



This 5G Stock Is Going to Soar in 2021

Description

Secular growth trends are everything these days. Among the most popular secular trends in Canada right now, 5G technology is among the top trends I would suggest investors take notice of right now.

In this context, I'm going to discuss why I think **Rogers Communications** ([TSX:RCI.B](#))([NYSE:RCI](#)) is the best way to play 5G right now.

Quick and effective rollout

Rogers has a [headstart](#) on its competition in terms of rolling out 5G. The company's partnership with Ericsson has allowed Rogers to take the lead in building its infrastructure and providing the best service possible to its customer base.

This lead may seem inconsequential right now, considering how new 5G is at the moment. That said, capital spending in this sector is going to be the key focal point for investors, and I think Rogers has the upper hand in this regard. Rogers, unlike some of its competitors, is able to finance most of its rollout with existing cash flows from operations. If more debt is needed, there is no better time to raise money right now than in this environment. This is a big win for investors in capital-intensive companies like Rogers.

Ability to spend a huge plus for investors

Rogers has an excellent growth plan for long-term investors, and I think investors ought to focus on this point closely. The amount of capital spending in the telecom sector will be tremendous in the coming years. The companies that are able to allocate resources the best are likely to win the race to the 5G users' hearts. Right now, Rogers is ahead and is growing its lead in this important growing segment of the market.

Rogers has a massive number of resources to accomplish this rollout faster than its competitors. Because of the company's massive cash flows and its integrated business model, I anticipate Rogers

will outperform its competitors in 2021. Accordingly, this stock should provide market-beating returns for investors.

Bottom line

In a few years, 5G is going to be the only thing that matters to telecom investors. The experience of 5G is exponentially better than what existed prior. With the majority of consumers having access to 5G as soon as this year, telecoms around the world will continue to scramble for market share. A market share lead now is thus a massive deal, as it paves the way for a growth trajectory that will benefit investors greatly over the long run.

The integrated nature of the company's business model has made this stock a prime short candidate throughout the pandemic. For example, the company's sports business has plummeted due to the pandemic, though we should see a marked increase in 2021 with the return to "quasi-normality" in professional sports arenas.

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