# Costco Wholesale Corp / COST

Equity | Generated Sep 21, 2026 11:31 PM EDT

| Current price | Daily move | Bid / Ask | Previous close |
|---|---|---|---|
| $898.48 | +3.17 +0.35% | $898.24/$900.00 | $895.31 |

| | |
|---|---|
| Market | **NYSE** |
| Industry | **Retail** |
| Market data as of | **Sep 21, 2026 11:31 PM EDT** |

## JW Intelligence Report

Complete | 3 of 3 sections | Sep 21, 2026 7:51 PM EDT

| JW Rank | Rank label | Confidence | IV percentile |
|---|---|---|---|
| 48.9 / 100 | Cautious | high | 54 / 100 |

| Model reference | Upside scenario | Risk reference | Wheel strategy fit |
|---|---|---|---|
| $890.00 | $940.00 | $865.00 | 55 / 100 |

| | |
|---|---|
| Options stance | **mixed** |
| Tail-risk safety | **32 / 100** |
| JW Rank data coverage / as of | **100.0% \| Sep 21, 2026 7:51 PM EDT** |

### Key insight

COST Option Market Implies Uncertainty Ahead of Earnings

### Market read

The COST option market reflects a cautious outlook ahead of its Q4 earnings report on September 24th. While the stock is trading near oversold levels and some see potential for a dip-buying opportunity, concerns remain about the company's ability to meet high expectations after last quarter's disappointing results. Implied volatility is elevated, suggesting significant uncertainty surrounding the upcoming earnings release.

### Strategy context

The COST option market shows mixed signals, with some traders positioning for a potential bounce after recent weakness while others are hedging against further downside risk.

# JW AI conclusions

Short- and medium-term model interpretation

| | |
|---|---|
| AI context bias | **Bullish** |
| AI analysis updated | **Sep 21, 2026 2:30 PM EDT** |

### Short-term scenario

Cautious/speculative long on dip or post-earnings confirmation if beat/guidance holds; high event-driven uncertainty from Thursday earnings (last print disappointed). Avoid chasing; wait for reaction. Not advice.

### Three-month outlook

Moderately bullish with uncertainty. Resilient membership-driven model, warehouse expansion, digital growth, and cash returns (possible special dividend) support recovery toward $1,000-1,070 analyst targets (~12-19% upside) if Q4 confirms 6-8%+ comps and margins stabilize. Premium valuation (41x fwd) is the main risk—any growth slowdown or cost pressure could compress multiple. Macro/consumer spending and post-earnings guidance are key variables; long-term quality compounder but near-term volatility likely. High uncertainty around results and broader retail environment.

### Market sentiment

Mixed/cautiously opportunistic. Long-term bulls highlight membership model (92%+ renewals), consistent 7%+ comps, $20B cash for possible special dividend, and buying the 18% dip as quality compounder. Short-term/earnings-focused posts note last quarter's F-grade reaction (stock -9% after), high 45x PE leaving little room for miss, technical breakdown, and some targeting shorts to $845-861. Earnings Thursday is the key near-term catalyst; overall wait-and-see with dip-buying interest if beats.

