



4 Canadian Stocks to Fight Back Inflation

Description

The inflation rate for 2021 is expected to increase by 2.4% in 2021, according to **Royal Bank of Canada**. That's before dropping back slightly to 2.2% in 2022, according to the bank's estimates. And that's after years of inflation below 2%, rising just 1.9% in 2019 and merely 0.7% in 2020 due to the pandemic.

So, the world is looking to get back on its feet, and after a year of growth in stocks, investors want more and are fearful of these higher interest rates. But if you're investing in strong stocks due for stable growth, you don't have to be fearful. Passive-income stocks coupled with value stocks is the best way to fight back inflation. So, here are four Canadian stocks I would consider today.

Utilize utilities

One of the best places to invest and see stable growth in both shares and dividends is through utility stocks. These Canadian stocks have a steady stream of income, as everyone needs to keep the lights on. A prime example is **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)).

This utility company has been growing both organically and through acquisitions for years. This has led to a steady stream of cash that has turned it into the strong Dividend Aristocrat it is today. In the last decade, shares have grown 407% for a compound annual growth rate (CAGR) of 17.62% as of writing. Its 3.67% dividend yield has also grown at a CAGR of 12.4% during that time. So, here you have a stock that will fight back inflation on two fronts!

Lazy landlord

Passive income is most assuredly one of the [best ways](#) to fight back inflation. And one of the best ways to get in on passive income is through real estate. However, you don't have to buy up an apartment complex to see massive income. You can simply invest in a company already doing that for you.

Before interest rates start to rise, residential real estate investment trusts (REITs) like **Killam Apartment REIT** ([TSX:KMP.UN](#)) have been acquiring left, right, and centre. The company recently closed a \$190 million deal in Ontario to acquire multiple properties and closed \$109.3 million public offering. The company is confident in its future growth, with shares rising 17% in the last year alone. In the last decade, shares are up 181% for a CAGR of 10.88%, and its dividend yield of 3.56% has risen at a CAGR of 1.91% during that time.

Get WELL

The healthcare sector is one that simply will never go away. So, getting in on this industry while it's down is a sure way to fight back inflation. One of the best Canadian stocks to buy ahead of this growth in the industry is through virtual healthcare. This industry has exploded during the pandemic and is one of the few things that won't revert to previous use.

If I'm choosing one healthcare stock in this industry, it's going to be **WELL Health Technologies** ([TSX:WELL](#)). This company has been setting records, recently reporting growth of 150% year over year during its latest earnings report. Shares have grown 146% in the last year and 4,422% since coming on the market in 2017. It's likely to experience further growth before tapering off, so buying in now is a great way to fight inflation through Canadian stocks.

Bank on banks

You want something you can bank on growing for decades, and that's the Big Six banks. These banks have seen record numbers, despite coming out of an economic recession and pandemic. That comes from consumers saving during this time and finally paying down debt. With inflation ready to rise, that's just more good news for these banks.

Of all Canadian stocks in the [banking industry](#), I would choose **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) to fight inflation. The company is heavily invested in the Canadian economy. Now that it's rebounding, inflation rates will actually do you good when investing in this stock. Meanwhile, it offers the highest yield of the Big Six banks at 4.09%, rising at a CAGR of 5.28% in the last decade. Shares are up 71% in the last year and 188% in the last decade for a CAGR of 11% as of writing.

CATEGORY

1. Coronavirus
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TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
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4. TSX:CM (Canadian Imperial Bank of Commerce)

5. TSX:KMP.UN (Killam Apartment REIT)
6. TSX:WELL (WELL Health Technologies Corp.)

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