Costco Wholesale Corp / COST

Equity | Generated Sep 17, 2026 11:31 PM EDT

Current price	Daily move	Bid / Ask	Previous close
$894.00	+0.26 +0.03%	$893.50/$894.00	$893.74

Market	**NYSE**
Industry	**Retail**
Market data as of	**Sep 17, 2026 11:31 PM EDT**

JW Intelligence Report

Complete | 3 of 3 sections | Sep 17, 2026 7:51 PM EDT

JW Rank	Rank label	Confidence	IV percentile
54.4 / 100	Balanced	high	62 / 100

Model reference	Upside scenario	Risk reference	Wheel strategy fit
$880.00	$920.00	$850.00	69 / 100

Options stance	**mixed**
Tail-risk safety	**56 / 100**
JW Rank data coverage / as of	**100.0% | Sep 17, 2026 7:51 PM EDT**

Key insight

COST Option Market Shows Mixed Sentiment Ahead of Earnings

Market read

The COST option market displays a mixed outlook ahead of its September 24th earnings release. While implied volatility is elevated, reflecting event risk, the term structure shows a slight contango, suggesting some expectation for post-earnings upside. The skew is balanced, with both call and put options relatively priced. However, technical indicators are bearish, with the stock trading below key moving averages and exhibiting recent weakness.

Strategy context

COST's upcoming earnings release is a key event risk. The option market reflects this uncertainty with elevated implied volatility and a contango term structure.

JW AI conclusions

Short- and medium-term model interpretation

AI context bias	**Bearish**
AI analysis updated	**Sep 17, 2026 2:21 PM EDT**

Short-term scenario

Cautious hold or avoid new longs until after September 24 earnings due to technical weakness, high valuation, and event risk; potential limited dip-buy only if support holds with tight risk control.
High uncertainty from upcoming report and possible miss on core margins.

Three-month outlook

Moderately positive if Q4 results confirm resilient comps and membership trends, potentially recovering toward $950-$1,050 amid analyst targets, supported by delivery expansions and share gains in a value-seeking environment. However, elevated valuation, slowing membership growth, fuel cost pressures, and broader consumer/macro risks create significant downside potential to $800s if earnings disappoint. Uncertainty remains high around post-earnings reaction, inflation, competition, and any special dividend announcement.

Market sentiment

Mixed to cautious among investors. Frequent comments on expensive valuation (P/E near 45x, elevated PEG) making it hard to justify near-term, with several suggesting hold or wait for Q4 earnings.
Positive notes on fortress-like business quality, high membership renewal rates above 89%, and long-term compounding potential. Some see possible bounce from Bank of America Buy rating and value-focused consumer appeal, but overall wait-and-see tone dominates recent discussion amid the pullback.

