Caterpillar Inc / CAT

Equity | Generated Nov 25, 2026 11:31 PM EST

Current price	Daily move	Bid / Ask	Previous close
$527.89	-12.74 -2.36%	-/-	$540.63

Market	**NYSE**
Industry	**Machinery**
Market data as of	**Nov 25, 2026 11:31 PM EST**

JW Intelligence Report

Complete | 3 of 3 sections | Nov 25, 2026 6:50 PM EST

JW Rank	Rank label	Confidence	IV percentile
45.5 / 100	Cautious	high	90 / 100

Model reference	Upside scenario	Risk reference	Wheel strategy fit
$518.00	$555.00	$498.00	63 / 100

Options stance	**neutral**
Tail-risk safety	**44 / 100**
JW Rank data coverage / as of	**100.0% | Nov 25, 2026 6:50 PM EST**

Key insight

CAT Option Market Implies Rangebound Trading Amidst Mixed Sentiment

Market read

The CAT option market appears to price in a rangebound trading environment over the next few months, with uncertainty surrounding the stock's direction. While recent earnings were strong, concerns about AI-infrastructure demand and margin pressure have weighed on sentiment. The implied volatility is elevated, reflecting this uncertainty.

Strategy context

CAT options offer limited directional insight. The market seems to be pricing in continued volatility and uncertainty surrounding the stock's direction.

JW AI conclusions

Short- and medium-term model interpretation

AI context bias	**Mixed**
AI analysis updated	**Nov 25, 2026 2:30 PM EST**

Short-term scenario

No chase. Price-feed uncertainty is too high for a 1-3 week trade at the trusted $543.87 print: public Nov. 25 quotes clustered near $513-$530, down from the $540.63 close. Stand aside until the live price is confirmed. If price is actually in the low-$520s or lower, only a small tactical long on a retest of $512-$520 is reasonable, and only with a hard stop under the 52-week low. If $543.87 is confirmed, the bounce has already reclaimed the prior close inside a still-intact downtrend; do not add size there. This is a scenario, not advice.

Three-month outlook

Uncertainty is high and dominates the setup. Base case is a wide, choppy range rather than a clean trend: roughly $480-$620 over three months, depending on which price feed is real and on AI-infrastructure sentiment. Fundamentals are a support (record $78B backlog, data-center power demand, mid-to-high teens 2026 sales growth still guided, forward multiple no longer at the June extreme), but they did not prevent a ~50% drawdown after guidance was not raised and tariffs/margins stayed a drag. Bull case: order conversion stays on track, AI capex fears ease, and the stock mean-reverts toward the mid-$600s, still far below the 200-day average and many analyst targets. Bear case: further doubts on data-center orders, pushouts, or margin/tariff pressure break the ~$508 low and open the mid-$400s. The stock is trading as an AI-infrastructure proxy, so sentiment can overwhelm backlog math in either direction. Conflicting Nov. 25 prices ($513-$530 public vs trusted $543.87) mean even the starting point is uncertain. Not investment advice.

Market sentiment

Recent X sentiment is mixed and fragile, not uniformly bullish. Some traders are treating the roughly 30-50% drop from the June peak as a dip-buying opportunity in a quality industrial with a record backlog and data-center power exposure, and a few cited still-high analyst targets. Others argue the stock was re-rated as an AI proxy, that the multiple compressed after peaking near 40x forward earnings, that backlog is not cash, and that data-center demand may have been overestimated. Posts after the Oct. 29 report focused on unchanged guidance, tariff and margin pressure, and the risk that future orders, not the existing backlog, are what the tape is questioning. Tone improved on the Nov. 23 AI-linked bounce but remains news-driven and skeptical.

