Costco Wholesale Corp / COST

Equity | Generated Nov 5, 2026 11:30 PM EST

Current price	Daily move	Bid / Ask	Previous close
$1,057.00	+10.53 +1.01%	$1,053.94/$1,065.59	$1,046.47

Market	**NYSE**
Industry	**Retail**
Market data as of	**Nov 5, 2026 11:30 PM EST**

JW Intelligence Report

Complete | 3 of 3 sections | Nov 5, 2026 6:50 PM EST

JW Rank	Rank label	Confidence	IV percentile
77.8 / 100	Constructive	high	55 / 100

Model reference	Upside scenario	Risk reference	Wheel strategy fit
$1,045.00	$1,090.00	$1,020.00	84 / 100

Options stance	**bullish**
Tail-risk safety	**56 / 100**
JW Rank data coverage / as of	**100.0% | Nov 5, 2026 6:50 PM EST**

Key insight

Costco's Strong Sales Drive Optimism, But Valuation Concerns Remain

Market read

COST is showing bullish momentum driven by strong October sales exceeding expectations. The stock price has rallied significantly since late September, with analysts raising price targets and citing Costco's defensive membership model and solid U.S. traffic/comps. However, some investors are cautious due to the elevated valuation, approaching 50x trailing P/E, and potential for a pullback after the recent advance.

Strategy context

Costco's strong sales performance suggests continued demand for its products and services. However, the stock's recent rally has pushed it to a premium valuation, raising concerns about future upside potential.

JW AI conclusions

Short- and medium-term model interpretation

AI context bias	**Mixed**
AI analysis updated	**Nov 5, 2026 1:43 PM EST**

Short-term scenario

Cautious hold / do not chase. Prefer a pullback entry over buying strength. 1-3 week path is uncertain: momentum can extend toward recent highs, but elevated RSI and proximity to average analyst targets raise pullback risk. This is not a high-conviction directional call.

Three-month outlook

Fundamentals remain solid: membership renewal economics, mid-to-high single-digit adjusted comps, and strong digitally enabled growth support the defensive franchise into the holiday period and estimated Dec 10 earnings. However, the stock already trades near the center of the Street's target range after a sharp rally, so three-month upside looks limited unless comps or margins surprise positively. Downside risk rises if growth decelerates, the multiple compresses, or broader risk-off hits premium defensives. Base case is range-bound to modestly higher with elevated volatility around sales updates and earnings; a sustained break above the 52-week high would require better-than-expected holiday trends. Uncertainty is material: consumer spending, gasoline prices, FX, tariff accounting, and market multiples can all move the stock independently of company execution. Not investment advice.

Market sentiment

Mixed and not strongly directional in recent posts. Some traders treat the monthly sales release as a repeatable positive catalyst and note Costco's defensive membership model and solid U.S. traffic/comps. Others flag the premium multiple (high-40s to ~50x) as rich for a low-margin retailer and question further upside. Engagement on fresh $COST commentary is modest; older skeptical valuation posts still circulate. Uncertainty: X samples are noisy, include promotional noise, and do not represent a statistically reliable investor survey.

