



## Here's the Next TSX Stock I'm Going to Buy

### Description

After a volatile year and the highest inflation we've seen in four decades, most investors could do with some end-of-year portfolio rebalancing. Fortunately, the market gives us plenty of options to consider, and that includes the next TSX stock I'm looking to buy.

### Stable business with plenty of growth potential

The stock that I'm looking at buying (and you should, too) is **BCE** ([TSX:BCE](#)).

BCE is one of the largest of Canada's big telecoms. The company offers the typical complement of subscription-based services, which includes wireline, wireless, internet, and TV segments. In addition to those core segments, BCE boasts a massive media segment comprising of dozens of radio and TV stations.

Those segments provide BCE with a stable, if not growing source of revenue.

By way of example, in the most recent quarter, BCE saw mobile phone net subscriber activations surge 64.4%. BCE's internet segment also saw significant growth. The segment posted 89,652 net activations in the quarter. This was a 36.3% improvement over the prior period, and the highest activation numbers seen in 17 years.

Those two segments are areas that prospective investors should not ignore. During the pandemic, the need for a fast and stable internet became one of necessity for people working and studying remotely.

In a similar vein, when businesses closed, people were forced to turn to mobile commerce to buy goods. While businesses have since re-opened for in-person shopping, many workers remain in a remote setting.

Both trends are unlikely to revert entirely back anytime soon, if ever. For prospective investors, this means that the [defensive appeal](#) of the services that BCE offers has grown immensely.

Speaking of defensive appeal, prospective investors should also note that telecoms are often perceived as some of the most recession-resistant businesses on the market.

Given the [market volatility](#) that we've seen this year, the growing consensus is that a recession is approaching in 2023. This makes a defensive gem like BCE a suitable next TSX stock to buy.

## BCE offers more than growth

Apart from the growth and defensive appeal that BCE offers, the telecom also offers investors a juicy quarterly dividend.

The current yield works out to an appetizing 6.15%, making it one of the better-paying options on the market. This means that a \$30,000 investment will generate an income of over \$1,800 in just the first year.

Investors not ready to draw on that income can reinvest it until needed, potentially bumping that income significantly.

If that's not convincing, prospective investors should also note that BCE has been paying out dividends without fail for over a century and that the telecom has provided a generous annual uptick to that dividend for well over a decade.

## Will you buy your next TSX stock?

All stocks, even defensive ones like BCE, carry some risk. That's why the importance of diversifying your portfolio cannot be understated.

In the case of BCE, prospective investors will find a company is a long-term defensive gem that also offers one of the best-paying dividends on the market.

And there's still one more factor to consider: timing.

Like most of the market, BCE has dropped in 2022, resulting in the stock trading at a discounted price.

As of the time of writing, BCE is down just shy of 10% year to date. The telecom also boasts one of the lowest price-to-earnings ratios among its big telecom peers at just 19.37.

In my opinion, BCE is a great long-term defensive gem that should be part of any well-diversified portfolio.

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2. Investing

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