Supporting evidence

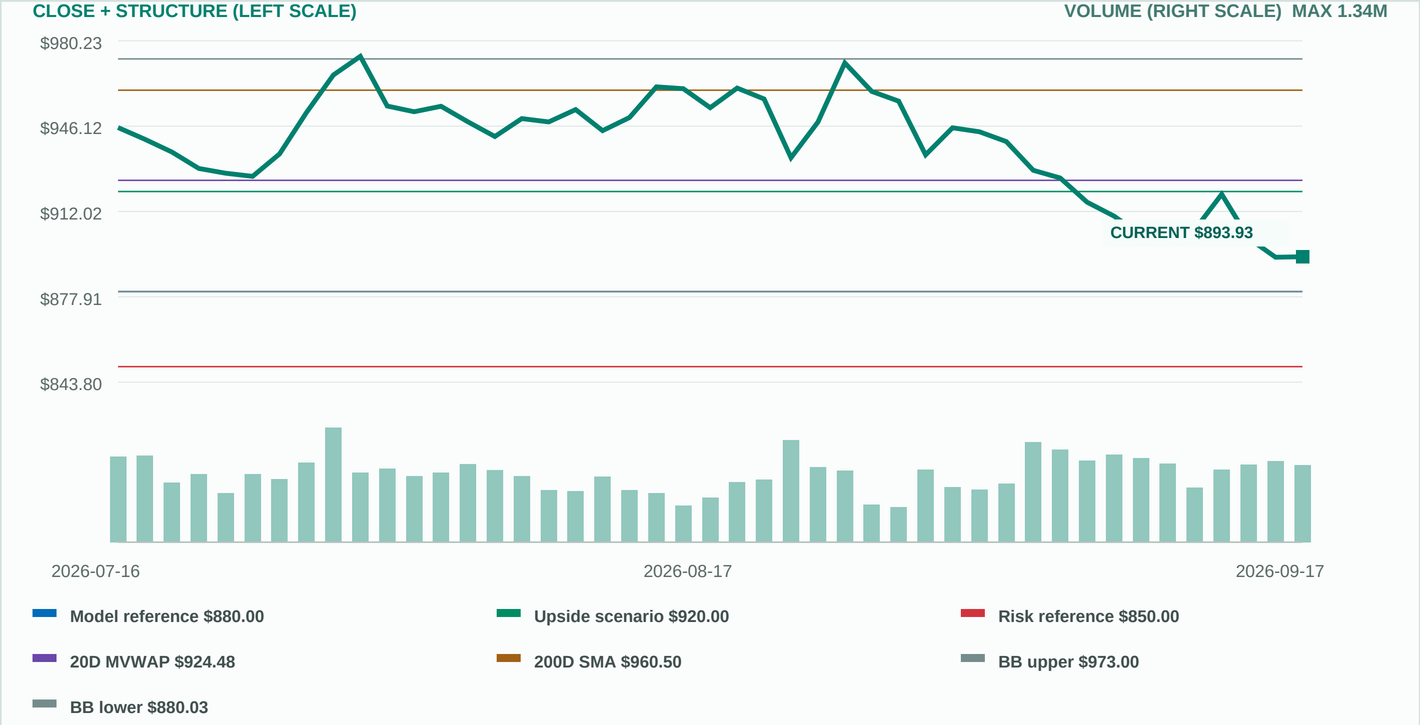
Implied volatility is elevated at 23.31%, indicating heightened uncertainty surrounding the upcoming earnings report. | The term structure shows a slight contango, with near-term options more expensive than longer-dated options, potentially signaling some expectation for post-earnings price movement. | The balanced skew suggests that both bullish and bearish sentiment are present in the market.

Risk watch

Earnings miss could trigger significant downside pressure on the stock price. | Cost pressures and margin compression could disappoint investors.

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%	92.0
Strategy Fit	100.0%	69.3
Technical Trend	100.0%	16.0
Market Tail Risk	100.0%	56.3
Fundamental Quality	100.0%	51.5
Volatility Pressure	100.0%	76.2

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)	**29.36 / 35.12 / 38.50**
RSI velocity	**-2.76**
MACD line / signal / histogram	**-13.70 / - / -10.35**
MACD acceleration	**-0.84**
Stochastic K / D	**5.05 / 10.23**

Institutional footprints

Volume-weighted cost, price location and flow

Current read	**Below institutional MVWAP | Distribution bias**
Institutional flow	**-2.96**
20-day MVWAP	**$924.48**
Price vs 20-day MVWAP	**-3.30%**
Daily reference VWAP	**$892.66**
Price vs daily reference	**+0.15%**
Volume	**899.27K**

Structural context

Long-term trend and volatility boundaries

Current read	**Below 200-day trend | Negative macro velocity**
Macro velocity	**-3.05**
20-day / 200-day SMA	**$926.51 / $960.50**
Bollinger range	**$880.03 - $973.00**
Bollinger position	**0.150**

Options and volatility intelligence

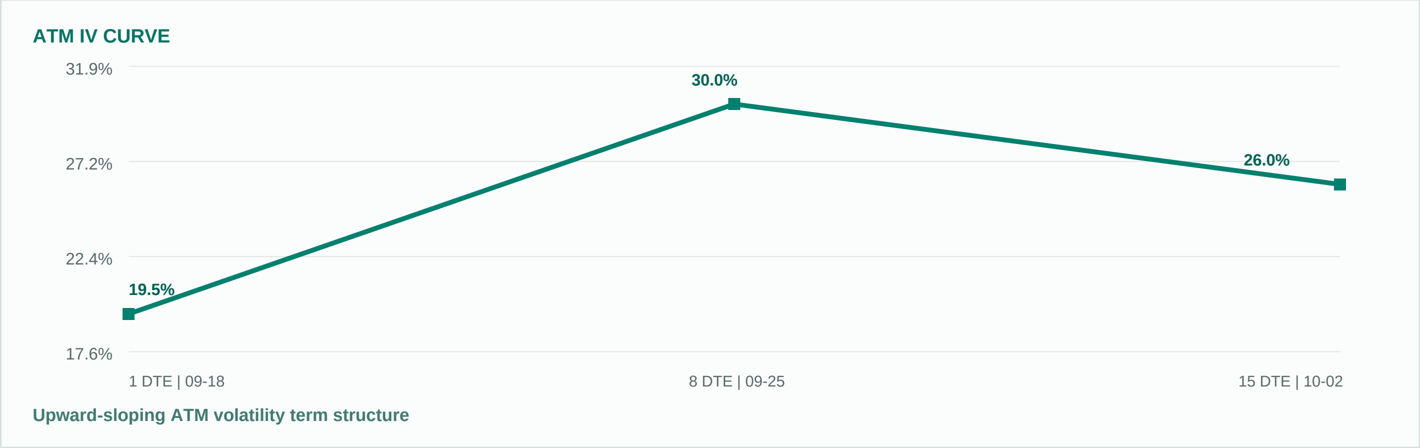
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
51 / 100	**63 / 100**	**88.56**	**145.95**