### Supporting evidence

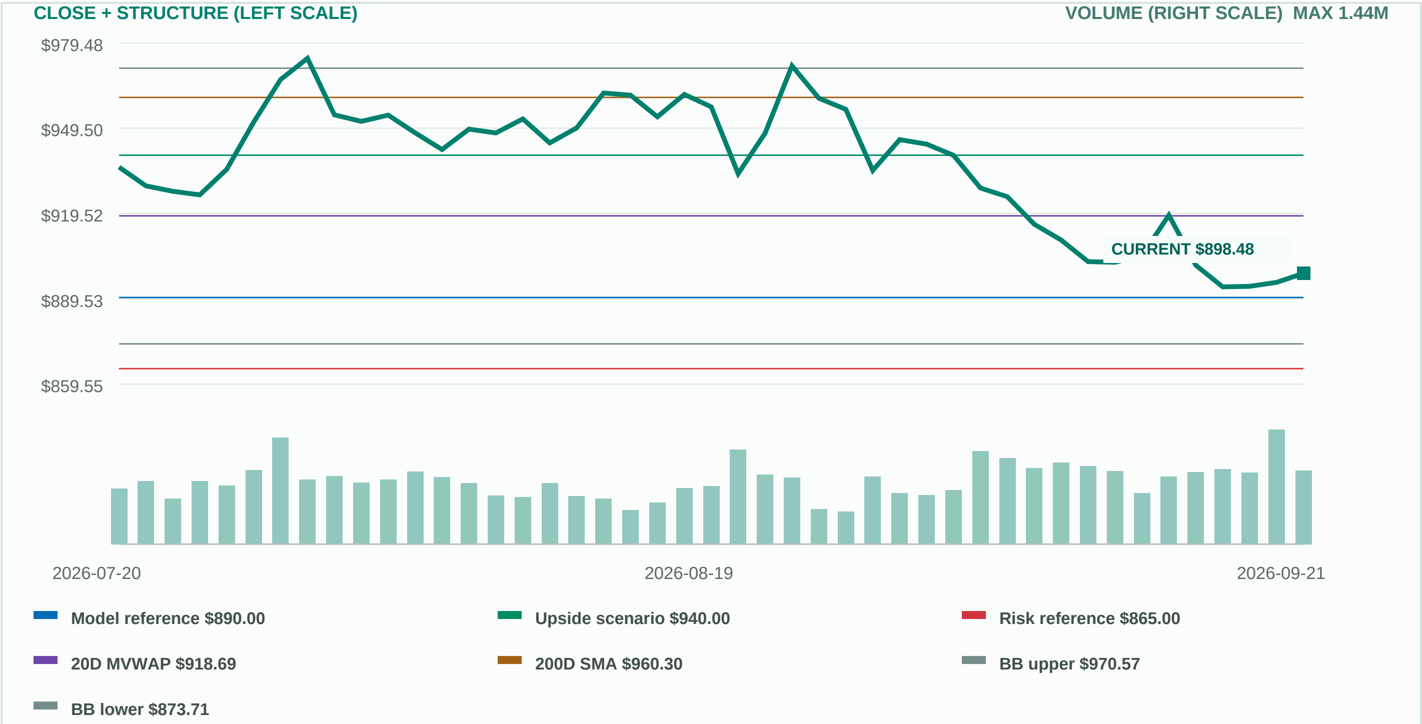
The term structure of implied volatility is backwardated, indicating that near-term options are more expensive than longer-term options. This suggests heightened anxiety about the upcoming earnings report. | The 25-delta skew is balanced, meaning there isn't a strong preference for either call or put options at this point in time. | Implied volatility is elevated at 22.51%, suggesting significant uncertainty surrounding the company's future performance.

### Risk watch

Earnings season volatility could amplify price swings in the coming days. | High implied volatility suggests a potential for significant price moves following the earnings release.

## 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% | 94.0 |
| Strategy Fit | 100.0% | 55.0 |
| Technical Trend | 100.0% | 17.2 |
| Market Tail Risk | 100.0% | 32.0 |
| Fundamental Quality | 100.0% | 51.5 |
| Volatility Pressure | 100.0% | 71.0 |

## 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) | **36.46 / 37.91 / 40.15** |
| RSI velocity | **0.97** |
| MACD line / signal / histogram | **-13.76 / - / -11.61** |
| MACD acceleration | **-0.25** |
| Stochastic K / D | **13.27 / 8.56** |

## Institutional footprints

Volume-weighted cost, price location and flow

| | |
|---|---|
| Current read | **Below institutional MVWAP \| Distribution bias** |
| Institutional flow | **-3.07** |
| 20-day MVWAP | **$918.69** |
| Price vs 20-day MVWAP | **-2.20%** |
| Daily reference VWAP | **$894.47** |
| Price vs daily reference | **+0.45%** |
| Volume | **923.38K** |

