

Caterpillar Inc. (CAT) - ANALYST REPORT

Executive Summary with Comprehensive Analysis

\$856.57 +\$1.97 (+0.23%) AS OF 2026-08-14

Strategy: Conservative Stop Loss (Fixed ATR-based)

■ QUICK DECISION

Action: HOLD | Confidence: MEDIUM | Signal Strength: 5/7 (last fired 2026-07-29, 16d ago)

EXECUTIVE SUMMARY - Essential Metrics

TECHNICAL METRICS	VALUE	FUNDAMENTAL METRICS	VALUE
Current Price	\$856.57	Market Cap	\$393.7B
Past Win Rate (Backtest)	52.9%	Forward P/E	26.8x
Past Total Return	+21.7%	Analyst Target	\$970.71
RSI / Trend Strength	47 / 14	Upside to Target	+13.3%
MACD Signal	Bearish	Revenue Growth	+24.0%
Profit Factor	1.84	Institutional Own.	73.8%
Position Entry	2025-05-15 @ \$345.42	Analyst Ratings	15 Buy / 11 Hold / 2 Sell
Open Position Past P&L	+148.0%		

■ TECHNICAL ANALYSIS SUMMARY

Indicator	Value	Signal
EMA 20	\$862.40	Bearish
EMA 50	\$880.15	Bearish
RSI (14)	46.6	Neutral range
Trend Strength (ADX)	14.4	Weak/No trend (<20)

■ CONSENSUS HUD

TRIM POSITION +13.3% to \$970.71 on a 1.59:1 reward-to-risk, 6-12 month horizon

SIGNAL STRENGTH 5/7 fired 16d ago	WIN RATE 53% 17 backtested trades	STREET 15/28 analysts rate buy	UPSIDE +13.3% to analyst target	RISK / REWARD 1.59:1 vs. 2x ATR stop
Technical Confluence	5/7 (fired 16d ago)	Backtest	52.9% win rate, +21.7% total return	
Analyst Consensus	15 buy / 11 hold / 2 sell	Target Price	\$970.71 (+13.3%)	
Market Volatility	Beta 1.60	Valuation	26.8x forward P/E	
Revenue Growth	+24.0%	Institutional Own.	73.8%	
Position	Already open — +148.0%	News Sentiment	Slightly Bearish (-2.1/10)	

Action Plan: Lock in gains after +148.0% run. Reduce exposure near resistance. Trail stop on remainder.

■ KEY INSIGHT

The fixed stop strategy has proven effective (Win Rate: 52.9%, Avg Return: +4.8%), but patience is critical. Only enter on confirmed signals with proper risk management. Current technical confluence of 5 meets entry criteria - consider initiating position. Fundamental backdrop shows 68% earnings growth with 74% institutional ownership, indicating strong conviction from professional investors.

■ INTELLIGENT STOP LOSS STRATEGY

METRIC	VALUE	DETAILS
Current Price	\$856.57	Latest market price
Buy Stop Loss	\$784.66	Conservative 2.0x ATR (8.4% distance)
Position Stop Loss	\$820.62	Adaptive 1.00x ATR (4.2% distance)
ATR (14-day)	\$35.95	Volatility: 4.2% of price
ADX Strength	14.4	Weak/No Trend

Status: Position up +148% - Adaptive strategy adjusts for momentum

ADX: 20-25 = Emerging trend | 25-50 = Strong trend | 50+ = Very strong

■ Strategy Comparison: Conservative vs Adaptive

METRIC	CONSERVATIVE (2.0x ATR)	ADAPTIVE (Dynamic)
Past Win Rate	53%	56%
Past Total Return	+21.7%	+98.4%
Max Drawdown	-19.1%	-17.1%
Total Trades	17	18
Position	OPEN	OPEN

Both strategies analyzed independently. Conservative uses fixed 2.0x ATR stops. Adaptive adjusts stops based on position profit.

