



Costco Wholesale Corp / COST

Equity | Generated Oct 6, 2026 11:30 PM EDT

Current price	Daily move	Bid / Ask	Previous close
\$935.76	+12.24 +1.33%	\$932.41/\$938.60	\$923.52

Market	NYSE
Industry	Retail
Market data as of	Oct 6, 2026 11:30 PM EDT

JW Intelligence Report

Complete | 3 of 3 sections | Oct 6, 2026 7:50 PM EDT

JW Rank	Rank label	Confidence	IV percentile
59.1 / 100	Balanced	high	3 / 100
Model reference	Upside scenario	Risk reference	Wheel strategy fit
\$918.00	\$962.00	\$895.00	69 / 100

Options stance	neutral
Tail-risk safety	56 / 100
JW Rank data coverage / as of	100.0% Oct 6, 2026 7:50 PM EDT

Key insight

COST Option Market Implies Range-Bound Trading

Market read

The COST option market suggests a cautious outlook with potential for range-bound trading in the near term. While implied volatility is elevated, reflecting uncertainty surrounding upcoming sales data and broader consumer trends, there isn't a clear directional bias. The term structure exhibits backwardation, indicating a preference for shorter-term options.

Strategy context

COST's upcoming September sales report on October 7th is a key event risk. The market anticipates potential volatility around this release.



JW AI conclusions

Short- and medium-term model interpretation

AI context bias

Bearish

AI analysis updated

Oct 6, 2026 1:45 PM EDT

Short-term scenario

Cautious and event-driven over 1-3 weeks. Do not chase into the Oct. 7 sales report; prefer a pullback entry or standing aside. A stable or better September print could support a bounce, while a further comps miss risks a retest of recent lows. Conviction is low.

Three-month outlook

Base case is range-bound to modestly higher trading, roughly \$900-\$1,000, not a sharp re-rating. The membership engine, high renewal rates, warehouse expansion, and digital growth still support mid-to-high single-digit sales growth and earnings compounding, and street targets near \$1,060-\$1,090 imply low-teens upside only if the multiple holds near 40x forward and comps stabilize. Downside is real if the monthly sales slowdown continues or the consumer weakens further. Uncertainty is material: valuation leaves little room for disappointment, the sales trend is unresolved, and macro data can dominate the next quarter. This is not a guarantee of return.

Market sentiment

Recent X discussion is thin and mixed-to-constructive. COST is often cited as a long-term buy-and-hold compounder because of membership stickiness, but several posts argue that a roughly 40x forward multiple already prices that quality, so returns should come from steady execution rather than multiple expansion. Some tie the stock to broader consumer-pressure narratives and warn that soft sales data can hurt a premium multiple. Uncertainty: engagement is low, promotional watchlist posts dilute the signal, and this is not a reliable read of institutional positioning.

Supporting evidence

Implied volatility is currently 18.73%, suggesting heightened market uncertainty. | The option chain shows a balanced skew with slight call favoritism. | The term structure slopes downward, implying higher implied volatility for near-term expirations compared to longer-term options.

Risk watch

Continued slowdown in monthly comparable sales could pressure the stock price.



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

bearish_warning

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	BEARISH WARNING neutral MACD accelerating
Trend signal	BEARISH WARNING
RSI signal	neutral
RSI (7 / 14 / 21)	70.34 / 58.26 / 53.54
RSI velocity	3.24
MACD line / signal / histogram	-1.12 / - / -5.50
MACD acceleration	1.34
Stochastic K / D	86.65 / 76.68

Institutional footprints

Volume-weighted cost, price location and flow

Current read	Above institutional MVWAP Accumulation bias
Institutional flow	0.04
20-day MVWAP	\$907.82
Price vs 20-day MVWAP	+3.08%
Daily reference VWAP	\$930.57
Price vs daily reference	+0.56%
Volume	693.97K

Structural context

Long-term trend and volatility boundaries

Current read	Below 200-day trend Positive macro velocity
Macro velocity	0.48
20-day / 200-day SMA	\$909.37 / \$962.10
Bollinger range	\$884.23 - \$934.52
Bollinger position	1.023



Options and volatility intelligence

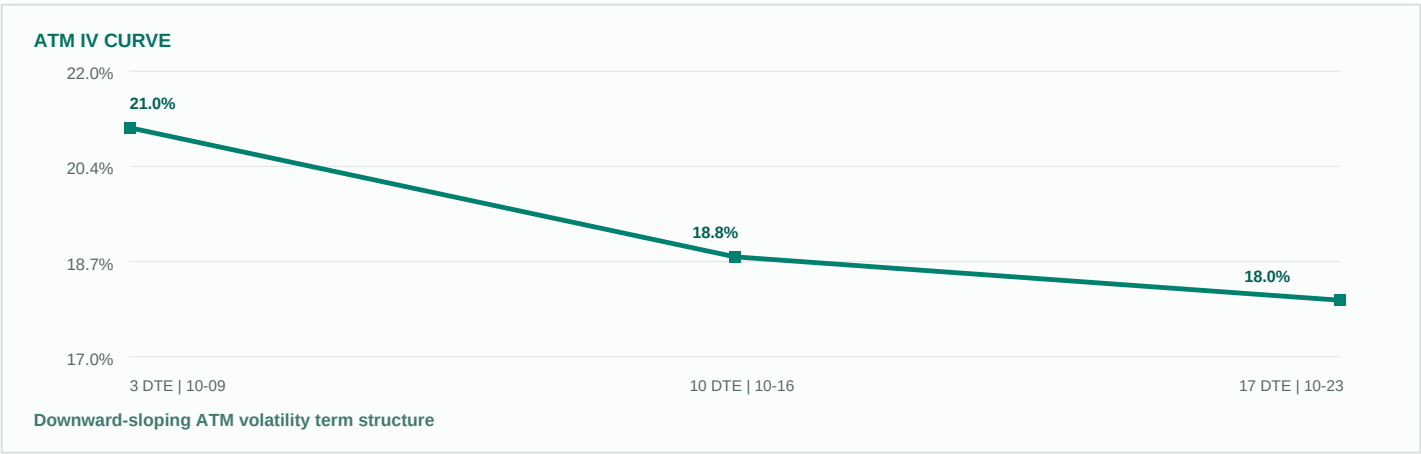
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
12 / 100	4 / 100	82.09	143.04

