

# Costco Wholesale Corporation (COST) - ANALYST REPORT

Executive Summary with Comprehensive Analysis

**\$1048.95** +\$7.70 (+0.74%) AS OF 2026-05-15

Strategy: No Active Position

## ■ QUICK DECISION

Action: WAIT | Confidence: LOW | Signal Strength: 0/7

## EXECUTIVE SUMMARY - Essential Metrics

| TECHNICAL METRICS        | VALUE            | FUNDAMENTAL METRICS | VALUE                     |
|--------------------------|------------------|---------------------|---------------------------|
| Current Price            | \$1048.95        | Market Cap          | \$465.4B                  |
| Past Win Rate (Backtest) | 45.5%            | Forward P/E         | 46.6x                     |
| Past Total Return        | +14.7%           | Analyst Target      | \$1072.91                 |
| RSI / Trend Strength     | 65 / 11          | Upside to Target    | +2.3%                     |
| MACD Signal              | Bullish          | Revenue Growth      | +21.5%                    |
| Profit Factor            | 2.32             | Institutional Own.  | 73.5%                     |
| Open Position            | No open position | Analyst Ratings     | 23 Buy / 12 Hold / 2 Sell |

## ■ TECHNICAL ANALYSIS SUMMARY

| Indicator            | Value     | Signal                  |
|----------------------|-----------|-------------------------|
| EMA 20               | \$1015.10 | Bullish                 |
| EMA 50               | \$1001.75 | Bullish                 |
| RSI (14)             | 65.4      | Strong bullish momentum |
| Trend Strength (ADX) | 10.9      | Weak/No trend (<20)     |

## ■ CONSENSUS & INVESTMENT RATIONALE

| RATING          | WAIT        |
|-----------------|-------------|
| Target Price    | \$1072.91   |
| Upside/Downside | +2.3%       |
| Risk/Reward     | 0.15:1      |
| Time Horizon    | 6-12 months |

**Investment Rationale:** Our WAIT rating is based on: (1) Technical backtest showing 45.5% win rate with +14.7% total return over backtest period, (2) +2.3% upside to analyst consensus target of \$1072.91, (3) Strong fundamental growth profile with +21.5% revenue growth, and (4) 73.5% institutional ownership indicating high conviction from professional investors.

**Action:** No confluence signal (score=0). Wait for score  $\geq 5$  before deploying capital.

**Technical Signal:** Confluence 0/7 (threshold: 5) | **Risk/Reward:** Neutral

## ■ KEY INSIGHT

The chandelier strategy has proven effective (Win Rate: 45.5%, Avg Return: +2.8%), but patience is critical. Only enter on confirmed signals with proper risk management. Current technical confluence of 0 does not meet entry threshold of 5 - remain on sidelines. Fundamental backdrop shows 46% earnings growth with 73% institutional ownership, indicating strong conviction from professional investors.

## ■ INTELLIGENT STOP LOSS STRATEGY

| METRIC             | VALUE     | DETAILS                               |
|--------------------|-----------|---------------------------------------|
| Current Price      | \$1048.95 | Latest market price                   |
| Buy Stop Loss      | \$1010.32 | Conservative 2.0x ATR (3.7% distance) |
| Position Stop Loss | \$1010.32 | Hybrid 2.00x ATR (3.7% distance)      |
| ATR (14-day)       | \$19.32   | Volatility: 1.8% of price             |
| ADX Strength       | 10.9      | Weak/No Trend                         |

**Status:** New position - Standard stop loss levels

ADX: 20-25 = Emerging trend | 25-50 = Strong trend | 50+ = Very strong

## ■ Strategy Comparison: Conservative vs Hybrid

| METRIC            | CONSERVATIVE (2.0x ATR) | HYBRID (Adaptive) |
|-------------------|-------------------------|-------------------|
| Past Win Rate     | 45%                     | 46%               |
| Past Total Return | +14.7%                  | +21.5%            |
| Max Drawdown      | -17.1%                  | -12.6%            |
| Total Trades      | 22                      | 26                |
| Position          | NONE                    | NONE              |

Both strategies analyzed independently. Conservative uses fixed 2.0x ATR stops. Hybrid adapts stops based on position profit.

