



Market Crash 2020: Prepare Yourself by Buying Top Stock BCE Inc.

Description

[The market crash of 2020 has left many bruised investors in its wake](#). And the carnage is not over. Second-quarter results will be shockingly bad, and investors will have to digest this fact, which will mean further selling pressure. A top dividend stock to weather the storm is **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)).

Market crash 2020: BCE earnings results and update reveal an unmatched resiliency

BCE's earnings were slightly better than expectations, with strong wireline results partially offsetting weak wireless results. BCE's results were negatively affected by the coronavirus shutdown in the latter part of the first quarter.

Today, the country is slowly reopening, so there are signs of hope. But nothing can be taken for granted, and we really don't know how long this will take. I think it would be fair to say that we should expect a really rough second quarter.

Given this, let's look at how BCE is doing in terms of surviving this downturn. I'm pleased to say that BCE is shining on all fronts. As at the end of the quarter, BCE has \$3.2 billion in liquidity. Its cash flow generation is strong and interest coverage ratios are high. The company has ample amounts of credit available through its credit lines.

While wireless revenue will be weak in the second quarter, BCE has the financial capacity to withstand this. The company also has the financial capacity to continue to make investments in its network, which will keep BCE well positioned for the future of technology. Increasing digitization is here to stay, ensuring that BCE is a top pick in this market crash of 2020.

BCE stock is a top defensive stock for today and tomorrow

So we have seen the essential service that BCE provides. This telecommunications giant is keeping Canadians connected, working, and entertained. While today might be a difficult time, but tomorrow will be much better. On the first-quarter results conference call, BCE management talked about their general expectations.

First, the company will continue to invest in the business and the network. This is important for the company to remain capable of meeting consumers' changing needs. Second, management believes that in the medium to long-term, a shift toward more remote work would be a positive for BCE.

BCE is an essential business, but it's also a growing business. [The world is relying on technology at an accelerating pace](#). BCE is right there to meet this demand. As Canadians change the way they work and play, BCE will be an essential part of the puzzle.

BCE stock's dividend yield of 5.85% is well supported

BCE currently has a dividend yield of almost 6%. This level of yield for such a high quality company is really a gift and a bargain. BCE has solid cash flow generation, a reasonable payout ratio, and a solid history of dividend reliability and increases. In fact, BCE increased its dividend by 128% since the fourth quarter of 2008.

Foolish bottom line

BCE Inc. continues to show its financial and operational leadership. Recent first-quarter earnings results were no exception. While the second quarter will be difficult for BCE, this company will make it out on the other side.

BCE will maintain its financial strength and future sustainability and growth. All of this makes BCE stock a top stock in this market crash 2020.

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