Supporting evidence

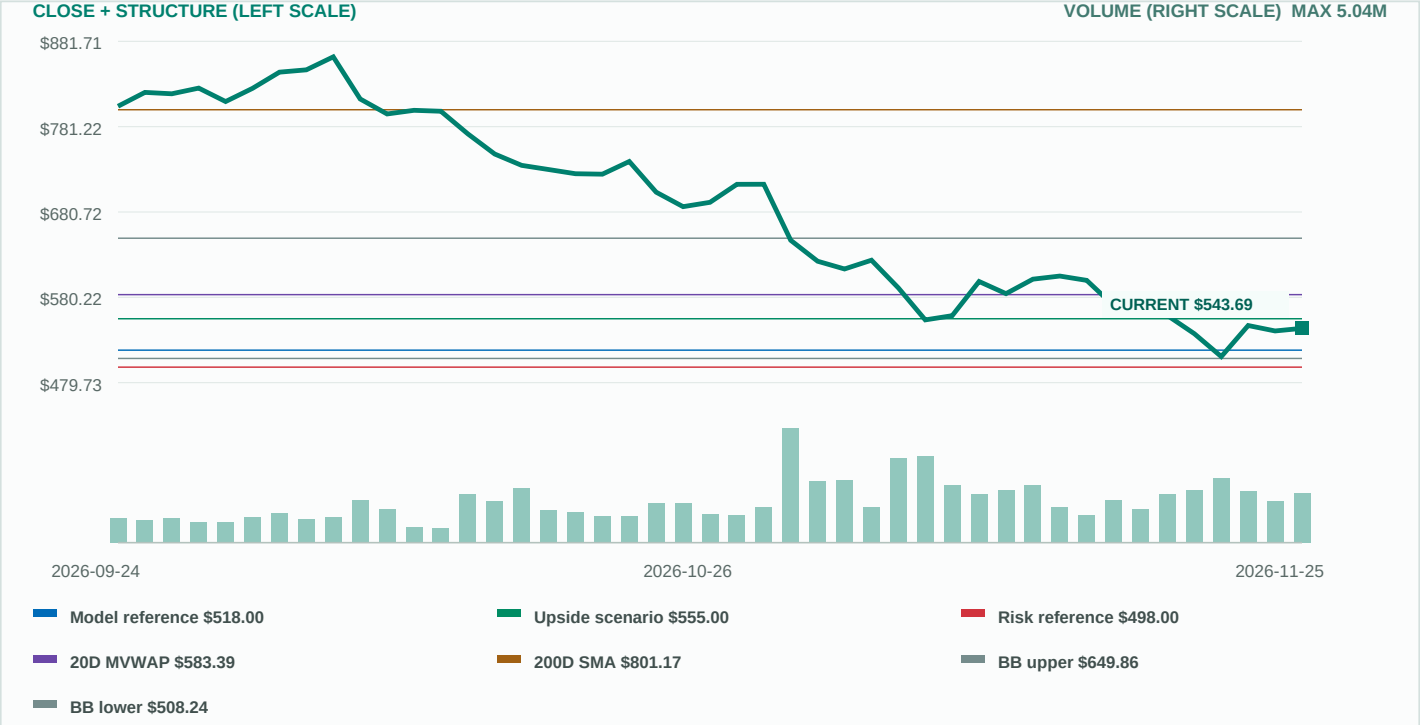
The term structure of implied volatility is flat, suggesting a balanced view between near-term and longer-term risk. | The delta skew is balanced, indicating that both call and put options are relatively fairly priced. | The stock price is currently trading below its short- and long-term moving averages, signaling a bearish trend. | Recent news sentiment is mixed, with some traders viewing the recent pullback as a buying opportunity while others remain skeptical about future growth prospects.

Risk watch

Heightened uncertainty around AI-infrastructure demand could negatively impact CAT's future growth. | Margin pressure from tariffs and other factors could weigh on profitability.