## Structural context

Long-term trend and volatility boundaries

| | |
|---|---|
| Current read | **Below 200-day trend \| Negative macro velocity** |
| Macro velocity | **-2.51** |
| 20-day / 200-day SMA | **$922.14 / $960.30** |
| Bollinger range | **$873.71 - $970.57** |
| Bollinger position | **0.256** |

## Options and volatility intelligence

Structure, premium conditions and principal risks

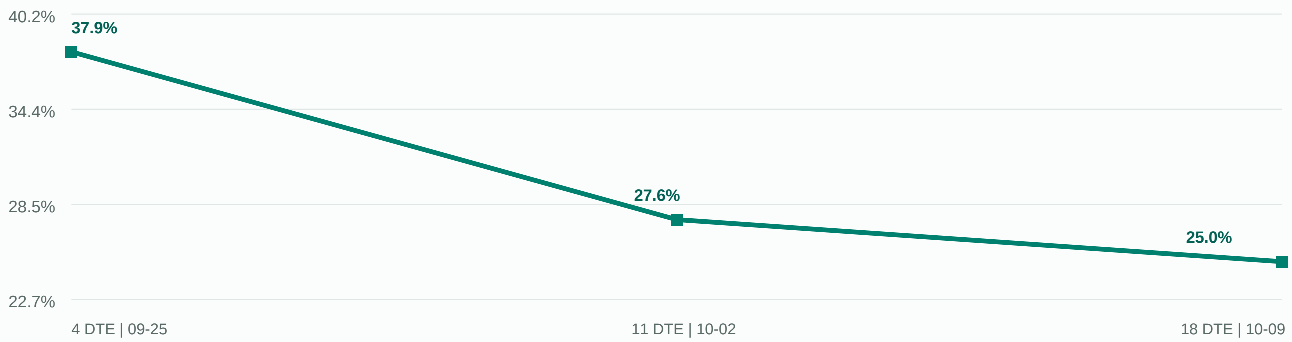
| IV rank | IV percentile | VVIX | SKEW |
|---|---|---|---|
| 44 / 100 | 53 / 100 | 86.00 | 148.10 |

| | |
|---|---|
| Market regime | **DANGER ZONE** |
| Tail-risk regime | **NORMAL TAIL RISK** |
| Term structure | **backwardation** |
| Term slope | **-12.93 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 21, 2026 2:45 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

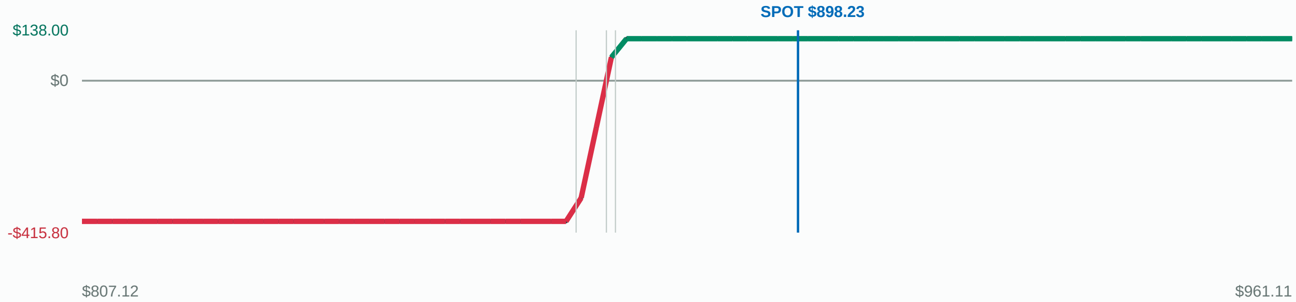
| EXPIRATION | DTE | ATM IV | STATE |
|---|---|---|---|
| **2026-09-25** | 4 | 37.9% | - |
| **2026-10-02** | 11 | 27.6% | - |
| **2026-10-09** | 18 | 25.0% | - |

