



## 3 Hot 5G Stocks to Buy in July

### Description

This month, major 5G carriers ramped up the rollout of the Canadian 5G network. Investors should look at the major Canadian cellular wireless carriers as great 5G stocks to buy in July. These hot 5G stocks should give investors top returns, especially now that they are trading at discount post-COVID-19 market volatility.

**BCE Inc** ([TSX:BCE](#))([NYSE:BCE](#)) was the first wireless carrier to report the start of Canada's 5G network rollout on June 12. Next, **Rogers Communications Inc** ([TSX:RCI.B](#))([NYSE:RCI](#)) revealed its 5G rollout plans for Vancouver, Toronto, Ottawa and Montreal on June 15.

Finally, **Telus Corp** ([TSX:T](#))([NYSE:TU](#)) announced the first wave of its 5G rollout, which will continue until the end of the year on June 18.



Rogers Communications stock took the biggest dip this year. Today, it is trading down 14.92% lower than at the start of 2020. By comparison, the **S&P/TSX Composite Index** level percent change is -10.84%.

Telus Corp fared slightly better during this year's market volatility at a 9.71% decrease in price year to date. Finally, BCE's stock price dropped by a mere 6.63% in market value.

## BCE talks COVID-19 impact on 5G

Bell Canada President and CEO Mirko Bibic released the following statement regarding the COVID-19 pandemic and how it relates to 5G technology.

"The COVID-19 crisis has clearly underscored the critical importance of high-quality networks to keeping consumers, businesses and governments connected and informed, and Bell remains committed to building the best as we take wireless into the next generation."

We are now emerging from the thick of the COVID-19 health scare with a resurgence of cases popping up in many areas. Investors might be concerned how this might affect the 5G rollouts. If anything, it seems like the health crisis should create more demand for 5G technology.

It isn't entirely clear how Mr. Bibic plans to streamline the response of the health system using 5G technology. Nonetheless, faster communication might make it easier to notify the public about local outbreaks.

## Telus focuses on rural broadband expansion

Telus President and CEO Darren Entwistle emphasized his firm's commitment to providing rural access to 5G technology.

"This critical development in our 5G ecosystem is a testament to our team's skill, innovation and grit in building a world-leading 5G experience in Canada from coast to coast, and from urban to rural."

Last year, after a [controversial CTRC decision](#) to lower wholesale fees, Telus stepped up to the bat to expand broadband access to rural Canadian areas. Meanwhile, BCE and Rogers complained that the lower wholesale fees would reduce their incentives to use their resources to provide enhanced services in these areas of lower population.

Lower wholesale fees translates into constricted margins. In areas with fewer consumers, Telus will require more time to pay off the initial fixed-cost investment; lower margins compound this problem.

## Rogers Communications drives innovation

Rogers Communications CTO Jorge Fernandes alluded to the firm's plans to galvanize wireless innovation through solutions-based service offerings.

"Through our multi-year program we will invest in our wireless network and partner with leaders to drive innovative use cases for Canadian consumers and businesses."

Rogers Communications took the strongest dip this year. Moreover, the firm appears to be hyper-focused on profitable innovation. Investors should watch this R&D project as it may set the firm apart from its peers.

Innovation can certainly differentiate Rogers from the other two major cellular providers. It will be interesting to see what services the company brainstorms with its Canadian business and consumer partners.

## Which 5G stocks should you buy?

Canadian investors should buy all three major wireless service carriers. BCE, Rogers, and Telus share around 90% of the cellular market in Canada. These power players aren't going anywhere, and their value will only increase in the long term.

Stocks with market power like big banks and wireless service carriers can capture profits, which lower-margin industries resembling perfect competition can't. Thus, savvy Canadian investors should be

buying stocks in these industries on the market dip this year.

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## TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:RCI (Rogers Communications Inc.)
3. NYSE:TU (TELUS)
4. TSX:BCE (BCE Inc.)
5. TSX:RCI.B (Rogers Communications Inc.)
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