



Warren Buffett Fans: BCE Could Be a Massive Winner

Description

Warren Buffett fans have much to consider after his [latest letter to shareholders](#) for **Berkshire Hathaway**. While his famous shareholder letter speaks volumes, his investment moves tell more about his stance on the stock market world to investors who keenly follow his approach.

The Oracle of Omaha's investing moves during the fourth quarter of 2020 revealed some interesting decisions that could hint at a massive opportunity. A relevant move that makes sense was his US\$8.6 billion investment in the U.S. telecom giant **Verizon**.

With the end of the pandemic on the horizon, it comes as no surprise that Warren Buffett chose to make a big splash in the telecom sector during depressed valuations in the industry.

Buffett sees telecom as a big opportunity

Telecom companies have always been at an advantage over several other sectors during the pandemic. The industry provides an essential service to consumers who needed ways to stay connected while they spent most of their time in isolation. The industry could also see a massive boom as part post-pandemic discretionary spending increases.

Warren Buffett's massive bet in the sector suggests that the Oracle of Omaha is also optimistic for the telecom sector. While the industry does not offer many picks with as steep a value as other sectors, the telecom space could be too lucrative an opportunity to pass up right now. **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) could be an ideal pick for Canadians interested in mirroring Buffett's move within the **TSX**.

A top TSX pick to mirror Buffett's big bet

The rollout of 5G technology is still a massive game-changer that could drive the telecom sector's growth. BCE recently announced that it will increase its capital spending by more than \$1 billion to double its 5G coverage and take full advantage of the next generation in telecom technology.

The pandemic weighed down on all sectors of global economies, and BCE also felt the pandemic's economic effects. However, all of the disruptions caused by pandemic-fueled factors did not convince BCE's management to apply brakes. The company continues to push down on the accelerator for its growth initiatives.

The firm has concrete plans to increase its dividends by 5% despite its increasing capital expenditure plans. Such a significant dividend hike while expanding its capital expenses indicates that the BCE's management is very bullish on its trajectory in the post-COVID economy.

Foolish takeaway

BCE Inc. is trading for \$57.70 per share at writing. The stock's valuation is up 6% from February 26, and its dividend yield is still at an inflated 6.07% at its current share price. BCE's juicy dividend yield alone could make it an excellent investment to consider for your portfolio. The additional faith in the telecom sector provided by Warren Buffett's bullish investment in Verizon could make BCE an even more attractive investment.

BCE could be an excellent way to invest your capital in a stock that can provide you with [reliable returns for decades](#).

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