Costco Wholesale Corp / COST

Equity | Generated Sep 9, 2026 11:30 PM EDT

Current price	Daily move	Bid / Ask	Previous close
$902.72	**-7.46 -0.82%**	**$902.70/$907.25**	**$910.18**

Market	**NYSE**
Industry	**Retail**
Market data as of	**Sep 9, 2026 11:31 PM EDT**

JW Intelligence Report

Complete | 3 of 3 sections | Sep 9, 2026 7:50 PM EDT

JW Rank	Rank label	Confidence	IV percentile
53.8 / 100	**Balanced**	**high**	**70 / 100**

Model reference	Upside scenario	Risk reference	Wheel strategy fit
$895.00	**$930.00**	**$875.00**	**71 / 100**

Options stance	**neutral**
Tail-risk safety	**32 / 100**
JW Rank data coverage / as of	**100.0% | Sep 9, 2026 7:50 PM EDT**

Key insight

COST Option Market Implies Balanced Sentiment

Market read

The COST option market displays a balanced outlook, with implied volatility reflecting potential for both upside and downside movement. While recent news includes a price target upgrade from Freedom Broker and positive sales figures, the stock is trading below key moving averages and faces valuation concerns highlighted by analysts trimming their price targets. The upcoming earnings date on September 24th adds uncertainty to the near-term outlook.

Strategy context

The current option market structure suggests a balanced view on COST's future direction. While there are both bullish and bearish factors at play, the overall implied volatility and skew indicate that traders are prepared for potential price swings in either direction.

JW AI conclusions

Short- and medium-term model interpretation

AI context bias	**Mixed**
AI analysis updated	**Sep 9, 2026 2:21 PM EDT**

Short-term scenario

Wait-and-see or very small position on further weakness; high uncertainty with earnings in ~2 weeks. Oversold RSI may allow a bounce, but downtrend and premium valuation limit conviction. Identify uncertainty: earnings surprise, broader market volatility, and possible multiple compression.

Three-month outlook

Fundamentals remain solid (double-digit sales growth, membership loyalty, warehouse expansion, digital momentum) and Wall Street targets imply mid-teens to 20% upside, supporting a constructive longer-term view. However, the elevated 45x+ P/E, current technical weakness below major moving averages, and upcoming earnings introduce meaningful uncertainty and potential volatility. Stock could trade in a wide $850-1,000 range depending on results, consumer spending, and market sentiment; premium valuation remains the primary risk to further multiple expansion.

Market sentiment

Mixed-to-cautious. Business quality is widely acknowledged as excellent, yet multiple posts highlight the ~46x trailing P/E as too expensive and suggest waiting for 20-30x multiples. Some traders rolling put options. Upgrade news received limited positive mentions. Overall tone reflects valuation concerns amid the recent pullback rather than outright bearishness on operations.

