Costco Wholesale Corp / COST

Equity | Generated Sep 22, 2026 11:31 PM EDT

Current price	Daily move	Bid / Ask	Previous close
$901.70	**+3.22 +0.36%**	**-/-**	**$898.48**

Market	**NYSE**
Industry	**Retail**
Market data as of	**Sep 22, 2026 11:31 PM EDT**

JW Intelligence Report

Complete | 3 of 3 sections | Sep 22, 2026 6:50 PM EDT

JW Rank	Rank label	Confidence	IV percentile
51.6 / 100	**Balanced**	**high**	**59 / 100**

Model reference	Upside scenario	Risk reference	Wheel strategy fit
$890.00	**$930.00**	**$865.00**	**58 / 100**

Options stance	**neutral**
Tail-risk safety	**32 / 100**
JW Rank data coverage / as of	**100.0% | Sep 22, 2026 6:50 PM EDT**

Key insight

COST Option Market Implies Balanced Sentiment Ahead of Earnings

Market read

The COST option market shows a balanced outlook ahead of its Q4 2026 earnings release on September 24th. While implied volatility is elevated due to the event, the term structure is in backwardation, suggesting a slight expectation for post-earnings volatility to decline. The skew is balanced, with neither call nor put options exhibiting significant pricing anomalies. The market appears to be awaiting key data points such as margins, membership fees, and any potential capital return announcements.

Strategy context

COST's upcoming earnings release is driving option activity. Traders are positioning for potential volatility swings based on the company's performance and guidance.

JW AI conclusions

Short- and medium-term model interpretation

AI context bias	**Bearish**
AI analysis updated	**Sep 22, 2026 2:41 PM EDT**

Short-term scenario

Cautious tactical long only near support; otherwise wait for the Sep 24 reaction. Uncertainty is high: an earnings gap can skip both the entry and the stop, and membership or margin commentary can overwhelm the chart for 1-3 weeks. Not a high-conviction trade.

Three-month outlook

Base case is a modest recovery toward roughly $960-$1,020 if renewals stabilize, margins hold near plan, and the special-dividend narrative stays alive, given ~10% sales growth and a defensive membership model. That is uncertain and not the 12-month Street target of about $1,070-$1,090. Downside toward the mid-$800s remains plausible if renewal rates slip further, margins miss, or the multiple keeps compressing. The chart is still broken below the 200-day average, so any rebound needs confirmation after earnings. This is analysis, not a guarantee.

Market sentiment

Mixed and event-driven, not a strong consensus. Some traders are long into Thursday via defined-risk call spreads and describe the stock as set up to bounce below the 200-day. Others flag an expensive multiple (high P/E/PEG) and only a quant Hold. Recirculated sell-side notes pair a Buy with margin caution. Engagement on fundamental posts is light; positioning is more about the earnings binary than a clear bullish or bearish crowd.

