



Telus (TSX:T) Stock Is Set to Rally

Description

It's been steady as she goes for **Telus** ([TSX:T](#))([NYSE:TU](#)) up until recently. Besides a huge bump back in 2017, Telus stock has managed to stay right between \$20 and \$25 for the past five years, but that could all change with a market rally.

After a huge drop of almost 40% in the **S&P/TSX Composite**, it looks like the stock market could be on the road to recovery. Today's market rally leaves a lot of opportunities for investors, but the ones I would recommend are those blue-chip stocks for long-term investment. These stocks have, in many cases, decades of data to back up promises of growth, with steady dividends and solid future ahead of them. And if you're going to consider any right now, Telus stock should definitely be on that list.

Talking Telus stock

First, a bit of a history lesson before today's market rally. Since the last recession, Telus stock has come a long way. As of writing, the stock has gained more than 200%, and that's after falling during the market crash. Besides the one jump I mentioned, the stock has been on an incredibly stable gain over the last decade or so and looks to be continuing this trajectory.

What's been helping the stock along are two areas: wireline and wireless. Whereas its competitors usually focus on one or the other, Telus stock sets itself apart by succeeding in both areas. In the wireless industry, even as the industry lags, analysts believe the company should continue to expand. As of writing, Telus takes up 30% of Canadian wireless customers, with only two others serving about 90% of the market. It's been dubbed the fastest mobile network in Canada, and with [5G being released](#), this shouldn't end any time soon.

In fact, Telus should be one of the first of its peers to roll out 5G thanks to its wireline infrastructure during and after the market rally. Although costly up front, the fibre-to-the-home network has been a cash cow for Telus stock. Telus is still laying down its wireline but expects to reach 80% of its customers by the end of this year. From there, Telus can charge more, spend less, and watch as its peers try and keep up.

Today's market rally

Even during an economic downturn, Telus stock should continue to perform well, especially its earnings reports. The next one is around the corner, and while there might be a bit of a downfall, the company could actually see an uptick in sales. As more and more Canadians continue to work from home, many might be switching to Telus for a faster, easier connection. That could leave its peers in the dust.

No wonder then that many analysts are recommending this stock during today's market rally. Telus stock should be the first to see a bump after its earnings report on May 7. And while the stock isn't too far down from fair value, there is still a potential upside of 18% for today's investors. Those investors can also expect a [nice dividend](#) of 5.34% as of writing, which they can use to reinvest in this blue-chip stock for years to come.

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