Enhanced price structure

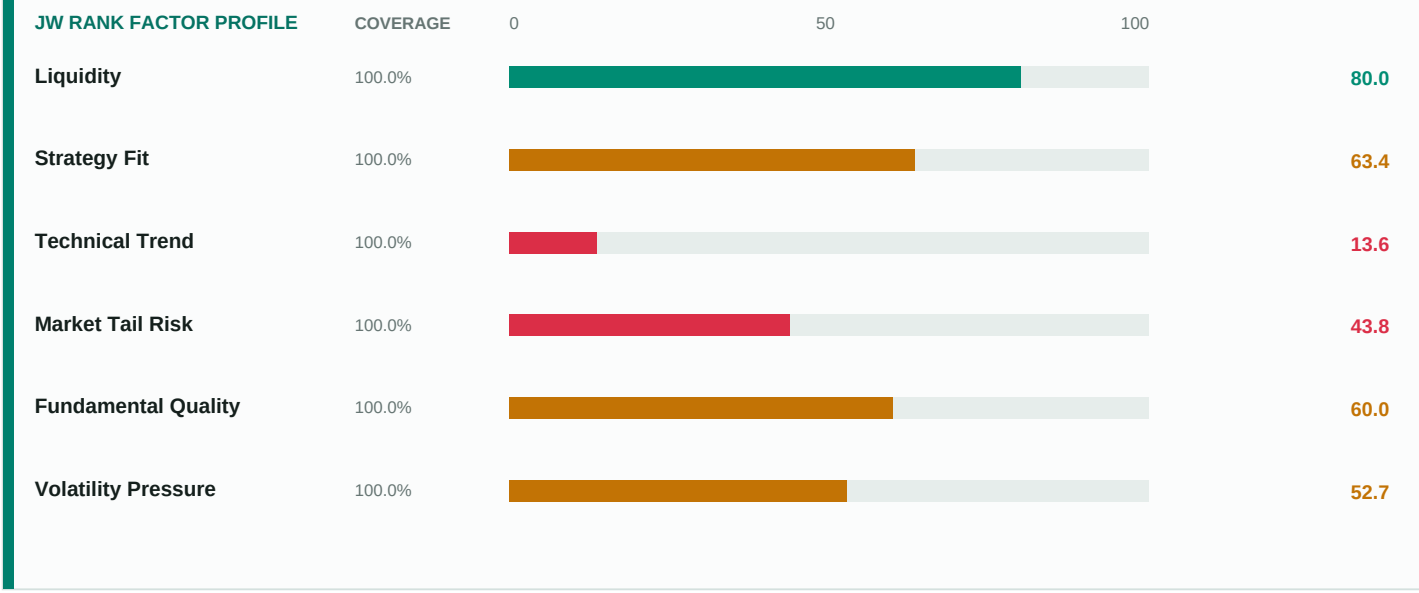
45 trading days with volume, model levels and current technical reference bands



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 | neutral | MACD accelerating**
Trend signal	**STRONG BEAR**
RSI signal	**neutral**
RSI (7 / 14 / 21)	**38.77 / 34.57 / 34.12**
RSI velocity	**3.51**
MACD line / signal / histogram	**-45.88 / - / -47.85**
MACD acceleration	**1.52**
Stochastic K / D	**33.83 / 23.55**

Institutional footprints

Volume-weighted cost, price location and flow

Current read	**Below institutional MVWAP | Distribution bias**
Institutional flow	**-5.52**
20-day MVWAP	**$583.39**
Price vs 20-day MVWAP	**-9.51%**
Daily reference VWAP	**$533.97**
Price vs daily reference	**-1.14%**
Volume	**2.19M**

Structural context

Long-term trend and volatility boundaries

Current read	**Below 200-day trend | Negative macro velocity**
Macro velocity	**-8.12**
20-day / 200-day SMA	**$579.05 / $801.17**
Bollinger range	**$508.24 - $649.86**
Bollinger position	**0.250**

Options and volatility intelligence

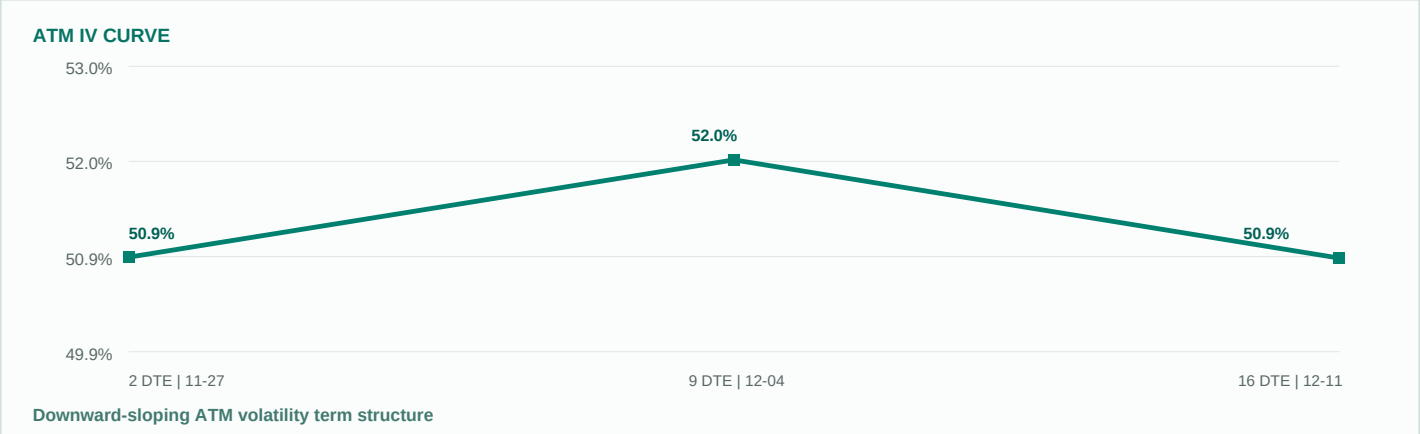
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
78 / 100	**91 / 100**	**115.48**	**139.16**

