



Investment idea:
**“CAT shares give SUPER opportunity
to earn in April”**



Caterpillar Inc. (#CAT) – is one of the leading US companies for the production of the largest machinery in the world. The company is engaged in the production of various heavy land transport equipment, diesel engines, power plants and other equipment for the construction and mining industry.

The predecessor of the company was the *Stockton Wheel Company*, founded in 1883, which was engaged in the production of various agricultural equipment, and





in 1886 the production of combines was launched. In 1985, a large-scale plant modernization program was launched, which was completed in 1993 and cost \$ 1.8 billion.

Its final name is Caterpillar Inc. (CAT) the company hold 1986.

Today, the company has 480 offices in 50 countries of the world. Subsidiaries include: Solar Turbines, Perkins Engines, Progress Rail Services, Caterpillar (UK), Caterpillar Germany, and Caterpillar (Switzerland). Caterpillar Inc. founded in 1925.

Reasons to buy Caterpillar (#CAT) shares in April

1. Reducing in the trade tension between the United States and China.

Earlier, the American manufacturer of construction equipment Caterpillar stated that the main reason for the decline in the company's profit was the decline in sales in China. This, in turn, was caused by the exacerbation of the US - China trade relations.

At the beginning of April, the US – China trade talks remain in the active phase, but do not have a significant negative impact on the market. In addition, after the negotiations on the territory of China, they will move to the US, accompanied by optimistic comments from the negotiators. In addition, the market is less sensitive to negative data on trade talks, **it is worth noting the high market optimism on expectations, which may cause a new wave of strengthening of these shares.**

2. Waiting for an underreported Caterpillar Inc. report.

After a restrained positive profit-and-loss statement of Caterpillar Inc., published in late January of this year, the upcoming report looks very understated indicating that these shares are undervalued which will be released in mid-April.





The forecasts for the report for the first quarter of 2019, Caterpillar Inc.: earnings per share - 2.83, income - 13.34B.

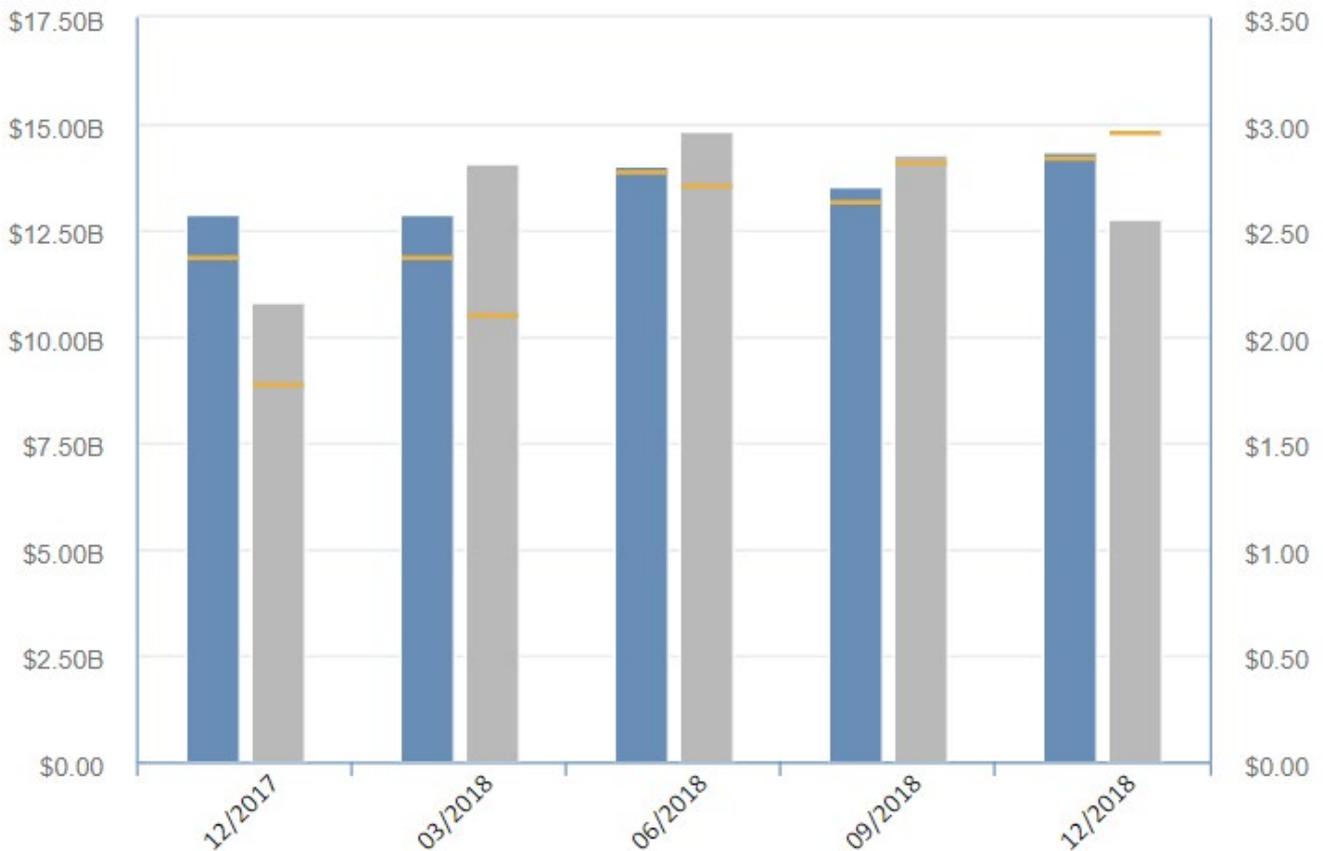


Fig. 1. Caterpillar Inc. Profitability chart.
Blue column - income, gray column - EPS, orange line - forecast

