



Costco Wholesale Corp / COST

Equity | Generated Oct 2, 2026 11:31 PM EDT

Current price	Daily move	Bid / Ask	Previous close
\$919.55	+4.61 +0.50%	-/-	\$914.94

Market	NYSE
Industry	Retail
Market data as of	Oct 2, 2026 11:31 PM EDT

JW Intelligence Report

Complete | 3 of 3 sections | Oct 2, 2026 7:50 PM EDT

JW Rank	Rank label	Confidence	IV percentile
55.0 / 100	Balanced	high	4 / 100
Model reference	Upside scenario	Risk reference	Wheel strategy fit
\$908.00	\$935.00	\$890.00	71 / 100

Options stance	neutral
Tail-risk safety	56 / 100
JW Rank data coverage / as of	100.0% Oct 2, 2026 7:50 PM EDT

Key insight

COST Option Market Implies Range-Bound Trading

Market read

The COST option market suggests a neutral outlook with potential for range-bound trading in the near term. While implied volatility is elevated, reflecting uncertainty surrounding upcoming earnings and macroeconomic factors, there are no clear directional signals from skew or term structure.

Strategy context

COST's recent earnings beat was met with a muted stock reaction, suggesting the current valuation already reflects strong growth expectations. The upcoming holiday season and potential impact of macroeconomic factors could influence near-term price action.



JW AI conclusions

Short- and medium-term model interpretation

AI context bias	Mixed
AI analysis updated	Oct 2, 2026 1:55 PM EDT

Short-term scenario

Cautious hold or selective buy on dips toward support. 1-3 week outlook is range-bound with overhead resistance; avoid chasing until price reclaims the 50-day MA. Uncertainty is elevated due to premium valuation, mixed technicals, and sensitivity to any sales softness.

Three-month outlook

Moderately constructive on operations: warehouse expansion, digital growth (>19% comps), and sticky high-renewal membership support continued mid-to-high single-digit sales growth and earnings progress. However, the elevated valuation leaves limited room for multiple expansion and heightens downside risk if comps decelerate or consumer spending weakens. Analyst targets imply low-to-mid teens upside, but recent muted price action and technical resistance suggest gradual appreciation or continued consolidation is more probable than a sharp rally. Key uncertainties include macro consumer health, tariff/inflation pass-through, execution on the accelerated opening plan, and whether growth remains sufficient to justify the premium multiple. This is not investment advice; outcomes can differ materially from expectations.

Market sentiment

Cautious to neutral. Earnings beat widely acknowledged but shares failed to rally meaningfully as the ~40x+ multiple already prices in solid growth; adjusted comps viewed as good but not spectacular enough. Seen as a high-quality, resilient membership retailer suited to steady compounding rather than near-term multiple expansion. Recent notes of modest insider selling; limited fresh bullish conviction at current levels.

Supporting evidence

Implied volatility at 18.57% indicates heightened market expectations for price movement. | The balanced delta 25 skew suggests a neutral outlook with no strong preference for either upside or downside moves. | The flat term structure, with near-term and longer-term IV levels similar, implies that the market sees limited directional bias over different time horizons.

Risk watch

Elevated implied volatility exposes option buyers to potentially higher premiums if price movement remains within a narrow range.



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



Decision summary

Primary model reads before the detailed indicator appendix

Momentum

strong_bear

Institutional flow

Above MVWAP

Structure

Below 200D trend

Volatility

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)	58.43 / 51.36 / 48.87
RSI velocity	-0.59
MACD line / signal / histogram	-4.09 / - / -7.50
MACD acceleration	0.69
Stochastic K / D	67.12 / 70.79

Institutional footprints

Volume-weighted cost, price location and flow

Current read	Above institutional MVWAP Distribution bias
Institutional flow	-0.71
20-day MVWAP	\$907.23
Price vs 20-day MVWAP	+1.36%
Daily reference VWAP	\$917.16
Price vs daily reference	+0.26%
Volume	784.62K

Structural context

Long-term trend and volatility boundaries

Current read	Below 200-day trend Negative macro velocity
Macro velocity	-0.80
20-day / 200-day SMA	\$907.71 / \$961.42
Bollinger range	\$886.70 - \$928.72
Bollinger position	0.808



