Costco Wholesale Corp / COST

Equity | Generated Sep 15, 2026 11:30 PM EDT

Current price	Daily move	Bid / Ask	Previous close
$903.00	**-15.91 -1.73%**	**$902.30/$908.60**	**$918.91**

Market	**NYSE**
Industry	**Retail**
Market data as of	**Sep 15, 2026 11:31 PM EDT**

JW Intelligence Report

Complete | 3 of 3 sections | Sep 15, 2026 6:50 PM EDT

JW Rank	Rank label	Confidence	IV percentile
57.2 / 100	**Balanced**	**high**	**78 / 100**

Model reference	Upside scenario	Risk reference	Wheel strategy fit
$905.00	**$935.00**	**$890.00**	**78 / 100**

Options stance	**mixed**
Tail-risk safety	**56 / 100**
JW Rank data coverage / as of	**100.0% | Sep 15, 2026 6:50 PM EDT**

Key insight

COST Option Market Shows Cautious Sentiment Amid Earnings Approach

Market read

The COST option market displays a mixed sentiment, reflecting both positive fundamentals and concerns about valuation and near-term technical weakness. While the underlying stock has strong operational performance with consistent sales growth and membership renewals, recent price action shows a downtrend below key moving averages and bearish technical indicators. Elevated implied volatility suggests uncertainty surrounding upcoming earnings on September 24th, which could be a catalyst for further price movement.

Strategy context

The option market shows a balanced skew with slight put preference. Bullish spreads are available but require careful consideration given the current technical backdrop.

JW AI conclusions

Short- and medium-term model interpretation

AI context bias	**Bearish**
AI analysis updated	**Sep 15, 2026 2:21 PM EDT**

Short-term scenario

Cautious wait-and-see or limited long on confirmed support hold, given downtrend, bearish technicals, and high uncertainty from September 24 earnings plus oil-supply news. Avoid aggressive entry; potential short-term bounce possible but risk of further decline if results disappoint or market weakens.

Three-month outlook

Moderately constructive on operational strength: consistent 9-11 percent sales growth, warehouse expansion, high membership renewal rates near 90 percent, and e-commerce gains. Analysts project continued compounding with 15 percent-plus upside potential. However, elevated valuation (P/E 46x versus historical averages), consumer pressure from inflation and energy costs, recent technical weakness, and macro volatility create substantial uncertainty. Earnings, holiday traffic, and any spread of supply shortages will be key swing factors; a miss or broader sell-off could push shares toward 850-880 support before recovery.

Market sentiment

Cautious to mixed. Recent posts focus on motor oil rationing and price hikes as inflation or supply-chain signals, with some technical notes on gap fills and 21-SMA tests. Discussions highlight strong business quality (membership, sales growth) but criticize high P/E around 46x as unjustified. Trader groups forming for COST and peers. Some hold recommendations pending earnings; older posts flag valuation risk. Not strongly bullish near-term.

