Caterpillar Inc / CAT

Equity | Generated Nov 23, 2026 11:30 PM EST

Current price	Daily move	Bid / Ask	Previous close
$547.63	+37.18 +7.28%	$539.35/$555.00	$510.45

Market	**NYSE**
Industry	**Machinery**
Market data as of	**Nov 23, 2026 11:30 PM EST**

JW Intelligence Report

Complete | 3 of 3 sections | Nov 23, 2026 6:50 PM EST

JW Rank	Rank label	Confidence	IV percentile
42.6 / 100	Cautious	high	84 / 100

Model reference	Upside scenario	Risk reference	Wheel strategy fit
$535.00	$585.00	$505.00	48 / 100

Options stance	**mixed**
Tail-risk safety	**35 / 100**
JW Rank data coverage / as of	**100.0% | Nov 23, 2026 6:50 PM EST**

Key insight

CAT Shows Mixed Signals: Oversold Bounce vs. Underlying Uncertainty

Market read

CAT's recent rebound from a one-year low appears driven by a broader market AI bounce rather than company-specific news. While the stock is technically oversold, underlying concerns about data center demand and margin pressure persist. Analyst targets remain constructive but have been lowered, reflecting this uncertainty.

Strategy context

The recent price action suggests a potential oversold bounce, but the underlying fundamentals warrant caution. Investors should monitor data center demand trends and margin pressures for further clarity.

JW AI conclusions

Short- and medium-term model interpretation

AI context bias	**Mixed**
AI analysis updated	**Nov 23, 2026 2:26 PM EST**

Short-term scenario

Cautious tactical long for a 1-3 week oversold bounce only. High uncertainty: today's sharp rebound can fade if the broader AI de-rating resumes, and this is not a confirmed trend reversal.

Three-month outlook

Base case is a choppy partial recovery toward the mid-$600s if the record backlog and sales-growth narrative hold and AI-linked sentiment stabilizes. Downside risk remains material if data-center power orders slow further, margins stay pressured, or the industrial selloff deepens. Analyst targets imply larger upside, but those targets stayed elevated while the stock roughly halved from its peak. Uncertainty is high; this is not a high-conviction directional forecast.

Market sentiment

Recent X discussion on $CAT is relatively thin. Notable posts highlight the largest drawdown since 2008, a valuation near 19x forward earnings, and oversold conditions, with some arguing the core franchise remains durable even if the AI power narrative cools. Others flag buybacks executed at much higher prices and uncertain near-term momentum. Tone is cautiously constructive on valuation after the selloff, but short-term conviction is mixed.

