



Worried About Inflation? 3 Top TSX Stocks to Buy

Description

The Bank of Canada recently stated that it will press forward with its current monetary policy as the country continues to wrestle with the COVID-19 pandemic. Still, the economy has proven more resilient than anticipated. The red-hot housing market and a resurgent energy industry have been key to this rebound. Moreover, the BoC has said that it expects CPI inflation to move to the higher end of its 1-3% target band in the next few months. Today, I want to look at three **TSX** stocks that are worth targeting as inflation kicks up.

Gas prices on the rise in 2021

Readers who have filled up their gas tanks over the past two months have undoubtedly felt the pinch of [higher gas prices](#). The Suez Canal blockage is expected to have an impact on higher prices in the near term. Investors may want to snatch up TSX stocks with an interest in gas stations across the country.

Imperial Oil ([TSX:IMO](#))(NYSE:IMO) has interests in Esso and Mobil gas station locations across Canada. It is also Canada's second-largest integrated oil company. Shares of Imperial Oil have climbed 25% in 2021 so far. The stock is up 115% year over year.

In Q4 2020, Imperial Oil was still reeling from the impacts of the pandemic. However, it achieved the highest quarterly upstream production in 30 years. Moreover, it exceeded full-year cost reduction targets. This TSX stock is well positioned to benefit from surging oil and gas prices. It also offers a quarterly dividend of \$0.22 per share, representing a 2.8% yield.

This TSX stock is benefiting from soaring food prices

Food prices are also on the rise in 2021. The recent *Canada Food Price Report* projected that prices would increase between 3% and 5% in 2021. Meat and vegetable prices are expected to climb between 4.5% and 6.5%. Grocery retailers are well worth targeting in this environment.

Metro ([TSX:MRU](#)) is a top TSX stock in the grocery space. The stock has dropped marginally in 2021

so far. Shares of Metro dipped sharply into late February, falling into oversold territory. The stock still offers a favourable P/E ratio of 17. Moreover, it last paid out a quarterly dividend of \$0.25 per share. That represents a 1.7% yield.

Food same-store sales rose 10% in Q1 fiscal 2021. Higher food prices will continue to bolster Metro and its peers in the quarters to come.

Real estate is soaring in this climate

Canada's red-hot housing market has benefited from historically low interest rates and friendly monetary policy. The BoC has indicated that it is not willing to take drastic measures to cool one of the [bright spots](#) in the Canadian economy right now. This is good news for housing linked TSX stocks.

Bridgemark Real Estate provides services to residential real estate brokers and REALTORS across Canada. Its shares have increased 11% so far this year. The TSX stock has surged 64% from the prior year. Better yet, Bridgemark also boasts a monthly dividend of \$0.113 per share. That represents a monster 8.1% yield.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSEMKT:IMO (Imperial Oil Limited)
2. TSX:IMO (Imperial Oil Limited)
3. TSX:MRU (Metro Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Investing

Date

2025/08/23

Date Created

2021/03/26

Author

aocallaghan

default watermark