



E3 Stocks That Blew the Market Away

by [Rick Aristotle Munarriz](#) - August 17, 2010

I take a look at three companies that beat market expectations every week, since I believe that it's the biggest factor in a [stock](#) beating the market. Leaving Wall Street's pros with stunned expressions can be a good thing. It usually means that the companies have more in the tank than analysts figured. Capital appreciation typically follows.

Let's take a look at a few companies that humbled the prognosticators over the past few [trading days](#).

We can start with **Ebix** (Nasdaq: EBIX). The provider of enterprise [software](#) for the insurance industry earned \$0.36 a share in its latest quarter, 50% ahead of where it was a year ago. Wall Street was settling for a profit of only \$0.30 a share.

Despite the heady growth, Ebix remains an underfollowed and undervalued player in the otherwise sexy cloud-computing space. Ebix is trading for just 13 times next year's projected bottom line, a fraction of the multiples commanded by the more widely followed [salesforce.com](#) (NYSE: CRM) and **SuccessFactors** (Nasdaq: SFSF).

Ebix shareholders can't mind living in the shadows, since obscurity has helped it post three consecutive quarters of market-thumping net income.

Disney (NYSE: DIS) lived up to its "happiest place on Earth" billing, blowing past Wall Street's "goofy" profit target of \$0.58 a share for its fiscal third quarter. The family entertainment giant came through with earnings of \$0.67 a share. All five of Disney's subsidiaries posted year-over-year gains on the top line.

Finally, we have **SunPower** (Nasdaq: SPWRA) attracting a pair of analyst upgrades, after shining through with an adjusted quarterly profit of \$0.15 a share. Analysts were banking on net income of only \$0.10 a share. It was a good week for solar energy plays, as **JA Solar** ([Nasdaq](#): JASO) and **LDK Solar** (NYSE: LDK) reversed year-ago deficits with chunky profitability.

It's important to keep watching the companies that surpass expectations. Over time, it will be a lucrative experience for investors as the market [rewards](#) the overachievers. That's the kind of surprise that we look for in the *Rule Breakers* newsletter service. Want in? Check out a 30-day trial subscription.

Either way, come back next Monday to learn about more stocks that blew the market away.