Market Crash: 2 Blue-Chip Stocks on Sale!

Description

With uncertainty mounting in economies around the globe, stocks have been trading lower this month. We saw the market crash and burn, and it has since been bouncing around with volatile sessions.

A market crash makes for a scary time for investors. However, those with a long-term view can actually identify profitable investment opportunities.

That's because it's during these times that blue-chip stocks can be had for deeply discounted prices. Then, over a long enough horizon, these healthy companies come roaring back, and investors can reap the benefits of both a strong dividend and a rise in share price.

Today, we'll look at two blue-chip telecom stocks trading on the TSX that are poised to reward long-term investors.

BCE

BCE (TSX:BCE)(NYSE:BCE), known to Canadians as Bell, is one of the nation's largest cell service and internet providers. It has a market cap of $51.67 billion and is trading at $57.19 as of writing. Before the market crash, it was trading as high as $65.19.

Bell is a long-time Dividend Aristocrat in Canada, and it delivers steady, stable, and growing dividends to its investors.

Currently, its dividend yield is about 5.8%, offering investors a mouth-watering amount of passive income. With that yield, an investment of $20,000 would generate nearly $1,200 in dividends in a single year.

Now, Bell might face some challenges in its cell service business — namely the fact the government has mandated the major carriers to slash mid-range phone plan prices by 25%.

But, with 5G right around the corner, Bell's outstanding infrastructure means it's well positioned to be the industry leader with the new networks. Also, with data getting faster, the demand for higher-limit plans could mute the effect of mid-range price cuts on Bell's bottom line.

Telus

Telus (TSX:T)(NYSE:TU) is another large Canadian telecom company. It has a market cap of $27.67 billion and is trading at $21.86 as of writing. The market crash has also dropped Telus'S share price, making it look cheap.

Like Bell, it also offers lucrative and stable dividends to its investors. While its dividend is a little lower at 5.35%, it also has a much lower payout ratio than Bell (77% instead of 94%) — so its dividend could be considered safer during the market crash.

Telus will also be effected by the mandated price cuts but, again, may be able to minimize the impact for the same reasons.

Recently, unlike its counterparts, Telus has elected not to go all-in on media and instead has been building the Telus Health business. During these times, that decision could pay off — sports have been cancelled for now, and health services are in high demand. Telus might be able to offer innovative solutions in the space.

That sort of differentiation might be what Telus needs to finally get a major leg up on its competitors.

Market crash strategy

Bell and Telus are both premier blue-chip stocks available on the TSX. Bell is a bigger business, but Telus might offer more interesting innovation potential.

Both stocks offer a great dividend to investors, and a fantastic track record for improving the dividend as well.

For a long-term investor, stocks like these are great to buy for cheap, as doing so locks in an attractive yield, while leaving room for big upside in the share prices.

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Author
jagseguin