Costco Wholesale Corp / COST

Equity | Generated Sep 28, 2026 11:31 PM EDT

Current price	Daily move	Bid / Ask	Previous close
$922.07	-0.69 -0.07%	$920.66/$924.02	$922.76

Market	**NYSE**
Industry	**Retail**
Market data as of	**Sep 28, 2026 11:31 PM EDT**

JW Intelligence Report

Complete | 3 of 3 sections | Sep 28, 2026 6:50 PM EDT

JW Rank	Rank label	Confidence	IV percentile
56.7 / 100	Balanced	high	5 / 100

Model reference	Upside scenario	Risk reference	Wheel strategy fit
$914.00	$952.00	$896.00	71 / 100

Options stance	**neutral**
Tail-risk safety	**64 / 100**
JW Rank data coverage / as of	**100.0% | Sep 28, 2026 6:50 PM EDT**

Key insight

COST Option Market Implies Range-Bound Price Action

Market read

The COST option market suggests a cautious outlook with potential for sideways to modestly higher price action in the near term. While recent earnings beat expectations, the stock remains below key moving averages and valuation concerns persist. The implied volatility skew is balanced, indicating no strong directional bias.

Strategy context

The current option market structure presents opportunities for neutral strategies like straddles or strangles if volatility expectations are met. However, investors should be mindful of the potential for range-bound price action.

JW AI conclusions

Short- and medium-term model interpretation

AI context bias	**Bearish**
AI analysis updated	**Sep 28, 2026 2:37 PM EDT**

Short-term scenario

Cautious tactical long on weakness, not a chase, over a 1-3 week window. Prefer a dip entry near $912-$916 aiming for a retest of the 50-day and nearby supply in the mid-$940s to low-$950s, with a stop under $900 but above the Sep 25 spike low only if risk must be tighter. Base case is a range bounce, not a trend breakout. Uncertainty is high: post-earnings digestion, overhead moving averages, and valuation sensitivity can invalidate the setup quickly. Levels are illustrative, not a recommendation.

Three-month outlook

Base case over three months is sideways to modestly higher, roughly $880-$1,000, if renewals stay elevated, ex-gas comps hold in the mid-to-high single digits, warehouse and digital growth continue, and the multiple stays near 40x forward. Street 12-month targets near $1,050 imply more upside than this window is likely to fully capture. A downside path toward the low $800s remains plausible if traffic slows or the premium multiple compresses. Uncertainty dominates the outlook: the earnings beat did not settle the valuation debate, price is still below the 200-day average, part of the EPS beat is non-recurring and is being passed through in lower prices, and X sentiment is too sparse to confirm a durable bid. This is not a forecast guarantee or personalized advice.

Market sentiment

Recent X discussion is thin and mixed, so the social signal is uncertain. Constructive posts treat Costco as a defensive membership compounder, note that consumer traffic and renewals have not rolled over, and sketch tactical longs toward the mid-$950s with stops near $900. Skeptical posts argue a beat still failed to re-rate the stock because roughly 44x earnings already prices in growth, and that ex-fuel comps were not strong enough for the premium; several holders say they would add only on a deeper pullback toward $850-$880 rather than chase the low $920s. Net tone is respectful of the business and valuation-sensitive, not a broad momentum consensus.

Supporting evidence

Implied volatility is elevated at 19.34%, reflecting uncertainty surrounding future price movements. | The term structure of implied volatility shows a backwardation pattern (near-term higher IV than longer-term), suggesting potential for short-term volatility. | The stock is trading below its 50-day and 200-day moving averages, indicating a medium-term bearish trend. | Analyst consensus remains positive with a Moderate Buy rating and price targets clustered near $1,046-$1,058.

Risk watch

Valuation concerns remain as COST trades at a premium multiple of 44.5x trailing earnings and 40.5x forward earnings.