Supporting evidence

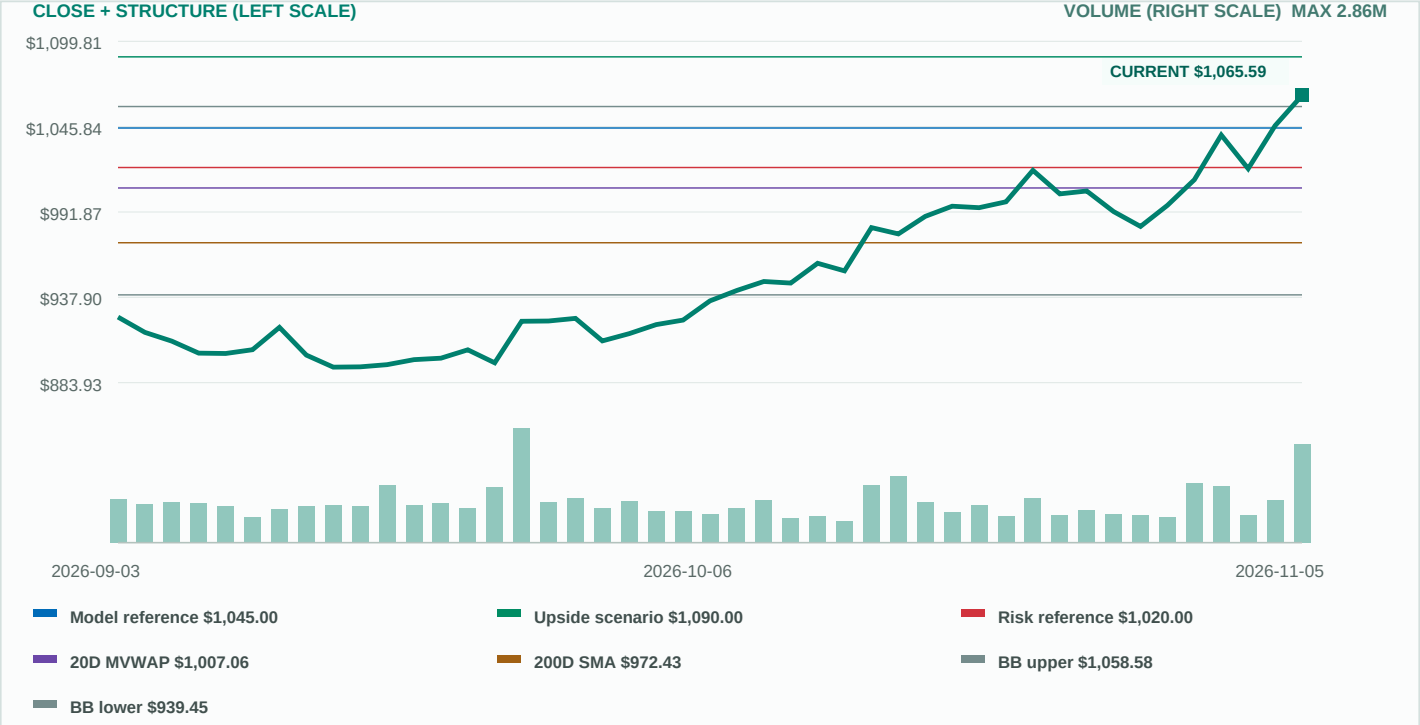
Costco reported October retail-month net sales of $24.50B, up 12.6% YoY, exceeding estimates. | JPMorgan raised its price target to $1,150 (Overweight maintained). | Short- and intermediate-term trend is bullish: price above key moving averages (50-day and 200-day). | RSI(14) near 69, signaling stretched momentum rather than a fresh oversold setup.

Risk watch

Elevated RSI(14) near 69 suggests potential for a pullback after the recent advance. | Valuation is rich at ~50x trailing P/E, potentially limiting further upside.

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	Institutional flow	Structure	Volatility
bullish_recovery	Above MVWAP	Above 200D trend	low

Decision indicators

Detailed momentum, institutional and structural observations

Momentum kinematics

Direction, velocity and oscillator state

Current read	**BULLISH RECOVERY | overbought | MACD accelerating**
Trend signal	**BULLISH RECOVERY**
RSI signal	**overbought**
RSI (7 / 14 / 21)	**75.15 / 72.05 / 69.09**
RSI velocity	**-0.22**
MACD line / signal / histogram	**26.37 / - / 21.63**
MACD acceleration	**1.57**
Stochastic K / D	**79.58 / 82.13**

Institutional footprints

Volume-weighted cost, price location and flow

Current read	**Above institutional MVWAP | Accumulation bias**
Institutional flow	**6.82**
20-day MVWAP	**$1,007.06**
Price vs 20-day MVWAP	**+4.96%**
Daily reference VWAP	**$1,069.38**
Price vs daily reference	**-1.16%**
Volume	**2.47M**

Structural context

Long-term trend and volatility boundaries

Current read	**Above 200-day trend | Positive macro velocity**
Macro velocity	**5.09**
20-day / 200-day SMA	**$999.02 / $972.43**
Bollinger range	**$939.45 - $1,058.58**
Bollinger position	**1.059**

