



1 of the Best Dividend Stocks Is Selling Cheap: Time to Buy?

Description

[Buying and holding dividend stocks](#) is one of the best ways to grow your wealth. But very few investors master the art of identifying and investing in stocks when they're selling cheap.

Buy a stock when it is a bargain and only when you are sure that it will be worth more in, say, 10 or 20 years down the road. This style is known as "value investing."

In this approach, you have to be confident that you're buying a great stock that you will continue to own, ignoring any short-term setbacks. You stay with your investment until it goes back up.

In short, you buy stocks that will become more valuable over time and commit to sticking with your investment for a long time. With this theme in mind, I have picked one of the best dividend stocks from Canada that has been consistent in rewarding investors and offering good value.

BCE Inc.

The number one rule of value investing, according to the world's most successful value investors, Warren Buffett, is that you become a partner by investing in a business that you believe won't lose its competitive advantage. In other words, such companies are so strong and unique that it's very tough for new entrants to challenge their positions.

Canada's largest telecom operator, [BCE Inc. \(TSX:BCE\)\(NYSE:BCE\)](#), is one such company. It has invested billions of dollars to build huge scale and reach; its network is hard for others to replicate.

BCE provides millions of Canadians phone, internet, and satellite TV services, amassing about \$22 billion in sales only in last year.

The biggest advantage in investing in BCE is that it operates in an oligopoly, where the top three national operators — BCE, **Telus Corporation**, and **Rogers Communications Inc.** — control about 90% of the market. This makes almost impossible for companies to enter the market.

BCE is a great dividend stock, too. The company has sent dividend cheques to investors for the past

137 years. Since the fourth quarter of 2008, BCE has hiked its annual dividend by 107%; it's now at \$3.02 per share.

I believe these qualities make BCE stock is a great buy after it fell more than 10% in the past 12 months, pushing its dividend yield to 5.5%. The slide in its share price is mainly the result of rising bond yields, which diminish the value of telecom utilities when compared to fixed-income assets, such as bonds.

The bottom line

Despite this temporary setback, BCE's fundamental value remains promising, and the recent sell-off presents a rare chance to scoop up this dividend name at a discount.

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