Market regime	**Calm**
Tail-risk regime	**HIGH TAIL RISK**
Term structure	**flat**
Term slope	**-0.01 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 25, 2026 2:48 PM EST**
Options data quality	**Coverage 88.9%**

Option term structure

ATM implied-volatility curve by days to expiration



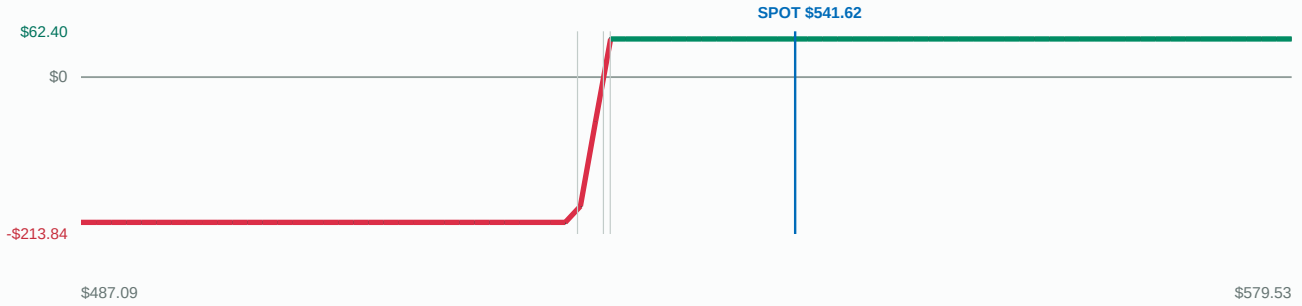
EXPIRATION	DTE	ATM IV	STATE
2026-11-27	2	50.9%	-
2026-12-04	9	52.0%	-
2026-12-11	16	50.9%	-

Reference spread payoff

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

Bull Put Spread reference

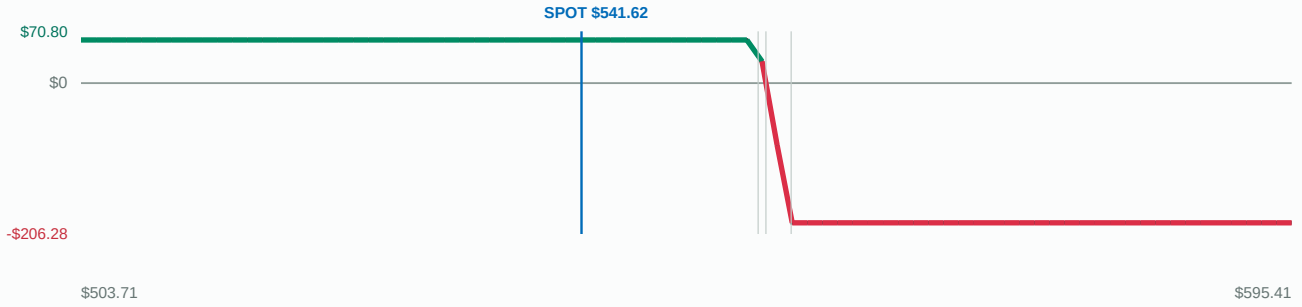
Short $527.50 | Long $525.00 | Width $2.50 | Net credit $0.52



Max profit $52.00 | Max loss -$198.00 | Break-even $526.98 | Per contract at expiry

Bear Call Spread reference

Short $555.00 | Long $557.50 | Width $2.50 | Net credit $0.59



Max profit $59.00 | Max loss -$191.00 | Break-even $555.59 | Per contract at expiry

Event and tail-risk context

Known event windows and broad volatility conditions

Next earnings date	**2027-02-02**
Earnings IV-crush risk	**NOT MEASURED**
VIX	**27.75**
VVIX	**115.48**
SKEW index	**139.16**
Observation confidence	**high**
Option quote quality	**reliable**
Contracts observed	**142**

Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	**142**

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The CAT option market appears to price in a rangebound trading environment over the next few months, with uncertainty surrounding the stock's direction. While recent earnings were strong, concerns about AI-infrastructure demand and margin pressure have weighed on sentiment. The implied volatility is elevated, reflecting this uncertainty.

