Costco Wholesale Corp / COST

Equity | Generated Sep 18, 2026 11:31 PM EDT

Current price	Daily move	Bid / Ask	Previous close
$896.70	**+2.77 +0.31%**	**-/-**	**$893.93**

Market	**NYSE**
Industry	**Retail**
Market data as of	**Sep 18, 2026 11:31 PM EDT**

JW Intelligence Report

Complete | 3 of 3 sections | Sep 18, 2026 6:50 PM EDT

JW Rank	Rank label	Confidence	IV percentile
55.6 / 100	**Balanced**	**high**	**63 / 100**

Model reference	Upside scenario	Risk reference	Wheel strategy fit
$890.00	**$920.00**	**$870.00**	**70 / 100**

Options stance	**mixed**
Tail-risk safety	**56 / 100**
JW Rank data coverage / as of	**100.0% | Sep 18, 2026 6:50 PM EDT**

Key insight

COST Option Market Implies Cautious Outlook Ahead of Earnings

Market read

The COST option market reflects a cautious outlook ahead of its September 24th earnings release. While implied volatility is elevated, indicating potential for significant price swings, the term structure shows a backwardation pattern with near-term options more expensive than longer-dated ones. This suggests traders anticipate a potentially volatile event but are not overwhelmingly bearish.

Strategy context

COST's option market is pricing in elevated risk ahead of earnings. Traders are positioning for potential price swings but the overall direction remains unclear.

JW AI conclusions

Short- and medium-term model interpretation

AI context bias	**Bullish**
AI analysis updated	**Sep 18, 2026 2:22 PM EDT**

Short-term scenario

Neutral/Hold pending Q4 earnings (high event risk in 1 week). Consider modest long only on confirmed hold of $890 support; otherwise stay sidelined.

Three-month outlook

Moderately constructive on the business (durable membership model, ~10% sales growth, digital/delivery expansion) but tempered by premium valuation that leaves limited margin of safety. Street 12-month targets imply ~20% upside, yet recent price action and multiple compression risk persist. Key uncertainties: Q4 results/guidance (margins, comps, membership trends), consumer spending, input costs, competition, and any special-dividend announcement. Outcomes could easily swing the stock 8-12% in either direction over the next quarter.

Market sentiment

Cautious/mixed. Frequent comments on stretched valuation (P/E 45+) and recent downtrend; several 'hold' or 'wait-for-earnings' views. Some traders flag potential bounce from $890 support into the Sep 24 print. Broader chatter on shopping experience and new delivery options is positive but not strongly directional for the stock.

Supporting evidence

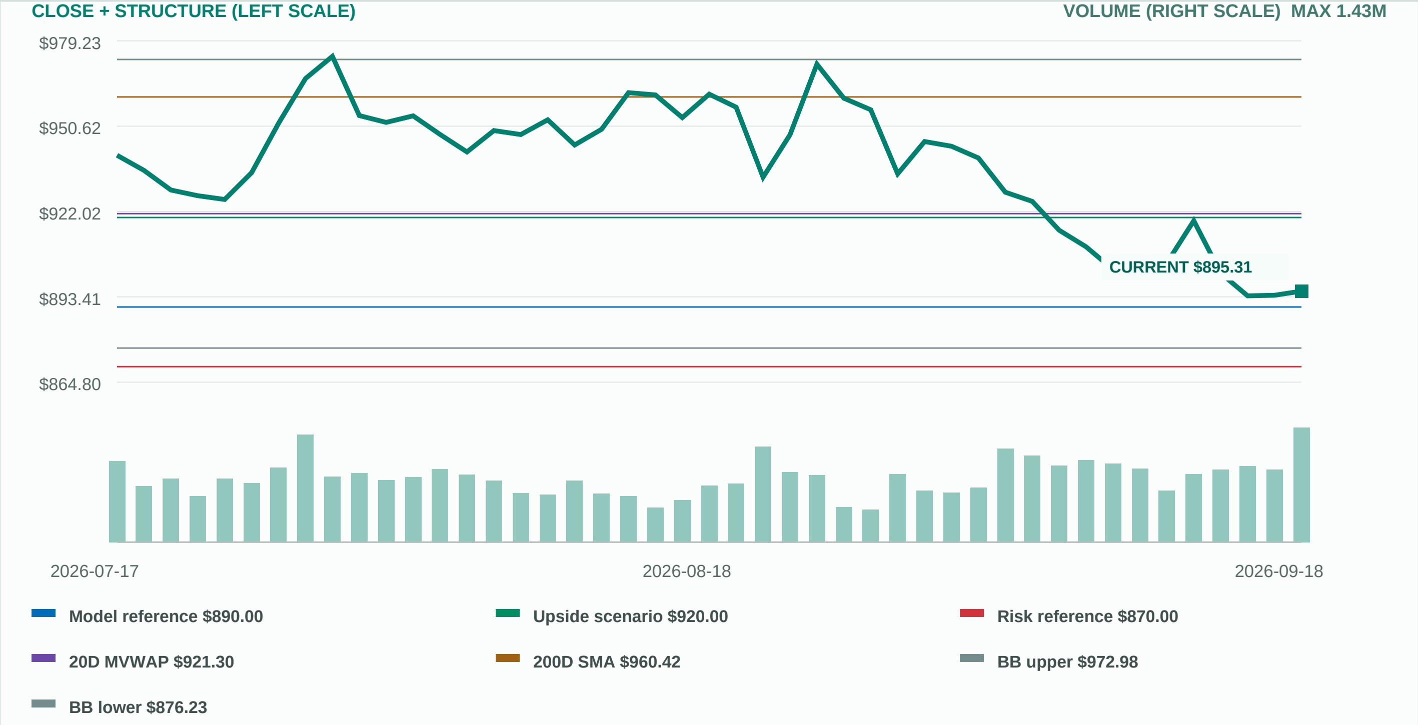
Implied volatility is elevated at 23.74%, suggesting heightened expectations for price movement around earnings. | The term structure exhibits backwardation, with near-term options more expensive than longer-dated ones, indicating a potential for post-earnings volatility. | The xAI analysis highlights mixed sentiment from analysts, with some constructive views and others expressing caution due to stretched valuation.

