2 High-Dividend TSX Telecom Stocks to Buy Today

Description

Dividend investing can be very lucrative in Canada. Our leading industries comprise many safe, reliable, blue-chip companies that have paid some of the most consistent and high-yielding dividends throughout the last 20 years.

Not all dividend companies are equal, though. Some companies have a consistent history of increasing dividends and maintaining payouts. Others are known for their exceptionally high yields. Today, we'll be focusing on two companies that exhibit the latter from the telecom sector.

BCE

BCE (TSX:BCE)(NYSE:BCE) is one of Canada's largest telecommunications and media companies, providing wireless, wireline, and media services. The company pays an extremely high dividend of $3.68 per share for a forward annual yield of 5.94%.

BCE also has a low beta of just 0.34. This means that compared to the broader market, BCE is only one-third as volatile. This makes it a potentially good defensive pick in a bearish market, like what we're seeing today. Reinvesting the ample dividends will also help boost total returns.

BCE recently went ex-dividend on June 14 with a payout date of July 15, so investors looking to snag the next dividend will have to wait until the following fiscal quarter. Currently, the stock is trading at the bottom of its 52-week range, so now might be a good time to lock in a low yield on cost.

Telus

Like BCE, **Telus** (TSX:T)(NYSE:TU) provides a range of telecommunications and information technology products and services in Canada. Its products and services are diverse, including wired and wireless internet, cable, security, home automation, health care, agriculture, and cloud-based products.

Telus currently pays a slightly lower dividend than BCE of $1.35 per share for a forward annual dividend yield of 4.72%. However, compared to BCE, Telus has shown stronger growth in recent years, with better year-over-year quarterly revenue and earnings increases.

Telus recently went ex-dividend on June 9 with a payout date of July 4, so investors looking to snag the next dividend will have to wait until the following fiscal quarter. Currently, the stock is also trading at the bottom of its 52-week range, which could be a great entry price.

The Foolish takeaway

Buying these two stocks and reinvesting the dividends can snowball quickly over time, leading to a high total return. However, as with all investments, diversification is key. Concentrating a dividend portfolio in these two companies could expose you to the risk of either underperforming or even going bankrupt. There is no guarantee that the Canadian telecom sector will outperform in the future. Consider seeking out additional dividend stocks from other TSX sectors.

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