## Reference spread payoff

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

### Bull Put Spread reference

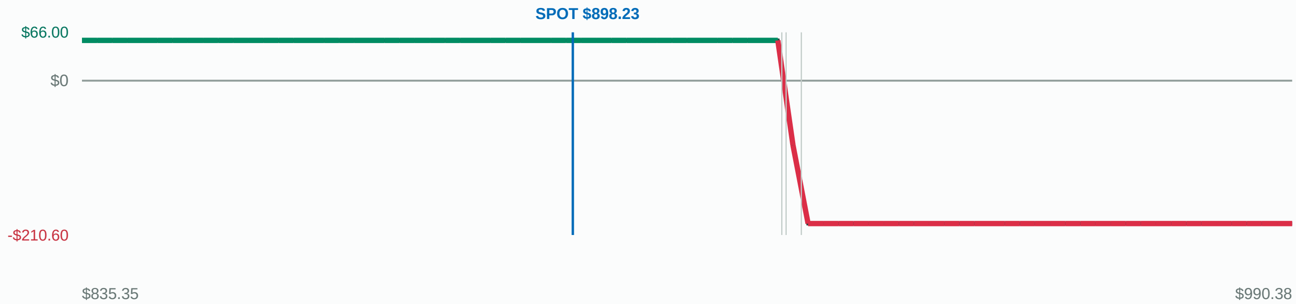
Short $875.00 | Long $870.00 | Width $5.00 | Net credit $1.15




**Max profit $115.00 | Max loss -$385.00 | Break-even $873.85 | Per contract at expiry**

### Bear Call Spread reference

Short $925.00 | Long $927.50 | Width $2.50 | Net credit $0.55




**Max profit $55.00 | Max loss -$195.00 | Break-even $925.55 | 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 | **high** |
| Event IV premium | **10.34** |
| VIX | **15.04** |
| VVIX | **86.00** |
| SKEW index | **148.10** |
| Observation confidence | **high** |
| Option quote quality | **reliable** |

## Event and tail-risk context (continued)

Known event windows and broad volatility conditions

| FIELD | VALUE |
| --- | --- |
| Contracts observed | **116** |
| Contracts with quotes | **116** |

# Strategy fit

Generalized structure fit; not a personalized recommendation

### Market structure

The COST option market reflects a cautious outlook ahead of its Q4 earnings report on September 24th. While the stock is trading near oversold levels and some see potential for a dip-buying opportunity, concerns remain about the company's ability to meet high expectations after last quarter's disappointing results. Implied volatility is elevated, suggesting significant uncertainty surrounding the upcoming earnings release.

### Options context

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### Wheel context

The COST option market shows mixed signals, with some traders positioning for a potential bounce after recent weakness while others are hedging against further downside risk.

### Observed evidence

The term structure of implied volatility is backwardated, indicating that near-term options are more expensive than longer-term options. This suggests heightened anxiety about the upcoming earnings report. | The 25-delta skew is balanced, meaning there isn't a strong preference for either call or put options at this point in time. | Implied volatility is elevated at 22.51%, suggesting significant uncertainty surrounding the company's future performance.

### Principal risks to monitor

Earnings season volatility could amplify price swings in the coming days. | High implied volatility suggests a potential for significant price moves following the earnings release.

## Fundamentals and events

Business quality, valuation and upcoming event context

| | |
|---|---|
| Market capitalization<br>**$397.05B** | P/E (TTM)<br>**44.93** |
| ROE<br>**28.3%** | Revenue growth<br>**6.6%** |
| EPS growth<br>**11.5%** | Operating margin<br>**3.8%** |
| Net profit margin<br>**3.0%** | Gross margin<br>**-** |
| Free cash flow CAGR<br>**5.3%** | Debt / equity<br>**0.25** |
| Dividend yield<br>**0.7%** | Beta<br>**0.87** |
| 52-week range<br>**$844.06 - $1,096.50** | |

## Company or fund profile

Issuer identity and classification

| | |
|---|---|
| Name<br>**Costco Wholesale Corp** | Market<br>**NYSE** |
| Industry<br>**Retail** | Country<br>**US** |
| Currency<br>**USD** | IPO date<br>**1985-12-05** |
| Shares outstanding<br>**443.48M** | 52-week return<br>**-6.0%** |
| Book value per share<br>**$75.55** | Revenue per share<br>**$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 21, 2026 9:36 AM EDT