For the latest stock analysis, support, resistance and interactive charts, visit [Ultra Stock Analysis Pro](#)

## ■ ANALYST RATING CHANGES - COMPLETE HISTORY

All recent upgrades, downgrades, and price target changes (last 90 days)

| Firm | Action     | From → To | Date         |
|------|------------|-----------|--------------|
| BTIG | REITERATED | Buy → Buy | Mar 05, 2026 |

### *Analyst Price Targets*

**Average Target:** \$1072.91 (+2.3% from current)

**High Target:** \$1315.00 (+25.4%)

**Low Target:** \$650.00 (-38.0%)

**Current Price:** \$1048.95

## DETAILED ANALYSIS: BUY-SIDE PERSPECTIVE

In-Depth Portfolio Management Analysis

### *Expected Returns & Position Sizing*

Based on backtest performance (Win Rate: 45.5%, Avg Return: +2.8%) and analyst consensus (Target: \$1072.91, +2.3% upside), a **MARKET WEIGHT** exposure may be considered. Risk/Reward ratio of 0.15:1 suggests unfavorable risk-adjusted returns. No current position - opportunity to establish entry at favorable technical levels.

### *Catalyst Calendar & Timing*

**Next Major Catalyst:** May 28, 2026 earnings report

**Seasonality:** Historical analysis shows positive momentum in backtest period

**Technical Setup:** Neutral - waiting for confluence signal

**Institutional Activity:** 73.5% institutional ownership (Largest: Blackrock Inc.)

**Short Interest:** 1.5% of float - Moderate short interest

### *Liquidity Profile*

**Average Volume:** 1.8M shares/day - Lower liquidity

**Market Cap:** \$465.4B - Large cap

**Beta:** 0.91 - Market-like volatility

**Execution Risk:** Moderate for institutional-sized positions

# SELL-SIDE PERSPECTIVE - Investment Research Analysis

## *Investment Thesis*

Costco Wholesale Corporation operates in the Consumer Defensive sector (Discount Stores). Current valuation of 46.6x forward P/E reflects premium multiples relative to growth prospects. Operating margin of 3.7% shows compressed profitability.  
**Fundamental Outlook:** Strong Growth - Positive operating leverage with revenue and earnings acceleration

## *Valuation Analysis*

**Forward P/E:** 46.6x

**Trailing P/E:** 54.6x

**Price/Sales:** 1.63x - Market multiple

**Price/Book:** 28.14x

**Enterprise Value:** \$463.4B

**EV/Revenue:** 1.62x (vs industry avg)

## *Competitive Positioning & Market Share*

**Key Competitors:** Various industry players

**U.S. Market Share:** 0% - Competitive player

**Global Market Share:** 0%

**Competitive Advantages:** Market position, Technology, Brand

**Key Products:** Core products and services

## *Institutional Sentiment & Ownership*

**Institutional Ownership:** 73.5% - Very high institutional confidence

**Largest Holder:** Blackrock Inc. (34.9M shares)

**Analyst Coverage:** 37 analysts

**Consensus:** 23 Buy, 12 Hold, 2 Sell - Bullish sentiment

## ■ 7-DAY NEWS SENTIMENT ANALYSIS

Market Sentiment from Recent Financial News

| METRIC                   | VALUE            | ANALYSIS                               |
|--------------------------|------------------|--|
| <b>Overall Score</b>     | <b>+0.8 / 10</b> | Neutral                                |
| <b>Articles Analyzed</b> | 10               | Last 7 days (top 5 shown per category) |
| <b>Bullish Articles</b>  | 3 (30%)          | Positive sentiment                     |
| <b>Bearish Articles</b>  | 2 (20%)          | Negative sentiment                     |
| <b>Neutral Articles</b>  | 5 (50%)          | Mixed/Neutral tone                     |

### ■ TOP BULLISH HEADLINES

#### 1. WMT or COST: Which Retail Giant Looks More Attractive Now? (Zacks, May 15)

Walmart and Costco continue to benefit from resilient grocery demand, with WMT gaining momentum in ads and e-commerce while COST's membership model su...