Supporting evidence

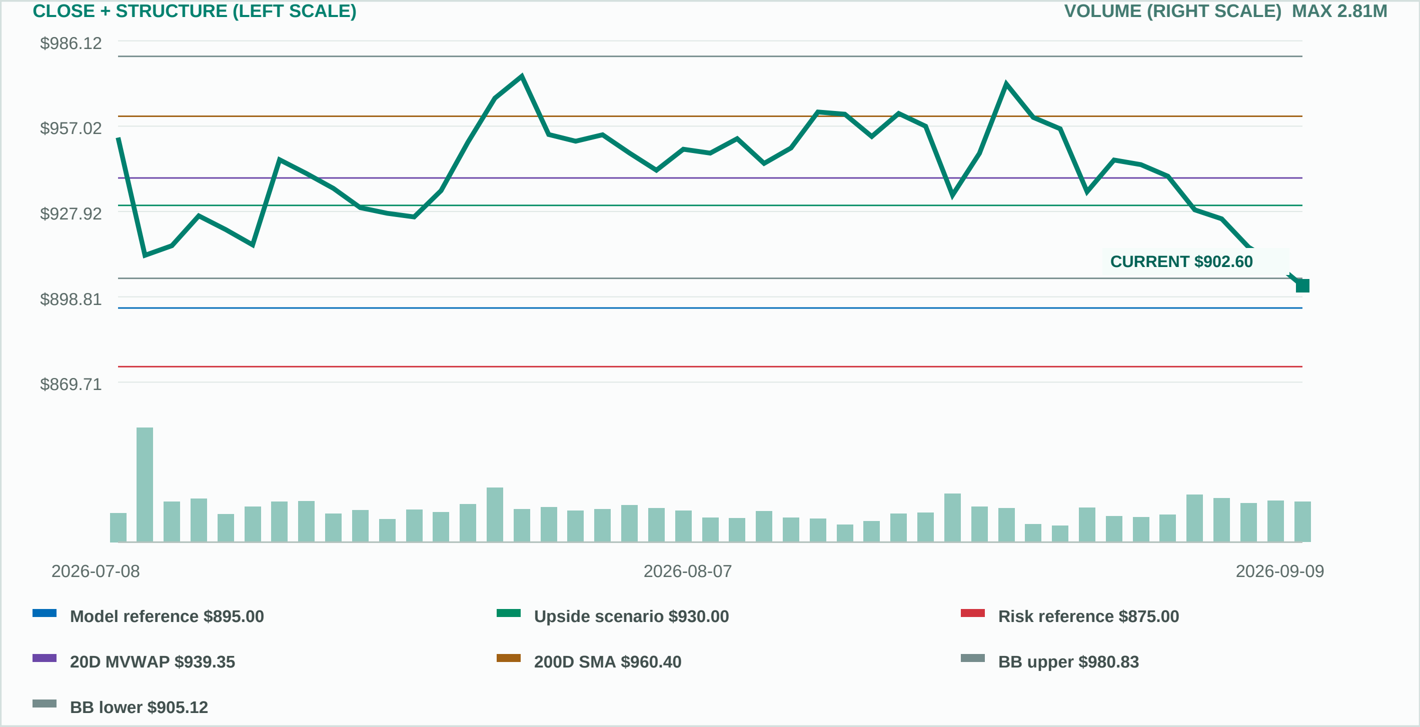
Implied volatility of 24.93% suggests potential for significant price swings in either direction. | The term structure is in contango, with higher implied volatility for further out expirations. | Skew is balanced, indicating a relatively symmetrical view on potential price movements. | Recent news includes both positive (sales growth, warehouse expansion) and negative (Costco Next shutdown) developments. | Analyst sentiment is mixed, with some upgrades but also price target reductions.

Risk watch

Earnings announcement on September 24th could trigger significant volatility. | Elevated valuation (P/E ratio of 45.8) may limit upside potential. | Broader market sentiment and economic conditions could impact COST's performance.

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	Score (0–100)
Liquidity	100.0%	94.4
Strategy Fit	100.0%	71.0
Technical Trend	100.0%	18.7
Market Tail Risk	100.0%	32.0
Fundamental Quality	100.0%	51.5
Volatility Pressure	100.0%	84.8

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)	**22.44 / 34.15 / 38.60**
RSI velocity	**-2.34**
MACD line / signal / histogram	**-9.63 / - / -4.44**
MACD acceleration	**-1.84**
Stochastic K / D	**4.32 / 7.58**

Institutional footprints

Volume-weighted cost, price location and flow

Current read	**Below institutional MVWAP | Distribution bias**
Institutional flow	**-2.29**
20-day MVWAP	**$939.35**
Price vs 20-day MVWAP	**-3.90%**
Daily reference VWAP	**$903.42**
Price vs daily reference	**-0.08%**
Volume	**990.48K**

Structural context

Long-term trend and volatility boundaries

Current read	**Below 200-day trend | Negative macro velocity**
Macro velocity	**-1.94**
20-day / 200-day SMA	**$942.98 / $960.40**
Bollinger range	**$905.12 - $980.83**
Bollinger position	**-0.033**

Options and volatility intelligence

Structure, premium conditions and principal risks

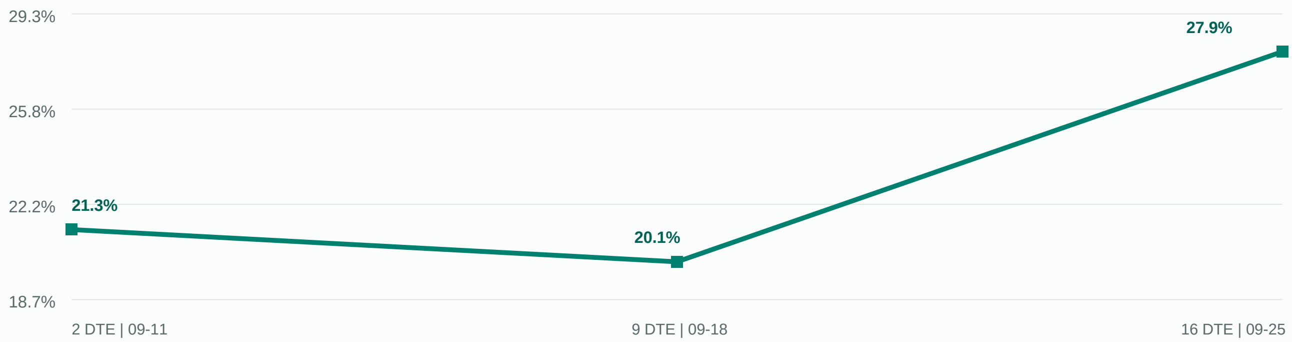
IV rank	IV percentile	VVIX	SKEW
64 / 100	70 / 100	93.31	148.86