Options and volatility intelligence

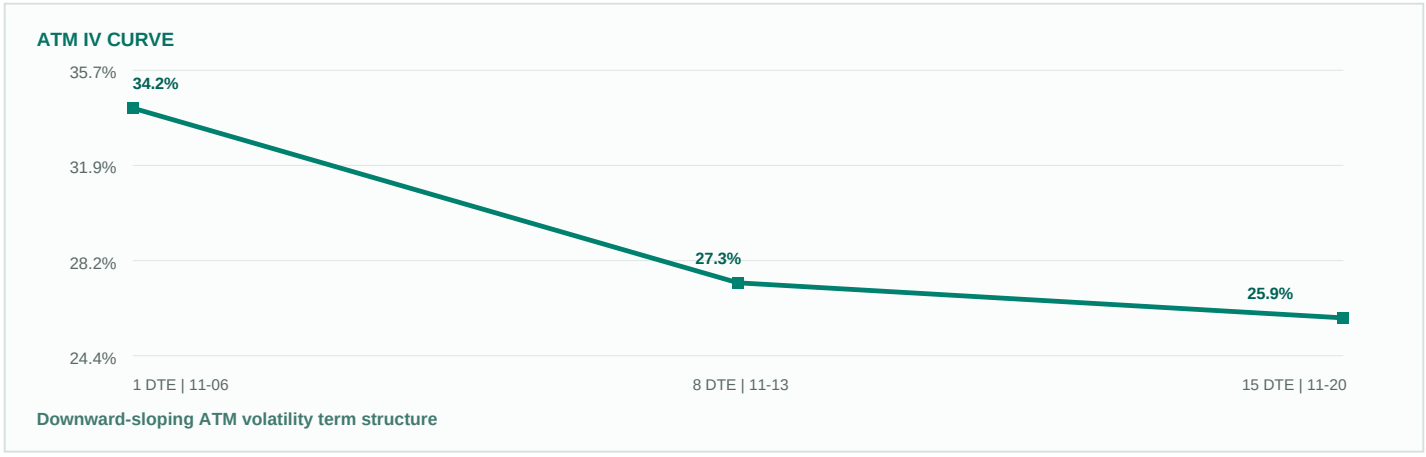
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
55 / 100	**67 / 100**	**124.07**	**150.90**

Market regime	**Calm**
Tail-risk regime	**NORMAL TAIL RISK**
Term structure	**backwardation**
Term slope	**-8.31 pts**
Skew read	**balanced**
Liquidity / quote coverage	**99.0%**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Nov 5, 2026 2:46 PM EST**
Options data quality	**Coverage 88.9%**

Option term structure

ATM implied-volatility curve by days to expiration



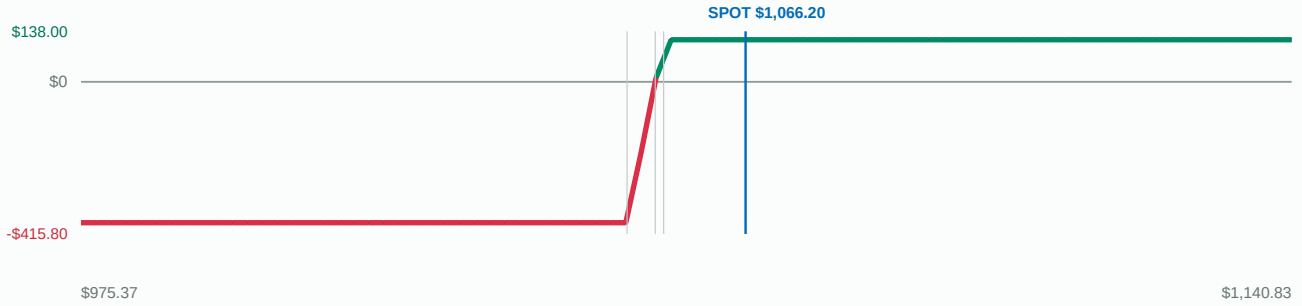
EXPIRATION	DTE	ATM IV	STATE
2026-11-06	1	34.2%	-
2026-11-13	8	27.3%	-
2026-11-20	15	25.9%	-

Reference spread payoff

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

Bull Put Spread reference

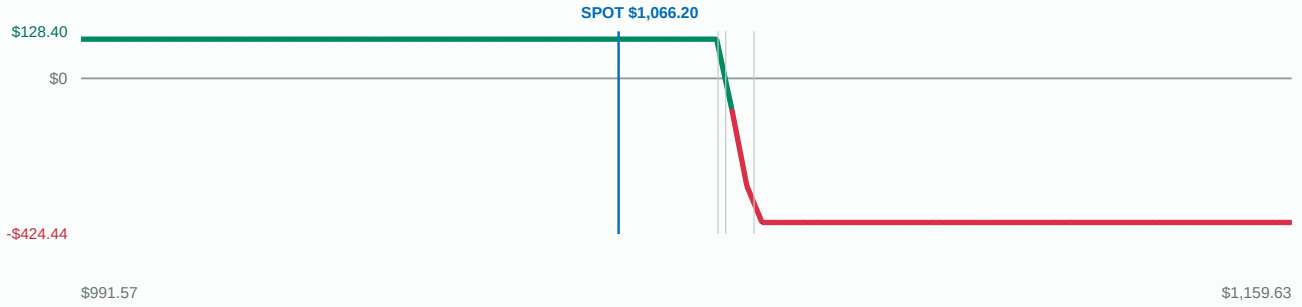
Short $1,055.00 | Long $1,050.00 | Width $5.00 | Net credit $1.15