Risk watch

Earnings event risk is high, with the potential for significant price movement based on the company's performance and guidance.

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%	91.7
Strategy Fit	100.0%	70.4
Technical Trend	100.0%	16.4
Market Tail Risk	100.0%	56.3
Fundamental Quality	100.0%	51.5
Volatility Pressure	100.0%	81.2

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)	**31.44 / 35.95 / 38.99**
RSI velocity	**-0.45**
MACD line / signal / histogram	**-13.96 / - / -11.08**
MACD acceleration	**-0.67**
Stochastic K / D	**7.36 / 8.04**

Institutional footprints

Volume-weighted cost, price location and flow

Current read	**Below institutional MVWAP | Distribution bias**
Institutional flow	**-3.31**
20-day MVWAP	**$921.30**
Price vs 20-day MVWAP	**-2.67%**
Daily reference VWAP	**$894.66**
Price vs daily reference	**+0.23%**
Volume	**1.43M**

Structural context

Long-term trend and volatility boundaries

Current read	**Below 200-day trend | Negative macro velocity**
Macro velocity	**-2.81**
20-day / 200-day SMA	**$924.60 / $960.42**
Bollinger range	**$876.23 - $972.98**
Bollinger position	**0.197**

Options and volatility intelligence

Structure, premium conditions and principal risks

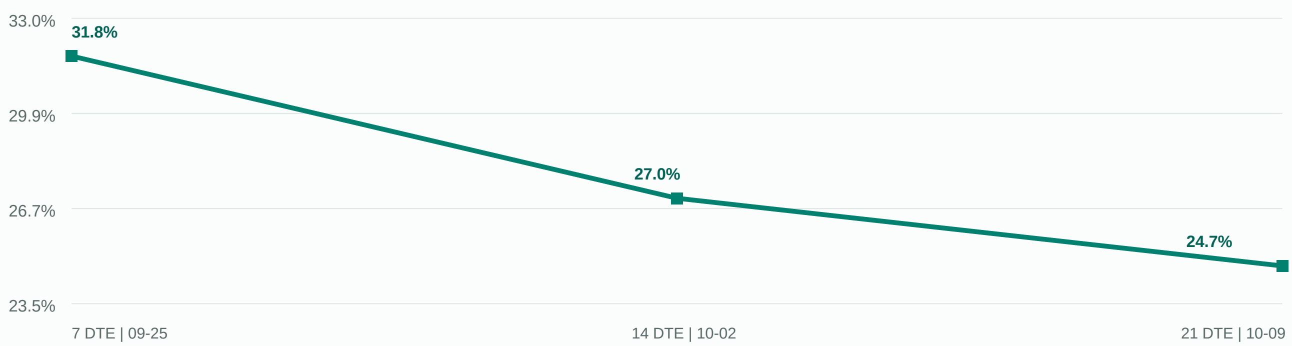
IV rank	IV percentile	VVIX	SKEW
54 / 100	65 / 100	87.93	145.70

Market regime	**Calm**
Tail-risk regime	**NORMAL TAIL RISK**
Term structure	**backwardation**
Term slope	**-7.04 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 18, 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