Supporting evidence

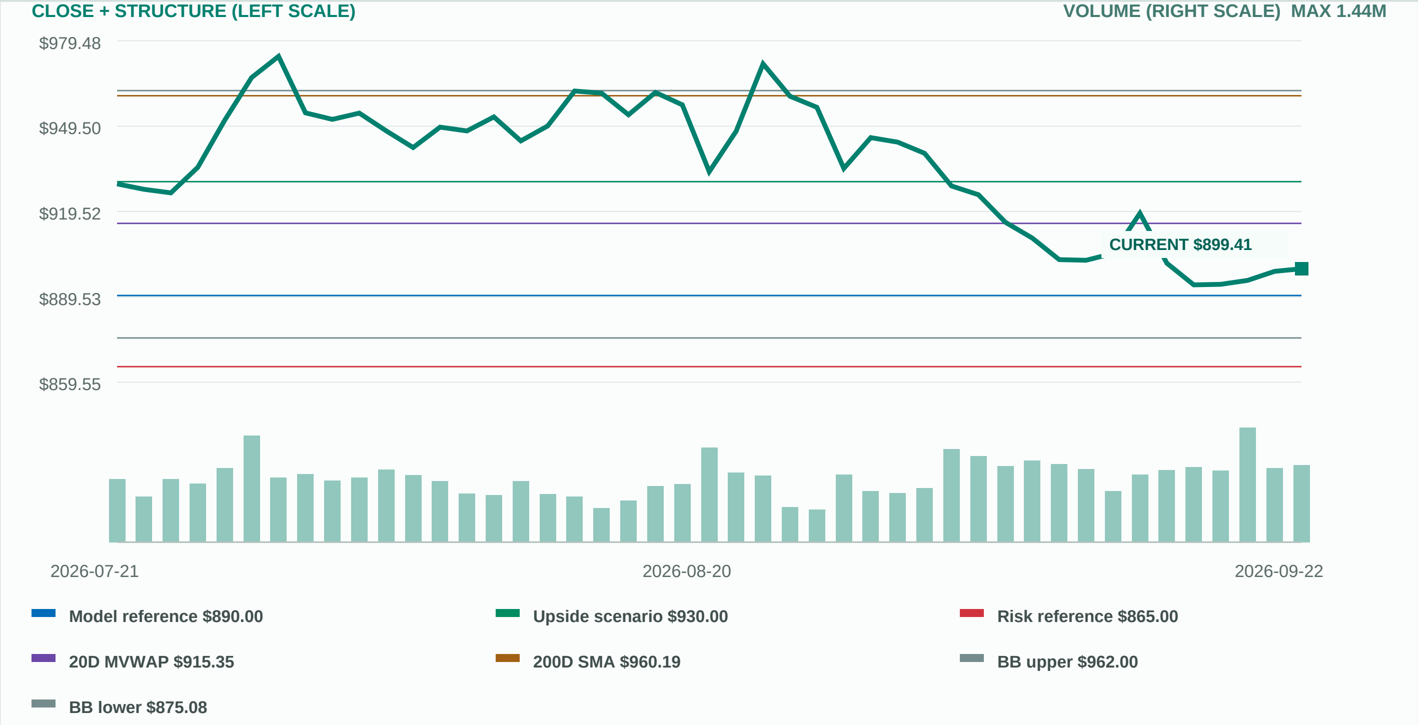
Implied volatility is elevated at 23.14%, reflecting the uncertainty surrounding earnings. | The term structure of implied volatility is in backwardation, with near-term options more expensive than longer-dated options. | The delta 25 skew is balanced, indicating no strong directional bias in the market.

Risk watch

Earnings surprises can significantly impact COST's stock price, leading to large intraday moves.

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%	93.6
Strategy Fit	100.0%	58.1
Technical Trend	100.0%	18.4
Market Tail Risk	100.0%	32.0
Fundamental Quality	100.0%	51.5
Volatility Pressure	100.0%	81.3

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 accelerating**
Trend signal	**STRONG BEAR**
RSI signal	**neutral**
RSI (7 / 14 / 21)	**38.01 / 38.50 / 40.49**
RSI velocity	**1.13**
MACD line / signal / histogram	**-13.37 / - / -11.96**
MACD acceleration	**0.11**
Stochastic K / D	**18.97 / 13.20**

Institutional footprints

Volume-weighted cost, price location and flow

Current read	**Below institutional MVWAP | Distribution bias**
Institutional flow	**-3.04**
20-day MVWAP	**$915.35**
Price vs 20-day MVWAP	**-1.49%**
Daily reference VWAP	**$899.55**
Price vs daily reference	**+0.24%**
Volume	**969.39K**

Structural context

Long-term trend and volatility boundaries

Current read	**Below 200-day trend | Negative macro velocity**
Macro velocity	**-2.66**
20-day / 200-day SMA	**$918.54 / $960.19**
Bollinger range	**$875.08 - $962.00**
Bollinger position	**0.280**

