

# Costco Wholesale Corporation (COST) - ANALYST REPORT

Executive Summary with Comprehensive Analysis

**\$1008.79** **-\$3.27 (-0.32%)** AS OF 2026-05-08

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	\$1008.79	Market Cap	\$447.6B
Past Win Rate (Backtest)	45.0%	Forward P/E	44.9x
Past Total Return	+43.9%	Analyst Target	\$1072.22
RSI / Trend Strength	53 / 10	Upside to Target	+6.3%
MACD Signal	Bullish	Revenue Growth	+21.5%
Profit Factor	3.51	Institutional Own.	75.0%
Open Position	No open position	Analyst Ratings	23 Buy / 12 Hold / 2 Sell

## ■ TECHNICAL ANALYSIS SUMMARY

Indicator	Value	Signal
EMA 20	\$1003.82	Bullish
EMA 50	\$994.31	Bullish
RSI (14)	53.2	Neutral range
Trend Strength (ADX)	10.0	Weak/No trend (<20)

## ■ CONSENSUS & INVESTMENT RATIONALE

RATING	HOLD
Target Price	\$1072.22
Upside/Downside	+6.3%
Risk/Reward	0.42:1
Time Horizon	6-12 months

**Investment Rationale:** Our HOLD rating is based on: (1) Technical backtest showing 45.0% win rate with +43.9% total return over backtest period, (2) +6.3% upside to analyst consensus target of \$1072.22, (3) Strong fundamental growth profile with +21.5% revenue growth, and (4) 75.0% 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: 45.0%, Avg Return: +5.4%), 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 75% institutional ownership, indicating strong conviction from professional investors.

## ■ INTELLIGENT STOP LOSS STRATEGY

METRIC	VALUE	DETAILS
<b>Current Price</b>	<b>\$1008.79</b>	Latest market price
<b>Buy Stop Loss</b>	<b>\$972.08</b>	Conservative 2.0x ATR (3.6% distance)
<b>Position Stop Loss</b>	<b>\$972.08</b>	Hybrid 2.00x ATR (3.6% distance)
<b>ATR (14-day)</b>	\$18.36	Volatility: 1.8% of price
<b>ADX Strength</b>	10.0	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)
<b>Past Win Rate</b>	45%	45%
<b>Past Total Return</b>	+43.9%	+43.9%
<b>Max Drawdown</b>	-15.9%	-15.9%
<b>Total Trades</b>	20	20
<b>Position</b>	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:** \$1072.22 (+6.3% from current)

**High Target:** \$1315.00 (+30.4%)

**Low Target:** \$650.00 (-35.6%)

**Current Price:** \$1008.79

## DETAILED ANALYSIS: BUY-SIDE PERSPECTIVE

In-Depth Portfolio Management Analysis

### *Expected Returns & Position Sizing*

Based on backtest performance (Win Rate: 45.0%, Avg Return: +5.4%) and analyst consensus (Target: \$1072.22, +6.3% upside), a **MARKET WEIGHT** exposure may be considered. Risk/Reward ratio of 0.42:1 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:** 75.0% institutional ownership (Largest: Vanguard Group Inc)

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

### *Liquidity Profile*

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

**Market Cap:** \$447.6B - 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 44.9x 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:** 44.9x

**Trailing P/E:** 52.4x

**Price/Sales:** 1.56x - Market multiple

**Price/Book:** 27.06x

**Enterprise Value:** \$445.6B

**EV/Revenue:** 1.56x (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:** 75.0% - Very high institutional confidence

**Largest Holder:** Vanguard Group Inc (43.6M 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>+4.6 / 10</b>	Bullish
<b>Articles Analyzed</b>	10	Last 7 days (top 5 shown per category)
<b>Bullish Articles</b>	8 (80%)	Positive sentiment
<b>Bearish Articles</b>	1 (10%)	Negative sentiment
<b>Neutral Articles</b>	1 (10%)	Mixed/Neutral tone

### ■ TOP BULLISH HEADLINES

#### 1. Is Costco Stock a Buy, Sell, or Hold After April Sales Surged 13%? (Motley Fool, May 08)

The membership-based wholesale retailer keeps stringing together impressive monthly updates....

Source: <https://www.fool.com/investing/2026/05/08/is-costco-stock-a-buy-sell-or-hold-aft>

#### 2. It's Not Just About the \$1.50 Hot Dog Combo: Costco's Going to Court Because It Wants to Give You Ta (Barchart, May 08)

Costco members are taking the retailer to court over its plan to lower prices. Win or lose, the case is going to have big implications for retailers i...

Source: <https://www.barchart.com/story/news/1806953/its-not-just-about-the-1-50-hot-dog->

#### 3. Costco Posts Strong April Sales Growth, Digital Sales Rise Nearly 19% (Insider Monkey, May 09)

With a YTD Return of 17.35% as of May 7, Costco Wholesale Corporation (NASDAQ:COST) is included among the 10 Best Stocks to Buy to Beat the S&P; 500. O...

Source: <https://finance.yahoo.com/markets/stocks/articles/costco-posts-strong-april-sale>

#### 4. Nike Faces Class Action Over Tariff Refunds (Sourcing Journal, May 09)

Nike is the latest brand to come under fire from consumers seeking payback for the tariffs they say they paid in the form of higher prices at retail....

Source: <https://wwd.com/sourcing-journal/industry-news/nike-class-action-ieepa-tariff-re>

#### 5. Costco vs. McDonald's: Which Dividend Stock Is a Better Buy? (Motley Fool, May 08)

The fast-food giant trades at less than half the warehouse club operator's earnings multiple and pays more than four times the dividend yield. But is ...

