAT) as options data reflects investor concerns stemming from recent earnings results and uncertainty surrounding AI infrastructure spending. The stock's sharp decline following its Q3 earnings report, coupled with a cautious outlook for the coming quarter, has fueled bearish sentiment.

Options context

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Wheel context

CAT's recent earnings report highlighted strong revenue growth but also raised concerns about slowing demand in certain sectors. The company's cautious outlook for Q4 has contributed to investor uncertainty.

Observed evidence

The term structure of CAT options exhibits backwardation, indicating that near-term options are more expensive than longer-term options. This suggests market participants anticipate further downside risk in the near future. | Implied volatility is elevated at 46.51%, reflecting heightened uncertainty surrounding CAT's future performance. | Put demand is elevated, as evidenced by a positive skew with put options trading at a premium to call options. | The stock's technical indicators are strongly bearish, with price action below key moving averages and oversold conditions on the RSI.

Principal risks to monitor

The potential for further weakness in AI infrastructure spending could negatively impact CAT's sales and profitability.

Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization	P/E (TTM)
$252.38B	**21.51**
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%	**1.66**

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	**2.2%**
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 19, 2026 10:00 AM EST

Covered Call | 2026-11-20

At signal $560.40 | Current $532.00

SHORT **Option $570.00 B $3.95 / A $4.55**

Conservative | CR $4.25

Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	**$28.76**
ATR as % of price	**5.4%**
Volatility environment	**high**
Current IV	**46.7%**
IV rank	**68 / 100**
IV percentile	**88 / 100**
Technical Snapshot IV source	**Private fundamentals snapshot**
Technical Snapshot IV observed at	**Nov 19, 2026 6:30 PM EST**

Technical health and risk radar

Derived indicator health and event context

Overall health	**40 / 100**
Trend health	**25 / 100**
Momentum health	**50 / 100**
Volatility health	**30 / 100**
Structure health	**65 / 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)	**$612.25 / $720.38 / $804.90**
EMA (9 / 21)	**$576.01 / $618.05**
Bollinger upper / middle / lower	**$718.70 / $612.25 / $505.80**

Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	**0.148**
True high / low	**$569.77 / $535.53**
5-day true high / low	**$611.93 / $535.53**

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	-8.376	**-**
SMA50	-5.174	**-**
MVWAP20	-5.723	**-**
MACD	-0.175	**-**
RSI	-1.426	**-**
Volume	148091.000	**-**
ATR	-0.183	**-**
T1	-	**-46.78 / 615.34 / 578.00 / 551.39**
T2	-	**-46.81 / 621.17 / 580.86 / 563.27**
T3	-	**-47.40 / 625.57 / 600.20 / 568.25**

Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	**$542.39**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Nov 19, 2026 2:49 PM EST**
Options data coverage	**88.9%**
SKEW regime	**HIGH TAIL RISK SKEW**
VVIX regime	**VVIX RISING**
Front expiration / DTE	**2026-11-20 | 1 DTE**
Front at-the-money IV	**69.5%**
25-delta skew	**10.38**
Put / Call 25-delta	**$527.50 Delta -0.245 / $555.00 Delta 0.255**
Median option bid/ask spread	**16.1%**
Bid/ask spread	**-**
Contracts observed / quoted	**116 / 116**

Price context

Last Price: 542.39 | Bid: 542.09 | Ask: 542.69 | Previous Close: 558.77 | Change: -16.38 | Daily change: -2.93% | Update Time: 2026-11-19T14:49:30.620735-05:00 | Latest History Date: 2026-11-19 | Latest History Price: 542.51

Historical context

Trading-day sample: 60 sessions | First Date: 2026-08-27 | Latest Date: 2026-11-19 | Latest Price: 542.51 | Max Drawdown 60d Percent: -37.17%

Fundamental context

Current Iv Percent: 46.51% | Iv Rank: 67.24 | Iv Percentile: 88.05 | 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.

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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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