Options and volatility intelligence

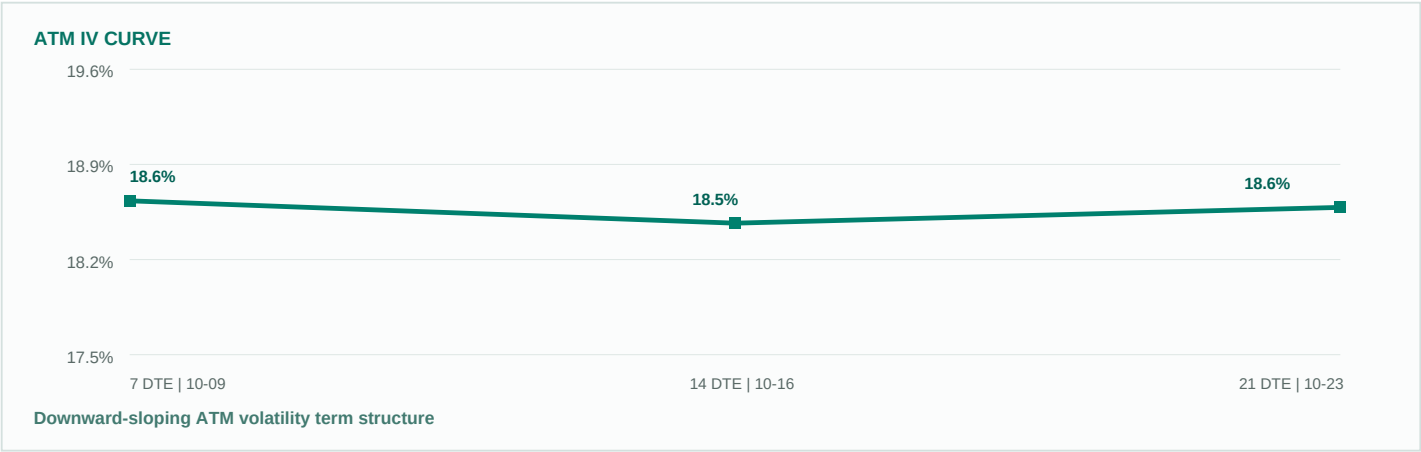
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
11 / 100	4 / 100	88.65	142.77

Market regime	Calm
Tail-risk regime	NORMAL TAIL RISK
Term structure	flat
Term slope	-0.05 pts
Skew read	balanced
Liquidity / quote coverage	100.0%
Options Snapshot IV sources	ATM: option chain Rank/percentile: fundamentals
Options Snapshot IV observed at	Oct 2, 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
2026-10-09	7	18.6%	-
2026-10-16	14	18.5%	-
2026-10-23	21	18.6%	-

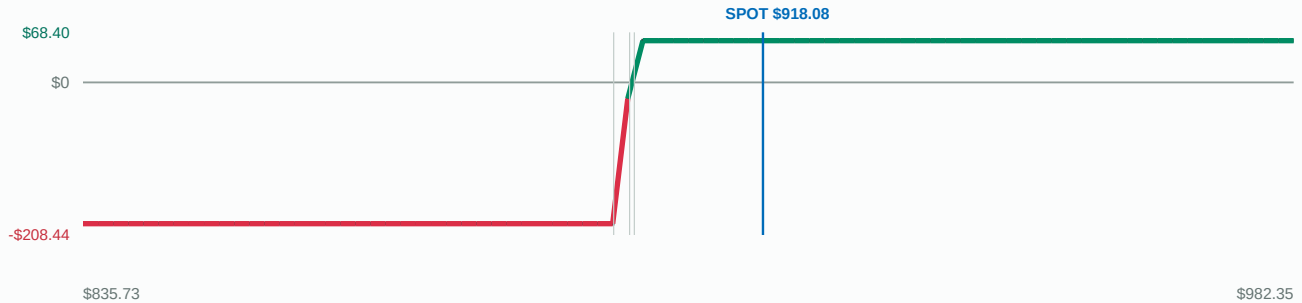


Reference spread payoff

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

Bull Put Spread reference

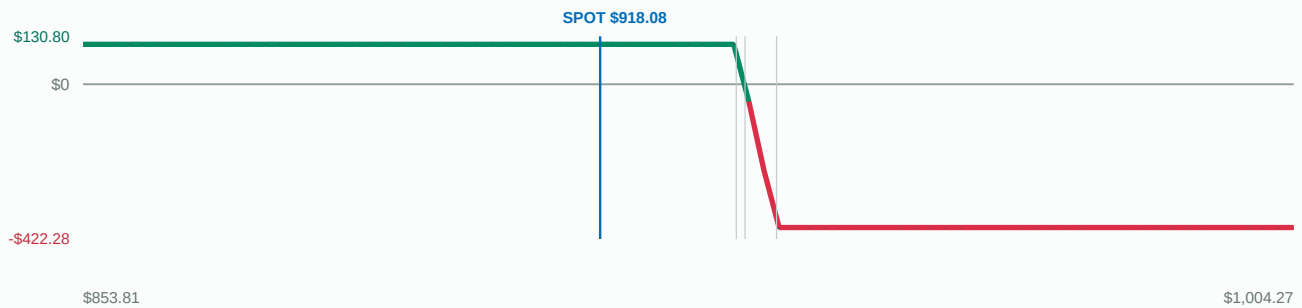
Short \$902.50 | Long \$900.00 | Width \$2.50 | Net credit \$0.57