**Covered Call | 2026-09-25**

At signal $892.72 | Current $898.48

SHORT **Option $892.50 B $15.00 / A $16.30**

**High turnover | CR $15.65**

# Complete technical details

Full supporting indicator set used by the symbol detail experience

## Volatility and options market

Price movement and premium conditions

| | |
|---|---|
| ATR | **$14.28** |
| ATR as % of price | **1.6%** |
| Volatility environment | **low** |
| Current IV | **22.6%** |
| IV rank | **44 / 100** |
| IV percentile | **54 / 100** |
| Technical Snapshot IV source | **Private fundamentals snapshot** |
| Technical Snapshot IV observed at | **Sep 21, 2026 3:51 PM EDT** |

## Technical health and risk radar

Derived indicator health and event context

| | |
|---|---|
| Overall health | **58 / 100** |
| Trend health | **25 / 100** |
| Momentum health | **69 / 100** |
| Volatility health | **86 / 100** |
| Structure health | **76 / 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) | **$922.14 / $936.18 / $960.30** |
| EMA (9 / 21) | **$903.35 / $917.03** |
| Bollinger upper / middle / lower | **$970.57 / $922.14 / $873.71** |

## Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

| FIELD | VALUE |
|---|---|
| Bollinger %B | **0.256** |
| True high / low | **$899.44 / $885.50** |
| 5-day true high / low | **$918.91 / $885.50** |

## Three-day indicator history

Short-horizon change and the underlying three-session observations

| INDICATOR | 3-DAY CHANGE | SESSION 1 / 2 / 3 |
|---|---|---|
| **SMA20** | -2.509 | **-** |
| **SMA50** | -0.631 | **-** |
| **MVWAP20** | -3.074 | **-** |
| **MACD** | -0.245 | **-** |
| **RSI** | 0.965 | **-** |
| **Volume** | -6955.000 | **-** |
| **ATR** | -0.342 | **-** |
| **T1** | - | **-13.96 / 921.28 / 898.40 / 890.28** |
| **T2** | - | **-13.70 / 924.48 / 896.00 / 888.04** |
| **T3** | - | **-13.02 / 927.91 / 902.00 / 892.67** |

## Detailed options evidence

Supporting option-chain, execution and data-quality observations

| | |
|---|---|
| Underlying price at observation | **$898.23** |
| Options Snapshot IV sources | **ATM: option chain \| Rank/percentile: fundamentals** |
| Options Snapshot IV observed at | **Sep 21, 2026 2:45 PM EDT** |
| Options data coverage | **100.0%** |
| SKEW regime | **HIGH TAIL RISK SKEW** |
| VVIX regime | **VVIX FALLING** |
| Front expiration / DTE | **2026-09-25 \| 4 DTE** |
| Front at-the-money IV | **37.9%** |
| 25-delta skew | **-1.62** |
| Put / Call 25-delta | **$875.00 Delta -0.244 / $925.00 Delta 0.248** |
| Median option bid/ask spread | **8.7%** |
| Bid/ask spread | **-** |
| Contracts observed / quoted | **116 / 116** |

### Price context

Last Price: 898.23 | Bid: 898.15 | Ask: 898.30 | Previous Close: 895.31 | Change: 2.92 | Daily change: 0.33% | Update Time: 2026-09-21T14:45:44.413536-04:00 | Latest History Date: 2026-09-21 | Latest History Price: 898.22

### Historical context

Trading-day sample: 60 sessions | First Date: 2026-06-26 | Latest Date: 2026-09-21 | Latest Price: 898.22 | Max Drawdown 60d Percent: -8.24%

### Fundamental context

Current Iv Percent: 22.51% | Iv Rank: 43.92 | Iv Percentile: 53.39 | 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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## Reference documents

Official product terms and standardized options disclosure

| | |
|---|---|
| Jason Wheel | **jasonwheel.com** |
| Terms of Use | **jasonwheel.com / Terms** |
| Privacy Policy | **jasonwheel.com / Privacy** |
| Options Disclosure Document | **theocc.com / Options Disclosure Document** |