



BCE Stock: A Top 5G Stock for Safety, Growth, and Income

Description

In the wake of the pandemic, telecommunication companies flourished, as the demand for fast and stable internet connection skyrocketed. Firms in this sector are usually attractive to conservative investors looking to add dividend-yielding stocks to their portfolios. However, [5G stocks](#) like **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) also have the potential to provide ample capital appreciation.

For a while now, this firm has maintained good fiscal discipline, rewarding investors through consistent dividend yields.

That's not the only reason why BCE remains one of my top picks.

5G opportunities set to open new doors

In June last year, BCE announced the launch of Canada's largest wireless 5G network. BCE's exceptional mobile data speeds and 5G infrastructure growth thus far have been impressive. From a broad sector perspective, I think 5G is much more impactful than many investors may think right now.

The high-capacity data transfer abilities of 5G is a game changer. This technology will support a wide range of new consumer and business applications in the coming years. Among these, augmented reality and machine learning, AI, electric vehicles, IoT, and even smart cities come to mind.

Those are a lot of growth areas set to flourish because of 5G.

If CES 2021 gave any takeaways, IoT is set to play an even larger part in our lives. Industry commentary has definitely focused on IoT's transformative nature, indicating that connected devices are set to play an even more significant role across all sectors.

As fast wireless networks become an increasingly valuable asset, blue-chip telecom stocks become a great long-term investment option. Investors should expect net income and dividends paid to keep climbing, making BCE a steady cash cow for multi-year wealth creation.

Consistent and diversified dividend play

BCE ticks the two most important boxes that investors consider while purchasing dividend-yield stocks: strong dividend earnings and stability.

At the time of writing, this firm's dividend yield sits at a healthy 6.20% per year. At around \$57 per share, BCE is trading at around 55% below my estimated fair value price, presenting solid upside potential.

Earnings are forecast to grow at a compound annual rate a sliver below 10%. That's some pretty incredible growth for any company, let alone a telecom player. As mentioned, I think the 5G revolution is a real catalyst investors need to plug into their model.

Additionally, I think telecoms like BCE are well positioned to continue the momentum they picked up during the pandemic. Indeed, BCE looks like a solid, low-risk, long-term investment in any investor's portfolio.

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