



Telus Stock Rose 1% in November: Is it a Buy Today?

Description

With an economic recession highly likely to materialize in 2023, many investors continue to shore up their portfolios. And some of the best stocks that are high-quality and reliable long-term investments that you can own through a recession are telecom stocks, especially **Telus** ([TSX:T](#)).

Telecom stocks offer many services that are essential in today's economy. Having access to communications, and specifically the internet, is crucial for both consumers and businesses.

Furthermore, telecom stocks own many long-life assets and earn billions in cash flow each quarter, making these companies major cash cows. That helps these companies to navigate recessions better than a lot of other businesses. However, it also allows them to continue returning cash to investors and increasing their dividends without sacrificing long-term growth potential.

So, after Telus gained just 1% in November, underperforming the TSX, which earned a total return above 4%, is Telus stock a buy as we head into a highly uncertain 2023?

Does Telus stock's size and reliability make it a buy today?

Any time the markets see an uptick in uncertainty, some of the best stocks you can buy are high-quality businesses that have defensive qualities.

Therefore, in this environment, a stock like Telus that's reliable but also has tonnes of long-term growth potential is one of the best stocks you can buy.

For over a decade straight, Telus hasn't reported a single quarter where its revenue didn't grow year over year. That even includes its performance through the pandemic. That streak of consistent growth is a reflection of how well Telus is managed, but also what a reliable and defensive investment it is.

In addition, it also shouldn't come as any surprise that Telus has earned a profit in every quarter over that same stretch.

Therefore, even if the economy does slip into a recession and many other companies are seeing significant impacts on their operations, Telus should be able to bide its time and weather the storm much better.

Plus, in addition to its streak of consistent revenue growth and profitability, Telus also has the longest streak of dividend increases among the Big Three telecom stocks in Canada, with nearly 20 straight years of dividend increases. Today its stock offers a [dividend yield](#) of roughly 4.9%.

Telus's share price has been declining all year

In addition to the fact that Telus is such a high-quality company with reliable operations, the stock has also been declining in price all year, giving investors the opportunity to buy it on sale today.

Back in late March, when the stock price peaked, Telus was trading with a forward [price-to-earnings](#) ratio upwards of 27 times. Today, the stock trades at just 21 times its forward earnings.

Similarly, its forward enterprise value (EV) to earnings before interest, taxes, depreciation, and amortization ratio peaked at 10.4 times earlier this year and is now just 9.1 times.

And as with all dividend stocks that sell off, investors have the opportunity to buy the stock and lock in a higher yield as well. The dividend, which now offers a yield of roughly 4.9%, was yielding just 4% at the end of March.

Therefore, while this high-quality stock trades so cheaply and offers an attractive dividend yield, it's one of the best stocks you can buy.

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