Source: <https://finance.yahoo.com/markets/stocks/articles/wmt-cost-retail-giant-looks-14>

#### 2. Trump's More Than 3,700 Trades Astonish Wall Street Insiders (Bloomberg, May 16)

(Bloomberg) -- President Donald Trump's latest financial disclosures show that he or his investment advisers made more than 3,700 trades in the first ...

Source: <https://finance.yahoo.com/markets/stocks/articles/trump-traded-nvidia-boeing-int>

#### 3. Costco Is Innovating Its Way to More Growth, Says Analyst. Plus, Valvoline and 3 More Stocks. (Barrons.com, May 15)

Shares of Valvoline recently dipped about 5% and have essentially given up all of the gains following a strong fiscal second-quarter print. Private o...

Source: <https://www.barrons.com/articles/costco-is-innovating-its-way-to-more-growth-say>

### ■ TOP BEARISH HEADLINES

#### 1. Costco quietly warns shoppers about prices (TheStreet, May 15)

Costco has never been afraid to wade into politics in the interest of its members. In January, for example, 98% of its shareholders voted in favor of ...

Source: <https://www.thestreet.com/retail/costco-quietly-warns-shoppers-about-prices>

#### 2. Ford wants the Bronco to become the Porsche of off-road vehicles (Yahoo Finance Video, May 15)

Yahoo Finance Senior Autos Reporter Pras Subramanian discusses how Ford is leveraging the "Bronco phenomenon" to transition from selling mere function...

Source: <https://finance.yahoo.com/video/ford-wants-the-bronco-to-become-the-porsche-of-o>

### ■ SENTIMENT INTERPRETATION

The news sentiment is **neutral**, indicating balanced coverage without clear directional bias. This suggests market participants are waiting for catalysts or clearer signals. Monitor for changes in sentiment that could indicate emerging trends.

# DEEP DIVE: COMPREHENSIVE RISK ASSESSMENT

Detailed Risk Factors and Mitigation Strategies

## *Key Risks & Mitigants*

### **Company-Specific Risks:**

- Competition
- Market conditions
- Regulatory changes

### **Technical Risk Factors:**

- Win Rate: 45.5% (10 wins, 12 losses)
- Profit Factor: 2.32x (Avg Win 12.9% vs Avg Loss -5.6%)
- Current Confluence: 0 (Last: 4 on Apr 14) - No setup - awaiting signal
- Volatility (ATR 14): \$19.32 (1.8% of price) - Stop loss typically 2-3x ATR

### **Market Risk:**

- Beta: 0.91 - Market-like market sensitivity
- Short Interest: 1.5% - Normal short activity

## REFERENCE: APPENDIX A - Complete Technical Indicators

Comprehensive Technical Data for Quantitative Analysis

| Indicator            | Value     | Interpretation                |
|----------------------|-----------|-------------------------------|
| EMA 20               | \$1015.10 | Short-term trend              |
| EMA 50               | \$1001.75 | Medium-term trend             |
| EMA 200              | \$967.15  | Long-term trend               |
| Relative Strength    | 65.4      | Strong bullish momentum       |
| MACD                 | 9.51      | Bullish                       |
| MACD Signal          | 5.56      | Signal line                   |
| MACD Histogram       | 3.95      | Bullish                       |
| Volatility (ATR 14)  | \$19.32   | 1.8% of price                 |
| Trend Strength (ADX) | 10.9      | Weak/No trend (<20)           |
| +DI                  | 30.1      | Positive directional movement |
| -DI                  | 19.3      | Negative directional movement |
| Stochastic %K        | 89.8      | Overbought                    |
| Stochastic %D        | 80.5      | Overbought                    |
| Bollinger Upper      | \$1041.86 | Resistance zone               |
| Bollinger Middle     | \$1012.01 | Moving average                |
| Bollinger Lower      | \$982.16  | Support zone                  |
| VWAP                 | \$1048.56 | Volume-weighted average       |