For the latest stock analysis, support, resistance and interactive charts, visit [Ultra Stock Analysis Pro](#)

■ ANALYST RATING CHANGES - COMPLETE HISTORY

All recent upgrades, downgrades, and price target changes (last 90 days)

No recent analyst rating changes available from data source.

Analyst Price Targets

Average Target: \$970.71 (+13.3% from current)

High Target: \$1225.00 (+43.0%)

Low Target: \$575.00 (-32.9%)

Current Price: \$856.57

RISK HUD - Deep Dive Assessment

Five risk axes scored LOW / MODERATE / HIGH, then the mitigation that follows from them.

ELEVATED RISK driven by market beta, volatility

MARKET HIGH beta 1.60	VOLATILITY HIGH ATR 4.2% of price	VALUATION MODERATE fwd P/E 26.8x	EVENT LOW earnings in 76d	TECHNICAL LOW RSI 47
Mitigation - Stop	2-3x ATR = \$71.91 - \$107.86 below entry (8.4% at 2x)	Mitigation - Sizing	half-size or less while two axes read HIGH	
52-Week Range	\$405.46 - \$1073.46, now \$856.57	Next Earnings	Oct 29, 2026 (76d away)	
Short Interest	1.7% of float - normal short activity	Sector Exposure	Industrials - cycle and regulatory risk specific to the group	
Backtest Edge	52.9% win rate (9W / 8L), 1.84x profit factor	Win vs. Loss Size	avg win 17.5% vs. avg loss -9.5%	
Current Setup	5/7 (fired 16d ago) - high conviction	Company-Specific	Competition, Market conditions, Regulatory changes	

BUY-SIDE HUD - Portfolio Management

How much to own, what the historical edge is, and whether the position can be traded at size.

MARKET WEIGHT +13.3% to the \$970.71 analyst target against a 8.4% stop - moderate risk-adjusted return

UPSIDE +13.3% to analyst target	RISK / REWARD 1.59:1 vs. 2x ATR stop	WIN RATE 53% 17 backtested trades	PROFIT FACTOR 1.84x avg trade +4.8%	POSITION +148.0% open position
Signal Strength	5/7 (fired 16d ago) - high conviction setup	RSI / ADX	47 / 14.4 - weak/no trend (<20)	
Stop Zone (2-3x ATR)	\$71.91 - \$107.86 below entry	Next Catalyst	Oct 29, 2026 earnings	
Avg Volume	3.3M/day - lower liquidity	Execution Risk	Moderate at institutional size	
Market Cap	\$393.7B - large cap	Beta	1.60 - above-market volatility	
Institutional Own.	73.8% - largest: Blackrock Inc.	Short Interest	1.7% of float - moderate	

SELL-SIDE HUD - Investment Research

Caterpillar Inc. - Industrials / Farm & Heavy Construction Machinery. What the business is worth and where the Street stands.

STRONG GROWTH positive operating leverage - revenue and earnings both accelerating

FORWARD P/E 26.8x premium multiple	PEG 1.88 growth-adjusted P/E	REVENUE GROWTH +24% year over year	EPS GROWTH +38% next fiscal year	OPERATING MARGIN 22% profitability
Analyst Consensus	Strong Buy - 15B / 11H / 2S across 28 analysts		Target Range	\$575.00 - \$1225.00, avg \$970.71 (+13.3%)
Trailing P/E	36.9x		Price / Sales	5.27x - premium
Price / Book	20.30x		Enterprise Value	\$432.9B (5.79x revenue)
Revenue (TTM)	\$74.7B		Free Cash Flow	\$5.0B
Earnings Growth	+68.2%		Institutional Own.	73.8% - very high confidence
Key Competitors	Various industry players		Market Share	0% US / 0% global - competitive player
Moat	Market position, Technology, Brand		Key Products	Core products and services

