Costco Wholesale Corp / COST

Equity | Generated Sep 1, 2026 11:30 PM EDT

Current price	Daily move	Bid / Ask	Previous close
$939.99	-3.90 -0.41%	$940.00/$943.41	$943.89

Market	**NYSE**
Industry	**Retail**
Market data as of	**Sep 1, 2026 11:30 PM EDT**

JW Intelligence Report

Complete | 3 of 3 sections | Sep 1, 2026 7:30 PM EDT

JW Rank	Rank label	Confidence	IV percentile
65.4 / 100	Constructive	high	81 / 100

Model reference	Upside scenario	Risk reference	Wheel strategy fit
$925.00	$970.00	$905.00	84 / 100

Options stance	**mixed**
Tail-risk safety	**64 / 100**
JW Rank data coverage / as of	**100.0% | Sep 1, 2026 7:30 PM EDT**

Key insight

COST Option Market Implies Uncertainty Ahead of Earnings

Market read

The COST option market reflects a mixed outlook, with some bullish signals countered by concerns about valuation and potential downside risk. While the stock's fundamentals remain strong, implied volatility is elevated ahead of the September 24th earnings release.

Strategy context

COST's option market is showing signs of both bullish and bearish sentiment. The elevated implied volatility suggests potential for significant price movement in either direction.

JW AI conclusions

Short- and medium-term model interpretation

AI context bias	**Mixed**
AI analysis updated	**Sep 1, 2026 3:13 PM EDT**

Short-term scenario

Neutral/cautious; high uncertainty into September 24 earnings. Possible range-bound action or modest downside on valuation concerns. Wait for a dip rather than chasing current levels.

Three-month outlook

Fundamentals remain solid (membership moat, consistent comps and fee growth, digital/international expansion) supporting a constructive longer view, but the ~47x trailing P/E creates a valuation overhang that could limit upside or trigger multiple compression. Three-month range could see modest gains toward $1,000+ on an earnings beat or a pullback toward $850-$900 on a miss, rate pressure or rotation. Elevated uncertainty from upcoming earnings, interest-rate path, consumer spending and the premium multiple.

Market sentiment

Mixed-to-cautious. Several traders flag elevated valuation (P/E ~47, high PEG) and lagging relative performance as reasons for potential pullback or short setups, citing valuation fatigue ahead of earnings. Counterpoints include strong membership/consumer-staple resilience and isolated bullish sentiment scores around 8.0. Overall tone leans wary of the premium multiple despite solid fundamentals.

Supporting evidence

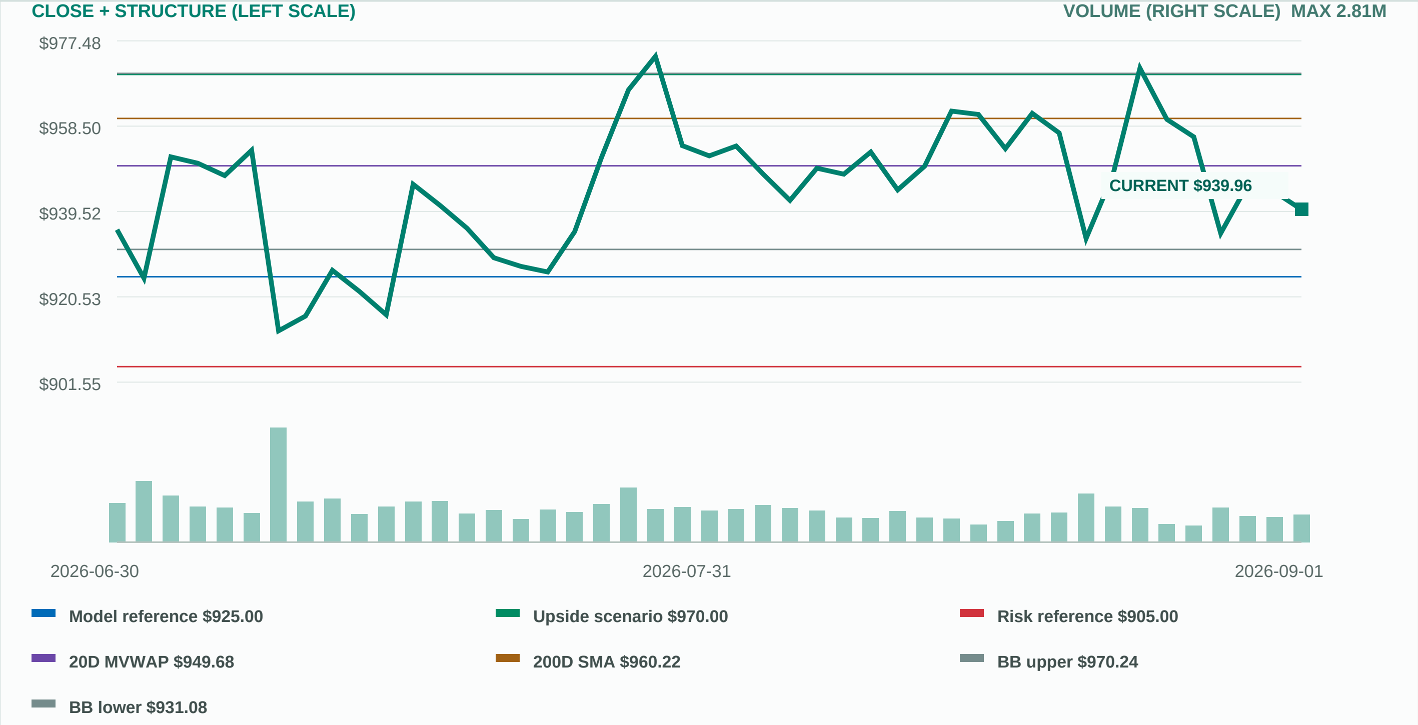
Implied volatility is elevated at 23.78%, suggesting market uncertainty surrounding the upcoming earnings report. | The term structure shows a backwardation pattern with near-term options more expensive than longer-dated options, indicating potential for volatility to decline after earnings. | The stock's technical indicators are mixed, with some bearish signals like trading below moving averages and others neutral or bullish like the RSI hovering around 50.

