



Should You Buy BCE Inc. (TSX:BCE) Now or Wait?

Description

Are you invested in **BCE** ([TSX:BCE](#))([NYSE:BCE](#))? Canada's largest telecom has, for the most part, declined in value over the past year, despite running an exceptional telecom business and media empire that has formed an impenetrable umbrella around multiple segments of the Canadian economy.

What makes BCE a great investment?

In terms of market share, BCE has a commanding lead in terms of subscribers and coverage area, which — along with the [two other large telecoms](#) — covers the vast majority of the market in Canada. BCE's nationwide coverage of wired and wireless phone service as well as TV and internet segments have a large customer base, but the company's mobile offering is seen by many as where the future is heading.

Wireless service has evolved over the past decade from being a nice-to-have service for keeping in touch via phone calls and texts to becoming a must-have for a connected individual in today's increasingly digital world. Most of us have one (and in some cases more than one) wireless device that is being used in a variety of uses beyond what we all conceived, replacing an impressive number of devices through a variety of applications and sucking in data at an alarming rate that BCE and its peers are charging us for.

The result is a walled garden of applications, tools, and games that we pay BCE for through our monthly bill, which sounds an awfully like an impressive moat that is only going to become greater in time, but, amazingly, this isn't the only moat that BCE commands.

As a company, BCE has an impressive media empire of TV and radio stations and even has an interest in professional sports teams. This provides a steady and diversified stream of revenue for the company, which could, in theory, allow for the growth in one part of the company to be offset by the weakness in another during earnings season.

Then there's BCE's dividend. The company offers a very attractive quarterly payout with a yield of 5.74%, which far outpaces its telecom peers both in the Canadian market as well as to its peers in the U.S. If that weren't enough, BCE has provided annual or better hikes to its dividend for at least the past

decade and is forecasting to continue annual hikes averaging up to 6% for the foreseeable future. Also worth noting is that BCE has been paying out dividends for well over a century.

BCE has declined. Is it still a good buy?

Despite that impressive overlay of BCE's business, the stock has, over the course of the past year, dropped by 10%, which could be viewed by some as a great time to buy.

Critics of the stock are often quick to point out that rising interest rates and a cooling market are reasons to be cautious of investing in telecoms, which have traditionally carried large amounts of debt.

There's also the Canadian marketplace to consider. BCE may be the biggest network in Canada, but the market is saturated among the main three telecoms, accounting for over 90% of the market between them, and a fourth player in the wireless sector is threatening to be a disruptive force to be reckoned with.

In short, BCE is a good investment for the income-seeking investor, but [growth-minded investors](#) would be better suited looking elsewhere.

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