■ 7-DAY NEWS SENTIMENT ANALYSIS

Market Sentiment from Recent Financial News

METRIC	VALUE	ANALYSIS
Overall Score	-2.1 / 10	Slightly Bearish
Articles Analyzed	3	Last 7 days (top 5 shown per category)
Bullish Articles	0 (0%)	Positive sentiment
Bearish Articles	1 (33%)	Negative sentiment
Neutral Articles	2 (67%)	Mixed/Neutral tone

■ TOP BEARISH HEADLINES

1. Do Wall Street Analysts Like Caterpillar Stock? (Barchart, Aug 13)

While Caterpillar has outperformed the broader market over the past year, Wall Street analysts are cautiously optimistic about the stock's prospects....

Source: <https://www.barchart.com/story/news/3836053/do-wall-street-analysts-like-caterpi>

■ SENTIMENT INTERPRETATION

The news sentiment is **moderately bearish**, reflecting concerns and negative coverage. This suggests caution among market participants. Consider defensive strategies and monitor for potential support levels or reversal signals.

REFERENCE: APPENDIX A - Complete Technical Indicators

Comprehensive Technical Data for Quantitative Analysis

Indicator	Value	Interpretation
Current Price	\$856.57	as of 2026-08-14
Volume	1.9M	avg 3.3M/day
EMA 20	\$862.40	Short-term trend
EMA 50	\$880.15	Medium-term trend
EMA 200	\$762.00	Long-term trend
Relative Strength	46.6	Neutral range
MACD	-16.36	Bearish
MACD Signal	-20.58	Signal line
MACD Histogram	4.22	Bullish
Volatility (ATR 14)	\$35.95	4.2% of price
Trend Strength (ADX)	14.4	Weak/No trend (<20)
+DI	23.3	Positive directional movement
-DI	22.7	Negative directional movement
Stochastic %K	50.1	Neutral
Stochastic %D	47.0	Neutral
Bollinger Upper	\$912.69	Upper volatility band
Bollinger Middle	\$853.61	Moving average
Bollinger Lower	\$794.52	Lower volatility band
Band Position	52.5%	0% = lower band, 100% = upper
VWAP	\$859.19	Volume-weighted average

REFERENCE: APPENDIX B - Complete Fundamental Metrics

Comprehensive Fundamental Data for Financial Analysis

Category	Metric	Value	Interpretation
Valuation	Market Cap	\$393.7B	Total market value
Valuation	Enterprise Value	\$432.9B	Total company value
Valuation	Forward P/E	26.8x	Price to forward earnings
Valuation	Trailing P/E	36.9x	Price to trailing earnings
Valuation	PEG Ratio	1.88	P/E relative to growth
Valuation	Price/Sales	5.27x	Market cap to revenue
Valuation	Price/Book	20.30x	Price to book value
Valuation	EV/Revenue	5.79x	Enterprise value to revenue
Valuation	EV/EBITDA	26.6x	Enterprise value to EBITDA
Performance	Revenue (TTM)	\$74.7B	Trailing 12-month revenue
Performance	Revenue Growth	+24.0%	Year-over-year growth
Performance	Earnings Growth	+68.2%	Earnings growth rate
Performance	EPS Growth (Next Yr)	+37.9%	Forward EPS growth estimate
Performance	Gross Profit	\$22.2B	Revenue minus COGS
Performance	Operating Income	\$13.6B	EBIT
Performance	Net Income	\$10.8B	Bottom line profit
Performance	Free Cash Flow	\$5.0B	Cash after capex
Performance	Operating Cash Flow	\$13.6B	Cash from operations
Profitability	Gross Margin	29.7%	Gross profit margin
Profitability	Operating Margin	22.2%	Operating efficiency
Profitability	Profit Margin	14.5%	Net margin
Profitability	ROE	57.0%	Return on equity
Profitability	ROA	9.0%	Return on assets
Profitability	ROIC	N/A	Return on invested capital
Balance Sheet	Total Assets	\$0.0B	Total assets
Balance Sheet	Total Liabilities	\$0.0B	Total liabilities
Balance Sheet	Total Debt	\$45.1B	Total debt outstanding
Balance Sheet	Cash & Equivalents	\$5.9B	Liquid assets
Balance Sheet	Book Value/Share	\$42.19	Net worth per share
Balance Sheet	Current Ratio	1.37	Current assets/liabilities
Balance Sheet	Quick Ratio	0.78	Liquid assets/liabilities
Balance Sheet	Debt/Equity	2.33	Leverage ratio
Market	Beta	1.60	Market correlation
Market	52-Week High	\$1073.46	Annual high
Market	52-Week Low	\$405.46	Annual low

