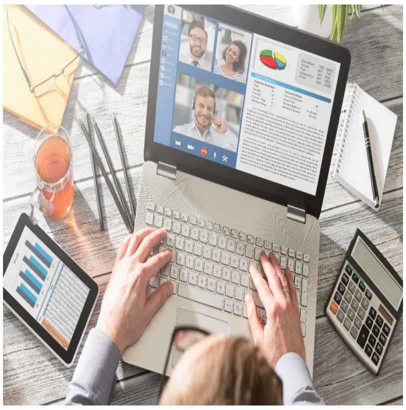

3 Top TSX Telecom Stocks to Buy

Description

Last year was a difficult year for many stocks on the **Toronto Stock Exchange**. Canadian telecommunication stocks are struggling to gain price momentum although it has been a year since the start of the COVID-19 pandemic. Still, these companies are doing pretty well despite the challenges last year.

Here are three telecommunication stocks to consider buying in 2021.

BCE stock offering a 6% dividend yield

BCE (TSX:BCE)(NYSE:BCE) fell to $46.03 during the March market sell-off from a 52-week high of $65.28. As of Tuesday, investors are trading the stock for $54.82 per share. The annual dividend yield is the highest of the three major Canadian telecom companies at 6.03%.

BCE will report Q4 of 2020 earnings on February 4. Glen LeBlanc, CFO of BCE and Bell Canada, discussed Bell's terrific financial position in the Q3 financial update:

> "Despite the ongoing effects of the COVID crisis, all Bell operating segments delivered better performance trajectories and improved revenue and adjusted EBITDA results compared to Q2, contributing to Q3 free cash flow of over $1 billion and bringing total cash generation this year to more than $3.25 billion, 14% higher than in 2019."

BCE had suffered some revenue loss from sports advertising earlier in the year. Now that some time has passed and the vaccine is being rolled out, BCE is bouncing back. Thus, this is one telecom stock that you should consider buying in 2021.

Rogers expanding digital efforts during the pandemic

Rogers Communications (TSX:RCI-B)(NYSE:RCI) fell to $46.81 during the March market sell-off from a 52-week high of $67.34. Investors were trading the stock for $60.50 per share on Tuesday. The annual dividend yield is the lowest of these three major Canadian telecom stocks at 3.29%.

Rogers will report Q4 of 2020 earnings on January 28. Joe Natale, President and CEO of Rogers, saw improvement during the third-quarter from earlier in the year:

> “The strong sequential improvement in our third quarter results is reflective of solid execution across our businesses, including continued growth in our digital-first efforts, to ensure our customers have a range of channels available to meet their needs. Our company has adjusted well throughout the pandemic and will continue driving cost and service improvements while we remain focused on investing for the long-term in our leading networks, including bringing Canada’s largest 5G network to even more communities.”

Like BCE, Rogers also experienced a decrease in revenue from canceled sporting events. Luckily, the world will be getting back to normal soon. Therefore, Rogers is one telecommunications stock that you should consider buying in 2021.

Telus

TELUS (TSX:T)(NYSE:TU) has essentially made a full rebound in price. The market value fell to $18.55 during the March market sell-off from a 52-week high of $27.74. Now, investors are trading the stock for $26.41 per share. The annual dividend yield is decent at 4.69% and it is getting better.

Darren Entwistle, President and CEO of Telus, announced the reinstatement of the company’s dividend growth program:

> “Today’s [dividend increase] is the 19th since 2011, and reinforces the strength of our financial and operational performance, which enable us to successfully execute on our industry-leading shareholder-friendly program in combination with a strong balance sheet. TELUS has now returned nearly $19 billion to shareholders, including $13.6 billion in dividends, representing approximately $15 per share since 2004.”

The growing dividends are only one reason you should be watching this stock in 2021.

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TICKERS GLOBAL

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4. TSX:BCE (BCE Inc.)

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