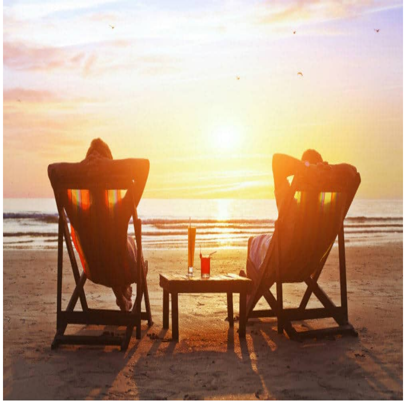

Retirees: 3 Dividend Stocks to Trust Today

### Description

In late April, I'd discussed how investors could protect themselves from the COVID-19 economic backlash. Broad sections of the economy have suffered a total shutdown, and it may take years for spaces like transportation, hospitality, and entertainment to bounce back. Some may never recover.

Today, I want to look at dividend stocks that retirees can trust for steady income going forward.



## Retirees: Why you can trust telecom dividend stocks

Interest rates have been pushed down further in this crisis, which means that retirees will have their work cut out for them navigating savings vehicles. Fortunately, there are still income-yielding equities that are trustworthy on the **TSX.** Telecommunications is one sector I'm still bullish on in late May.

Canadians have been thrown into a months-long lockdown, which means their usage rates will likely be higher than ever before.

Retirees should consider buying and holding telecom dividend stocks. Below are some of the top options on the TSX.

## Top telecoms to grab today

**BCE** (TSX:BCE)(NYSE:BCE) is one of the largest telecoms in Canada. Its shares have dropped 7.8% in 2020 as of early afternoon trading on May 25. The company released its first-quarter 2020 results on May 7 and remains one of the more reliable dividend stocks on the TSX.

Adjusted EBITDA increased 1.4% year over year to $2.44 billion and adjusted net earnings climbed 4% to $720 million. It reported 45,042 total wireless, retail Internet and IPTV net customer additions in the quarter.

However, BCE was negatively impacted by an industry-wide decline in advertising due to the COVID-

19 pandemic. It also withdrew its 2020 guidance in response to the crisis.

Shares of BCE last had a favourable price-to-earnings ratio of 16 and a price-to-book value of 2.6. It declared a quarterly dividend of $0.8325 per share in Q1, which represents a strong 6.1% yield.

## Keep an eye on 5G development

**Telus** (TSX:T)(NYSE:TU) is another top Canadian telecom. Earlier this year, I discussed Telus' drive toward the 5G network. Telus has drawn criticism, as it's working with the Chinese telecom Huawei. Geopolitical tensions between Canada and China have worsened in recent years and the federal government is still mulling an all-out ban on Huawei technology.

Still, Telus is a worthy dividend stock to target right now. In its first-quarter report, the company posted consolidated revenue and EBITDA growth of 5.4% and 4.2%, respectively. First quarter customer additions reached 106,000 – up 12,000 from the prior year. Meanwhile, Telus also deferred an update on its 2020 guidance in the wake of the COVID-19 pandemic.

Telus stock last had a P/E ratio of 16 and a P/B value of 2.2, in line with BCE's favourable value. Moreover, Telus declared a quarterly dividend of $0.29125 per share, representing a 5.1% yield.



**Rogers Communications** has also pushed to have its 5G network ready in the first years of this decade. Shares of this telecom have dropped 14% in 2020 so far. Free cash flow in Q1 2020 was up 14% year over year to $462 million. Rogers' network traffic was up 50% on the back of the shift to home-based work for many Canadian workers.

The stock currently possesses a P/E ratio of 14 and a P/B value of 2.7. While it boasts slightly more attractive value than the two other telecoms we covered today, its income is lacking in comparison. Rogers last announced a quarterly dividend of $0.50 per share, which represents a 3.6% yield.

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1. Dividend Stocks
2. Investing

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1. NYSE:BCE (BCE Inc.)
2. NYSE:RCI (Rogers Communications Inc.)
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4. TSX:BCE (BCE Inc.)
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**Date**
2025/08/24
**Date Created**
2020/05/25
**Author**
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