Market	Avg Volume	3.3M	Average daily volume
Market	Shares Outstanding	0.5B	Total shares
Market	Float	0.5B	Tradeable shares
Market	Short Interest	1.7%	Shares sold short
Market	Institutional Own.	73.8%	Institution held
Analysts	Coverage Count	26	Number of analysts
Analysts	Average Rating	2.1	1=Strong Buy, 5=Sell
Analysts	Buy/Hold/Sell	15/11/2	Rating distribution
Analysts	Target Price	\$970.71	Average price target
Analysts	Target High	\$1225.00	Highest target
Analysts	Target Low	\$575.00	Lowest target
Other	Next Earnings	Oct 29, 2026	Earnings report date
Other	Dividend Yield	0.76%	Annual dividend rate
Other	Ex-Dividend Date	1784505600	Next ex-div date

REFERENCE: APPENDIX C - Complete Trade History

Detailed Backtesting Results and Trade Log

Entry	Exit	Type	Entry \$	Exit \$	Past P&L %	Past P&L \$
2019-06-28	2019-08-07	GOLDEN_CROSS	\$117.74	\$105.14	-10.7%	\$-630
2019-09-10	2019-10-04	CONFLUENCE	\$113.42	\$105.37	-7.1%	\$-282
2019-10-15	2019-11-12	GOLDEN_CROSS	\$114.06	\$128.39	+12.6%	\$+473
2020-06-01	2020-07-16	GOLDEN_CROSS	\$107.44	\$123.54	+15.0%	\$+370
2020-08-10	2021-06-17	CONFLUENCE	\$127.58	\$191.16	+49.8%	\$+1971
2021-07-19	2021-10-29	CONFLUENCE	\$186.35	\$188.23	+1.0%	\$+47
2021-11-08	2021-11-30	CONFLUENCE	\$197.68	\$178.40	-9.8%	\$-501
2022-01-04	2022-02-03	CONFLUENCE	\$201.21	\$185.97	-7.6%	\$-396
2022-02-24	2022-05-12	CONFLUENCE	\$171.23	\$189.14	+10.5%	\$+394
2022-06-08	2022-06-16	CONFLUENCE	\$214.08	\$181.46	-15.2%	\$-652
2022-07-06	2022-08-31	CONFLUENCE	\$160.52	\$173.27	+7.9%	\$+204
2022-10-26	2023-03-14	GOLDEN_CROSS	\$186.00	\$214.13	+15.1%	\$+534
2023-04-06	2023-10-19	CONFLUENCE	\$198.47	\$242.45	+22.2%	\$+792
2023-12-13	2024-06-04	GOLDEN_CROSS	\$258.24	\$318.29	+23.3%	\$+1501
2024-07-18	2024-08-05	GOLDEN_CROSS	\$345.95	\$309.08	-10.7%	\$-627
2024-09-19	2024-12-19	CONFLUENCE	\$364.21	\$352.85	-3.1%	\$-170
2025-01-23	2025-02-05	CONFLUENCE	\$399.38	\$352.65	-11.7%	\$-701
2025-05-15	OPEN	GOLDEN_CROSS	\$345.42	OPEN	+148.0%	\$+6134

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Next Earnings: Oct 29, 2026

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