



3 Reasons to Buy BCE This Month

Description

Is your portfolio well-diversified? Adding one or more defensive investments to counter volatility is always sound advice for every portfolio. But what investment should prospective investors turn to? Among the best long-term investments to consider is **BCE** ([TSX:BCE](#))([NYSE:BCE](#)). Here are several reasons to buy BCE this month.

Reason #1 – The defensive investment your portfolio needs

Telecoms are [superb defensive investments](#). In the case of BCE, the company's defensive moat is extensive. In addition to offering core subscription services for internet, phone, TV, and wireless, BCE also operates a massive media segment. That media segment comprises radio and TV stations, as well as professional sports teams.

Additionally, it's worth noting is that BCE's defensive moat has expanded significantly since the pandemic began. With many office workers now destined to work from home indefinitely, maintaining a stable internet connection has shifted to a necessity. If that weren't enough, keep in mind that a similar necessity now exists for remote learning environments.

This factor alone justifies investors looking to buy BCE this month, but there are still plenty more. Let's talk growth.

Reason #2 – Long-term growth potential

The need for a fast and stable internet connection isn't the only thing that evolved under the pandemic. Retail customers are finally embracing e-commerce fully, even in segments such as groceries and clothing where adoption was very slow.

For most, that e-commerce shopping trip starts with and ends on a mobile device. More specifically, device usage continues to skyrocket with no end in sight. As well, we now have a constant demand for new devices. Those new devices boast improvements and new features, which in turn drive

developers to build newer (and more data-hungry apps).

Either way, the real winner is BCE, which sells devices and data to its subscribers. Throw in a super-fast 5G network and you have serious long-term potential.

Reason #3 – Solid income potential

Between the stable business model and superb growth potential, BCE really does have something for every investor. As great as that sounds, I have yet to mention the best part about investing in BCE: the company's superb [dividend](#).

Incredibly, BCE has offered a dividend to investors for well over a century. Today, that stable and [appetizing dividend](#) is paid out on a quarterly basis, working out to a tasty 5.54% yield.

To put that earnings potential into context, let's consider a \$35,000 investment in BCE within your Tax-Free Savings Account (TFSA). In the first year alone, those tax-free earnings will would out to \$1,939. Even better, investors that aren't yet ready to draw on that income can reinvest it until needed, allowing for further growth.

This makes BCE a great buy-and-forget option for nearly every portfolio.

Why buy BCE this month?

BCE is a stellar investment option that would be a great addition to any well-diversified portfolio. Between the stellar dividend, handsome growth potential, and incredible moat, there really is something for everyone.

But why now? Why buy BCE this month? There are two key points to note. First, BCE has clawed itself out from the pandemic-induced sell-off of 2020. In fact, the stock is actually showing a double-digit gain over the trailing 12-month period. Impressive, yes — but perhaps a bit skewed based on the very sudden shift in the market we saw last year.

Looking further back at the two- and five-year stock prices reveal a different story, with BCE appreciating under 5% over that period. While no stock is without risk, BCE's stability is impressive, which leads me to my second point: volatility.

The market is on a tear this year. Prices are also soaring on just about everything. Irrespective of whether this means some correction is coming, it's always sound advice to add a defensive investment or two to your portfolio.

That defensive investment is BCE. In other words, buy BCE this month, hold it, and watch it (and your income) grow.

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