Risk watch

Elevated valuation (P/E ~47) could limit upside or trigger multiple compression.

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

JW RANK FACTOR PROFILE	COVERAGE	0 – 50 – 100
Liquidity	100.0%	94.1
Strategy Fit	100.0%	84.3
Technical Trend	100.0%	40.7
Market Tail Risk	100.0%	63.8
Fundamental Quality	100.0%	51.5
Volatility Pressure	100.0%	79.7

Decision summary

Primary model reads before the detailed indicator appendix

Momentum	Institutional flow	Structure	Volatility
strong_bear	**Below MVWAP**	**Below 200D trend**	**low**

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)	**42.56 / 46.10 / 46.93**
RSI velocity	**0.72**
MACD line / signal / histogram	**-1.27 / - / 0.38**
MACD acceleration	**-0.61**
Stochastic K / D	**32.75 / 33.10**

Institutional footprints

Volume-weighted cost, price location and flow

Current read	**Below institutional MVWAP | Distribution bias**
Institutional flow	**-0.27**
20-day MVWAP	**$949.68**
Price vs 20-day MVWAP	**-1.02%**
Daily reference VWAP	**$942.66**
Price vs daily reference	**-0.28%**
Volume	**678.66K**

Structural context

Long-term trend and volatility boundaries

Current read	**Below 200-day trend | Negative macro velocity**
Macro velocity	**-0.41**
20-day / 200-day SMA	**$950.66 / $960.22**
Bollinger range	**$931.08 - $970.24**
Bollinger position	**0.227**

Options and volatility intelligence

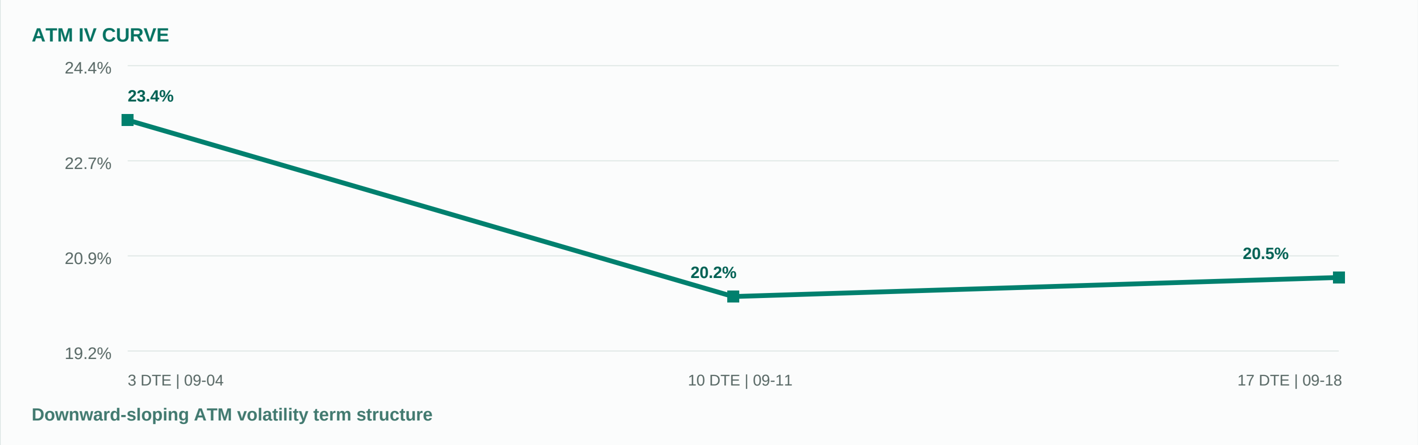
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
55 / 100	**64 / 100**	**90.87**	**148.53**