Market regime	Calm
Tail-risk regime	NORMAL TAIL RISK
Term structure	backwardation
Term slope	-3.06 pts
Skew read	balanced
Liquidity / quote coverage	99.3%
Options Snapshot IV sources	ATM: option chain Rank/percentile: fundamentals
Options Snapshot IV observed at	Oct 6, 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	3	21.0%	-
2026-10-16	10	18.8%	-
2026-10-23	17	18.0%	-



Reference spread payoff

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



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	15.03
VVIX	82.09
SKEW index	143.04
Observation confidence	high
Option quote quality	reliable
Contracts observed	150



Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	149

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The COST option market suggests a cautious outlook with potential for range-bound trading in the near term. While implied volatility is elevated, reflecting uncertainty surrounding upcoming sales data and broader consumer trends, there isn't a clear directional bias. The term structure exhibits backwardation, indicating a preference for shorter-term options.

Options context

COST Option Market Implies Range-Bound Trading

Wheel context

COST's upcoming September sales report on October 7th is a key event risk. The market anticipates potential volatility around this release.

Observed evidence

Implied volatility is currently 18.73%, suggesting heightened market uncertainty. | The option chain shows a balanced skew with slight call favoritism. | The term structure slopes downward, implying higher implied volatility for near-term expirations compared to longer-term options.

Principal risks to monitor

Continued slowdown in monthly comparable sales could pressure the stock price.



Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization	P/E (TTM)
\$409.37B	44.28
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%	0.88
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	0.4%
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 6, 2026 9:56 AM EDT
Covered Call 2026-10-09	
At signal \$925.20 Current \$935.76	
SHORT Option \$930.00 B \$5.40 / A \$6.00	
Conservative CR \$5.70	



Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	\$15.54
ATR as % of price	1.7%
Volatility environment	low
Current IV	18.4%
IV rank	9 / 100
IV percentile	3 / 100
Technical Snapshot IV source	Private fundamentals snapshot
Technical Snapshot IV observed at	Oct 6, 2026 3:50 PM EDT

Technical health and risk radar

Derived indicator health and event context

Overall health	63 / 100
Trend health	38 / 100
Momentum health	94 / 100
Volatility health	85 / 100
Structure health	48 / 100
Earnings risk / date	low 2026-12-10
Macro risk	unknown
Volatility risk	low
Structure risk	high

Structural indicator levels

Moving averages, volatility bands and observed trading ranges

SMA (20 / 50 / 200)	\$909.37 / \$932.58 / \$962.10
EMA (9 / 21)	\$919.97 / \$918.01
Bollinger upper / middle / lower	\$934.52 / \$909.37 / \$884.23



Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	1.023
True high / low	\$937.04 / \$919.00
5-day true high / low	\$937.04 / \$903.77

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	0.475	-
SMA50	-0.219	-
MVWAP20	0.040	-
MACD	1.342	-
RSI	3.243	-
Volume	-112209.670	-
ATR	-0.166	-
T1	-	-2.99 / 907.20 / 925.34 / 914.75
T2	-	-4.09 / 907.23 / 921.18 / 909.66
T3	-	-5.15 / 907.70 / 923.50 / 903.77



Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	\$933.92
Options Snapshot IV sources	ATM: option chain Rank/percentile: fundamentals
Options Snapshot IV observed at	Oct 6, 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 3 DTE
Front at-the-money IV	21.0%
25-delta skew	0.26
Put / Call 25-delta	\$922.50 Delta -0.257 / \$945.00 Delta 0.277
Median option bid/ask spread	15.5%
Bid/ask spread	-
Contracts observed / quoted	150 / 149

Price context

Last Price: 933.92 | Bid: 933.59 | Ask: 934.05 | Previous Close: 923.52 | Change: 10.40 | Daily change: 1.13% | Update Time: 2026-10-06T14:45:57.572297-04:00 | Latest History Date: 2026-10-06 | Latest History Price: 933.92

Historical context

Trading-day sample: 60 sessions | First Date: 2026-07-14 | Latest Date: 2026-10-06 | Latest Price: 933.92 | Max Drawdown 60d Percent: -8.24%

Fundamental context

Current Iv Percent: 18.73% | Iv Rank: 12.00 | Iv Percentile: 3.98 | Next Earnings Date: 2026-12-10 | Ex Dividend Date: 2026-07-23



Important disclosures

Scope, limitations, risk and permitted interpretation

General market information only

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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.

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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

Official product terms and standardized options disclosure

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