Downward-sloping ATM volatility term structure

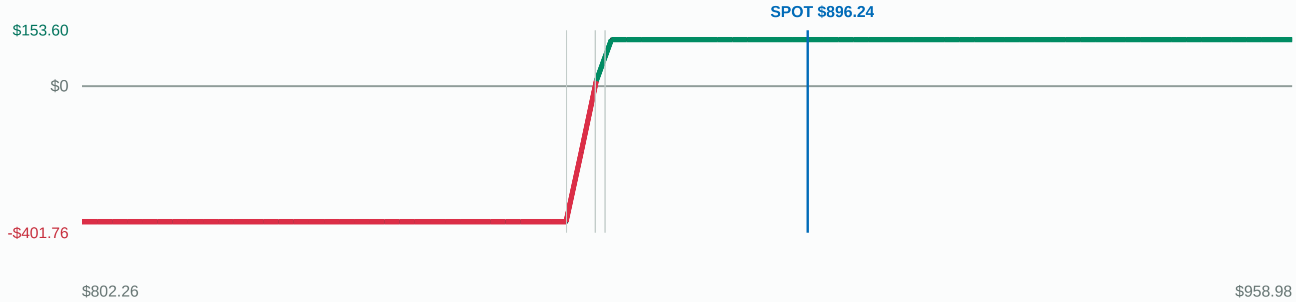
EXPIRATION	DTE	ATM IV	STATE
2026-09-25	7	31.8%	-
2026-10-02	14	27.0%	-
2026-10-09	21	24.7%	-

Reference spread payoff

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

Bull Put Spread reference

Short $870.00 | Long $865.00 | Width $5.00 | Net credit $1.28



Max profit $128.00 | Max loss -$372.00 | Break-even $868.72 | 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	**4.77**
VIX	**15.13**
VVIX	**87.93**
SKEW index	**145.70**
Observation confidence	**high**
Option quote quality	**reliable**
Contracts observed	**122**
Contracts with quotes	**122**

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The COST option market reflects a cautious outlook ahead of its September 24th earnings release. While implied volatility is elevated, indicating potential for significant price swings, the term structure shows a backwardation pattern with near-term options more expensive than longer-dated ones. This suggests traders anticipate a potentially volatile event but are not overwhelmingly bearish.

Options context

COST Option Market Implies Cautious Outlook Ahead of Earnings

Wheel context

COST's option market is pricing in elevated risk ahead of earnings. Traders are positioning for potential price swings but the overall direction remains unclear.

Observed evidence

Implied volatility is elevated at 23.74%, suggesting heightened expectations for price movement around earnings. | The term structure exhibits backwardation, with near-term options more expensive than longer-dated ones, indicating a potential for post-earnings volatility. | The xAI analysis highlights mixed sentiment from analysts, with some constructive views and others expressing caution due to stretched valuation.

Principal risks to monitor

Earnings event risk is high, with the potential for significant price movement based on the company's performance and guidance.

Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization **$396.44B**	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 18, 2026 9:47 AM EDT

Covered Call | 2026-09-25

At signal $896.05 | Current $896.70

SHORT **Option $895.00 B $14.45 / A $16.60**

High turnover | CR $15.53

Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	**$14.31**
ATR as % of price	**1.6%**
Volatility environment	**low**
Current IV	**23.5%**
IV rank	**52 / 100**
IV percentile	**63 / 100**
Technical Snapshot IV source	**Private fundamentals snapshot**
Technical Snapshot IV observed at	**Sep 18, 2026 7:31 PM EDT**

Technical health and risk radar

Derived indicator health and event context

Overall health	**56 / 100**
Trend health	**25 / 100**
Momentum health	**66 / 100**
Volatility health	**86 / 100**
Structure health	**70 / 100**
Earnings risk / date	**high | 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)	**$924.60 / $936.54 / $960.42**
EMA (9 / 21)	**$904.57 / $918.89**
Bollinger upper / middle / lower	**$972.98 / $924.60 / $876.23**

Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	**0.197**
True high / low	**$898.40 / $890.28**
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	-2.815	**-**
SMA50	-0.871	**-**
MVWAP20	-3.310	**-**
MACD	-0.671	**-**
RSI	-0.454	**-**
Volume	173416.000	**-**
ATR	-0.487	**-**
T1	-	**-13.70 / 924.48 / 896.00 / 888.04**
T2	-	**-13.02 / 927.91 / 902.00 / 892.67**
T3	-	**-11.95 / 931.23 / 918.91 / 900.25**

Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	**$896.24**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Sep 18, 2026 2:44 PM EDT**
Options data coverage	**100.0%**
SKEW regime	**HIGH TAIL RISK SKEW**
VVIX regime	**VVIX FLAT**
Front expiration / DTE	**2026-09-25 | 7 DTE**
Front at-the-money IV	**31.8%**
25-delta skew	**-0.05**
Put / Call 25-delta	**$870.00 Delta -0.239 / $925.00 Delta 0.252**
Median option bid/ask spread	**10.1%**
Bid/ask spread	**-**
Contracts observed / quoted	**122 / 122**

Price context

Last Price: 896.24 | Bid: 896.11 | Ask: 896.38 | Previous Close: 893.93 | Change: 2.31 | Daily change: 0.26% | Update Time: 2026-09-18T14:45:00.366321-04:00 | Latest History Date: 2026-09-18 | Latest History Price: 896.25

Historical context

Trading-day sample: 60 sessions | First Date: 2026-06-25 | Latest Date: 2026-09-18 | Latest Price: 896.25 | Max Drawdown 60d Percent: -8.24%

Fundamental context

Current Iv Percent: 23.74% | Iv Rank: 54.28 | Iv Percentile: 65.34 | 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.

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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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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

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Reference documents

Official product terms and standardized options disclosure

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