



## 1 Top TSX Telecom Stock to Buy Right Now

### Description

Investors looking for consistent and meaningful long-term returns have often looked to the telecommunications sector. Indeed, finding the right telecom stock isn't easy. However, in this era of rock-bottom bond yields, obtaining a [similar yield](#), or perhaps even a better one, from a company with rock-solid, long-term prospects sounds like a good deal to me.

One of the best options for investors seeking a top-notch Canadian telecom stock is **Rogers Communications** ([TSX:RCI.B](#))([NYSE:RCI](#)). Here's why I think investors should consider this stock right now.

### Analysts high on this telecom stock

According to analysts, there's a lot of upside to be had with Rogers stock relating to its upcoming merger with **Shaw Communications** ([TSX:SJR.B](#))([NYSE:SJR](#)). Indeed, this mega merger represents continued consolidation in the telecom sector. Like many sectors, Rogers is a telecom stock that benefits from increased scale over time.

Rogers expects to be able to double its wireless footprint nationally as a result of this deal. Additionally, this stock is likely to remain pinned around its current levels until the merger goes through (or not). Accordingly, investors banking on the synergies and value that can be created as a result of scale may have an intriguing entry point here.

This acquisition is likely to complete in Q2 next year, assuming all the regulatory hurdles can be managed along the way. Some divestitures are likely. However, Rogers believes this deal can provide great upside over time.

The company's average analyst price target of \$72 per share at the time of writing represents significant upside from here. Indeed, I tend to side with the analysts on Rogers stock and view this as a great long-term holding at a reasonable price right now.

## Bottom line

The Rogers-Shaw deal is a whopping \$28 billion combination including debt. Accordingly, this deal remains subject to various regulatory approvals. There remains significant risk with betting on this stock one way or the other right now.

Currently, the Canadian Radio-television and Telecommunications Commission (CRTC) and The Competition Bureau are in charge of scrutinizing this deal. The CRTC is in charge of reviewing broadcasting rights transfers.

Additionally, the Ministry of Innovation, Science is handling the transfer of spectrum — licences to transmit wireless services. Additionally, there are other departments looking at competition concerns around this deal.

Accordingly, there are a number of departments Rogers will need to please over the near term.

That said, I think Rogers still remains undervalued relative to its long-term total return prospects. This is a telecom stock with a fantastic track record of providing [excellent dividend income](#) and capital appreciation over time. Nothing has changed on that front.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

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2. NYSE:SJR (Shaw Communications Inc.)
3. TSX:RCI.B (Rogers Communications Inc.)
4. TSX:SJR.B (Shaw Communications)

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