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%	91.0
Strategy Fit	100.0%	71.3
Technical Trend	100.0%	44.5
Market Tail Risk	100.0%	63.8
Fundamental Quality	100.0%	55.6
Volatility Pressure	100.0%	37.2

Decision summary

Primary model reads before the detailed indicator appendix

Momentum	Institutional flow	Structure	Volatility
strong_bear	**Above 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)	**64.31 / 52.36 / 49.18**
RSI velocity	**3.48**
MACD line / signal / histogram	**-7.94 / - / -10.93**
MACD acceleration	**1.51**
Stochastic K / D	**67.71 / 51.11**

Institutional footprints

Volume-weighted cost, price location and flow

Current read	**Above institutional MVWAP | Distribution bias**
Institutional flow	**-1.24**
20-day MVWAP	**$909.76**
Price vs 20-day MVWAP	**+1.35%**
Daily reference VWAP	**$922.34**
Price vs daily reference	**-0.03%**
Volume	**998.12K**

Structural context

Long-term trend and volatility boundaries

Current read	**Below 200-day trend | Negative macro velocity**
Macro velocity	**-1.57**
20-day / 200-day SMA	**$911.07 / $960.59**
Bollinger range	**$880.45 - $941.69**
Bollinger position	**0.694**

Options and volatility intelligence

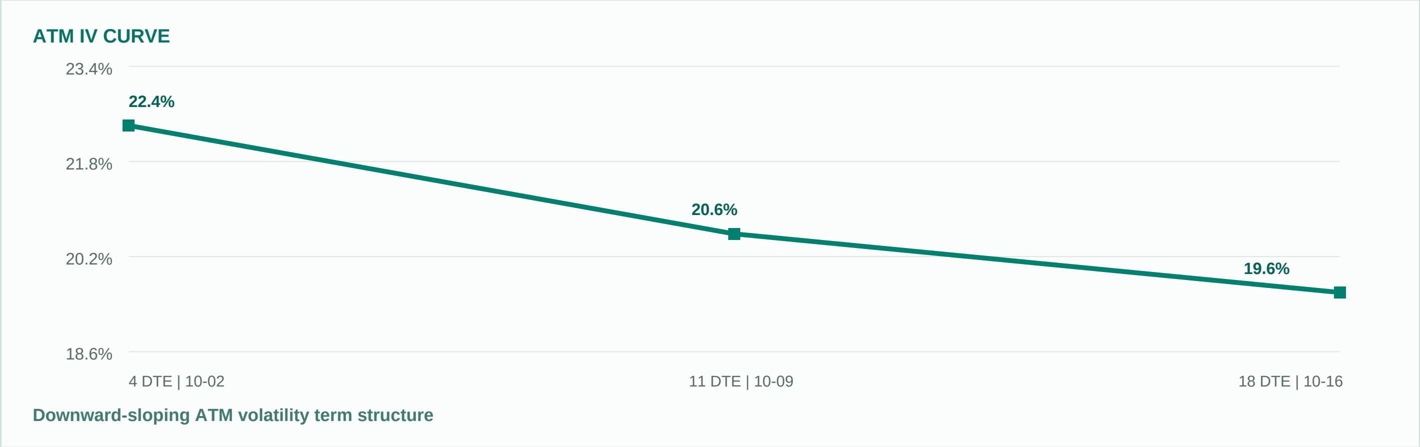
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
17 / 100	**8 / 100**	**90.44**	**144.91**

Market regime	**Calm**
Tail-risk regime	**NORMAL TAIL RISK**
Term structure	**backwardation**
Term slope	**-2.82 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 28, 2026 2:45 PM EDT**
Options data quality	**Coverage 88.9%**

