1 High-Yield Dividend Stock to Prepare for a Bear Market

Description

While equity markets have performed well recently, fears of an upcoming bear market are getting worse. There is at least one reason why these fears might be justified; talks of trade wars between the U.S. and China continue to have a negative economic impact.

Whether these fears are fully warranted, though, it never hurts to be prepared to handle a potential market crash. Investing in low-risk, quality dividend stocks is one of the best ways to do so.

Let's look at one stock in particular that fits the bill: **Telus Corporation** (TSX:T) (NYSE:TU).

One of the largest telecom providers in Canada

Though the Canadian wireless industry is dominated by a handful of companies, the sector has been getting a bit more competitive in recent years.

Several companies have managed to capture a portion of the market share by offering lower prices.

However, Telus still possesses one of the best wireless networks in the nation, and wireless speeds count for a lot in this business. The telecom company is able to charge a premium for its higher quality services.

While many customers will choose to jump ship to save a buck, Telus should remain one of the biggest players in the industry for many years to come.

Telus' financials results show that the company continues to grow. During the second quarter, the firm's wireless revenues grew by 2.9% while its wireline revenues climbed by 6.4%.

This growth was on the back of net additions of 154,000 subscribers to its wireless services. Telus now has about 9.8 million wireless subscribers, which represents a 5.4% increase year over year.

Telus' wireline segment isn't as impressive as its wireless business. However, the latter of these accounts for 55% of operating revenues and 67% of earnings before taxes, expenses, depreciation and amortization (EBITDA).

As long as its wireline segment remains relatively competitive, Telus' edge in the wireless sector should help keep its earnings afloat.

Dividends you can take to the bank

Telus current offers investors a juicy dividend yield of 4.71% (at writing). Although the firm's payout ratio, which currently sits at 79%, is a little high, Telus has proven that it can generate enough earnings to continue growing its dividends.

The Vancouver-based firm has increased its quarterly dividend payouts by about 48% over the past five years, which amounts to a more than 9% annual increase.

Telus recently announced plans to increase its dividends semi-annually, with the annual increase falling in the 7% to 10% range through the end of 2022.

The bottom line

With a beta below 0.5, Telus is a relatively low-risk stock. Sure, the telecommunications company will not provide market-beating returns to investors.

But the firm holds a notable portion of the market share within a profitable industry, and provides steady and growing dividend payments. Thus, Telus can help you ride out the next bear market.

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