Supporting evidence

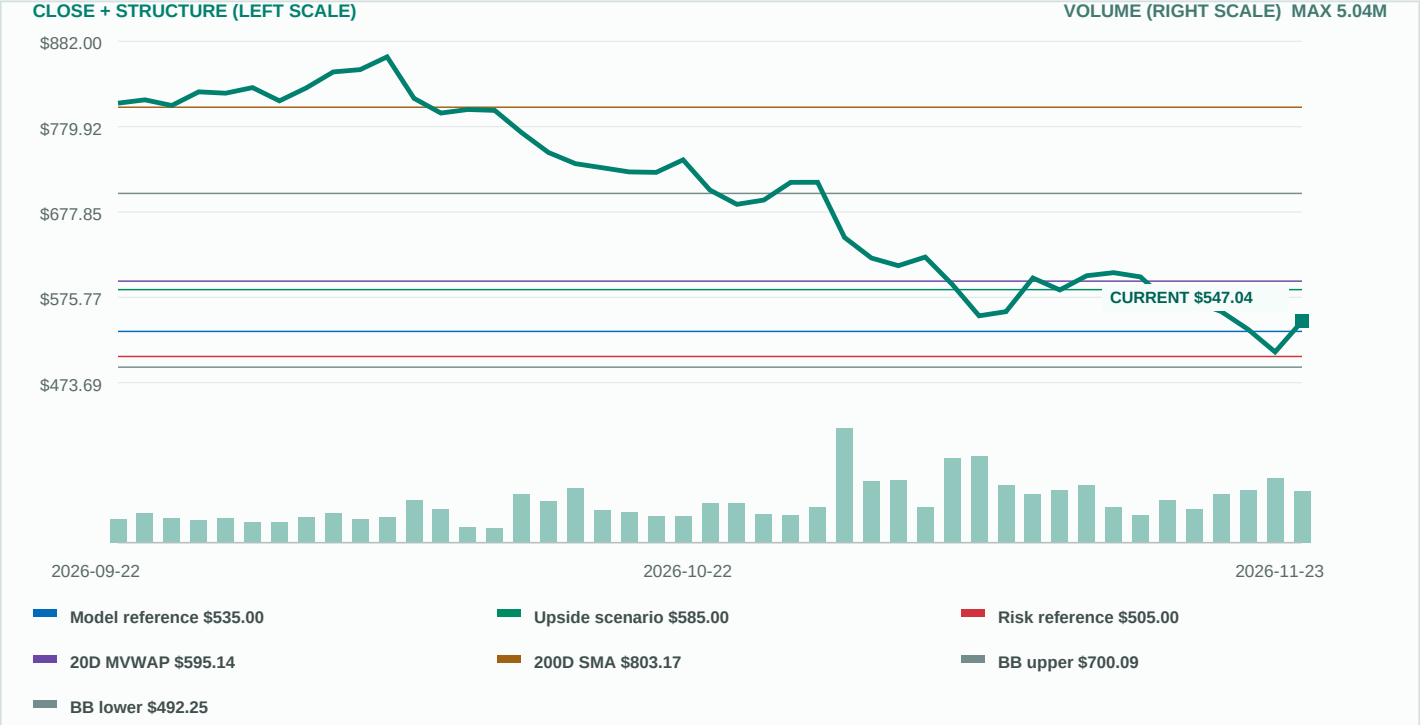
CAT's price rebounded 7% after hitting a one-year low, tracking a broader AI-linked equity rally. | Technical indicators suggest extreme oversold conditions may be easing, but the intermediate trend remains down. | Q3 earnings were strong, but data center power generation demand has cooled. | Sell-side targets remain mostly constructive but have been trimmed due to uncertainty surrounding AI infrastructure orders and margins.

Risk watch

Continued weakness in data center power generation demand could pressure earnings and margins.

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 decelerating**
Trend signal	**STRONG BEAR**
RSI signal	**neutral**
RSI (7 / 14 / 21)	**39.01 / 34.59 / 34.14**
RSI velocity	**1.62**
MACD line / signal / histogram	**-48.89 / - / -48.51**
MACD acceleration	**-0.70**
Stochastic K / D	**13.59 / 9.16**

Institutional footprints

Volume-weighted cost, price location and flow

Current read	**Below institutional MVWAP | Distribution bias**
Institutional flow	**-6.73**
20-day MVWAP	**$595.14**
Price vs 20-day MVWAP	**-7.98%**
Daily reference VWAP	**$548.48**
Price vs daily reference	**-0.15%**
Volume	**2.24M**

Structural context

Long-term trend and volatility boundaries

Current read	**Below 200-day trend | Negative macro velocity**
Macro velocity	**-8.14**
20-day / 200-day SMA	**$596.17 / $803.17**
Bollinger range	**$492.25 - $700.09**
Bollinger position	**0.264**