Market regime	**DANGER ZONE**
Tail-risk regime	**NORMAL TAIL RISK**
Term structure	**contango**
Term slope	**+6.63 pts**
Skew read	**balanced**
Liquidity / quote coverage	**100.0%**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Sep 9, 2026 2:41 PM EDT**
Options data quality	**Coverage 88.9%**

Option term structure

ATM implied-volatility curve by days to expiration

ATM IV CURVE



Upward-sloping ATM volatility term structure

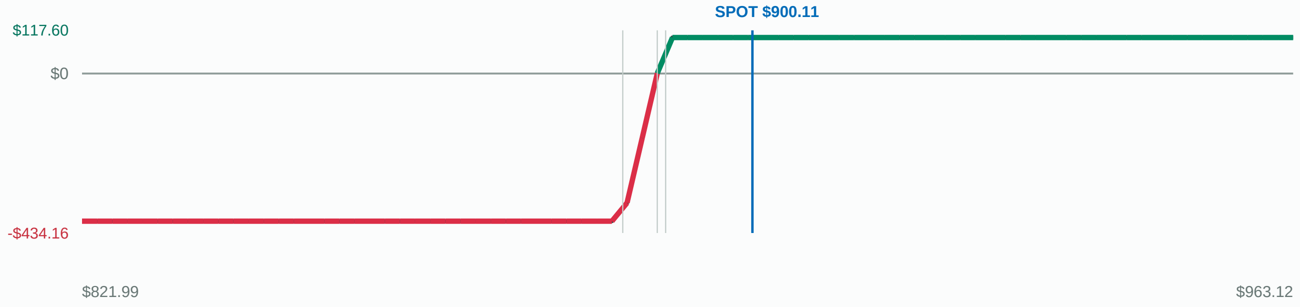
EXPIRATION	DTE	ATM IV	STATE
2026-09-11	2	21.3%	-
2026-09-18	9	20.1%	-
2026-09-25	16	27.9%	-

Reference spread payoff

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

Bull Put Spread reference

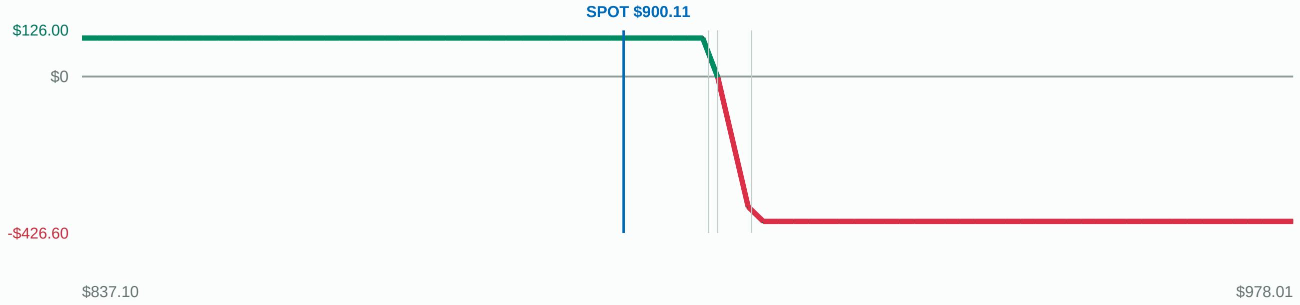
Short $890.00 | Long $885.00 | Width $5.00 | Net credit $0.98



Max profit $98.00 | Max loss -$402.00 | Break-even $889.02 | Per contract at expiry

Bear Call Spread reference

Short $910.00 | Long $915.00 | Width $5.00 | Net credit $1.05



Max profit $105.00 | Max loss -$395.00 | Break-even $911.05 | 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	**unknown**
VIX	**16.21**
VVIX	**93.31**
SKEW index	**148.86**
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 displays a balanced outlook, with implied volatility reflecting potential for both upside and downside movement. While recent news includes a price target upgrade from Freedom Broker and positive sales figures, the stock is trading below key moving averages and faces valuation concerns highlighted by analysts trimming their price targets. The upcoming earnings date on September 24th adds uncertainty to the near-term outlook.

