



Another Stock Market Crash Is Coming: Buy Telus (TSX:T) Stock to Get Ready

Description

Telus Inc. ([TSX:T](#))([NYSE:TU](#)) stock is down 3.5% so far in June. Last week was a particularly difficult week for Telus. And while it was difficult all around, Telus' performance was worse than that of the **S&P/TSX Composite Index**.

Despite this, I am here to tell you that buying Telus stock is one great way to prepare for the next market crash.

The extent of the economic hit that caused by COVID-19 is becoming increasingly clear and painful. Upcoming earnings will underscore the fact that hard times are here to stay — at least for a little while. And a stock market that is attempting to brush off this crisis may be in for a wake-up call.

In this case, it is essential for us to buy stocks that will be more immune to this economic and stock market crash.

Telus stock protects your investment from a stock market crash with a generous yield

Telus is currently [yielding a very generous](#) 5.06%. This is not only a generous yield, but it is also well covered. Telus' payout ratio of 83.9% is in line with its industry peers' average and backed up by healthy free cash flows and strong liquidity. In its latest quarter, Telus reported free cash flow of \$425 million.

Buying Telus stock today would give you an annualized return of 5%. If you can hold the stock through the crisis, you won't really care what the short-term movements are. In the event of a stock market crash, you still pocket a 5% return in the form of dividend income.

Telus has staying power

The [telecommunications industry is a defensive one](#). And Telus is a top performer, with strong free

cash flow growth and, up until recently, strong dividend growth. Its revenues are sticky.

Today, with isolation and social distancing policies in effect, telecommunication companies are seemingly more important than ever. All of this should drive demand for Telus stock.

Exposure to healthy growth

On top of being one of Canada's telecommunications giants, Telus is also an innovator. The company is involved in two areas that have strong growth trajectories ahead. These growth areas are a sign of the times. They couldn't have an environment *more* conducive to their growth and success.

Telus Health is a healthcare app by Telus and a great example of how technology can make our healthcare system easier and better. It is even more evident now as it transforms the Canadian healthcare system at unprecedented speed.

Babylon by Telus Health is a healthcare mobile app that allows patients to check symptoms and have doctor consultations. Sounds useful in today's times, right? The Telus Health Electronic Medical Record (EMR) solution has invested \$ 2 billion in the Canadian healthcare system in the last five years and has a dedicated team to manage all tech and data needs.

Telus International, which helps companies with their digital transformation, is another beneficiary. Telus International "provides customer service outsourcing and digital IT services to global clients." It is at the forefront in the digitization of society. We can therefore expect to see demand improve dramatically in the coming months.

The rise in remote workers has been dramatic, with a 170% increase. Telus' 5G network will increasingly allow work from anywhere. This is expected to drive a boost in productivity, while ensuring business continuity.

Foolish bottom line

Telus stock provides investors with a safe haven of sorts, sheltered from market volatility. Telus provides a guaranteed 5% return via the dividend and good potential for healthy growth of the business.

Telus stock is therefore a good buy to help us prepare for another stock market crash.

CATEGORY

1. Dividend Stocks
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:TU (TELUS)
2. TSX:T (TELUS)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Tech Stocks

Date

2025/07/06

Date Created

2020/06/14

Author

karenjennifer

default watermark

default watermark