



3 Top 5G Canadian Stocks to Buy Right Now

Description

5G is the next big [revolution](#) that will transform the telecom and tech industry. The lightning speed at which 5G enables data transfer will make smart connected homes, hospitals, factories and cities, and autonomous vehicles (AV) a reality.

5G can unlock the full potential of emerging technologies such as the internet of things (IoT), artificial intelligence (AI), augmented and virtual reality (AR/VR). The technology revolution will foster widespread economic growth across many industries.

How to ride the 5G wave?

As an investor, even you can unleash the full potential of the 5G wave by building a concentrated portfolio of stocks that cater to different segments of the supply chain. The supply chain includes everyone from telecom providers to chip makers to device manufacturers to software service providers. But you have to stay invested for the long term to get the returns 5G can offer.

BCE

- Market value: \$44.1 billion
- Dividend yield: 5.37%
- Catalyst: Communications

You can't have a portfolio of 5G stocks without one of the major telecom operators. **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) wins the spot here as Canada's largest telecom provider by market value.

Rogers Communications and **Telus Communications** follow BCE in second and third spot. It plans to spend at least \$1 billion over the next two years in 5G and fibre network expansion to maintain its position as the market leader.

BCE's dominance will likely remain as it continues to own, control and invest in critical infrastructure. Its wide subscriber base (60% of Canadians using its services) will continue to soar and keep churning

higher revenues, which in turn would lead to future dividend growth.

BCE boasts a long history of consistently paying higher dividends. Since 2008, its dividend has grown 128%. I believe 5G will drive revenue and free cash flows, enabling it to maintain its dividend growth track in the foreseeable future.

Sierra Wireless

- Market value: \$538 billion
- Catalyst: IoT enabled devices, 5G Chipsets

Next on my radar is **Sierra Wireless** ([TSX:SW](#))([NASDAQ:SWIR](#)), a company that offers wireless modems, routers and software and services. These devices help customers bring their wireless application services to the market.

Sierra's move into 5G wireless networks and its strategy to shift to higher-margin IoT chips will drive growth. It recently parted ways with its automotive embedded business to focus more on the profitable 5G and the IoT markets. I believe this refocusing of business could unlock new opportunities.

Sierra expects 5G to start generating revenue in 2021 as people and companies will need to upgrade their cellular modules, routers, and gateways to those that support the new wireless technology. The more than 15 design wins last year will materialize into earnings growth in 2021 and beyond.

BlackBerry

- Market value: \$4.8 billion
- Catalyst: IoT and AV

Another likely winner is **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)), which offers cybersecurity solutions for IoT devices and operating platform for smart cars.

The rapidly advancing 5G communications and autonomous vehicle markets are building demand for the products and services BlackBerry offers.

Despite its manifold advantages, 5G could expose you to vulnerabilities of a hyper-connected environment like online frauds, data breach, identity theft and ransomware attacks. This could create demand for BlackBerry's cybersecurity services. The Cylance acquisition has fortified its [cybersecurity business](#). Moreover, BlackBerry is looking to make its QNX and IVY platform the Android or Windows of electric and autonomous cars. It is too early to comment on its automotive growth, but this segment could become the catalyst BlackBerry investors have been searching for.

Don't miss the 5G ride

While the 2G, 3G and 4G technologies boosted mobile network and improved the application of smartphones, 5G will lead to the proliferation of devices connected to the internet, which will make you more reliant on technology for many tasks. The demand for 5G will continue to boom as reliance on the internet increases. This is a ride you should not miss as an investor looking for smart gains.

CATEGORY

1. Investing
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TICKERS GLOBAL

1. NASDAQ:SWIR (Sierra Wireless)
2. NYSE:BB (BlackBerry)
3. NYSE:BCE (BCE Inc.)
4. TSX:BB (BlackBerry)
5. TSX:BCE (BCE Inc.)
6. TSX:SW (Sierra Wireless)

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