## REFERENCE: APPENDIX B - Complete Fundamental Metrics

Comprehensive Fundamental Data for Financial Analysis

| Category      | Metric               | Value     | Interpretation              |
|---------------|----------------------|-----------|-----------------------------|
| Valuation     | Market Cap           | \$465.4B  | Total market value          |
| Valuation     | Enterprise Value     | \$463.4B  | Total company value         |
| Valuation     | Forward P/E          | 46.6x     | Price to forward earnings   |
| Valuation     | Trailing P/E         | 54.6x     | Price to trailing earnings  |
| Valuation     | PEG Ratio            | 2.17      | P/E relative to growth      |
| Valuation     | Price/Sales          | 1.63x     | Market cap to revenue       |
| Valuation     | Price/Book           | 28.14x    | Price to book value         |
| Valuation     | EV/Revenue           | 1.62x     | Enterprise value to revenue |
| Valuation     | EV/EBITDA            | 34.4x     | Enterprise value to EBITDA  |
| Performance   | Revenue (TTM)        | \$286.3B  | Trailing 12-month revenue   |
| Performance   | Revenue Growth       | +21.5%    | Year-over-year growth       |
| Performance   | Earnings Growth      | +45.5%    | Earnings growth rate        |
| Performance   | EPS Growth (Next Yr) | +17.3%    | Forward EPS growth estimate |
| Performance   | Gross Profit         | \$37.0B   | Revenue minus COGS          |
| Performance   | Operating Income     | \$15.0B   | EBIT                        |
| Performance   | Net Income           | \$8.5B    | Bottom line profit          |
| Performance   | Free Cash Flow       | \$6.7B    | Cash after capex            |
| Performance   | Operating Cash Flow  | \$15.0B   | Cash from operations        |
| Profitability | Gross Margin         | 12.9%     | Gross profit margin         |
| Profitability | Operating Margin     | 3.7%      | Operating efficiency        |
| Profitability | Profit Margin        | 3.0%      | Net margin                  |
| Profitability | ROE                  | 29.7%     | Return on equity            |
| Profitability | ROA                  | 8.7%      | Return on assets            |
| Profitability | ROIC                 | N/A       | Return on invested capital  |
| Balance Sheet | Total Assets         | \$0.0B    | Total assets                |
| Balance Sheet | Total Liabilities    | \$0.0B    | Total liabilities           |
| Balance Sheet | Total Debt           | \$10.2B   | Total debt outstanding      |
| Balance Sheet | Cash & Equivalents   | \$11.1B   | Liquid assets               |
| Balance Sheet | Book Value/Share     | \$37.28   | Net worth per share         |
| Balance Sheet | Current Ratio        | 1.06      | Current assets/liabilities  |
| Balance Sheet | Quick Ratio          | 0.54      | Liquid assets/liabilities   |
| Balance Sheet | Debt/Equity          | 0.60      | Leverage ratio              |
| Market        | Beta                 | 0.91      | Market correlation          |
| Market        | 52-Week High         | \$1067.08 | Annual high                 |
| Market        | 52-Week Low          | \$844.06  | Annual low                  |

|                 |                    |              |                      |
|-----------------|--------------------|--------------|----------------------|
| <b>Market</b>   | Avg Volume         | 1.8M         | Average daily volume |
| <b>Market</b>   | Shares Outstanding | 0.4B         | Total shares         |
| <b>Market</b>   | Float              | 0.4B         | Tradeable shares     |
| <b>Market</b>   | Short Interest     | 1.5%         | Shares sold short    |
| <b>Market</b>   | Institutional Own. | 73.5%        | Institution held     |
| <b>Analysts</b> | Coverage Count     | 32           | Number of analysts   |
| <b>Analysts</b> | Average Rating     | 2.0          | 1=Strong Buy, 5=Sell |
| <b>Analysts</b> | Buy/Hold/Sell      | 23/12/2      | Rating distribution  |
| <b>Analysts</b> | Target Price       | \$1072.91    | Average price target |
| <b>Analysts</b> | Target High        | \$1315.00    | Highest target       |
| <b>Analysts</b> | Target Low         | \$650.00     | Lowest target        |
| <b>Other</b>    | Next Earnings      | May 28, 2026 | Earnings report date |
| <b>Other</b>    | Dividend Yield     | 0.56%        | Annual dividend rate |
| <b>Other</b>    | Ex-Dividend Date   | 1777593600   | Next ex-div date     |