In the chart reporting company Caterpillar Inc. traced the preservation of the upward dynamics, despite the obvious underestimation of forecasts. It is worth noting that the activity in the US real estate market remains very significant, even taking into account the slowdown.



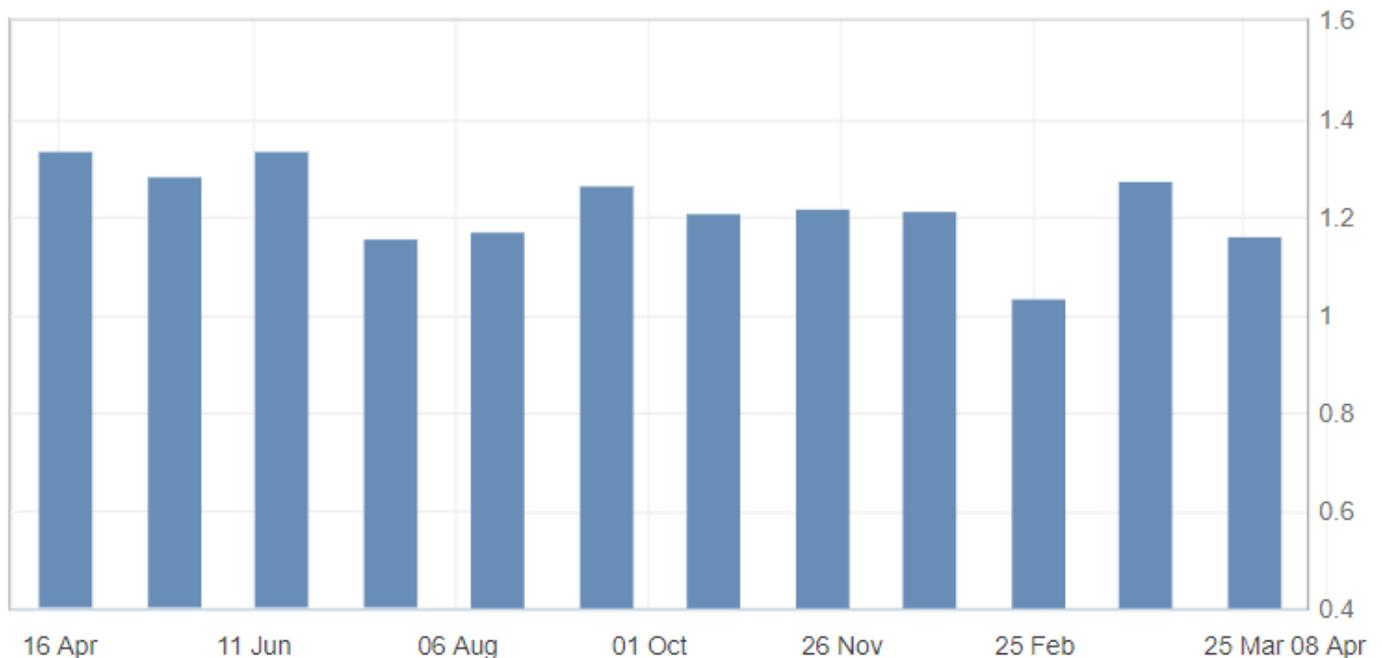


Fig. 2. U.S. new houses starts chart

On the chart of the volume of construction in the United States the preservation of sufficient volumes of construction can be traced, which responded to the company's optimistic reports.

3. Technical factors. Technically Caterpillar Inc. shares remain in the downward correctional channel, maintaining the potential for growth, having found support at the level of 130.00-131.00.

In addition to a significant level of support, technically, the shares retain the potential for growth on the technical figure «double bottom», which has not worked out.

On Caterpillar Inc. shares chart the formation of a "double bottom" pattern and a slowdown of the downward dynamics are traced.





Figure 3. Caterpillar Inc. shares chart

The risk factor remains the US – China trade relations, the aggravation of which will adversely affect not only the shares of Caterpillar Inc., but also the entire stock market, despite the low probability.

The main issue is to connect to the idea on the resumption of growth!

The recommended connection period to the idea is April from 1 to 10, 2019.

The period of working out the idea is until May 20, 2019.

The recommended start amount is \$ 10,000.

The potential profit from 300% to 500% of the lot size.

[Connect](#)

** Entry points, exact profit, protective orders and transaction hedging - check with the manager when you connect!*