



## 2 Top Telecom Stocks to Buy for Yields of up to 6%

### Description

Telecom stocks are the stocks to buy today. They are the calm in the storm. The coronavirus pandemic is wreaking havoc on many industries. The telecom industry has been ultra-resilient.

**Telus** ([TSX:T](#))([NYSE:TU](#)) stock is down 8% so far in 2020, and **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) stock is down 7%. This is pretty much in line with the performance of the S&P/TSX Composite Index. But there's much more to it than that.

The S&P/TSX Composite Index has held up remarkably well. Despite the initial volatility at the beginning of the pandemic, it has actually not been too bad. [But there is currently a disconnect between stock prices and the real economy](#). Therefore, you will want to [flock toward safety](#). Telecom stocks can provide this safety.

And these top stocks to buy can provide juicy yields of up to 6%. BCE stock yields 5.95% today, and Telus stock yields 5.30% today.

## Top telecom stocks to buy are sheltered from the economic fallout of the pandemic

Telecom giant BCE has been helping Canadians achieve financial success for decades. Today, BCE stock is a top stock to buy for its safety and security. It is also a top pick due to its relative immunity to economic problems.

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's dividend has been increased by 128% since the fourth quarter of 2008.

While BCE will certainly feel some negative effects from the economic shutdown, the company is in a strong position. The telecom business is an essential 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.

## Top telecom stocks to buy will continue to provide juicy yields

Telus is also benefiting from its defensive, essential business. Telus is a top performer. Its strong free cash flow growth and strong dividend growth scream strength. Its revenues are sticky, and this is worth a lot, especially in these difficult times.

Yields in the telecom industry are backed up by strong financials. In Telus's case, its dividend is backed up by healthy free cash flows and strong liquidity. In its latest quarter, Telus reported free cash flow of \$425 million.

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. Telus Health, is a healthcare app and is a great example of how technology can make our healthcare system easier and better. Telus International, which helps companies with their digital transformation, is another area of growth for Telus.

For all of these reasons, plus its generous dividend yield, Telus is a stock to buy today.

## Foolish bottom line

As uncertainty remains high and the economic fallout of this virus continues, the stock market remains vulnerable. As a result, consider looking at top telecom stocks BCE stock and Telus stock as anchors in your portfolio. The dividend income, stability, and predictability is priceless. These telecom stocks to buy offer all that. This is priceless in these uncertain and volatile times.

### CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:TU (TELUS)
3. TSX:BCE (BCE Inc.)
4. TSX:T (TELUS)

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