Options context

CAT Option Market Implies Rangebound Trading Amidst Mixed Sentiment

Wheel context

CAT options offer limited directional insight. The market seems to be pricing in continued volatility and uncertainty surrounding the stock's direction.

Observed evidence

The term structure of implied volatility is flat, suggesting a balanced view between near-term and longer-term risk. | The delta skew is balanced, indicating that both call and put options are relatively fairly priced. | The stock price is currently trading below its short- and long-term moving averages, signaling a bearish trend. | Recent news sentiment is mixed, with some traders viewing the recent pullback as a buying opportunity while others remain skeptical about future growth prospects.

Principal risks to monitor

Heightened uncertainty around AI-infrastructure demand could negatively impact CAT's future growth. | Margin pressure from tariffs and other factors could weigh on profitability.

Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization	P/E (TTM)
$238.34B	**20.88**
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	**-3.4%**
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 25, 2026 3:27 PM EST

Covered Call | 2026-12-04

At signal $543.64 | Current $527.89

SHORT **Option $560.00 B $10.10 / A $11.70**

Conservative | CR $10.90

Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	**$29.82**
ATR as % of price	**5.5%**
Volatility environment	**high**
Current IV	**48.6%**
IV rank	**75 / 100**
IV percentile	**90 / 100**
Technical Snapshot IV source	**Private fundamentals snapshot**
Technical Snapshot IV observed at	**Nov 25, 2026 6:31 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	**28 / 100**
Structure health	**75 / 100**
Earnings risk / date	**low | 2027-02-02**
Macro risk	**unknown**
Volatility risk	**high**
Structure risk	**low**

Structural indicator levels

Moving averages, volatility bands and observed trading ranges

SMA (20 / 50 / 200)	**$579.05 / $699.84 / $801.17**
EMA (9 / 21)	**$553.47 / $592.21**
Bollinger upper / middle / lower	**$649.86 / $579.05 / $508.24**

Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	**0.250**
True high / low	**$545.72 / $512.51**
5-day true high / low	**$569.77 / $508.11**

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	-8.124	**-**
SMA50	-4.793	**-**
MVWAP20	-5.524	**-**
MACD	1.516	**-**
RSI	3.509	**-**
Volume	-218037.000	**-**
ATR	0.293	**-**
T1	-	**-47.64 / 590.06 / 547.04 / 528.60**
T2	-	**-48.89 / 595.14 / 560.00 / 510.45**
T3	-	**-50.43 / 599.96 / 539.47 / 508.11**

Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	**$541.62**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Nov 25, 2026 2:48 PM EST**
Options data coverage	**88.9%**
SKEW regime	**NORMAL TAIL RISK SKEW**
VVIX regime	**VVIX FLAT**
Front expiration / DTE	**2026-11-27 | 2 DTE**
Front at-the-money IV	**50.9%**
25-delta skew	**3.86**
Put / Call 25-delta	**$527.50 Delta -0.240 / $555.00 Delta 0.259**
Median option bid/ask spread	**19.6%**
Bid/ask spread	**-**
Contracts observed / quoted	**142 / 142**

Price context

Last Price: 541.62 | Bid: 541.37 | Ask: 541.83 | Previous Close: 540.63 | Change: 0.99 | Daily change: 0.18% | Update Time: 2026-11-25T14:48:43.324928-05:00 | Latest History Date: 2026-11-25 | Latest History Price: 542.02

Historical context

Trading-day sample: 60 sessions | First Date: 2026-09-02 | Latest Date: 2026-11-25 | Latest Price: 542.02 | Max Drawdown 60d Percent: -40.88%

Fundamental context

Current Iv Percent: 49.37% | Iv Rank: 77.59 | Iv Percentile: 90.84 | Next Earnings Date: 2027-02-02 | 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 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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