Market regime	**Calm**
Tail-risk regime	**NORMAL TAIL RISK**
Term structure	**contango**
Term slope	**+6.49 pts**
Skew read	**balanced**
Liquidity / quote coverage	**99.0%**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Sep 17, 2026 2:45 PM EDT**
Options data quality	**Coverage 100.0%**

Option term structure

ATM implied-volatility curve by days to expiration



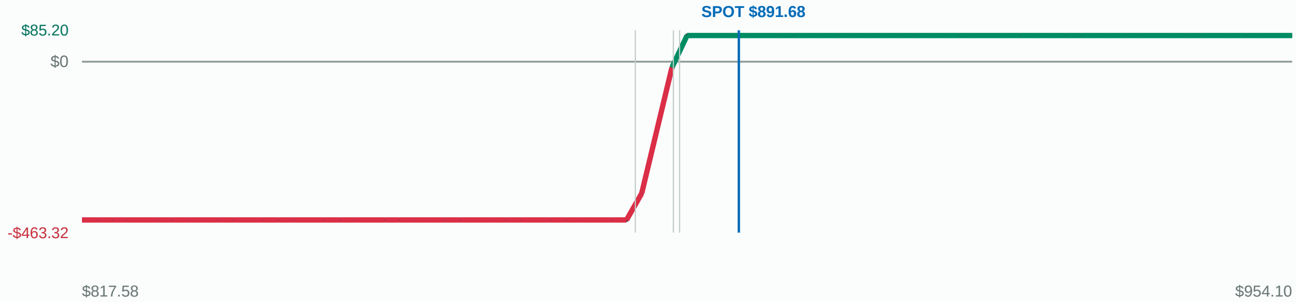
EXPIRATION	DTE	ATM IV	STATE
2026-09-18	1	19.5%	-
2026-09-25	8	30.0%	-
2026-10-02	15	26.0%	-

Reference spread payoff

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

Bull Put Spread reference

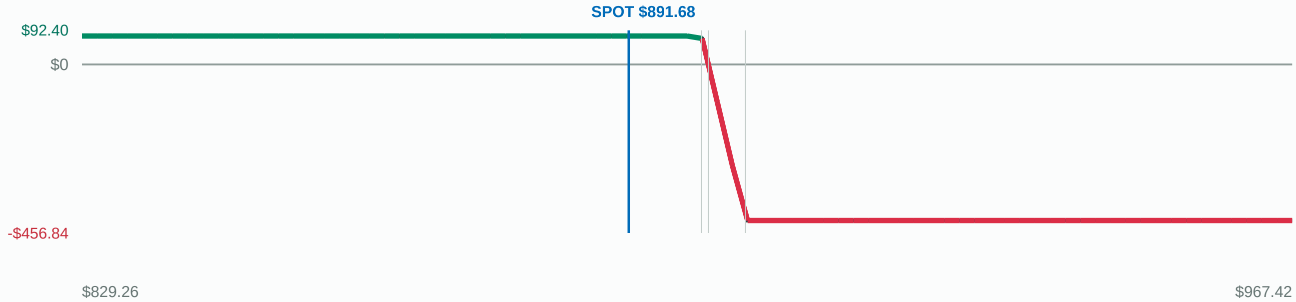
Short $885.00 | Long $880.00 | Width $5.00 | Net credit $0.71



Max profit $71.00 | Max loss -$429.00 | Break-even $884.29 | Per contract at expiry