Options context

COST Option Market Implies Balanced Sentiment

Wheel context

The current option market structure suggests a balanced view on COST's future direction. While there are both bullish and bearish factors at play, the overall implied volatility and skew indicate that traders are prepared for potential price swings in either direction.

Observed evidence

Implied volatility of 24.93% suggests potential for significant price swings in either direction. | The term structure is in contango, with higher implied volatility for further out expirations. | Skew is balanced, indicating a relatively symmetrical view on potential price movements. | Recent news includes both positive (sales growth, warehouse expansion) and negative (Costco Next shutdown) developments. | Analyst sentiment is mixed, with some upgrades but also price target reductions.

Principal risks to monitor

Earnings announcement on September 24th could trigger significant volatility. | Elevated valuation (P/E ratio of 45.8) may limit upside potential. | Broader market sentiment and economic conditions could impact COST's performance.

Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization **$403.65B**	P/E (TTM) **45.95**
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 **0.86**
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 **-5.0%**
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 9, 2026 10:17 AM EDT

Covered Call | 2026-09-11

At signal $906.95 | Current $902.72

SHORT **Option $895.00 B $13.30 / A $14.70**

High turnover | CR $14.00

Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	**$16.32**
ATR as % of price	**1.8%**
Volatility environment	**low**
Current IV	**24.8%**
IV rank	**64 / 100**
IV percentile	**70 / 100**
Technical Snapshot IV source	**Private fundamentals snapshot**
Technical Snapshot IV observed at	**Sep 9, 2026 3:50 PM EDT**

Technical health and risk radar

Derived indicator health and event context

Overall health	**50 / 100**
Trend health	**25 / 100**
Momentum health	**62 / 100**
Volatility health	**83 / 100**
Structure health	**47 / 100**
Earnings risk / date	**medium | 2026-09-24**
Macro risk	**unknown**
Volatility risk	**low**
Structure risk	**high**

Structural indicator levels

Moving averages, volatility bands and observed trading ranges

SMA (20 / 50 / 200)	**$942.98 / $941.84 / $960.40**
EMA (9 / 21)	**$924.57 / $936.31**
Bollinger upper / middle / lower	**$980.83 / $942.98 / $905.12**

Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	**-0.033**
True high / low	**$910.18 / $898.43**
5-day true high / low	**$939.96 / $898.43**

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	-1.940	**-**
SMA50	-0.753	**-**
MVWAP20	-2.286	**-**
MACD	-1.835	**-**
RSI	-2.337	**-**
Volume	-29738.330	**-**
ATR	-0.393	**-**
T1	-	**-7.71 / 942.04 / 915.74 / 906.10**
T2	-	**-5.92 / 944.51 / 928.04 / 914.54**
T3	-	**-4.12 / 946.20 / 930.76 / 915.31**

Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	**$900.11**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Sep 9, 2026 2:41 PM EDT**
Options data coverage	**88.9%**
SKEW regime	**HIGH TAIL RISK SKEW**
VVIX regime	**VVIX FLAT**
Front expiration / DTE	**2026-09-11 | 2 DTE**
Front at-the-money IV	**21.3%**
25-delta skew	**-0.65**
Put / Call 25-delta	**$890.00 Delta -0.228 / $910.00 Delta 0.266**
Median option bid/ask spread	**11.3%**
Bid/ask spread	**-**
Contracts observed / quoted	**124 / 124**

Price context

Last Price: 900.11 | Bid: 900.11 | Ask: 900.40 | Previous Close: 910.18 | Change: -10.07 | Daily change: -1.11% | Update Time: 2026-09-09T14:42:00.194574-04:00 | Latest History Date: 2026-09-09 | Latest History Price: 900.11

Historical context

Trading-day sample: 60 sessions | First Date: 2026-06-15 | Latest Date: 2026-09-09 | Latest Price: 900.11 | Max Drawdown 60d Percent: -8.77%

Fundamental context

Current Iv Percent: 24.93% | Iv Rank: 64.24 | Iv Percentile: 70.12 | Next Earnings Date: 2026-09-24 | Ex Dividend Date: 2026-07-23

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.

Data, AI and model limitations

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.

Performance and scenario limitations

Past, hypothetical, back-tested, simulated and model-derived results are not indicative of future results. Strategy statistics may exclude commissions, fees, taxes, slippage, early assignment, execution constraints and other costs unless expressly stated. Actual outcomes may differ materially.

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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