## REFERENCE: APPENDIX C - Complete Trade History

### Detailed Backtesting Results and Trade Log

| Entry      | Exit       | Type         | Entry \$  | Exit \$   | Past P&L % | Past P&L \$ |
|------------|------------|--------------|-----------|-----------|------------|-------------|
| 2019-08-28 | 2019-09-09 | CONFLUENCE   | \$294.49  | \$299.00  | +1.5%      | +\$77       |
| 2019-12-13 | 2019-12-23 | CONFLUENCE   | \$291.87  | \$293.31  | +0.5%      | +\$37       |
| 2020-01-14 | 2020-03-12 | GOLDEN_CROSS | \$299.75  | \$279.85  | -6.6%      | -\$557      |
| 2020-05-27 | 2020-09-03 | CONFLUENCE   | \$306.01  | \$348.30  | +13.8%     | +\$634      |
| 2020-11-30 | 2020-12-07 | CONFLUENCE   | \$391.77  | \$373.33  | -4.7%      | -\$277      |
| 2021-02-01 | 2021-03-01 | CONFLUENCE   | \$350.52  | \$331.77  | -5.3%      | -\$300      |
| 2021-03-18 | 2021-03-26 | CONFLUENCE   | \$322.98  | \$352.02  | +9.0%      | +\$407      |
| 2021-04-07 | 2021-09-09 | CONFLUENCE   | \$358.81  | \$465.94  | +29.9%     | +\$1500     |
| 2021-11-04 | 2022-01-20 | CONFLUENCE   | \$515.62  | \$482.82  | -6.4%      | -\$426      |
| 2022-04-07 | 2022-04-26 | CONFLUENCE   | \$608.05  | \$553.76  | -8.9%      | -\$434      |
| 2022-05-02 | 2022-05-06 | CONFLUENCE   | \$528.95  | \$503.36  | -4.8%      | -\$154      |
| 2022-07-18 | 2022-09-26 | GOLDEN_CROSS | \$516.30  | \$480.30  | -7.0%      | -\$252      |
| 2022-10-13 | 2022-12-09 | CONFLUENCE   | \$467.99  | \$483.02  | +3.2%      | +\$105      |
| 2022-12-20 | 2024-01-22 | CONFLUENCE   | \$457.82  | \$692.51  | +51.3%     | +\$1878     |
| 2024-03-07 | 2024-03-12 | CONFLUENCE   | \$785.59  | \$736.88  | -6.2%      | -\$536      |
| 2024-07-05 | 2024-07-09 | CONFLUENCE   | \$885.67  | \$886.85  | +0.1%      | +\$9        |
| 2024-08-05 | 2024-09-13 | CONFLUENCE   | \$801.83  | \$916.00  | +14.2%     | +\$685      |
| 2024-11-08 | 2025-01-15 | CONFLUENCE   | \$943.80  | \$923.50  | -2.1%      | -\$142      |
| 2025-01-22 | 2025-03-14 | CONFLUENCE   | \$944.70  | \$903.92  | -4.3%      | -\$285      |
| 2025-05-30 | 2025-06-17 | CONFLUENCE   | \$1040.18 | \$977.72  | -6.0%      | -\$312      |
| 2026-01-15 | 2026-02-17 | GOLDEN_CROSS | \$956.75  | \$1012.05 | +5.8%      | +\$332      |
| 2026-04-08 | 2026-04-15 | CONFLUENCE   | \$1030.27 | \$984.75  | -4.4%      | -\$273      |

## IMPORTANT DISCLAIMER

**Disclaimer:** This report is for informational and educational purposes only and does not constitute investment advice. Ultra Stock Analysis Pro is not a registered investment advisor; information is impersonal and not tailored to individual circumstances. AI-generated content may contain errors — verify before acting. Past performance is not indicative of future results. Technical analysis based on historical data through 2026-05-15. Fundamental data auto-fetched from Yahoo Finance. Please conduct your own due diligence before making investment decisions.

**Next Earnings:** May 28, 2026

**Report Generated:** May 16, 2026 at 12:32 PM