Bear Call Spread reference

Short $900.00 | Long $905.00 | Width $5.00 | Net credit $0.77



Max profit $77.00 | Max loss -$423.00 | Break-even $900.77 | 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	**4.02**
VIX	**15.53**
VVIX	**88.56**
SKEW index	**145.95**
Observation confidence	**high**
Option quote quality	**reliable**

Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts observed	**101**
Contracts with quotes	**100**

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The COST option market displays a mixed outlook ahead of its September 24th earnings release. While implied volatility is elevated, reflecting event risk, the term structure shows a slight contango, suggesting some expectation for post-earnings upside. The skew is balanced, with both call and put options relatively priced. However, technical indicators are bearish, with the stock trading below key moving averages and exhibiting recent weakness.

Options context

COST Option Market Shows Mixed Sentiment Ahead of Earnings

Wheel context

COST's upcoming earnings release is a key event risk. The option market reflects this uncertainty with elevated implied volatility and a contango term structure.

Observed evidence

Implied volatility is elevated at 23.31%, indicating heightened uncertainty surrounding the upcoming earnings report. | The term structure shows a slight contango, with near-term options more expensive than longer-dated options, potentially signaling some expectation for post-earnings price movement. | The balanced skew suggests that both bullish and bearish sentiment are present in the market.

Principal risks to monitor

Earnings miss could trigger significant downside pressure on the stock price. | Cost pressures and margin compression could disappoint investors.

Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization **$396.35B**	P/E (TTM) **45.25**
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 **0.87**
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 **-6.1%**
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 17, 2026 12:06 PM EDT

Covered Call | 2026-09-25

At signal $891.13 | Current $894.00

SHORT **Option $905.00 B $10.40 / A $11.80**

High turnover | CR $11.10

Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	**$14.78**
ATR as % of price	**1.7%**
Volatility environment	**low**
Current IV	**23.2%**
IV rank	**50 / 100**
IV percentile	**62 / 100**
Technical Snapshot IV source	**Private fundamentals snapshot**
Technical Snapshot IV observed at	**Sep 17, 2026 3:51 PM EDT**

Technical health and risk radar

Derived indicator health and event context

Overall health	**55 / 100**
Trend health	**25 / 100**
Momentum health	**64 / 100**
Volatility health	**85 / 100**
Structure health	**65 / 100**
Earnings risk / date	**high | 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)	**$926.51 / $936.89 / $960.50**
EMA (9 / 21)	**$906.88 / $921.25**
Bollinger upper / middle / lower	**$973.00 / $926.51 / $880.03**

Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	**0.150**
True high / low	**$896.00 / $888.04**
5-day true high / low	**$921.99 / $888.04**

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	-3.047	**-**
SMA50	-1.079	**-**
MVWAP20	-2.957	**-**
MACD	-0.839	**-**
RSI	-2.764	**-**
Volume	17351.000	**-**
ATR	-0.254	**-**
T1	-	**-13.02 / 927.91 / 902.00 / 892.67**
T2	-	**-11.95 / 931.23 / 918.91 / 900.25**
T3	-	**-11.18 / 933.35 / 921.99 / 904.77**

Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	**$891.68**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Sep 17, 2026 2:45 PM EDT**
Options data coverage	**100.0%**
SKEW regime	**HIGH TAIL RISK SKEW**
VVIX regime	**VVIX FLAT**
Front expiration / DTE	**2026-09-18 | 1 DTE**
Front at-the-money IV	**19.5%**
25-delta skew	**-1.82**
Put / Call 25-delta	**$885.00 Delta -0.223 / $900.00 Delta 0.205**
Median option bid/ask spread	**9.7%**
Bid/ask spread	**-**
Contracts observed / quoted	**101 / 100**

Price context

Last Price: 891.68 | Bid: 891.56 | Ask: 891.80 | Previous Close: 893.74 | Change: -2.06 | Daily change: -0.23% | Update Time: 2026-09-17T14:45:24.271022-04:00 | Latest History Date: 2026-09-17 | Latest History Price: 891.68

Historical context

Trading-day sample: 60 sessions | First Date: 2026-06-24 | Latest Date: 2026-09-17 | Latest Price: 891.68 | Max Drawdown 60d Percent: -8.45%

Fundamental context

Current Iv Percent: 23.31% | Iv Rank: 50.64 | Iv Percentile: 62.55 | 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

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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

Jason Wheel	**jasonwheel.com**
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