Contrarians: Buy This Top TSX Stock for 75% Returns by 2025

Description

Sources of long-term value creation are key to a stock portfolio. It's the essence of a Warren Buffett strategy, along with knowing what you hold and holding what you know. During the current market correction, it makes a lot of sense to have a transparent relationship with one's asset manager or to know one's investments inside out if you manage your own personal portfolio of holdings.

The market correction is here

The past week has seen the markets tumble on coronavirus fears, as one sector after another feels the impacts of a downturn in trade and travel. The sell-off saw some resilience at the start of the week — indeed, after the initial dip came the bounce, with U.S. markets regaining some of their composure as investors bought on weakness.

Not so the **TSX Index** — Monday's dip continued into Tuesday, as uncertainty continued to weigh on Canada's main stock index. By Thursday, it was a full-blown correction, with other major North American markets joining the TSX in remaining negative by the end of the week. By Friday, only a handful of defensive stocks remained positive on the **S&P 500**, a notable name being gold miner **Newmont**.

Not that the situation was always easy to read, with a glitch downing the TSX for part of Thursday amid a deepening sell-off, while south of the border the American markets reflected the beginning of the 2008 financial crisis, including one of the worst point drops in history.

It's a dynamic environment, and unless investors have the time to watch the markets, a low-maintenance stance is certainly called for. However, there are clear value opportunities for those of a contrarian stripe, with plenty of quality on sale. For example, **Rogers Communications** (TSX:RCI.B)(NYSE:RCI), down by 3.4%, is a top dividend stock that TSX investors should consider adding to a portfolio for recession-proofing.

A great mix of telecoms, sports, and media

Rogers Communications commands a vast empire of diversified assets. From cable TV to wireless to phone and internet services, the iconic business also holds key telecom and media assets. In addition to this, Rogers Communications also owns Toronto Blue Jays in conjunction with the self-named Rogers Centre and owns stakes in the Toronto Maple Leafs, Raptors, and Argonauts.

A dependable 3% dividend yield with a 50% payout ratio adds up to income growth potential over the long term. Meanwhile, projected five-year total shareholder returns of 75% should satisfy the risk-averse Canadian looking to invest in solid stocks that can safely navigate a recession while packing growth into a long-range personal portfolio. Its fairly flat share price this week reflects its reassuringly low 36-month beta of 0.17.

The bottom line

Rogers Communications is as wide moat as they come, combining a best-in-class wireless provider with a major player in Canadian sports — not only through media but also through direct and part-ownership of a major venue and some of our top teams. Investors eyeing the usual round of consumer staples and utilities may be missing out on the recession-ready status of this must-own TSX dividend stock.

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