Supporting evidence

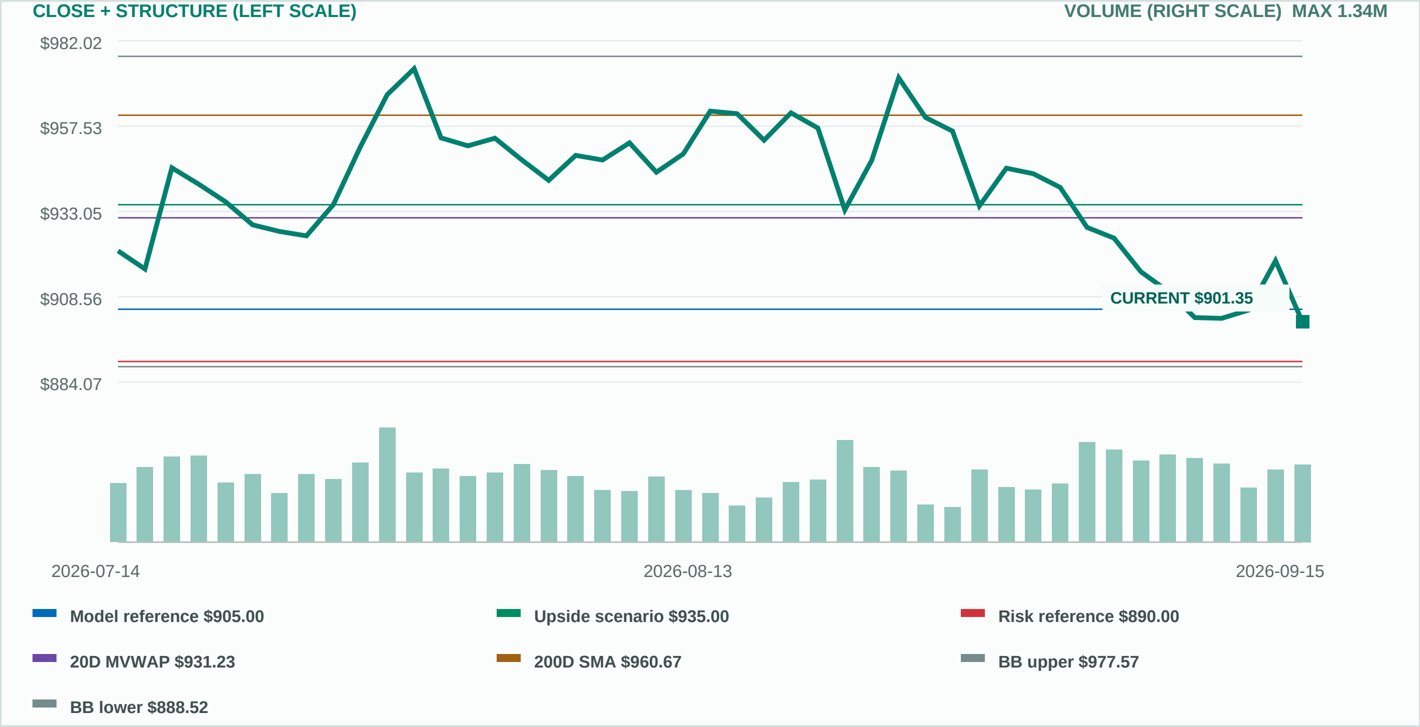
Implied volatility is elevated at 24.1%, indicating market uncertainty ahead of the September 24th earnings release. | The stock price has declined below both the 50-day and 200-day moving averages, signaling a short-term bearish trend. | Bearish technical indicators such as RSI near oversold levels and a negative MACD histogram contribute to the cautious outlook. | Despite recent weakness, analysts remain positive on COST's long-term prospects, with a moderate buy rating and price targets suggesting upside potential.

Risk watch

Earnings disappointment could trigger further downside pressure on the stock price. | Continued supply chain disruptions and inflationary pressures may impact COST's future 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

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)	**33.21 / 37.31 / 40.05**
RSI velocity	**1.07**
MACD line / signal / histogram	**-11.95 / - / -8.64**
MACD acceleration	**-0.30**
Stochastic K / D	**13.92 / 11.48**

Institutional footprints

Volume-weighted cost, price location and flow

Current read	**Below institutional MVWAP | Distribution bias**
Institutional flow	**-1.96**
20-day MVWAP	**$931.23**
Price vs 20-day MVWAP	**-3.03%**
Daily reference VWAP	**$906.17**
Price vs daily reference	**-0.35%**
Volume	**905.45K**

Structural context

Long-term trend and volatility boundaries

Current read	**Below 200-day trend | Negative macro velocity**
Macro velocity	**-2.52**
20-day / 200-day SMA	**$933.05 / $960.67**
Bollinger range	**$888.52 - $977.57**
Bollinger position	**0.144**

Options and volatility intelligence

Structure, premium conditions and principal risks

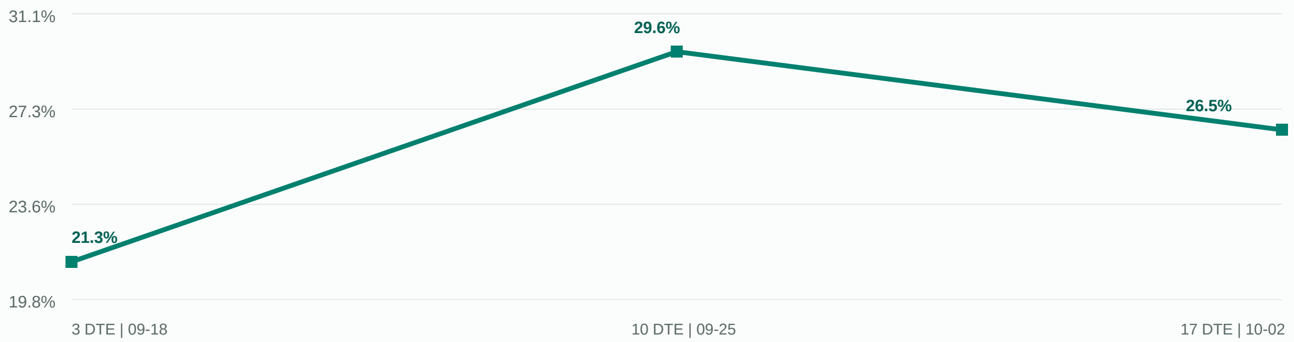
IV rank	IV percentile	VVIX	SKEW
57 / 100	67 / 100	96.24	152.09

