



BCE Inc.: A Top Dividend Stock You Shouldn't Ignore in This Downturn

Description

As the selloff in global stock markets intensifies, it's hard to focus on particular stocks and the reasons we like them. [BCE Inc. \(TSX:BCE\)\(NYSE:BCE\)](#) is one such company that deserves your attention if you invest in dividend stocks and hold them for a long time.

While announcing its fourth-quarter earnings, Canada's largest telecom operator reported its best quarterly wireless performance in many years.

Bell said it added 175,204 wireless subscribers in the three months ending December 31, up 56% from the same period last year for its best quarterly performance in 15 years.

The strong gains in its wireless division helped the company beat analysts forecast for its net income, excluding one-time items. BCE earned \$0.76 per share, beating the average analyst estimate of \$0.75, according to Thomson Reuters. Its operating revenue rose 4.5% to \$5.96 billion.

Today's report on wireless subscribers' growth solidifies BCE's position in the crucial battlefield where other top operators are also trying to grab the largest market share. BCE credited these gains to its aggressive holiday promotions that offered 10 gigabytes of data for \$60 per month.

Network quality

In a conference call with analysts, Bell CEO George Cope said Bell's network quality was the main reason for the strong wireless additions.

Bell also beat analysts' expectations when it came to wireline subscribers. It added 27,000 Internet customers and 7,000 television customers, up from 18,000 and a loss of 1,000 the previous year. It lost 74,000 telephone subscribers, down from a loss of 100,000 in 2016.

Cope said that BCE's landline losses were declining, as the company invests heavily to provide fast fiber connections to customers. Bell is accelerating its fiber roll-out, planning to add 800,000 homes and businesses this year for a total of 4.5 million premises.

Should you buy BCE stock now?

Improving cash flows and a better outlook for 2018 are both great news for BCE investors, who got a boost in their dividend income. BCE said it will hike its annual payout by 5.2% to \$3.02 a share this year. This dividend hike is BCE's 14th increase since 2008, representing a 107% jump.

But despite this impressive performance, investors are ignoring BCE stock, which has seen a major pullback this year. It is down 7% this year, as it seems to be caught up in the indiscriminate selling that we're seeing in the markets these days.

But as I suggested in [my earlier articles](#), long-term investors have an opportunity to take advantage of the company's very attractive dividend yield. Trading at \$56.23 a share, BCE stock is currently yielding 5.06%, the company's best return since 2013.

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Date

2025/07/05

Date Created

2018/02/11

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