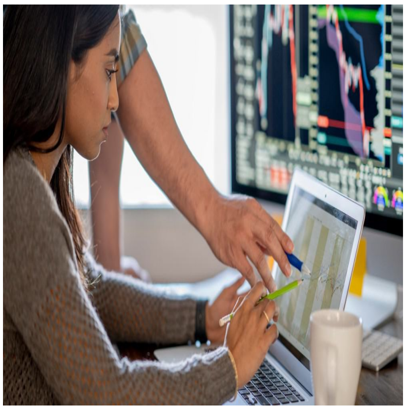

1 Oversold Stock (With a Growing Dividend) to Buy and Hold for Life

Description

Many companies, including **Rogers Communications** (TSX:RCI.B)(NYSE:RCI), reported much better than expected earnings, sparking a bit of a relief bounce.

Personally, I think investors shouldn't wait around for another retreat to or below the recent lows. We may never get there, especially if earnings season continues to be less horrid than anticipated. Now, not every firm has knocked one out of the ballpark on earnings. That said, investors seem more willing to put up with mediocre results.

As long as there's no shocker of a miss, like the abysmal quarter reported by **Snap**. With such a low bar, it's easier to jump over expectations. Whether or not we've seen the bottom of this market selloff, there are bargains galore for those willing to do some searching.

In this piece, we'll look at one of my favourite oversold dividend stocks that I think offers a terrific risk/reward scenario for long-term investors who acknowledge that markets could go either way after one of the best weeks since the last bear market bounce. Enter Rogers.

Rogers Communications: A great dividend-growth stock for long-term investors to buy

Canadian telecom firm Rogers made headlines when it suffered from national outages, affecting a considerable number of Canadians. The outages lasted long enough to cause many small businesses to lose out on a great deal of sales. In response to the technical disaster, Rogers replaced its chief tech officer and committed to changes that would prevent such a glitch from happening again.

Undoubtedly, the "Rogers" brand has left a bad taste in the mouths of Canadian customers. Many will remember the horrid outages for years to come. That's just how severe and widespread they were.

The outage is fresh in the minds of customers. However, I think they'll forgive Rogers in due time, especially as customer service looks to make things right for those who suffered damages at the hands of the outages. The reputational damage may be overestimated at this juncture.

In any case, Rogers stock took a 2-3% hit before climbing back after the release of some great earnings results. Profits soared 35% in the quarter before Rogers's big outage. Revenue also surged by 10%, while the firm added 122,000 new wireless subscribers. That's very encouraging, given the macroeconomic storm clouds moving in and fears that consumers are falling a tad behind on their telecom bills.

The Foolish bottom line

At more than 22% off its all-time highs just above $75 per share, I view Rogers stock as a low-cost dividend option for beginner investors seeking to use passive-income payments as a way to get around high inflation. Shares trade at 17.7 times price-to-earnings multiple, which is much lower than its two bigger brothers in the telecom space.

The yield is at a healthy (and likely growing) 3.4%. The yield may pale in comparison to its bigger brothers in the telecom space, many of which sport yields in the 4-6% range. That said, Rogers is capable of considerable capital gains, as it continues drawing in new wireless users.

CATEGORY

1. Dividend Stocks
2. Investing

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