



3 Great Telecom Stocks to Buy Today

Description

Telecommunications stocks are some of the most popular and widely held stocks in the market today, because they have relatively stable business models, because they face limited competition, and because they have generous dividend yields. With this in mind, let's take a look at three attractive investment options, so you can decide if you should buy one of them today.

1. Shaw Communications Inc.

Shaw Communications Inc. ([TSX:SJR.B](#))([NYSE:SJR](#)) is one of the largest diversified communications and media companies in Canada, providing Internet, WiFi, digital phone, and digital video products and services to over six million consumers and businesses.

At today's levels, its stock trades at 15.1 times fiscal 2015's estimated earnings per share of \$1.71 and 14.1 times fiscal 2016's estimated earnings per share of \$1.83, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 15.5 and the industry average multiple of 20.4.

In addition, Shaw pays a monthly dividend of \$0.09875 per share, or \$1.185 per share annually, giving its stock a 4.6% yield. It is also very important to note that the company has increased its dividend for 12 consecutive years, making it one of the top dividend-growth plays in the industry.

2. Manitoba Telecom Services Inc.

Manitoba Telecom Services Inc. (TSX:MBT) is the fourth-largest communications company in Canada, providing Internet, WiFi, digital television, converged IP networking, and unified communications products and services.

At current levels, its stock trades at 26.3 times fiscal 2015's estimated earnings per share of \$1.09 and 20 times fiscal 2016's estimated earnings per share of \$1.43, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 34.4 and the latter of which is inexpensive compared with the industry average multiple of 20.4.

Additionally, Manitoba pays a quarterly dividend of \$0.325 per share, or \$1.30 per share annually, which gives its stock a 4.5% yield. Investors should also note that the company reduced its dividend by 23.5% in June in order to maintain its balance sheet, and I think the new rate is sustainable for the long term.

3. Telus Corporation

Telus Corporation ([TSX:T](#))([NYSE:TU](#)) is one of the three largest telecommunications companies in Canada, providing wireless, data, Internet protocol, voice, television, entertainment, and video products and services to over 13.9 million consumers and businesses.

At today's levels, its stock trades at 17.1 times fiscal 2015's estimated earnings per share of \$2.48 and 15.3 times fiscal 2016's estimated earnings per share of \$2.77, the latter of which is inexpensive compared with its five-year average price-to-earnings multiple of 15.6 and both of which are inexpensive compared with the industry average multiple of 20.4.

In addition, Telus pays a quarterly dividend of \$0.42 per share, or \$1.68 per share annually, giving its stock a 4% yield. It is also important to note that the company has increased its dividend nine times since announcing its multi-year dividend-growth program in May 2011, and it plans to grow its dividend by another 10% annually through 2016.

Should you buy one of these telecoms today?

Shaw, Manitoba, and Telus are three of the most attractive long-term investment opportunities in the telecommunications industry today. Foolish investors should take a closer look and strongly consider initiating positions in one of them.

CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. NYSE:TU (TELUS)
3. TSX:SJR.B (Shaw Communications)
4. TSX:T (TELUS)

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