Source: <https://www.fool.com/investing/2026/05/07/costco-vs-mcdonalds-which-dividend-sto>

### ■ TOP BEARISH HEADLINES

#### 1. T-Mobile lifts a frustrating perk restriction for Costco members (TheStreet, May 09)

T-Mobile has been doubling down on boosting customer loyalty after several months of continued customer losses in its wireless business. As the compan...

Source: <https://www.thestreet.com/retail/t-mobile-quietly-removes-significant-costco-per>

### ■ SENTIMENT INTERPRETATION

The news sentiment is **strongly bullish**, indicating positive market perception and favorable coverage. This suggests growing investor confidence and potential upward momentum. Consider this as a supporting factor for bullish positions, but verify with technical and fundamental analysis.



# 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: 45.0% (9 wins, 11 losses)
- Profit Factor: 3.51x (Avg Win 18.3% vs Avg Loss -5.2%)
- Current Confluence: 0 (Last: 4 on Apr 14) - No setup - awaiting signal
- Volatility (ATR 14): \$18.36 (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	\$1003.82	Short-term trend
EMA 50	\$994.31	Medium-term trend
EMA 200	\$961.25	Long-term trend
Relative Strength	53.2	Neutral range
MACD	3.96	Bullish
MACD Signal	3.71	Signal line
MACD Histogram	0.25	Bullish
Volatility (ATR 14)	\$18.36	1.8% of price
Trend Strength (ADX)	10.0	Weak/No trend (<20)
+DI	20.8	Positive directional movement
-DI	21.0	Negative directional movement
Stochastic %K	49.5	Neutral
Stochastic %D	55.4	Neutral
Bollinger Upper	\$1025.14	Resistance zone
Bollinger Middle	\$1000.14	Moving average
Bollinger Lower	\$975.15	Support zone
VWAP	\$1009.97	Volume-weighted average

## REFERENCE: APPENDIX B - Complete Fundamental Metrics

Comprehensive Fundamental Data for Financial Analysis

Category	Metric	Value	Interpretation
Valuation	Market Cap	\$447.6B	Total market value
Valuation	Enterprise Value	\$445.6B	Total company value
Valuation	Forward P/E	44.9x	Price to forward earnings
Valuation	Trailing P/E	52.4x	Price to trailing earnings
Valuation	PEG Ratio	2.09	P/E relative to growth
Valuation	Price/Sales	1.56x	Market cap to revenue
Valuation	Price/Book	27.06x	Price to book value
Valuation	EV/Revenue	1.56x	Enterprise value to revenue
Valuation	EV/EBITDA	33.1x	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)	+16.7%	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.	75.0%	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	\$1072.22	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	0.58%	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 \$
2019-03-08	2019-12-24	GOLDEN_CROSS	\$206.24	\$268.25	+30.1%	+\$1736
2020-01-13	2020-03-13	GOLDEN_CROSS	\$273.39	\$276.16	+1.0%	+\$97
2020-05-27	2020-09-03	CONFLUENCE	\$280.21	\$319.62	+14.1%	+\$788
2020-11-30	2020-12-22	CONFLUENCE	\$360.21	\$341.58	-5.2%	-\$372
2021-01-19	2021-02-25	CONFLUENCE	\$334.45	\$315.66	-5.6%	-\$413
2021-03-18	2021-09-09	CONFLUENCE	\$305.34	\$442.26	+44.8%	+\$2465
2021-11-04	2022-01-20	CONFLUENCE	\$490.21	\$459.02	-6.4%	-\$530
2022-04-07	2022-04-26	CONFLUENCE	\$578.96	\$527.27	-8.9%	-\$517
2022-05-02	2022-05-06	CONFLUENCE	\$504.46	\$480.06	-4.8%	-\$195
2022-07-18	2022-09-20	GOLDEN_CROSS	\$492.40	\$477.22	-3.1%	-\$152
2022-10-13	2022-12-12	CONFLUENCE	\$447.09	\$466.75	+4.4%	+\$177
2022-12-20	2023-12-27	CONFLUENCE	\$438.17	\$657.63	+50.1%	+\$2195
2024-03-07	2024-03-12	CONFLUENCE	\$775.93	\$727.82	-6.2%	-\$674
2024-07-05	2024-07-09	CONFLUENCE	\$876.18	\$877.35	+0.1%	+\$12
2024-08-05	2024-09-13	CONFLUENCE	\$794.37	\$907.48	+14.2%	+\$905
2024-11-08	2025-01-15	CONFLUENCE	\$936.26	\$916.12	-2.1%	-\$181
2025-01-21	2025-03-14	CONFLUENCE	\$940.16	\$897.69	-4.5%	-\$382
2025-05-30	2025-06-17	CONFLUENCE	\$1034.36	\$972.25	-6.0%	-\$373
2026-01-15	2026-02-17	GOLDEN_CROSS	\$954.06	\$1010.58	+5.9%	+\$452
2026-04-08	2026-04-15	CONFLUENCE	\$1028.78	\$983.32	-4.4%	-\$364

## IMPORTANT DISCLAIMER

**Disclaimer:** This report is for informational purposes only and does not constitute investment advice. Past performance is not indicative of future results. Technical analysis based on historical data through 2026-05-08. Fundamental data auto-fetched from Yahoo Finance. Please conduct your own due diligence before making investment decisions.

**Next Earnings:** May 28, 2026

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