



Costco Wholesale Corp / COST

Equity | Generated Oct 8, 2026 11:30 PM EDT

Current price	Daily move	Bid / Ask	Previous close
\$947.05	+4.80 +0.51%	-/-	\$942.25

Market	NYSE
Industry	Retail
Market data as of	Oct 8, 2026 11:31 PM EDT

JW Intelligence Report

Complete | 3 of 3 sections | Oct 8, 2026 7:50 PM EDT

JW Rank	Rank label	Confidence	IV percentile
60.3 / 100	Balanced	high	3 / 100
Model reference	Upside scenario	Risk reference	Wheel strategy fit
\$940.00	\$975.00	\$918.00	67 / 100

Options stance	neutral
Tail-risk safety	56 / 100
JW Rank data coverage / as of	100.0% Oct 8, 2026 7:50 PM EDT

Key insight

COST Option Market Implies Balanced Outlook with Moderate Upside Potential

Market read

The COST option market presents a neutral outlook, reflecting balanced sentiment and moderate upside potential. While recent sales figures exceeded expectations, the elevated valuation and uncertainty surrounding future growth warrant caution.

Strategy context

COST's recent sales beat has boosted sentiment, but valuation concerns remain. The option market reflects this mixed outlook with moderate implied volatility and a balanced skew.



JW AI conclusions

Short- and medium-term model interpretation

AI context bias

Bullish

AI analysis updated

Oct 8, 2026 1:44 PM EDT

Short-term scenario

Tactical, cautious long bias for 1-3 weeks only if bought on a modest pullback. Sales momentum is a near-term tailwind, but overhead 200-day resistance and a rich multiple argue against chasing. This is a trade setup, not a fundamental recommendation; slippage, gap risk, and a failed breakout are real.

Three-month outlook

Moderately constructive but valuation-constrained, with material uncertainty. The membership model, core comps in the mid-to-high single digits after adjustments, digital growth near 20%, and planned warehouse expansion support continued earnings growth. Street targets near \$1,058 imply upside over a longer horizon, yet a ~45x trailing multiple leaves little room if comps cool or risk appetite fades. Base case over three months is a choppy range roughly \$900-\$1,020, with a mild upside bias toward the high \$900s to low \$1,000s if monthly sales stay firm. Downside toward the high \$800s is plausible if growth decelerates or the multiple compresses. Key uncertainties include consumer spending, gasoline and FX distortion of comps, tariff effects, timing of any special dividend, and broader market multiples. Ranges are illustrative, not forecasts, and actual prices can move well outside them.

Market sentiment

Mixed and valuation-sensitive rather than euphoric. Traders highlighted the September sales beat, especially 7.6% comps ex-gas/FX versus ~6.5% expected and nearly 20% digital growth. Skeptics continue to flag a ~45x trailing P/E and the risk of further underperformance versus the broader market. One social-sentiment snapshot showed company mentions near 50% positive versus a higher typical daily average, with inflation a recurring criticism. High-engagement directional conviction is limited; promotional noise is elevated. Sentiment supports the sales story but does not resolve the valuation debate.

Supporting evidence

Implied volatility is slightly above average, suggesting moderate expected price movement. | The term structure shows a slight downward slope, indicating that near-term options are priced with slightly higher volatility than longer-term options. | Skew is balanced, meaning the market expects similar potential for both upside and downside moves.

Risk watch

Elevated valuation (45x trailing P/E) could limit upside potential if growth slows.



