



## TFSA Investing 101: A Wide-Moat Stock to Buy Before September Ends

### Description

When it comes to your TFSA, you can't afford to speculate. Instead, look to the stocks of companies with wide moats. They'll hold up well as technological disruptors continue to wreak havoc on low-tech firms that have little to no experience with investing in innovative pursuits. With a wide-moat stock, you won't have to worry about **Amazon.com** swooping in to steal your lunch, as it continues to expand its circle of competence across new industries.

One wide-moat stock that recently went on sale is [Quebecor](#) ([TSX:QBR.B](#)), a Quebec-based telecom company that I believe has the widest moat of all TSX-traded telecoms. The company primarily caters to the Quebec market, with services that are also offered to select Francophone communities outside the province.

While telecom services like mobile, internet, television, and all the sort are essentially becoming commoditized, Quebecor has an advantage over the Big Three (or [Big Four](#) if you include **Shaw Communications**) by maintaining a focus on its home province of Quebec.

In a way, Quebecor has a moat built around Quebec, with a greater ability to retain its Quebecois subscribers thanks to its deep infrastructure penetration across the province, and the language barrier that prevents the Big Three incumbents from getting into intense price wars with Quebecor in its home turf.

While nothing is stopping **BCE**, a chief rival, from clashing swords with Quebecor in the battle for its Quebecois subscribers, I think competing within the province of Quebec will be seen as an uphill battle given Vidéotron (Quebecor's mobile, internet, and cable subsidiary) is a preferred brand given the province's preference for Quebec-based businesses.

That's not to say that Quebecor's moat can't be eroded with time though, especially if the company fails to roll-out next-generation telecom tech (like 5G and fibre) quicker than its competitors in select geographies. Given Quebecor's solid operating track record and its home-field advantage, I'd say Quebecor's moat will be tough to break through for any competitor that's hungry for subscribers.

Quebecor isn't trying to spread itself too thin by trying to dominate as much of the Canadian market as

it can. It's found its niche within Quebec (and various other small French-speaking communities), and with plenty of infrastructure to spend on, there's really no point for the company to attempt to aggressively expand from coast to coast.

Quebecor will be able to focus its efforts on defending its home turf from competitors, rather than having to balance between expanding to new markets and preventing subscriber losses in existing markets.

At the time of writing, the stock trades at 15.3 times forward earnings. That's a heck of a bargain when you consider Quebecor may be one of the few telecoms out there that actually has a moat. The stock is currently off 10% from its highs, I'd treat that as an opportunity to back up the truck.

Stay hungry. Stay Foolish.

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