



Rogers Communications Inc.: the Best Dividend Stock to Buy Today

Description

One of my all-time favourite stocks is selling off right now, but I'm not worried at all about it falling much more.

How can I be so confident that its shares won't plummet further? Because investors like dividends. They like income. They like safety — and that's exactly what this company provides.

Let me explain.

The stock I'm talking about is, of course, **Rogers Communications Inc.** ([TSX: RCI.B](#))([NYSE: RCI](#)). While you are probably familiar with the company's telecom business, it's also one of the best dividend-paying stocks in the country.

Rogers is Canada's largest provider of wireless services. However, in addition to cell phones, the company also operates a vast business empire spanning cable TV, internet, and phone services. Have you heard of Fido and the Toronto Blue Jays? Rogers owns those too.

Over the last few months, the company's shares have dropped 15% from their highs. This decline could be credited to any of a number of reasons, such as slowing wireless growth, political tensions with Russia, or growing unrest in Iraq. However, I don't expect this decline to continue for much longer.

You see, even the financial crisis didn't stop Rogers from raising its dividend. Even at the height of the economic meltdown, the company still managed to increase its payout in both 2008 and 2009. If its dividend can survive that, it could survive almost anything.

Today, the company pays out a quarterly distribution of \$0.46 per share, coming out to a yield of 4.3%. With interest rates so low, there's a huge demand for safe dividend-paying stocks. Investors are turning to giant, cash-rich companies with extraordinary records of consecutive dividend payments, and Rogers is one of the best.

However, a high yield isn't the only reason to buy this stock. Late last year Chief Executive Guy Laurence took the helm at the telecom giant. [As I highlighted in a piece last week](#), new management

teams and the fresh ideas they bring are often a catalyst for stock prices.

A new CEO could be exactly what Rogers needs to reignite growth. Mr. Lawrence plans to slash costs, trim the company's bloated executive ranks, and improve its notoriously bad customer service. The company's audacious bid for exclusive National Hockey League broadcast rights could also provide an immediate boost to earnings.

Along with NHL rights, Rogers has also launched its own credit card as part of a foray into mobile banking. The company hasn't yet disclosed the financial performance of its new banking unit. However, these baby steps into financial services could have huge upside potential as customers start using their mobile phones as credit cards.

Stocks have enjoyed a great run over the past year and we're due for a profit-taking pull-back. If the sell-off continues, solid dividend-paying stocks will be the first to draw buying interest. That's why a high-yielding name like Rogers is the top dividend stock to buy today.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:RCI (Rogers Communications Inc.)
2. TSX:RCI.B (Rogers Communications Inc.)

Category

1. Investing

Date

2025/07/05

Date Created

2014/08/11

Author

rbailieul

default watermark