Enhanced price structure

45 trading days with volume, model levels and current technical reference bands

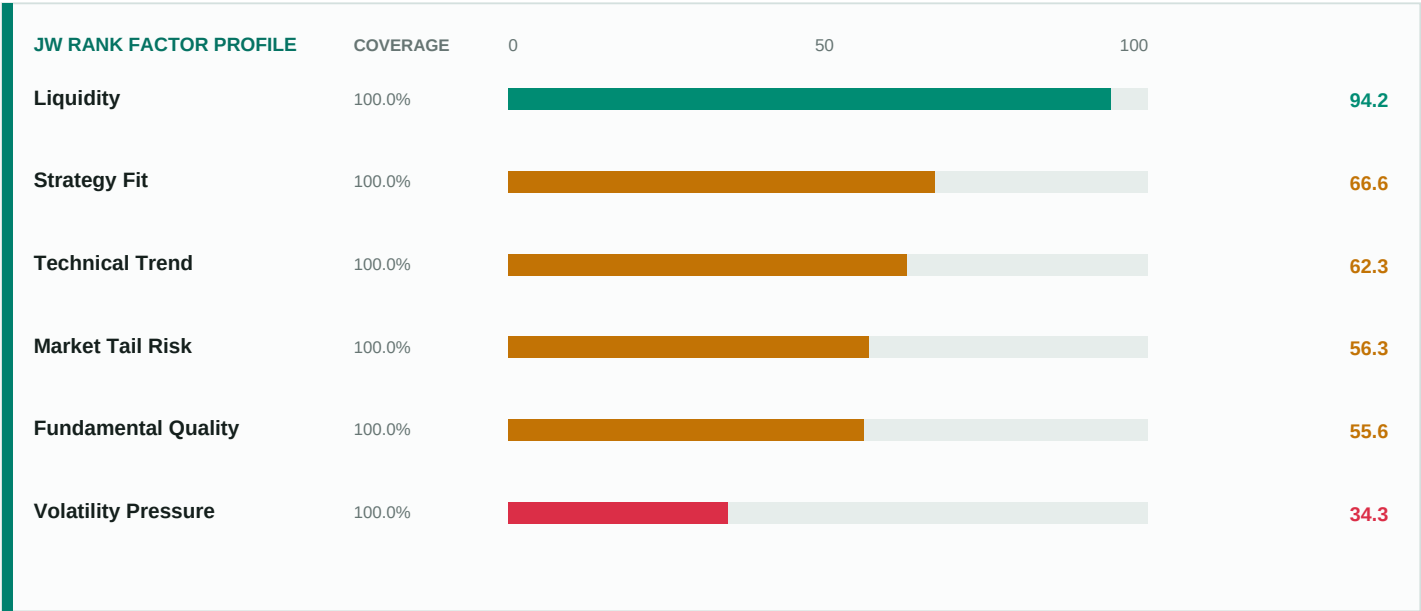


45 complete trading-session observations



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)	77.21 / 63.09 / 57.00
RSI velocity	3.44
MACD line / signal / histogram	2.89 / - / -2.80
MACD acceleration	1.96
Stochastic K / D	93.30 / 90.18

Institutional footprints

Volume-weighted cost, price location and flow

Current read	Above institutional MVWAP Accumulation bias
Institutional flow	1.47
20-day MVWAP	\$911.62
Price vs 20-day MVWAP	+3.89%
Daily reference VWAP	\$946.94
Price vs daily reference	+0.01%
Volume	1.06M

Structural context

Long-term trend and volatility boundaries

Current read	Below 200-day trend Positive macro velocity
Macro velocity	1.84
20-day / 200-day SMA	\$913.63 / \$962.99
Bollinger range	\$880.82 - \$946.44
Bollinger position	1.023



Options and volatility intelligence

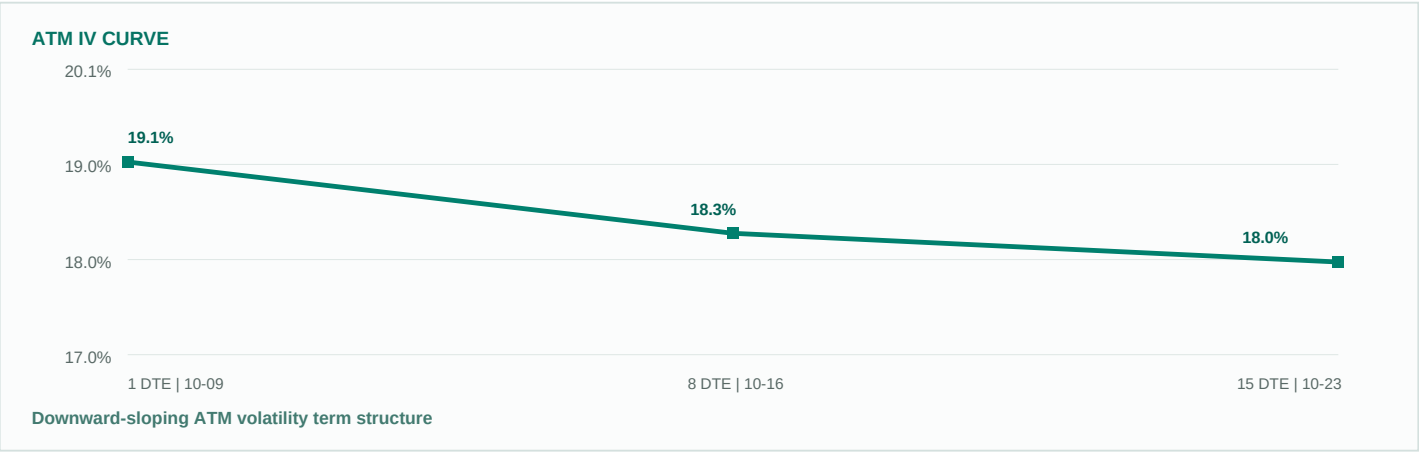
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
8 / 100	3 / 100	88.65	141.84

