

Caterpillar lifts outlook on strong demand; shares soar

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Caterpillar, the maker of big machinery, sees continued growth in the mining, construction and energy sectors boosting the company's bottom line after revenues and profits surged in the first quarter

Industrial machinery manufacturer Caterpillar reported a large jump in

first-quarter earnings and significantly upgraded its full-year forecast Tuesday, citing strong demand across the construction, mining and energy sectors.

Caterpillar reported profits of \$1.7 billion for the quarter ending March 31, dwarfing the \$192 million in the year-ago period.

Revenues surged 30.9 percent to \$12.9 billion.

In the construction sector, Caterpillar pointed to "broad-based growth in all regions" in 2018, with North American and China especially strong.

The mining industry, which had been in a bruising slump a couple of years ago, has picked up considerably, leading to higher capital spending by companies.

The [company](#) also predicted sales gains in oil and gas due in part to strong demand for well servicing and gas compression applications in North American.

Caterpillar alluded to some constraints from spiking demand that can put pressure on suppliers. The company suggested the problem was not severe, saying "although constraints remain for some parts and components, we are seeing improvements in material flows."

The manufacturer raised its full-year profit forecast by \$2 to a range of \$9.75 to \$10.75 a share.

The figures are based on assumptions of continued global growth but it said potential impacts from "future geopolitical risks and increased trade restrictions have not been included in the outlook."

The company has been seen as vulnerable to a potential US-China trade

war.

Caterpillar shares soared in pre-market trading by 4.6 percent to \$160.99.

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