Max profit \$57.00 | Max loss -\$193.00 | Break-even \$901.93 | Per contract at expiry

Bear Call Spread reference

Short \$935.00 | Long \$940.00 | Width \$5.00 | Net credit \$1.09



Max profit \$109.00 | Max loss -\$391.00 | Break-even \$936.09 | 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	15.56
VVIX	88.65
SKEW index	142.77
Observation confidence	high
Option quote quality	reliable
Contracts observed	120



Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	120

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

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Options context

COST Option Market Implies Range-Bound Trading

Wheel context

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Observed evidence

Implied volatility at 18.57% indicates heightened market expectations for price movement. | The balanced delta 25 skew suggests a neutral outlook with no strong preference for either upside or downside moves. | The flat term structure, with near-term and longer-term IV levels similar, implies that the market sees limited directional bias over different time horizons.

Principal risks to monitor

Elevated implied volatility exposes option buyers to potentially higher premiums if price movement remains within a narrow range.



Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization	P/E (TTM)
\$405.56B	43.48
ROE	Revenue growth
28.0%	7.8%
EPS growth	Operating margin
13.6%	3.9%
Net profit margin	Gross margin
3.0%	-
Free cash flow CAGR	Debt / equity
11.8%	0.17
Dividend yield	Beta
0.7%	0.86
52-week range	
\$844.06 - \$1,096.50	

Company or fund profile

Issuer identity and classification

Name	Market
Costco Wholesale Corp	NYSE
Industry	Country
Retail	US
Currency	IPO date
USD	1985-12-05
Shares outstanding	52-week return
443.48M	0.8%
Book value per share	Revenue per share
\$80.77	\$682.22
Website	costco.com



Latest strategy observation

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

COST Covered Call signal	Oct 2, 2026 10:34 AM EDT
Covered Call 2026-10-09	
At signal \$912.90 Current \$919.55	
SHORT Option \$925.00 B \$4.40 / A \$5.05	
Conservative CR \$4.73	



Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	\$15.71
ATR as % of price	1.7%
Volatility environment	low
Current IV	18.7%
IV rank	12 / 100
IV percentile	4 / 100
Technical Snapshot IV source	Private fundamentals snapshot
Technical Snapshot IV observed at	Oct 2, 2026 3:50 PM EDT

Technical health and risk radar

Derived indicator health and event context

Overall health	63 / 100
Trend health	25 / 100
Momentum health	93 / 100
Volatility health	84 / 100
Structure health	69 / 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)	\$907.71 / \$933.13 / \$961.42
EMA (9 / 21)	\$914.17 / \$915.51
Bollinger upper / middle / lower	\$928.72 / \$907.71 / \$886.70



Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	0.808
True high / low	\$921.18 / \$909.66
5-day true high / low	\$931.09 / \$903.77

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	-0.799	-
SMA50	-0.244	-
MVWAP20	-0.705	-
MACD	0.692	-
RSI	-0.594	-
Volume	-106241.330	-
ATR	-0.004	-
T1	-	-5.15 / 907.70 / 923.50 / 903.77
T2	-	-5.84 / 908.55 / 926.39 / 910.30
T3	-	-6.16 / 909.35 / 925.97 / 912.66



Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	\$918.08
Options Snapshot IV sources	ATM: option chain Rank/percentile: fundamentals
Options Snapshot IV observed at	Oct 2, 2026 2:45 PM EDT
Options data coverage	88.9%
SKEW regime	HIGH TAIL RISK SKEW
VVIX regime	VVIX FLAT
Front expiration / DTE	2026-10-09 7 DTE
Front at-the-money IV	18.6%
25-delta skew	0.55
Put / Call 25-delta	\$902.50 Delta -0.246 / \$935.00 Delta 0.254
Median option bid/ask spread	13.0%
Bid/ask spread	-
Contracts observed / quoted	120 / 120

Price context

Last Price: 918.08 | Bid: 917.92 | Ask: 918.24 | Previous Close: 914.94 | Change: 3.14 | Daily change: 0.34% | Update Time: 2026-10-02T14:45:31.112473-04:00 | Latest History Date: 2026-10-02 | Latest History Price: 918.08

Historical context

Trading-day sample: 60 sessions | First Date: 2026-07-10 | Latest Date: 2026-10-02 | Latest Price: 918.08 | Max Drawdown 60d Percent: -8.24%

Fundamental context

Current Iv Percent: 18.57% | Iv Rank: 10.67 | Iv Percentile: 3.59 | 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.

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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.

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Reference documents

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