Market regime	**Calm**
Tail-risk regime	**NORMAL TAIL RISK**
Term structure	**contango**
Term slope	**+5.22 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 15, 2026 2:44 PM EDT**
Options data quality	**Coverage 100.0%**

Option term structure

ATM implied-volatility curve by days to expiration

ATM IV CURVE



Upward-sloping ATM volatility term structure

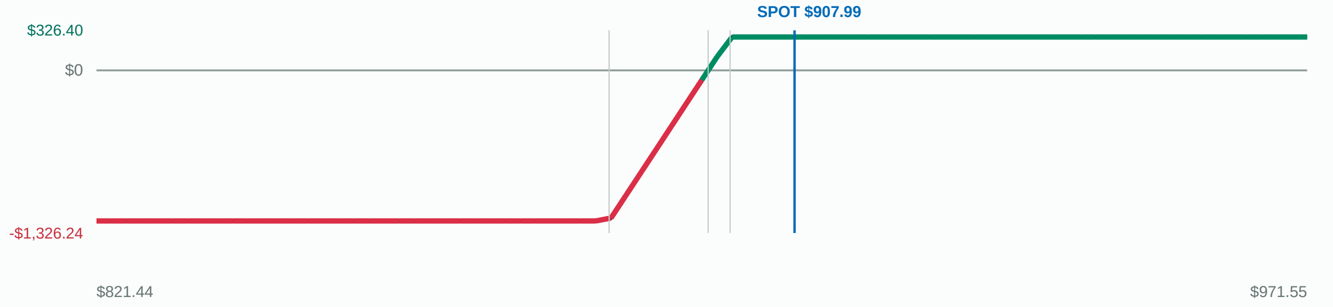
EXPIRATION	DTE	ATM IV	STATE
2026-09-18	3	21.3%	-
2026-09-25	10	29.6%	-
2026-10-02	17	26.5%	-

Reference spread payoff

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

Bull Put Spread reference

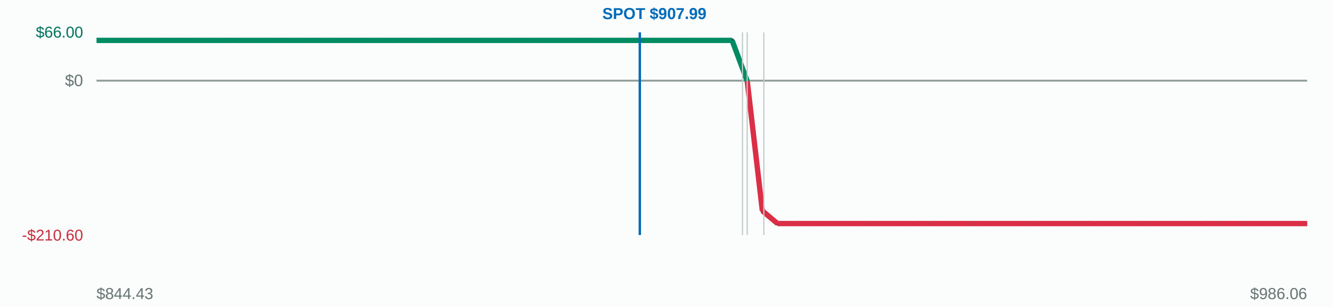
Short $900.00 | Long $885.00 | Width $15.00 | Net credit $2.72



Max profit $272.00 | Max loss -$1,228.00 | Break-even $897.28 | Per contract at expiry

Bear Call Spread reference

Short $920.00 | Long $922.50 | Width $2.50 | Net credit $0.55



Max profit $55.00 | Max loss -$195.00 | Break-even $920.55 | 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	**elevated**
Event IV premium	**3.09**
VIX	**17.43**
VVIX	**96.24**
SKEW index	**152.09**
Observation confidence	**high**
Option quote quality	**reliable**

Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts observed	**110**
Contracts with quotes	**110**

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

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Options context

COST Option Market Shows Cautious Sentiment Amid Earnings Approach

Wheel context

The option market shows a balanced skew with slight put preference. Bullish spreads are available but require careful consideration given the current technical backdrop.