Options and volatility intelligence

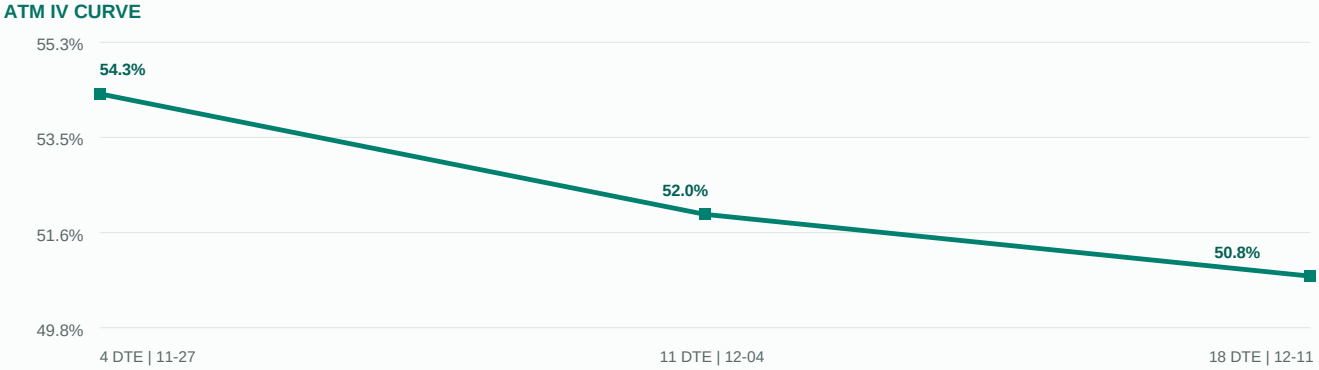
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
66 / 100	**86 / 100**	**117.21**	**138.84**

Market regime	**CRASH RISK**
Tail-risk regime	**HIGH TAIL RISK**
Term structure	**backwardation**
Term slope	**-3.54 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 23, 2026 2:49 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

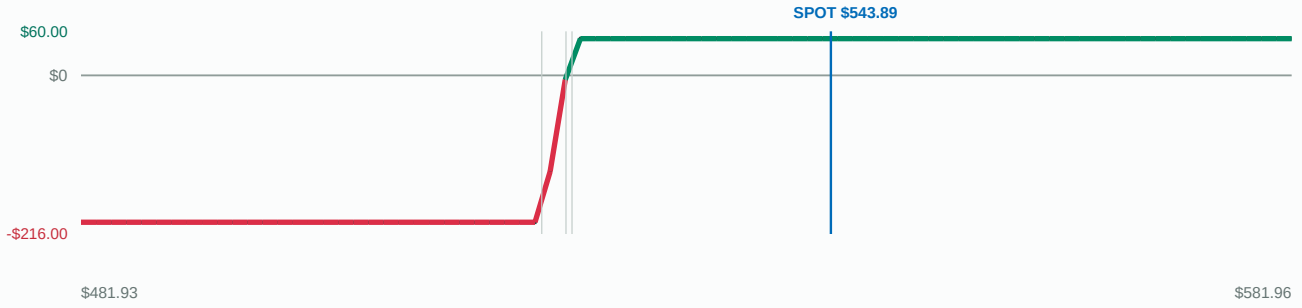
EXPIRATION	DTE	ATM IV	STATE
2026-11-27	4	54.3%	-
2026-12-04	11	52.0%	-
2026-12-11	18	50.8%	-

Reference spread payoff

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

Bull Put Spread reference

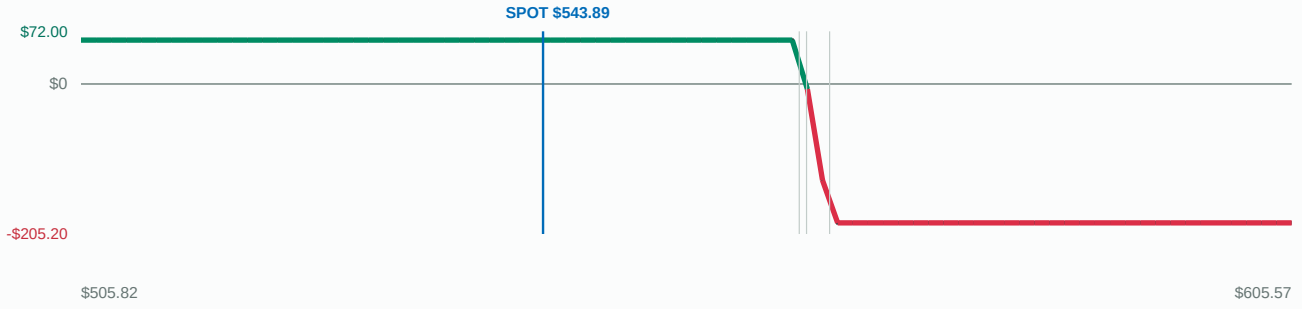
Short $522.50 | Long $520.00 | Width $2.50 | Net credit $0.50



