



4 Reasons to Buy Telus Corporation Right Now

Description

The recent weakness in the stock market is giving investors an opportunity to start new positions in companies at very reasonable prices, but catching a falling knife is no easy task. During times of extreme volatility, it can be dangerous to try to pick the bottom of a high-beta stock.

The best course of action in a high-risk market is to pick stocks that have low volatility, are leaders in their industry, increase dividends on a reliable schedule, and exhibit a strong pattern of growth.

Here are four reasons why I think investors should consider **Telus Corporation** ([TSX: T](#))([NYSE: TU](#)) as a top pick right now.

1. Dividend growth

Telus is the king of forecasting steady dividend growth for its shareholders. The company has stated it will deliver a 10% increase in the dividend every year through 2016. With stock markets in a downward trend, this commitment to distribution increases is very important for long-term income investors.

Telus pays a dividend of \$1.52 that yields close to 4%.

Telus also has an aggressive share-buyback program that helps support the stock price.

2. Industry leader

Telus is Canada's fastest-growing communications company, and a large part of its success is due to its market-leading customer service. Telus has very loyal customers with a postpaid wireless churn rate of just 0.9%, the lowest in the industry. The result is very high user spending. In the second quarter, Telus reported its blended average revenue per unit (ARPU) in the wireless division grew by 2.3% to \$62.51. This was the 15th consecutive quarter of year-over-year ARPU growth and the highest number among the big telecom companies.

Competition is fierce for Canadian TV subscribers and Internet users, but Telus is winning the battle. The company's wireline business continues to grow as customers switch from cable providers to Telus

TV and demand increasing volumes of data delivered over Telus' state-of-the-art, high-speed Internet network.

3. New markets

Telus is investing heavily in building its little-known Telus Health division. Investors should pay particular attention to this because it might be the one thing that drives free cash flow and dividend growth through the roof in the next decade. The company is leveraging its communication infrastructure to provide medical professionals and their patients with a reliable and secure platform for transmitting medical information. Telus is already the Canadian leader in this rapidly growing field.

4. Low beta

With a beta of 0.12, Telus is one of the most stable stocks in Canada. The beta reading is an indication of a stock's volatility. A reading of 1.0 means a stock has a volatility that matches the broader market. A beta of 1.25 would mean the stock is 25% more volatile than the market.

Low-beta stocks are preferable during extreme market swings if you are the type of investor who loses sleep every time the market hits a little speed bump.

Telus is one of those rare companies investors can buy and hold for decades. For new investors looking to put money to work right now, Telus is a safe place to look.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:TU (TELUS)
2. TSX:T (TELUS)

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