

[Previous Page](#)

Ebix Shares Plunged: What You Need to Know

<http://www.fool.com/investing/general/2011/05/10/ebix-shares-plunged-what-you-need-to-know.aspx>

Anders Bylund
May 10, 2011

Although we don't believe in timing the market or panicking over market movements, we do like to keep an eye on big changes -- just in case they're material to our investing thesis.

What: Shares of insurance-related software seller **Ebix** (Nasdaq: [EBIX](#) .) started the day in fine form but fell to an intraday low 12% below Monday's closing price, all on very high trading volume.

So what: The stock never quite recovered from [a broadside of allegations fired off against it in mid-March](#), and today's earnings report only gave Ebix a tighter haircut. That, of course, makes no sense, because Ebix beat the Street's earnings target by 12% while just edging out the revenue consensus.

Now what: That's [the second irrational 10% drop](#) I've covered today. The one thing Ebix has in common with **Hollysys Automation Technologies** is a very large short-seller contingent -- over 22% in Ebix's case and 9% for Hollysys. Ebix is back to prices not seen since last September after a brief stint more than 40% higher. Ebix is an official recommendation of two Foolish newsletters, including a real-money position, and carries a five-star CAPS rating to boot. With backing like that, this fall becomes a research item at the very least, and perhaps even a buy-in opportunity.

Interested in more info on Ebix? [Add it to your watchlist](#).

[Legal Information](#). © 1995-2011 The Motley Fool. All rights reserved.

[Previous Page](#)