Options and volatility intelligence

Structure, premium conditions and principal risks

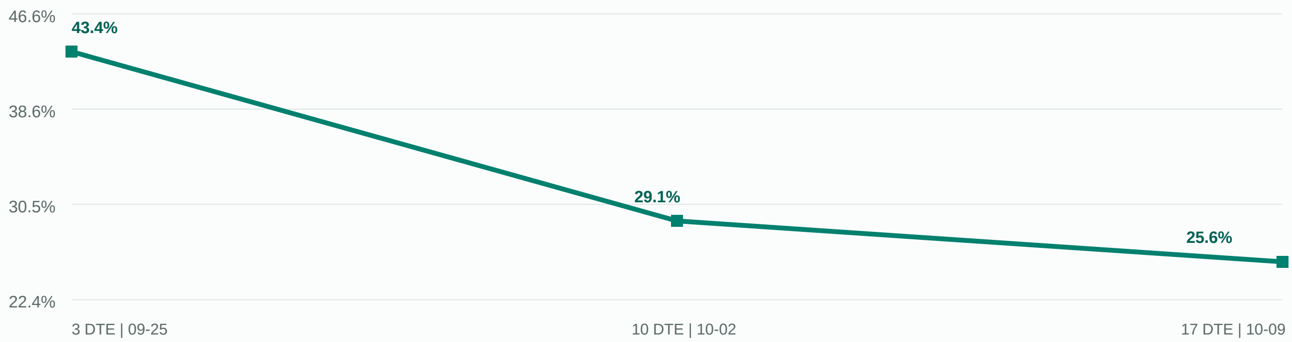
IV rank	IV percentile	VVIX	SKEW
49 / 100	**62 / 100**	**81.95**	**142.19**

Market regime	**DANGER ZONE**
Tail-risk regime	**NORMAL TAIL RISK**
Term structure	**backwardation**
Term slope	**-17.79 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 22, 2026 2:47 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

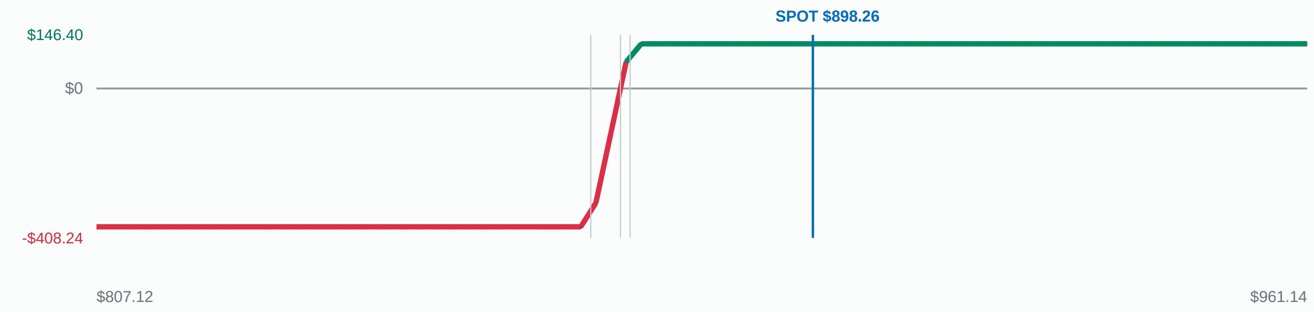
EXPIRATION	DTE	ATM IV	STATE
2026-09-25	3	43.4%	-
2026-10-02	10	29.1%	-
2026-10-09	17	25.6%	-

Reference spread payoff

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

Bull Put Spread reference

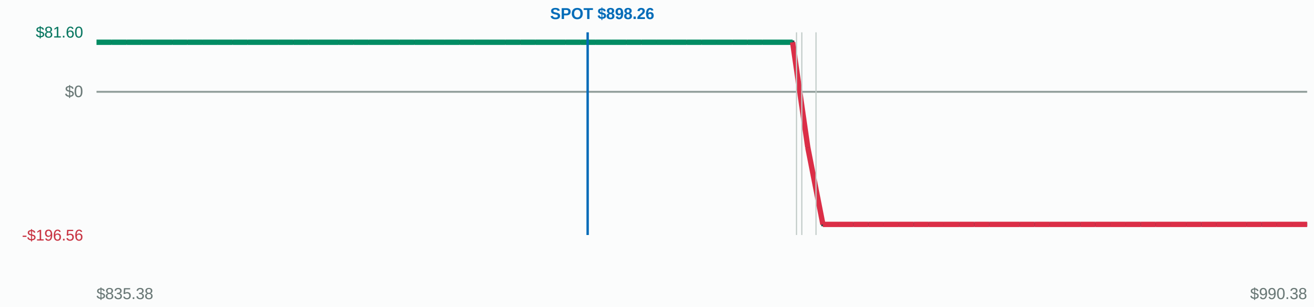
Short $875.00 | Long $870.00 | Width $5.00 | Net credit $1.22



Max profit $122.00 | Max loss -$378.00 | Break-even $873.78 | Per contract at expiry