Market regime	**DANGER ZONE**
Tail-risk regime	**NORMAL TAIL RISK**
Term structure	**backwardation**
Term slope	**-2.89 pts**
Skew read	**balanced**
Liquidity / quote coverage	**100.0%**
Options observation	**Sep 1, 2026 4:40 PM EDT | Coverage 88.9%**

Option term structure

ATM implied-volatility curve by days to expiration



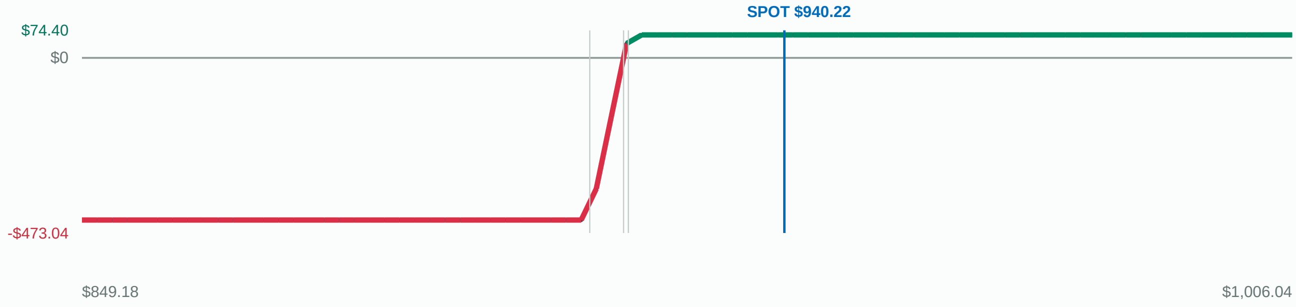
EXPIRATION	DTE	ATM IV	STATE
2026-09-04	3	23.4%	-
2026-09-11	10	20.2%	-
2026-09-18	17	20.5%	-

Reference spread payoff

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

Bull Put Spread reference

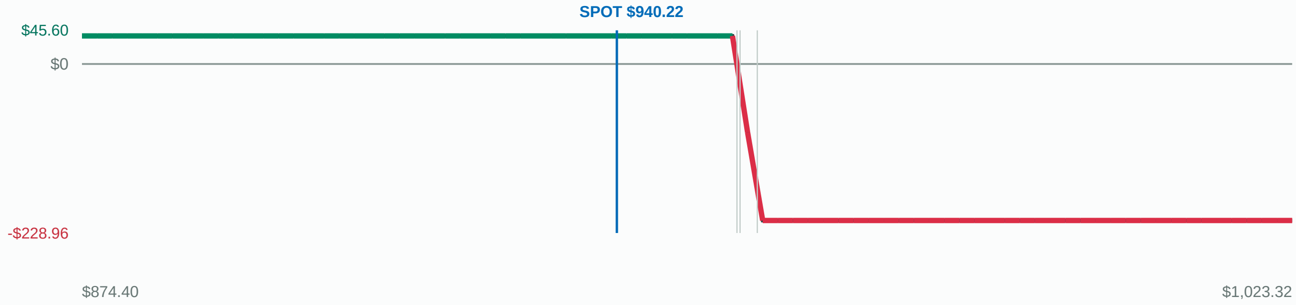
Short $920.00 | Long $915.00 | Width $5.00 | Net credit $0.62



Max profit $62.00 | Max loss -$438.00 | Break-even $919.38 | Per contract at expiry

Bear Call Spread reference

Short $955.00 | Long $957.50 | Width $2.50 | Net credit $0.38



Max profit $38.00 | Max loss -$212.00 | Break-even $955.38 | Per contract at expiry

Event and tail-risk context

Known event windows and broad volatility conditions

Next earnings date	**2026-09-24**
Earnings IV-crush risk	**NOT MEASURED**
VIX	**16.20**
VVIX	**90.87**
SKEW index	**148.53**
Observation confidence	**high**
Option quote quality	**reliable**
Contracts observed	**124**

Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	**124**

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The COST option market reflects a mixed outlook, with some bullish signals countered by concerns about valuation and potential downside risk. While the stock's fundamentals remain strong, implied volatility is elevated ahead of the September 24th earnings release.

Options context

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Wheel context

COST's option market is showing signs of both bullish and bearish sentiment. The elevated implied volatility suggests potential for significant price movement in either direction.

