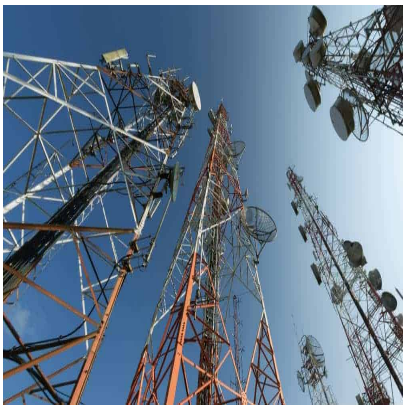

Dividend Stocks: 2 Telecom Giants to Watch

Description

While stocks have been creeping higher recently, some can still be had for good value. In particular, many **TSX** dividend stocks are offering investors good long-term investment opportunities.

However, it's crucial for investors to differentiate between a good deal and a sinking ship. And it's therefore vital to inspect these stocks for any worrying signs that could harm their growth going forward.

After all, sometimes a great yield at a great price is unfortunately just a way for an ailing stock to attract investors. So, investors need to be mindful to avoid these traps and seek out quality dividend stocks.

Today, we'll look at two TSX telecom giants that are offering solid dividends to go with strong market resiliency.

BCE

BCE (TSX:BCE)(NYSE:BCE) is a massive Canadian holding company for Bell Canada and Bell MTS.

Through its various subsidiaries, the company offers a wide range of products and services including mobile phone, landline, TV, media and entertainment, and more.

As a TSX dividend stock, it offers investors great value. As of this writing, the stock is trading at $56.49 and yielding 5.89%. Given that the five-year average yield is only 4.97%, investors can lock in an out-sized yield with BCE.

While business has lagged, the damage has been minimal. Year-over-year quarterly revenue growth is sitting at -0.9% for a period where many stocks posted negative figures in the double digits.

The payout ratio for this dividend stock has been creeping higher but still sits at a manageable level as well.

Plus, the impending 5G network release should bode well for BCE's wireless division as it looks to continue being an industry leader.

Rogers

Rogers Communications (TSX:RCI.B)(NYSE:RCI) is a large Canadian communications and media company. It offers customers mobile phone, TV, internet, and media services.

Now, there's no question Rogers has been hit hard recently with year-over-year quarterly revenue growth coming in at -16.5%. Despite this, its payout ratio of 51.41% means the dividend yield should be more than safe.

This dividend stock also still sports a solid profit margin with the resiliency to combat market forces, as many of its services are non-cyclical in nature.

As of this writing, this dividend stock is trading at $55.68 and yielding 3.59%. With a five-year average yield of 3.26%, the yield on offer should still be attractive to investors.

Similar to BCE, Rogers should also have some positive sentiment going forward with the upcoming 5G release.

While both dividend stocks face challenges ahead, the long-term investor can rely on their dividends and financial stability for long-term gains.

Dividend stock strategy

Both of these dividend stocks are offering decent value to long-term investors. BCE has a much higher yield but is also operating with a much higher payout ratio.

That's not to say the dividend is on the chopping block, however; it's simply something to keep in mind. Both stocks are also offering yields slightly above their respective five-year averages.

If you're looking to add to a dividend stock strategy, these TSX giants are worth considering. Over the long run, they both have the potential to generate massive total returns through dividends and growth.

CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

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2. NYSE:RCI (Rogers Communications Inc.)
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