Market regime	Calm
Tail-risk regime	NORMAL TAIL RISK
Term structure	flat
Term slope	-1.08 pts
Skew read	balanced
Liquidity / quote coverage	97.7%
Options Snapshot IV sources	ATM: option chain Rank/percentile: fundamentals
Options Snapshot IV observed at	Oct 8, 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	1	19.1%	-
2026-10-16	8	18.3%	-
2026-10-23	15	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	15.70
VVIX	88.65
SKEW index	141.84
Observation confidence	high
Option quote quality	reliable
Contracts observed	130



Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	127

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The COST option market presents a neutral outlook, reflecting balanced sentiment and moderate upside potential. While recent sales figures exceeded expectations, the elevated valuation and uncertainty surrounding future growth warrant caution.

Options context

COST Option Market Implies Balanced Outlook with Moderate Upside Potential

Wheel context

COST's recent sales beat has boosted sentiment, but valuation concerns remain. The option market reflects this mixed outlook with moderate implied volatility and a balanced skew.

Observed evidence

Implied volatility is slightly above average, suggesting moderate expected price movement. | The term structure shows a slight downward slope, indicating that near-term options are priced with slightly higher volatility than longer-term options. | Skew is balanced, meaning the market expects similar potential for both upside and downside moves.

Principal risks to monitor

Elevated valuation (45x trailing P/E) could limit upside potential if growth slows.



Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization	P/E (TTM)
\$417.67B	45.24
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	2.7%
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 8, 2026 10:45 AM EDT
Covered Call 2026-10-09	
At signal \$944.79 Current \$947.05	
SHORT Option \$945.00 B \$4.50 / A \$5.05	
Conservative CR \$4.78	



Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	\$15.25
ATR as % of price	1.6%
Volatility environment	low
Current IV	18.3%
IV rank	8 / 100
IV percentile	3 / 100
Technical Snapshot IV source	Private fundamentals snapshot
Technical Snapshot IV observed at	Oct 8, 2026 3:50 PM EDT

Technical health and risk radar

Derived indicator health and event context

Overall health	61 / 100
Trend health	38 / 100
Momentum health	85 / 100
Volatility health	86 / 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)	\$913.63 / \$931.57 / \$962.99
EMA (9 / 21)	\$929.12 / \$922.73
Bollinger upper / middle / lower	\$946.44 / \$913.63 / \$880.82



Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	1.023
True high / low	\$953.29 / \$939.60
5-day true high / low	\$953.29 / \$909.66

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	1.845	-
SMA50	-0.442	-
MVWAP20	1.472	-
MACD	1.959	-
RSI	3.440	-
Volume	93147.000	-
ATR	-0.034	-
T1	-	0.88 / 909.49 / 948.77 / 935.68
T2	-	-1.12 / 907.83 / 937.04 / 919.00
T3	-	-2.99 / 907.20 / 925.34 / 914.75



Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	\$948.82
Options Snapshot IV sources	ATM: option chain Rank/percentile: fundamentals
Options Snapshot IV observed at	Oct 8, 2026 2:45 PM EDT
Options data coverage	88.9%
SKEW regime	HIGH TAIL RISK SKEW
VVIX regime	VVIX FALLING
Front expiration / DTE	2026-10-09 1 DTE
Front at-the-money IV	19.1%
25-delta skew	0.92
Put / Call 25-delta	\$940.00 Delta -0.197 / \$955.00 Delta 0.277
Median option bid/ask spread	21.1%
Bid/ask spread	-
Contracts observed / quoted	130 / 127

Price context

Last Price: 948.82 | Bid: 948.57 | Ask: 949.15 | Previous Close: 942.25 | Change: 6.57 | Daily change: 0.70% | Update Time: 2026-10-08T14:45:34.069717-04:00 | Latest History Date: 2026-10-08 | Latest History Price: 948.68

Historical context

Trading-day sample: 60 sessions | First Date: 2026-07-16 | Latest Date: 2026-10-08 | Latest Price: 948.68 | Max Drawdown 60d Percent: -8.24%

Fundamental context

Current Iv Percent: 18.26% | Iv Rank: 8.00 | Iv Percentile: 3.19 | 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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