



1 Canadian Stock You'll Want to Add in This Market

Description

With the Canadian market now down more than 25% in 2020, it's time to take a good hard look at your portfolio. Let's not start by stressing over how much some of your favourite holdings have dropped over the past few weeks. Instead, let's look to the future.

There's no better time than now to ask yourself what stocks in your portfolio do you feel confident about holding for the next 10 plus years? Which companies keep you up at night during bear markets like this? Which ones allow you not to bat an eye even with days where the entire market is dropping 10%?

Living through a bear market like this can help an investor plan for their future. Now more than ever, we'll realize what the truly essential products are in our day-to-day lives. Those essential products can often lead to finding great long-term holds for our portfolio.

You might be able to make a case that our cell phones *aren't* an essential part of life. But I'd counter that by betting most people won't be canceling their phone bills if we enter a recession. Like it or not, our cell phones are an essential tool that millions of Canadians rely on every day.

5G growth potential

With a market cap of just under \$30 billion, **Rogers Communications** ([TSX:RCI.B](#))([NYSE:RCI](#)) is one of the three big telecoms in the country. Similar to **Bell Canada**, the product offering of Rogers includes a list of top national radio and television programs.

Perhaps the strongest bull case to make in favour of Rogers is the development of 5G. The technology is set to completely transform the telecom industry in the near future. Although Rogers launched its first 5G network in Canada earlier this year, it [was the choice of infrastructure partner](#) that has given Rogers a leg up on the competition.

Contrary to telecom rival **Telus**, who chose to partner with Huawei as its infrastructure partner, Rogers opted to pay a higher price tag and work with Ericsson instead.

While a decision has yet to be made, Canadian officials are in the process of determining whether Huawei should be banned completely in Canada. There is no doubt that this would be a major setback for any telecom that has partnered with the Chinese company.

There's no denying the significant impact that 5G will bring to Canadians on an everyday basis. The bigger question for investors often falls to [which 5G industry will be the best investment to bet on](#), such as infrastructure partners, data providers, to name but a few.

Rogers is just one of many companies in line to benefit greatly from the development of 5G. While some investors may want to look outside the telecom industry for their 5G investments, Rogers can provide investors with both strong growth potential and a passive income.

Dividend

Of the big three telecoms in Canada, Rogers pays the lowest dividend of the three. That doesn't mean the yield is anything to sneeze at, however.

Rogers pays an annual dividend of \$2.00 per share, which is equivalent to a yield of 3.40%. A \$25,000 investment in the telecom company at today's stock price would earn shareholders \$215 per quarter.

Foolish takeaway

When the market has dropped as much as it has over the past few weeks, even long-term Foolish investors will feel the stress of their portfolio dropping in value.

The key to remaining confident during these market downturns is to own companies you truly believe in and that are confident to hold for the long term.

CATEGORY

1. Investing

POST TAG

1. 5G
2. bear market

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