



Market Crash: Why I Wouldn't Buy Rogers Stock

Description

The stock market crash has brought a lot of stocks down to valuations not seen in years. While this probably hasn't been ideal for the stocks in your portfolio, it does present a great opportunity to buy stocks at these cheap prices.

One of the stocks which has declined significantly, down 15% from where it was a month ago is **Roger Communications Inc** ([TSX:RCI.B](#))([NYSE:RCI](#))

Rogers is one of the big three telecom stocks in Canada. It operates through its three main segments, wireless, wireline and media.

Because it's such a large company and the stock has fallen significantly from where it was just one month ago, investors may be considering it as a stock to buy.

And while the theory behind that is sound —buying large business when they are trading cheap and holding for the long run — I believe there are better options out there for investors.

For example, you may like Rogers because of the industry it operates in. The telecom industry is one of, if not the best industry to own investments in. It's crucial to the economy, the businesses are cash cows and its the perfect long-term growth industry.

So why wouldn't I invest in Rogers today? Well for starters, I personally favour a few other companies in the telecom sector.

For me, the two telecom stocks to consider buying today are **Shaw Communications Inc** ([TSX:SJR.B](#))([NYSE:SJR](#)) and **BCE Inc** ([TSX:BCE](#))([NYSE:BCE](#)).

Core stock to buy

BCE, the biggest of the bunch, is definitely the telecom to start with. It has the top mobile network in Canada, has made significant investments in its wireline business and its media business is second to

none.

BCE's massive integrated business gives it a strong industry position. The company is well run, management is forward looking and it will continue to grow as the industry expands.

Not only is telecommunications a staple in our economy, but the Canadian wireless market is under penetrated in comparison with its peers. And with 5G set to roll out in the near future, there will be significant growth in the industry for years.

BCE is ready for this, as it has been investing heavily in its fiber network. This positions it in a prime spot upon the launch of 5G, so it should continue to dominate as the industry leader for years to come.

It's also worth noting that BCE is one of the top [Canadian Dividend Aristocrats](#). This means that the company's dividend is highly reliable and can be counted on to be increased pretty much every year.

As of Wednesday's close, BCE's yield was more than 6.2% and its price-to-earnings ratio was just 15.9 times. That's major value from such a reliable blue chip, making BCE one of the top core stocks to buy now.

Growth stock to buy

If you are looking for a company with more upside potential and the ability to grow its operations over the long run, you may want to consider Shaw.

Shaw has long had a strong wireline division in Western Canada. After its purchase of Wind Mobile a few years back and its rebrand to Freedom Mobile, Shaw indicated that it was ready to take on the big three for wireless market share.

While this won't be a quick process, if Shaw can slowly attract clients away from the big three and build up its wireless business, there will be considerable growth in value for shareholders for a long period of time.

As of Wednesday's close, Shaw's dividend was yielding more than 5.6%, and the shares were trading at just 15.4 times earnings. This is an extremely appealing valuation and makes Shaw a top growth stock to buy today.

Bottom line

Rogers isn't a bad stock, but if you want a stock to buy in the telecom space, Shaw and BCE are better choices.

While you can make money buying a lot of good stocks in market crashes, you should always aim for the absolute best.

Sometimes, your worst investment may not necessarily lose you money. But if an investment causes your portfolio to under perform while others are growing their businesses rapidly, that lost growth can be devastating.

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TICKERS GLOBAL

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2. NYSE:RCI (Rogers Communications Inc.)
3. NYSE:SJR (Shaw Communications Inc.)
4. TSX:BCE (BCE Inc.)
5. TSX:RCI.B (Rogers Communications Inc.)
6. TSX:SJR.B (Shaw Communications)

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Date

2025/08/25

Date Created

2020/03/26

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