



3 Reasons to Buy BCE (TSX:BCE) Today

Description

A well-balanced portfolio should contain investments from multiple segments of the market. Every portfolio should also contain a healthy mix of growth- and income-producing investments. Finding that perfect mix takes time and patience. Fortunately, there are some stocks that can provide both growth and income-earning potential. One such stock is **BCE** ([TSX:BCE](#))([NYSE:BCE](#)). Here's why you may want to buy BCE today.

Defensive stocks are underrated

As one of the largest telecoms in Canada, BCE is known to many investors firstly as a defensive stock. There's a good reason for that view. Telecoms provide a necessary service to massive subscriber bases that generates recurring and stable sources of revenue. In the case of BCE, that subscriber revenue is also augmented by a massive media segment.

In the past year since the COVID-19 pandemic began, that defensive appeal has only increased. There are now a growing number of employees working full-time remotely, and that trend will not end with the pandemic. Employees have proven they can work productively remotely, while companies can lower office costs with a remote workforce.

For BCE, that means that both phone and internet connections have grown significantly in importance. That trend is unlikely to slow anytime soon, which furthers the reason why investors should look to buy BCE today.

What about growth?

A growing need for a stable internet connection is just one area where telecoms such as BCE are seeing immense growth. The primary segment where that growth is stemming from, however, is the wireless segment.

Wireless connections have grown in importance in recent years. In a little over a decade, wireless

connections have gone from being auxiliary communication devices to digital extensions of ourselves. Our smartphones (which aren't really just phones anymore) now accomplish what dozens of standalone devices were once needed for.

That growing need also means a growing appetite for data, which BCE continues to provide and profit from. By way of example, in the most recent quarter, BCE reported postpaid mobile phone net additions of 32,925.

Did someone say income?

Apart from the defensive appeal of BCE, one of the main reasons why investors continue to flock to BCE is for the company's [outstanding dividend](#). BCE offers investors a quarterly dividend that currently works out to an appetizing 5.85% yield.

To put that juicy earnings potential into context, a \$30,000 investment in your TFSA left to grow will earn \$1,755 in the first year alone. If you're not ready to draw on that income just yet, reinvesting those dividends will provide an ample bump in income over time.

For income investors, that might be reason enough to buy BCE today, but there's still more.

Speaking of bumps, also noteworthy is that BCE has provided that [handsome dividend to investors](#) for well over a century, making it one of the longest-paying companies on the market. BCE has also provided investors with annual or better bumps to that dividend going back more than two decades.

Will you buy BCE today?

No investment is without risk, but some stocks can provide stable growth for decades. BCE fits nicely into that category. In my opinion, BCE should be a core part of any well-diversified portfolio. Buy BCE today and hold it for the long term.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:BCE (BCE Inc.)

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Author

dafxentiou

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