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3 Stocks That Blew the Market Away

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Rick Aristotle Munarriz
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Don't settle for ordinary quarterly reports.

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 enterprise software provider for the insurance industry saw its diluted earnings per share climb 35% to \$0.42 in the fourth quarter, well ahead of the \$0.33 a share that Wall Street was targeting.

lululemon athletica (Nasdaq: [LULU](#)) also dressed to kill. The upscale activewear retailer earned \$0.64 a share in its holiday quarter before a favorable tax adjustment benefit. Analysts figured that lululemon's yoga mom clientele would only be good for \$0.57 a share on the bottom line.

Investors should have seen it coming, since lululemon has been smoking past the pros all fiscal year.

Quarter EPS Est. Diff.

Q1 2010	\$0.27	\$0.21	29%
Q2 2010	\$0.30	\$0.24	25%
Q3 2010	\$0.36	\$0.25	44%
Q4 2010	\$0.64	\$0.57	12%

Source: Thomson Reuters.

The success of lululemon doesn't mean that consumers are springing for high-ticket duds. Designer denim specialist **True Religion** (Nasdaq: [TRLG](#)) has missed Wall Street's profit targets in two of the past three quarters, while rival **Joe's Jeans** (Nasdaq: [JOEZ](#)) has simply met quarterly profit estimates over the past year.

It's not just the niche, as lululemon's performance is a worthy achievement on its own.

Finally we have **GeoEye** (Nasdaq: [GEOY](#)) keeping its eye on the prize. The provider of satellite imagery posted a quarterly profit of \$0.68 a share -- or \$0.42 a share on an adjusted basis. Wall Street figured that GeoEye's adjusted profitability would clock in at just \$0.37 a share.

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.

Add [Ebix](#), [lululemon athletica](#), and [GeoEye](#) to My Watchlist today for continuing Foolish coverage and performance tracking.

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