Max profit $50.00 | Max loss -$200.00 | Break-even $522.00 | Per contract at expiry

Bear Call Spread reference

Short $565.00 | Long $567.50 | Width $2.50 | Net credit $0.60



Max profit $60.00 | Max loss -$190.00 | Break-even $565.60 | 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	**27.14**
VVIX	**117.21**
SKEW index	**138.84**
Observation confidence	**high**
Option quote quality	**reliable**
Contracts observed	**140**

Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	**140**

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

CAT's recent rebound from a one-year low appears driven by a broader market AI bounce rather than company-specific news. While the stock is technically oversold, underlying concerns about data center demand and margin pressure persist. Analyst targets remain constructive but have been lowered, reflecting this uncertainty.

Options context

CAT Shows Mixed Signals: Oversold Bounce vs. Underlying Uncertainty

Wheel context

The recent price action suggests a potential oversold bounce, but the underlying fundamentals warrant caution. Investors should monitor data center demand trends and margin pressures for further clarity.

Observed evidence

CAT's price rebounded 7% after hitting a one-year low, tracking a broader AI-linked equity rally. | Technical indicators suggest extreme oversold conditions may be easing, but the intermediate trend remains down. | Q3 earnings were strong, but data center power generation demand has cooled. | Sell-side targets remain mostly constructive but have been trimmed due to uncertainty surrounding AI infrastructure orders and margins.

Principal risks to monitor

Continued weakness in data center power generation demand could pressure earnings and margins.

Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization	P/E (TTM)
$251.34B	**19.74**
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%	**1.67**

52-week range

$508.11 - $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	**-6.5%**
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 $547.63

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	**$30.41**
ATR as % of price	**5.6%**
Volatility environment	**high**
Current IV	**45.6%**
IV rank	**64 / 100**
IV percentile	**84 / 100**
Technical Snapshot IV source	**Private fundamentals snapshot**
Technical Snapshot IV observed at	**Nov 23, 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	**63 / 100**
Volatility health	**27 / 100**
Structure health	**76 / 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)	**$596.17 / $709.48 / $803.17**
EMA (9 / 21)	**$559.73 / $602.70**
Bollinger upper / middle / lower	**$700.09 / $596.17 / $492.25**

Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	**0.264**
True high / low	**$560.00 / $510.45**
5-day true high / low	**$580.86 / $508.11**

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	-8.139	**-**
SMA50	-5.418	**-**
MVWAP20	-6.734	**-**
MACD	-0.704	**-**
RSI	1.619	**-**
Volume	41937.000	**-**
ATR	0.693	**-**
T1	-	**-50.43 / 599.96 / 539.47 / 508.11**
T2	-	**-47.93 / 608.40 / 569.77 / 535.53**
T3	-	**-46.78 / 615.34 / 578.00 / 551.39**

Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	**$543.89**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Nov 23, 2026 2:49 PM EST**
Options data coverage	**88.9%**
SKEW regime	**NORMAL TAIL RISK SKEW**
VVIX regime	**VVIX RISING**
Front expiration / DTE	**2026-11-27 | 4 DTE**
Front at-the-money IV	**54.3%**
25-delta skew	**8.23**
Put / Call 25-delta	**$522.50 Delta -0.246 / $565.00 Delta 0.252**
Median option bid/ask spread	**17.3%**
Bid/ask spread	**-**
Contracts observed / quoted	**140 / 140**

Price context

Last Price: 543.89 | Bid: 543.67 | Ask: 544.24 | Previous Close: 510.45 | Change: 33.44 | Daily change: 6.55% | Update Time: 2026-11-23T14:48:47.889516-05:00 | Latest History Date: 2026-11-23 | Latest History Price: 543.92

Historical context

Trading-day sample: 60 sessions | First Date: 2026-08-31 | Latest Date: 2026-11-23 | Latest Price: 543.92 | Max Drawdown 60d Percent: -40.88%

Fundamental context

Current Iv Percent: 46.04% | Iv Rank: 65.52 | Iv Percentile: 86.06 | 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

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

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