2 Stocks That Should Be a Part of Your Portfolio

Description

As an investor, it's always important to diversify your portfolio. Fortunately, there's no shortage of stocks to choose from when balancing out your portfolio. Here's a look at two stocks that every investor should consider adding and why now is the opportune time to get in on these companies.

Telus Corporation

Telus Corporation (TSX:T)(NYSE:TU) is one of the largest communications companies in the country, with a national footprint in the wireless sector and a smaller, but prominent, TV- and Internet-services footprint.

Telus announced results for Q3 recently, which were in line with analysts' expectations. Net and adjusted income both increased to $365 million and $398 million. Adjusted income amounted to 66 cents per share, which beat estimates and bettered what the company reported in the same quarter last year. Revenue growth came in at approximately 4.2% over the same period last year to $3.15 billion.

The company also announced the elimination of 1,500 jobs, citing an increase to efficiency initiatives. The savings of those job cuts is estimated at $125 million. Telus CEO Darren Entwistle noted that "a notable number of those jobs were voluntary departures and early retirements."

On the heels of the job-cut announcement, Telus also announced an increase to the company dividend. The dividend will be increased 10% to $0.44 per share and is payable on January 4.

Telus currently trades at over $40, just shy of the 52-week high of $45.19. Over the past three months, the stock is down by over 7% and, extending this out to a full year, the stock is near flat, down just 0.56%. Looking over the long term, the five-year difference on the stock is an impressive 83%.

BCE Inc.

BCE Inc. (TSX:BCE)(NYSE:BCE) is another communications company with a strong media division and a storied past. The company has a superior record in paying out dividends; it's paid out dividends for more than a century.

The strong dividend represents a significant portion of the revenues that the company takes in, meaning that the dividend payout is larger than most other companies' dividends. It is currently $0.65 per share with a yield of 4.59%. The flip side of allocating a large portion of revenue to dividend payouts is that growth over time will be less of a priority.

BCE recently announced Q3 2015 results that showed increases across the board for the company. Operating revenue came in at $5.3 billion, an increase of 2.9% over the same quarter last year, and cash flow from operating activities of $1,878,000, driving free cash flow to an increase of 10.4%.

BCE currently trades at $56.66, below the 52-week high of $57.17. In the past three months, the stock is up by 6.1%. Extending this out to a full year, the stock is up by 11%. Long-term investors should be pleased with the performance over the past five years, which have resulted in an increase of 71%.

In my opinion, both of these stocks represent a great opportunity for investors seeking to diversify their portfolios with a media telecommunications company. Both companies provide handsome dividends with very strong balance sheets.

CATEGORY

1. Investing

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2. NYSE:TU (TELUS)
3. TSX:BCE (BCE Inc.)
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