



## Is This Your Last Chance to Buy Shaw Communications Inc. at Under \$27?

### Description

**Shaw Communications Inc.** ([TSX:SJR.B](#))([NYSE:SJR](#)) is a terrific value play in on the Canadian telecom scene. Up until recently, the Big Three Canadian telecoms ruled and controlled prices, which cost Canadian wireless users a small fortune. The CRTC encouraged more competition, and now Shaw Communications has a wireless segment to compete with the Big Three incumbents.

Freedom Mobile, Shaw's wireless division, is nowhere near the level of the Big Three in terms of network performance, and it could take many years and billions of dollars of investment to get to that level. I don't believe Shaw needs to get Freedom Mobile to this level of performance; Freedom Mobile is a lower-cost provider of wireless services with an acceptable network that Canadians can use while paying a fraction of what it costs to get a connection with the Big Three.

It's this perfect balance between network reliability and the affordability that Canadians have been craving for many years before the rise of Shaw's wireless division. Since the acquisition of WIND Mobile, which has since been rebranded to Freedom Mobile, the company has been investing a lot of money into improving the existing wireless network. An LTE network is now in place in populated areas like Vancouver and Toronto, and this is expected to bring more customers from the Big Three incumbents into Shaw's Freedom Mobile.

There's still a lot of work to be done and improvements to be made to Freedom Mobile's wireless network. It will take a lot more investment to get to a level where Canadians will start flocking over from the Big Three Canadian telecoms into Freedom Mobile. But over the next few years, we will start to see Freedom Mobile take more subscribers from the Big Three incumbents.

The Big Three will have to attempt to fight off Shaw, which is going to be a huge market disruptor.

No doubt there will be pricing pressure for the Big Three, and this is why I believe Shaw is a much better growth and value play at current levels. There's nowhere to go but down for the Big Three right now; Shaw will inevitably grab a big chunk of the Canadian wireless market share.

Shaw reported a poor quarterly profit in its latest earnings report, but the new wireless segment proved to be a bright spot. This quarter may actually present a great entry point for dividend investors.

While the wireless segment may not provide a huge boost in the short term, it will be a huge competitive advantage a few years down the road. We may even see Freedom Mobile have as many subscribers as the Big Three, if not more.

If you're a long-term investor looking for a high dividend yield and promising prospects of growth down the road, then Shaw is your best bet. Buy it now and hold it for the next five years and collect the growing dividend.

## CATEGORY

1. Investing

## TICKERS GLOBAL

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2. TSX:SJR.B (Shaw Communications)

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## Date

2025/09/08

## Date Created

2016/11/28

## Author

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