Option term structure

ATM implied-volatility curve by days to expiration



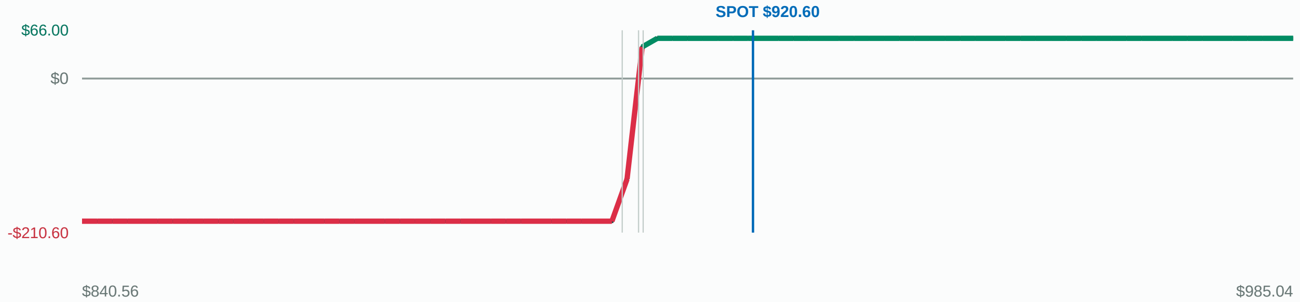
EXPIRATION	DTE	ATM IV	STATE
2026-10-02	4	22.4%	-
2026-10-09	11	20.6%	-
2026-10-16	18	19.6%	-

Reference spread payoff

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

Bull Put Spread reference

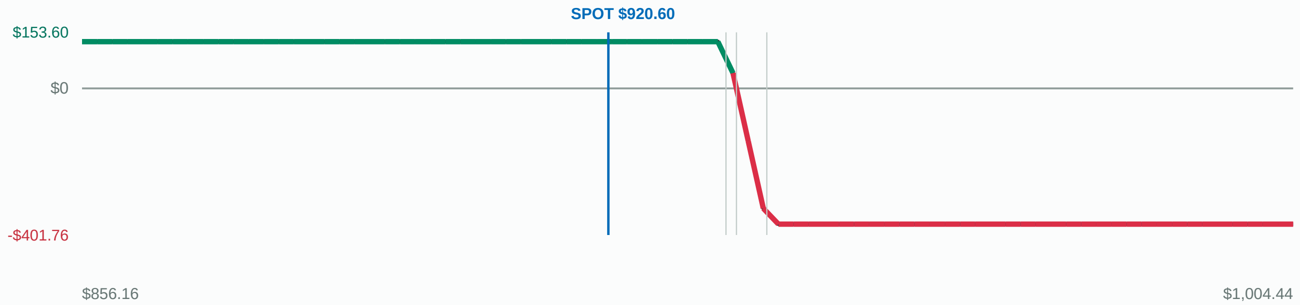
Short $907.50 | Long $905.00 | Width $2.50 | Net credit $0.55



Max profit $55.00 | Max loss -$195.00 | Break-even $906.95 | Per contract at expiry

Bear Call Spread reference

Short $935.00 | Long $940.00 | Width $5.00 | Net credit $1.28



Max profit $128.00 | Max loss -$372.00 | Break-even $936.28 | Per contract at expiry

Event and tail-risk context

Known event windows and broad volatility conditions

Next earnings date	**2026-12-10**
Earnings IV-crush risk	**NOT MEASURED**
VIX	**15.90**
VVIX	**90.44**
SKEW index	**144.91**
Observation confidence	**high**
Option quote quality	**reliable**
Contracts observed	**121**

Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	**121**

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The COST option market suggests a cautious outlook with potential for sideways to modestly higher price action in the near term. While recent earnings beat expectations, the stock remains below key moving averages and valuation concerns persist. The implied volatility skew is balanced, indicating no strong directional bias.

Options context

COST Option Market Implies Range-Bound Price Action

Wheel context

The current option market structure presents opportunities for neutral strategies like straddles or strangles if volatility expectations are met. However, investors should be mindful of the potential for range-bound price action.

