



3 Top Canadian 5G Plays to Buy This Summer

Description

The telecommunication sector is one long-term investors have flocked to for some time. After all, this is a highly defensive space, providing investors with high (and growing) dividends. That's a nice combination for a long-term investor seeking total return.

On top of this excellent backdrop, telecom players have a fantastic catalyst on the horizon. The [5G rollout](#) could, in fact, be the best thing since sliced bread for the telecom space.

Now, the question is: which Canadian telecom pick is the best? There happen to be a few great options, but I like these top three 5G plays the best right now.

Rogers

The 5G rollout we're all expecting is going to require massive capital investments. In this regard, the bigger the player, the better.

Indeed, the much-discussed [\\$20.4 billion acquisition bid](#) by **Rogers Communications Inc.** ([TSX:RCI.B](#))([NYSE:RCI](#)) to acquire **Shaw Communications** ([TSX:SJR.B](#))([NYSE:SJR](#)) is a big deal. The combined entity would be a powerhouse in growing its 5G network, particularly in Western Canada — should the deal get the green light from regulators, that is.

Indeed this deal isn't without risk. But for those who believe regulators will ultimately okay the deal, it's a great time to bet on Rogers. The company's growth plans in Western Canada could provide some pretty impressive incremental growth on top of Rogers' existing trajectory.

The company is already a profit-making machine. The company recorded year-over-year earnings growth of 9% this past quarter and beat the consensus analyst estimates. I think more earnings beats are on the horizon for this big Canadian telecom player, and I like its positioning now more than ever.

Telus

Another great Canadian telecom player looking to ride the 5G wave is **Telus Communications** ([TSX:T](#))([NYSE:TU](#)). The company's aggressive planning to accelerate its infrastructure expansion plans across the country. To do so, Telus is raising more equity, and may continue to spin off some of its subsidiaries, as it has recently done with **Telus International** ([TSX:TIXT](#)).

The company is looking to grow its fiber-optic network in a vast way across Canada. By so doing, Telus hopes to add 225,000 internet connections to Canadian homes. This sort of growth is hard to come by, but Telus is making the necessary investments to generate long-term returns for shareholders.

That's a great thing.

Accordingly, the company's beefing up its capital spending budget by around a half-a-billion dollars a year. For investors bullish on the overall growth trajectory of the telecom space, Telus' move to gobble up market share should be viewed positively.

The company offers investors a generous dividend yield of 4.8%. That beats bond yields, that's for sure. Additionally, this yield basically ensures investors will get their double-digit total returns over time, with only 5% capital appreciation growth (which is highly likely, in my view).

For those seeking a slow and steady long-term pick, Telus is a great choice.

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TICKERS GLOBAL

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2. NYSE:SJR (Shaw Communications Inc.)
3. NYSE:TU (TELUS)
4. TSX:RCI.B (Rogers Communications Inc.)
5. TSX:SJR.B (Shaw Communications)
6. TSX:T (TELUS)
7. TSX:TIXT (Telus International)

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