



3 Reasons BCE Is 1 of the Best Stocks to Buy Now

Description

Investors are always looking for the best stocks to buy, but in this environment with so much market volatility and increasing worries of a recession on the horizon, owning high-quality stocks is crucial.

These stocks will protect your capital better than their peers and, in many instances, return attractive passive income. However, owning high-quality stocks can also give you confidence in your [buy-and-hold strategy](#) and save you from making impulsive and emotional decisions.

There are several high-quality stocks you can consider today, but one of the best to buy now has to be **BCE** ([TSX:BCE](#))([NYSE:BCE](#)), the massive [large-cap](#) telecom stock.

If you're looking to find high-quality companies that you can have confidence in owning for the long haul, here are three reasons why BCE is one of the best.

The majority of BCE's business provides Canadians with essential services

The best stocks to buy and hold long term, and ones that are especially important to hold in this environment, are high-quality businesses that sell essential products or services. The more important the company's goods or services are to consumers, the better the chance that it has resilient operations.

The pandemic was a great example of why owning high-quality stocks can be crucial. And with a recession, although stores won't be closed as they were in the pandemic, consumers still have to be more careful with their spending, which typically means a slowdown in discretionary spending to make sure they have cash left over for their essentials.

With BCE, the majority of its income comes from its wireline division, offering home internet, phone and video services, as well as its wireless segment. Both of these segments offer communication and internet services to Canadians across the country, and in this day and age, those are essential. That's

why BCE is one of the best stocks you can buy and hold for years.

However, as important as it is that BCE operates in an industry that's essential, it's not enough to make a company worth investing in. Stocks also need to have high-quality operations, and that's exactly what BCE has and the second reason it's one of the best stocks to buy now.

The stock has top-notch operations that are well integrated

Investors of BCE don't have to worry as much about the impact a recession may have on its business as much as most other stocks. However, BCE still needs to execute and turn that revenue into free cash flow and net income.

In recent years, the stock has done just that. The fact that it has such a massive market share across Canada and is one of the few dominant companies in the essential telecom industry is also a major advantage.

Plus, telecom companies typically have long-life assets that allow them to be major cash cows. So, if you're looking for the best stocks to buy, especially if you're worried about a recession, BCE is not only a highly defensive company. It's also constantly generating billions in cash flow, making it one of the best stocks to buy now.

BCE is a Canadian Dividend Aristocrat, making it one of the best stocks to buy now

Because BCE has such a well-established and defensive business, and because it generates tonnes of cash flow, it pays investors a handsome dividend, making it one of the best stocks to buy now.

Earning attractive passive income from investments is always appealing. However, it's even more important when the economy is facing significant headwinds.

Furthermore, in addition to the 5.3% dividend that BCE pays, it's also constantly increasing its payout each year, earning itself a spot on the Canadian Dividend Aristocrat list.

Therefore, not only is an investment in BCE safe, but because it earns so much cash flow, BCE should continue to increase the dividend. If you're looking for high-quality stocks to buy now and hold through periods of increasing volatility, BCE is easily one of the best.

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