Observed evidence

Implied volatility is elevated at 19.34%, reflecting uncertainty surrounding future price movements. | The term structure of implied volatility shows a backwardation pattern (near-term higher IV than longer-term), suggesting potential for short-term volatility. | The stock is trading below its 50-day and 200-day moving averages, indicating a medium-term bearish trend. | Analyst consensus remains positive with a Moderate Buy rating and price targets clustered near $1,046-$1,058.

Principal risks to monitor

Valuation concerns remain as COST trades at a premium multiple of 44.5x trailing earnings and 40.5x forward earnings.

Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization **$409.23B**	P/E (TTM) **44.36**
ROE **28.0%**	Revenue growth **7.8%**
EPS growth **13.6%**	Operating margin **3.9%**
Net profit margin **3.0%**	Gross margin **-**
Free cash flow CAGR **11.8%**	Debt / equity **0.17**
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 **-2.2%**
Book value per share **$80.77**	Revenue per share **$682.22**

Website	costco.com

Latest strategy observation

Most recent shared general market signal available when this report was generated

COST Covered Call signal

Sep 28, 2026 9:46 AM EDT

Covered Call | 2026-10-02

At signal $924.85 | Current $922.07

SHORT **Option $915.00 B $15.20 / A $17.00**

High turnover | CR $16.10

Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	**$15.91**
ATR as % of price	**1.7%**
Volatility environment	**low**
Current IV	**19.0%**
IV rank	**14 / 100**
IV percentile	**5 / 100**
Technical Snapshot IV source	**Private fundamentals snapshot**
Technical Snapshot IV observed at	**Sep 28, 2026 7:31 PM EDT**

Technical health and risk radar

Derived indicator health and event context

Overall health	**66 / 100**
Trend health	**25 / 100**
Momentum health	**95 / 100**
Volatility health	**84 / 100**
Structure health	**81 / 100**
Earnings risk / date	**low | 2026-12-10**
Macro risk	**unknown**
Volatility risk	**low**
Structure risk	**low**

Structural indicator levels

Moving averages, volatility bands and observed trading ranges

SMA (20 / 50 / 200)	**$911.07 / $934.09 / $960.59**
EMA (9 / 21)	**$909.31 / $914.56**
Bollinger upper / middle / lower	**$941.69 / $911.07 / $880.45**

Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	**0.694**
True high / low	**$931.09 / $913.00**
5-day true high / low	**$931.09 / $883.10**

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	-1.568	**-**
SMA50	-0.406	**-**
MVWAP20	-1.241	**-**
MACD	1.513	**-**
RSI	3.484	**-**
Volume	46104.330	**-**
ATR	0.742	**-**
T1	-	**-9.93 / 910.26 / 925.14 / 883.10**
T2	-	**-12.31 / 911.54 / 909.43 / 895.26**
T3	-	**-12.48 / 913.49 / 905.59 / 893.36**

Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	**$920.60**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Sep 28, 2026 2:45 PM EDT**
Options data coverage	**88.9%**
SKEW regime	**HIGH TAIL RISK SKEW**
VVIX regime	**VVIX FLAT**
Front expiration / DTE	**2026-10-02 | 4 DTE**
Front at-the-money IV	**22.4%**
25-delta skew	**-0.67**
Put / Call 25-delta	**$907.50 Delta -0.256 / $935.00 Delta 0.279**
Median option bid/ask spread	**17.4%**
Bid/ask spread	**-**
Contracts observed / quoted	**121 / 121**

Price context

Last Price: 920.60 | Bid: 920.53 | Ask: 921.08 | Previous Close: 922.76 | Change: -2.16 | Daily change: -0.23% | Update Time: 2026-09-28T14:45:19.696585-04:00 | Latest History Date: 2026-09-28 | Latest History Price: 920.60

Historical context

Trading-day sample: 60 sessions | First Date: 2026-07-06 | Latest Date: 2026-09-28 | Latest Price: 920.60 | Max Drawdown 60d Percent: -8.24%

Fundamental context

Current Iv Percent: 19.34% | Iv Rank: 17.31 | Iv Percentile: 8.37 | Next Earnings Date: 2026-12-10 | 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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