



The Best Canadian High-Yield Dividend Stock for 2021: BCE (TSX:BCE)

Description

BCE ([TSX:BCE](#))([NYSE:BCE](#)) is shaping up to be one of the best Canadian high-yield dividend stocks to buy in April 2021.

With the [economic reopening](#) just months away, I think the profound telecom headwinds will finally fade away. BCE has seen its media and mobile businesses take a hit amid coronavirus disruptions. With the third wave of lockdowns likely to extend beyond Ontario over the coming weeks, I think BCE has one more brutal quarter to get through, and that's likely weighed heavily on BCE shares over the past few months.

Canadian telecoms: One of the safer reopening trades on the TSX

Despite near-term [pressures](#) up ahead, I still view Canada's top telecom stocks as among the safest ways to play the great reopening of 2021. The dividend is on stable footing. Although BCE is stretching its balance sheet amid COVID pressures, with its recent capex boost to double 5G coverage, I ultimately think management is making the right move. Newly appointed CEO Mirko Bibic isn't pulling the brakes on the dividend or the spending plan. It's aggressive, but I think the man is right on the money and think he's right to put his foot on the gas to get an edge over BCE's peers in the Big Three telecom scene.

With **Rogers** acquiring **Shaw**, the fourth major telecom has essentially been eliminated. It's a devastating blow to the Canadian consumer but a huge plus for all members of the Big Three, especially BCE, which is poised to make a big splash in the era of 5G.

Today, BCE stock is down 11% from its all-time highs, a level I suspect will be broken through by year's end. With the great 2021 reopening will come a discretionary spending boom and plenty of travel, both of which could cause roaming data and device demand to skyrocket. The 5G boom is still happening. It just got delayed by the COVID crisis. People are itching to go on vacation again, and they're saving record amounts of cash. Once enough jabs are given in arms, it'll be time to buy pricey

new two-year contracts to get the latest 5G-enabled mobile device.

One-upping Warren Buffett with BCE stock

Even if Canada is lagging behind the U.S. in terms of the vaccine timeline, I still think BCE is the horse to bet on, as it endures one (hopefully final) wave of this typhoon. In prior pieces, I've noted that BCE stock was my favourite way to mirror Warren Buffett's recent bet on **Verizon**.

Given the negativity relating to the third wave and the Buffett premium you'll have to pay to get into VZ stock, I'd argue that BCE offers a far better bang for your buck. You'll get more yield at 6.1% versus Verizon's 4.4% yield. And you won't get dinged should Warren Buffett decide to ditch his shares after they've run up to his estimate of its intrinsic value.

BCE: The best high-yield dividend stock bargain for 2021

BCE stock is the ultimate dividend stock to buy and hold forever. The dividend is growing at a modest rate through the COVID crisis. Once it ends, I suspect the dividend growth rate will accelerate, and those who stand by the name will not want to sell, as the yield on their invested principal continues to swell over the years.

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