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3 Stocks That Blew the Market Away

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Why settle for ordinary quarterly reports?

Each week, I examine three companies that beat market expectations, since I believe that's the biggest factor determining whether a stock will beat the market. Leaving Wall Street's pros with puzzled looks on their faces 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 cloud-computing platform for insurance companies saw fourth-quarter profits soar 53% to \$12.1 million -- or \$0.92 on a pre-split per-share basis. Those earnings were well ahead of both the \$0.66 a share it recorded a year ago, and the per-share target at which Wall Street took aim.

Preppy retailer **J. Crew Group** (NYSE: [JCG](#)) dressed the part, reversing a year-ago loss with net income of \$0.61 a share in its latest quarter. Analysts were lost in the mall, projecting a profit of only \$0.46 a share.

J. Crew's win wasn't typical. Apparel retailers **Hot Topic** (Nasdaq: [HOTT](#)), **The Children's Place** (Nasdaq: [PLCE](#)), and **American Eagle Outfitters** (NYSE: [AEO](#)) simply met expectations.

Finally, **GeoEye** (Nasdaq: [GEOY](#)) caught Mr. Market's eye. The satellite-imagery specialist's latest quarterly profit of \$0.55 a share is roughly twice the \$0.27 a share that analysts were banking on. Landing [a few meaty contracts](#) hasn't hurt the company, either.

It's important to keep watching the companies that surpass expectations. Over time, it will be a profitable experience for investors, as the market rewards the overachievers. That's the kind of surprise 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.

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