Observed evidence

Implied volatility is elevated at 24.1%, indicating market uncertainty ahead of the September 24th earnings release. | The stock price has declined below both the 50-day and 200-day moving averages, signaling a short-term bearish trend. | Bearish technical indicators such as RSI near oversold levels and a negative MACD histogram contribute to the cautious outlook. | Despite recent weakness, analysts remain positive on COST's long-term prospects, with a moderate buy rating and price targets suggesting upside potential.

Principal risks to monitor

Earnings disappointment could trigger further downside pressure on the stock price. | Continued supply chain disruptions and inflationary pressures may impact COST's future performance.

Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization **$407.52B**	P/E (TTM) **45.75**
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 **-5.1%**
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 15, 2026 9:45 AM EDT

Covered Call | 2026-09-18

At signal $910.68 | Current $903.00

SHORT **Option $900.00 B $13.75 / A $14.95**

High turnover | CR $14.35

Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	**$15.77**
ATR as % of price	**1.8%**
Volatility environment	**low**
Current IV	**25.6%**
IV rank	**69 / 100**
IV percentile	**78 / 100**
Technical Snapshot IV source	**Private fundamentals snapshot**
Technical Snapshot IV observed at	**Sep 15, 2026 7:31 PM EDT**

Technical health and risk radar

Derived indicator health and event context

Overall health	**55 / 100**
Trend health	**25 / 100**
Momentum health	**68 / 100**
Volatility health	**84 / 100**
Structure health	**64 / 100**
Earnings risk / date	**medium | 2026-09-24**
Macro risk	**unknown**
Volatility risk	**low**
Structure risk	**medium**

Structural indicator levels

Moving averages, volatility bands and observed trading ranges

SMA (20 / 50 / 200)	**$933.05 / $939.15 / $960.67**
EMA (9 / 21)	**$914.21 / $927.00**
Bollinger upper / middle / lower	**$977.57 / $933.05 / $888.52**

Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	**0.144**
True high / low	**$918.91 / $900.25**
5-day true high / low	**$921.99 / $898.43**

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	-2.524	**-**
SMA50	-0.677	**-**
MVWAP20	-1.957	**-**
MACD	-0.304	**-**
RSI	1.074	**-**
Volume	-2807.670	**-**
ATR	-0.109	**-**
T1	-	**-11.18 / 933.35 / 921.99 / 904.77**
T2	-	**-11.83 / 934.99 / 907.36 / 900.75**
T3	-	**-11.04 / 937.10 / 912.10 / 899.00**

Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	**$907.99**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Sep 15, 2026 2:44 PM EDT**
Options data coverage	**100.0%**
SKEW regime	**HIGH TAIL RISK SKEW**
VVIX regime	**VVIX RISING**
Front expiration / DTE	**2026-09-18 | 3 DTE**
Front at-the-money IV	**21.3%**
25-delta skew	**-0.56**
Put / Call 25-delta	**$900.00 Delta -0.317 / $920.00 Delta 0.261**
Median option bid/ask spread	**11.3%**
Bid/ask spread	**-**
Contracts observed / quoted	**110 / 110**

Price context

Last Price: 907.99 | Bid: 907.78 | Ask: 908.12 | Previous Close: 918.91 | Change: -10.92 | Daily change: -1.19% | Update Time: 2026-09-15T14:44:30.540995-04:00 | Latest History Date: 2026-09-15 | Latest History Price: 907.99

Historical context

Trading-day sample: 60 sessions | First Date: 2026-06-22 | Latest Date: 2026-09-15 | Latest Price: 907.99 | Max Drawdown 60d Percent: -7.36%

Fundamental context

Current Iv Percent: 24.10% | Iv Rank: 57.31 | Iv Percentile: 67.33 | 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.

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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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