



## Telus Corporation (TSX:T) Soars to New All-Time High: Time to Buy?

### Description

When it comes to [steady Eddie](#) dividend payers, it's really hard to do better than **Telus** ([TSX:T](#))([NYSE:TU](#)). The high-yielding telecom stud has provided shareholders with the perfect blend of capital gains, dividends, and dividend growth over the years. After many years of infrastructure investments, Telus is finally ready to turn the page on Canadian telecom tech at a time when many of its competitors are still playing the game of catch up.

Telus has been aggressively rolling out its fibre-to-home buildout, and it's literally been paying dividends. The last quarter showed solid subscriber growth numbers, and as the company continues to invest in both its fibre rollout and its 5G wireless infrastructure, the telecom titan looks well positioned to retain the PCMag title of Canada's fastest network.

Moreover, given the fiercer competitive landscape that lies ahead, Telus's rapid and relentless investment efforts appear to be granting the company a competitive advantage that would have been thought to have eroded with new entrants in the western Canadian telecom scene.

As Telus may be likely to be the first to a vast number of markets with its 5G wireless and high-speed fibre wireline offerings, the company is well positioned to have a significant initial pricing edge over its lagging peers. As 5G becomes the norm, I suspect that Telus will experience a major subscriber growth spurt together with a nice bump to its margins, as it's likely that Telus will be both the first and the fastest when it comes to 5G in western Canadian markets.

Over time, I do believe the quality gap will narrow as competitors look to undercut Telus on pricing as they gradually move into Telus's turf. As such, investors shouldn't expect any big subscriber growth spikes to be sustainable, especially given a potential price war that could unfold.

In addition, given the federal government's desire to foster competition in the Canadian wireless scene, Telus's main rival, **Shaw Communications**, may be given first dibs to new spectra at future auctions. Add regulatory hurdles that may be placed in front of Telus and not Shaw; I see the next-gen network quality gap narrowing at a potentially quicker rate in the early 2020s now that Shaw's joining the wireless battle.

## Foolish takeaway on Telus

A big 5G boom is coming for Telus, but the boom could be followed by a bust as the competition narrows the network quality gap, so I'd advise investors to be cautious with shares at all-time highs.

The stock is [too richly valued](#) at \$49.50, and with nothing but optimism baked in today, I'd urge investors to take a raincheck on Telus and the 4.3% dividend yield. Wait for a better entry point at around \$45, which may present itself over the next year.

Stay hungry. Stay Foolish.

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3. TSX:T (TELUS)

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