



## Fight High Inflation With These 3 Stocks

### Description

Like Warren Buffett, you might have noticed the [high inflation](#) that's upon us. One camp says the high inflation rate is temporary, while the other believes it will be a new trend. Time will tell. In either case, investors can fight high inflation with these three stocks.

### Fight inflation with gold: Buy Franco-Nevada stock

Precious metals like gold and silver have long been a storage of value and protection against inflation. Some investors prefer to hold gold and silver coins or bullion. As a part of a diversified portfolio, you might also hold gold-focused stocks like **Franco-Nevada** ([TSX:FNV](#))([NYSE:FNV](#)).

Franco-Nevada is a high-margin gold-focused royalty and streaming company. It has the largest and most diversified portfolio of cash-flow producing assets. Its portfolio consists of about 400 assets with less than 13% exposed to any asset or operator. Its revenue diversification is approximately 70% in gold, 11% in silver, 8% in platinum group metals, and 9% in energy last year.

In 2020, Franco-Nevada generated more than US\$1 billion in revenues with an adjusted EBITDA margin of nearly US\$840 million, equating to a margin of 82.3%. It expects to increase revenues by about 15% this year, which is likely to be helped by higher commodity prices.

Notably, Franco-Nevada is a Canadian Dividend Aristocrat that has increased its dividend every year since 2009 with a dividend-growth rate of 13.5%. The gold stock just declared a quarterly dividend increase of 15% that it's paying out in June.

### Beat inflation with real estate: Buy Granite REIT

Real estate is another asset that can help you fight inflation. Higher inflation simply leads to higher rental income. By investing in real estate investment trusts (REITs), passive landlords can enjoy a diversified real estate portfolio, leave property management to the experts, and sit back and relax.

**Granite REIT** ([TSX:GRT.UN](#)) is one solid industrial REIT that pays a 3.8% yield that beats inflation. Moreover, it has increased its cash distribution for 10 years in a row with dividend increases that also beat inflation. Its last dividend hike was 3.3%. Its 2021 funds-from-operations payout ratio is estimated to be about 75%, which provides a margin of safety for its dividend.

The quality industrial REIT consists of 108 income-producing properties with a weighted average lease term (WALT) of about six years. Granite REIT enjoys a high occupancy rate of 99%. It also has seven development properties or land.

Notably, Granite REIT's largest tenant, **Magna International**, contributes about 35% of its annualized revenue. Magna is experiencing a strong rebound after the pandemic disruptions last year. Moreover, it enjoys an A-grade credit rating and has a WALT of more than four years. So, there's no need for concern until it gets closer to the four-year mark.

## Take it easy with goeasy

**goeasy** ([TSX:GSY](#)) is another stock that has been flying high on this year's economic expansion. The growth stock has already appreciated more than 50% year to date!

It provides non-prime leasing and lending services. Importantly, it has grown at a superb rate. For example, in the past five years, it has increased its dividend by 35% per year on average with supporting earnings growth that allowed it to maintain its payout ratio in the 25% range.

Last month, goeasy completed the acquisition of LendCare, a Canadian point-of-sale consumer finance and technology company, which is expected to drive growth by expanding its offerings and addressable market.

[goeasy](#) is a high-growth, dividend-growth stock that offers an initial yield of 1.7% that appears to be modestly discounted based on the analyst consensus.

### CATEGORY

1. Dividend Stocks
2. Investing
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1. Editor's Choice

### TICKERS GLOBAL

1. NYSE:FNV (Franco-Nevada)
2. TSX:FNV (Franco-Nevada)
3. TSX:GRT.UN (Granite Real Estate Investment Trust)
4. TSX:GSY (goeasy Ltd.)

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