



2 High-Growth 5G Stocks to Consider in 2020

Description

It's official: 5G is beginning to roll out in Canada.

According to a recent *Financial Post* story, **Rogers Communications** ([TSX:RCI.B](#))([NYSE:RCI](#)) activated 5G in areas of Toronto, Ottawa, Vancouver, and Montreal this past Wednesday. While customers will not actually be able to access the network for some time, its activation has been touted as an important milestone toward 5G going mainstream.

5G is much faster than existing networks, allowing faster data transfer and greater bandwidth. Wireless providers that get in on the ground floor will stand to benefit from the new technology, adapting to it quicker than companies that lag behind. The following are two companies whose shares are worth considering in light of their strong position heading into the 5G era.

Rogers Communications

Rogers Communications is the obvious frontrunner in Canada's race to 5G.

Not only is it the first Canadian telecom provider to activate its 5G network, but it's also reportedly working with hardware manufacturers to ensure their devices are compatible.

According to the *Financial Post*, Rogers got a headstart on 5G by partnering with **Ericsson** to develop its network infrastructure. While other telcos began working with the cheaper supplier **Huawei**, those plans were thwarted, as national security experts raised concerns about potential network interference by Chinese actors. The end result was that Rogers got to roll out its 5G network much more quickly than its competitors did.

That one factor alone makes Rogers a 5G stock worth considering. However, that's not all the company has going for it. In addition to its enviable position in the "5G wars," the company is also a strong grower, having increased its earnings from \$835 million to \$2 billion in just three years. The stock is also a solid dividend play, with a 3.09% yield as of this writing and a long track record of dividend increases.

Quebecor

Quebecor ([TSX:QBR.B](#)) is a Quebec-based communications conglomerate that has holdings in media production, sports, and telecommunications.

Even without considering 5G, this stock has a lot going for it. With an [above-average ROE](#), a 14 P/E ratio, and market-beating historical returns, it's a stock that has rewarded investors handsomely over the years.

However, when we take 5G into account, this stock becomes even more appealing.

Just recently, **Samsung Electronics** announced that it had scored a deal with Videotron, a Quebecor subsidiary, to supply its 5G network infrastructure. This puts Quebecor [a safe distance away from the Huawei controversy](#) that's plaguing other Canadian telecommunications companies.

If you'd bought Quebecor shares at the start of 2015 and held to today, you'd have more than doubled your money. While past performance doesn't necessarily indicate future performance, the company's enviable position in 5G makes it one of the better Canadian telecom bets for the years ahead.

CATEGORY

1. Dividend Stocks
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2. TSX:QBR.B (Quebecor Inc.)
3. TSX:RCI.B (Rogers Communications Inc.)

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