Observed evidence

Implied volatility is elevated at 23.78%, suggesting market uncertainty surrounding the upcoming earnings report. | The term structure shows a backwardation pattern with near-term options more expensive than longer-dated options, indicating potential for volatility to decline after earnings. | The stock's technical indicators are mixed, with some bearish signals like trading below moving averages and others neutral or bullish like the RSI hovering around 50.

Principal risks to monitor

Elevated valuation (P/E ~47) could limit upside or trigger multiple compression.

Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization **$419.97B**	P/E (TTM) **48.26**
ROE **28.3%**	Revenue growth **6.6%**
EPS growth **11.5%**	Operating margin **3.8%**
Net profit margin **3.0%**	Gross margin **-**
Free cash flow CAGR **5.3%**	Debt / equity **0.25**
Dividend yield **0.7%**	Beta **0.88**
52-week range **$844.06 - $1,096.50**	

Company or fund profile

Issuer identity and classification

Name **Costco Wholesale Corp**	Market **NYSE**
Industry **Retail**	Country **US**
Currency **USD**	IPO date **1985-12-05**
Shares outstanding **443.48M**	52-week return **0.1%**
Book value per share **$75.55**	Revenue per share **$660.59**

Website	costco.com

Latest strategy observation

Most recent shared general market signal available when this report was generated

COST Covered Call signal

Sep 1, 2026 12:24 PM EDT

Covered Call | 2026-09-11

At signal $944.06 | Current $939.99

SHORT **Option $910.00 B $35.75 / A $39.85**

High turnover | CR $37.80

Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	**$17.51**
ATR as % of price	**1.9%**
Volatility environment	**low**
Current IV	**25.7%**
IV rank	**70 / 100**
IV percentile	**81 / 100**

Technical health and risk radar

Derived indicator health and event context

Overall health	**61 / 100**
Trend health	**25 / 100**
Momentum health	**84 / 100**
Volatility health	**82 / 100**
Structure health	**73 / 100**
Earnings risk / date	**low | 2026-09-24**
Macro risk	**unknown**
Volatility risk	**low**
Structure risk	**low**

Structural indicator levels

Moving averages, volatility bands and observed trading ranges

SMA (20 / 50 / 200)	**$950.66 / $945.40 / $960.22**
EMA (9 / 21)	**$947.21 / $949.19**
Bollinger upper / middle / lower	**$970.24 / $950.66 / $931.08**
Bollinger %B	**0.227**
True high / low	**$952.10 / $935.92**

Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
5-day true high / low	**$964.45 / $933.25**

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	-0.408	**-**
SMA50	-0.261	**-**
MVWAP20	-0.267	**-**
MACD	-0.613	**-**
RSI	0.716	**-**
Volume	-55336.330	**-**
ATR	-0.246	**-**
T1	-	**-0.53 / 949.74 / 949.30 / 940.71**
T2	-	**0.03 / 950.37 / 953.73 / 934.66**
T3	-	**0.57 / 950.48 / 956.12 / 933.25**

Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	**$940.22**
Options intelligence as of	**Sep 1, 2026 4:40 PM EDT**
Options data coverage	**88.9%**
SKEW regime	**HIGH TAIL RISK SKEW**
VVIX regime	**VVIX FLAT**
Front expiration / DTE	**2026-09-04 | 3 DTE**
Front at-the-money IV	**23.4%**
25-delta skew	**0.12**
Put / Call 25-delta	**$920.00 Delta -0.154 / $955.00 Delta 0.243**
Median option bid/ask spread	**17.3%**
Bid/ask spread	**-**
Contracts observed / quoted	**124 / 124**

Price context

Last Price: 940.22 | Bid: 940.16 | Ask: 940.42 | Previous Close: 943.89 | Change: -3.67 | Daily change: -0.39% | Update Time: 2026-09-01T14:30:04.955688-04:00 | Latest History Date: 2026-09-01 | Latest History Price: 940.35

Historical context

Trading-day sample: 60 sessions | First Date: 2026-06-08 | Latest Date: 2026-09-01 | Latest Price: 940.35 | Max Drawdown 60d Percent: -7.47%

Fundamental context

Current Iv Percent: 23.78% | Iv Rank: 54.60 | Iv Percentile: 63.89 | Next Earnings Date: 2026-09-24 | Ex Dividend Date: 2026-07-23 | Dividend Yield: 62.00

Important disclosures

Scope, limitations, risk and permitted interpretation

General market information only

This report is general quantitative research and market commentary. It is not investment, legal, tax or accounting advice; it is not an offer, solicitation, order, recommendation or promise of performance. It does not consider any reader's holdings, objectives, financial circumstances, risk tolerance or suitability.

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.

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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.

Reference documents

Official product terms and standardized options disclosure

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