Max profit $115.00 | Max loss -$385.00 | Break-even $1,053.85 | Per contract at expiry

Bear Call Spread reference

Short $1,080.00 | Long $1,085.00 | Width $5.00 | Net credit $1.07



Max profit $107.00 | Max loss -$393.00 | Break-even $1,081.07 | 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	**26.33**
VVIX	**124.07**
SKEW index	**150.90**
Observation confidence	**high**
Option quote quality	**reliable**
Contracts observed	**100**

Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	**99**

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

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Options context

Costco's Strong Sales Drive Optimism, But Valuation Concerns Remain

Wheel context

Costco's strong sales performance suggests continued demand for its products and services. However, the stock's recent rally has pushed it to a premium valuation, raising concerns about future upside potential.

Observed evidence

Costco reported October retail-month net sales of $24.50B, up 12.6% YoY, exceeding estimates. | JPMorgan raised its price target to $1,150 (Overweight maintained). | Short- and intermediate-term trend is bullish: price above key moving averages (50-day and 200-day). | RSI(14) near 69, signaling stretched momentum rather than a fresh oversold setup.

Principal risks to monitor

Elevated RSI(14) near 69 suggests potential for a pullback after the recent advance. | Valuation is rich at ~50x trailing P/E, potentially limiting further upside.

Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization	P/E (TTM)
$463.72B	**48.96**
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%	**0.21**
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
443.13M	**9.8%**
Book value per share	Revenue per share
$80.77	**$682.25**

Website	costco.com

Latest strategy observation

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

COST Covered Call signal

Nov 5, 2026 2:50 PM EST

Covered Call | 2026-11-06

At signal $1,067.91 | Current $1,057.00

SHORT **Option $1,070.00 B $7.00 / A $7.35**

Conservative | CR $7.18

Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	**$20.02**
ATR as % of price	**1.9%**
Volatility environment	**low**
Current IV	**22.7%**
IV rank	**45 / 100**
IV percentile	**55 / 100**
Technical Snapshot IV source	**Private fundamentals snapshot**
Technical Snapshot IV observed at	**Nov 5, 2026 6:30 PM EST**

Technical health and risk radar

Derived indicator health and event context

Overall health	**70 / 100**
Trend health	**78 / 100**
Momentum health	**69 / 100**
Volatility health	**82 / 100**
Structure health	**44 / 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)	**$999.02 / $950.04 / $972.43**
EMA (9 / 21)	**$1,025.51 / $999.12**
Bollinger upper / middle / lower	**$1,058.58 / $999.02 / $939.45**

Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	**1.059**
True high / low	**$1,081.55 / $1,046.47**
5-day true high / low	**$1,081.55 / $996.08**

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	5.091	**-**
SMA50	1.625	**-**
MVWAP20	6.819	**-**
MACD	1.566	**-**
RSI	-0.224	**-**
Volume	349636.670	**-**
ATR	0.882	**-**
T1	-	**23.60 / 995.37 / 1053.66 / 1019.26**
T2	-	**21.68 / 990.17 / 1040.55 / 1019.08**
T3	-	**21.67 / 986.61 / 1042.57 / 1012.28**

Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	**$1,066.20**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Nov 5, 2026 2:46 PM EST**
Options data coverage	**88.9%**
SKEW regime	**HIGH TAIL RISK SKEW**
VVIX regime	**VVIX RISING**
Front expiration / DTE	**2026-11-06 | 1 DTE**
Front at-the-money IV	**34.2%**
25-delta skew	**1.25**
Put / Call 25-delta	**$1,055.00 Delta -0.282 / $1,080.00 Delta 0.248**
Median option bid/ask spread	**16.0%**
Bid/ask spread	**-**
Contracts observed / quoted	**100 / 99**

Price context

Last Price: 1,066.20 | Bid: 1,065.87 | Ask: 1,066.79 | Previous Close: 1,046.47 | Change: 19.73 | Daily change: 1.89% | Update Time: 2026-11-05T14:46:51.607699-05:00 | Latest History Date: 2026-11-05 | Latest History Price: 1,066.20

Historical context

Trading-day sample: 60 sessions | First Date: 2026-08-13 | Latest Date: 2026-11-05 | Latest Price: 1,066.20 | Max Drawdown 60d Percent: -7.99%

Fundamental context

Current Iv Percent: 23.81% | Iv Rank: 54.67 | Iv Percentile: 66.93 | Next Earnings Date: 2026-12-10 | Ex Dividend Date: 2026-10-29

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.

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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

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