Bear Call Spread reference

Short $925.00 | Long $927.50 | Width $2.50 | Net credit $0.68



Max profit $68.00 | Max loss -$182.00 | Break-even $925.68 | 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	**14.33**
VIX	**14.26**
VVIX	**81.95**
SKEW index	**142.19**
Observation confidence	**high**
Option quote quality	**reliable**

Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts observed	**94**
Contracts with quotes	**94**

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The COST option market shows a balanced outlook ahead of its Q4 2026 earnings release on September 24th. While implied volatility is elevated due to the event, the term structure is in backwardation, suggesting a slight expectation for post-earnings volatility to decline. The skew is balanced, with neither call nor put options exhibiting significant pricing anomalies. The market appears to be awaiting key data points such as margins, membership fees, and any potential capital return announcements.

Options context

COST Option Market Implies Balanced Sentiment Ahead of Earnings

Wheel context

COST's upcoming earnings release is driving option activity. Traders are positioning for potential volatility swings based on the company's performance and guidance.

Observed evidence

Implied volatility is elevated at 23.14%, reflecting the uncertainty surrounding earnings. | The term structure of implied volatility is in backwardation, with near-term options more expensive than longer-dated options. | The delta 25 skew is balanced, indicating no strong directional bias in the market.

Principal risks to monitor

Earnings surprises can significantly impact COST's stock price, leading to large intraday moves.

Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization **$398.46B**	P/E (TTM) **44.47**
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 **-6.0%**
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 22, 2026 9:54 AM EDT

Covered Call | 2026-09-25

At signal $897.12 | Current $901.70

SHORT **Option $875.00 B $28.00 / A $31.30**

High turnover | CR $29.65

Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	**$13.80**
ATR as % of price	**1.5%**
Volatility environment	**low**
Current IV	**22.9%**
IV rank	**48 / 100**
IV percentile	**59 / 100**
Technical Snapshot IV source	**Private fundamentals snapshot**
Technical Snapshot IV observed at	**Sep 22, 2026 7:31 PM EDT**

Technical health and risk radar

Derived indicator health and event context

Overall health	**59 / 100**
Trend health	**25 / 100**
Momentum health	**70 / 100**
Volatility health	**87 / 100**
Structure health	**78 / 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)	**$918.54 / $935.64 / $960.19**
EMA (9 / 21)	**$902.56 / $915.43**
Bollinger upper / middle / lower	**$962.00 / $918.54 / $875.08**

Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	**0.280**
True high / low	**$903.40 / $895.84**
5-day true high / low	**$903.40 / $885.50**

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	-2.658	**-**
SMA50	-0.416	**-**
MVWAP20	-3.043	**-**
MACD	0.111	**-**
RSI	1.127	**-**
Volume	22864.000	**-**
ATR	-0.327	**-**
T1	-	**-13.76 / 918.69 / 899.44 / 885.50**
T2	-	**-13.96 / 921.28 / 898.40 / 890.28**
T3	-	**-13.70 / 924.48 / 896.00 / 888.04**

Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	**$898.26**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Sep 22, 2026 2:47 PM EDT**
Options data coverage	**100.0%**
SKEW regime	**HIGH TAIL RISK SKEW**
VVIX regime	**VVIX FALLING**
Front expiration / DTE	**2026-09-25 | 3 DTE**
Front at-the-money IV	**43.4%**
25-delta skew	**-1.32**
Put / Call 25-delta	**$875.00 Delta -0.242 / $925.00 Delta 0.244**
Median option bid/ask spread	**11.8%**
Bid/ask spread	**-**
Contracts observed / quoted	**94 / 94**

Price context

Last Price: 898.26 | Bid: 898.12 | Ask: 898.46 | Previous Close: 898.48 | Change: -0.22 | Daily change: -0.02% | Update Time: 2026-09-22T14:47:12.924774-04:00 | Latest History Date: 2026-09-22 | Latest History Price: 898.13

Historical context

Trading-day sample: 60 sessions | First Date: 2026-06-29 | Latest Date: 2026-09-22 | Latest Price: 898.13 | Max Drawdown 60d Percent: -8.24%

Fundamental context

Current Iv Percent: 23.14% | Iv Rank: 49.21 | Iv Percentile: 62.15 | 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.

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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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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

Jason Wheel	**jasonwheel.com**
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