



TFSA Investors: Keep It Simple, Silly — and Invest in This 1 High-Yield Dividend Stock

Description

There are three main factors investors look into when choosing which stock to put their money in – and these are dividend yield, growth prospects, and risks. This is what makes **BCE Inc** ([TSX:BCE](#))([NYSE:BCE](#)) stock so attractive, offering a temptingly high-yield, appreciative growth prospects and little risk of downsides.

A lot of investors overcomplicate things when they are purchasing stocks. They analyze too long, or they overtrade, or they buy at the top of the market and panic sell when the stocks start coming down.

Why not keep it simple and buy great stocks and hold it?

If you are looking for a core stock to add to your TFSA, BCE is the one to consider. If you remain unconvinced, continue reading.

With a market cap of \$58.3 billion, BCE is one of the largest players in the Canadian telecom arena, with a customer base of over 22 million. The company's vast reach and scale give it a distinct competitive advantage.

It benefits from having few real competitors in the sector, and its economy of scale allows it to offer services to be competitively priced. This year, because of the virtual monopoly it enjoys, the company was able to raise its internet charge by \$5 per month, which adds up to a considerable sum in income when its large customer base is taken into consideration.

A history of reliability

BCE has an impressive history of giving payouts to shareholders that span [back nearly two centuries](#). This has been done on the back of maintaining a strong balance sheet with plenty of liquidity, as well as retaining investment-grade credit ratings.

The company also boasts a strong track record of consistent and sustainable dividend increases since

2009. The current annual yield stands at 5.12%.

In the same period, its stock value has also shown steady appreciation, more than doubling from \$20.66 to \$64.56 at the time of writing.

Future growth prospects

Communication and media services such as cable and internet have become a staple commodity across Canadian households and businesses, which means that regardless of market trends, people's consumption of such services is likely to remain consistent.

As a market leader in the provision of such services and with steady cash flow, BCE remains mostly shielded from the inevitable market crash as global economic growth slows down.

As newer technologies such as 5G roll out this year, this also offers plenty of room for the company to expand and grow further.

Summary

As a dividend stock, BCE offers itself as one of the best and safest on the market. Investors shouldn't be worried by the [6.8% devaluation of its stock in the previous month](#).

Over the long term, BCE can prove itself to be a predictable and growing high-yield dividend stock, providing plenty of upside to investors. If anything, this represents a great buying opportunity.

With a forward P/E for the last twelve months was 19.1 and EBITDA of 8.8, its shares are trading at a relatively attractive valuation.

CATEGORY

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