Got $3,000? 3 Canadian Stocks to Buy Now to Beat Back Inflation

Description

If there's one thing I'm really not worried about these days, it's interest rates. Sure, interest rates are set to rise, and that will definitely affect my everyday life — my mortgage rates, my grocery bill, all of it. However, I'm still not worried. That's because I'm a Motley Fool Canada investor that's chosen solid investments that will outpace interest rates again and again. With that in mind, here are three Canadian stocks to buy now if you're worried about inflation.

Enbridge

One of the best places Motley Fool Canada investors can put their money is in pipelines. Yes, we are slowly moving towards clean energy. But I would still argue pipelines are a safe investment, even decades down the line. In the near term, companies like **Enbridge** (TSX:ENB)(NYSE:ENB) have long-term contracts to see cash flowing in for decades. On top of that, Enbridge stock alone has growth projects coming online this year worth $10 billion and more in the future.

But beyond that, pipelines offer real estate for future clean energy projects. So, it's likely Enbridge stock will simply transfer from one area to another in the years to come. Now and forever, you can look forward to stable revenue. Shares of the company are up 31% in the last year alone but are still undervalued with a price-to-earnings (P/E) ratio of 15.9. Meanwhile, you get a top dividend yield of 6.77%. That alone is almost double predicted inflation! But this is also one of the Canadian stocks to buy now, given its potential upside of 22% in the next year, according to analysts.

Great West Lifeco

Canada's top insurer has been experiencing an intense recovery during the last year. **Great West Lifeco** (TSX:GWO) continues to rebound thanks to its global presence. The company has been growing in Asian markets, where there is an emerging middle class, especially in China. In the last quarter alone, earnings per share rose by 36%! This is promising revenue growth for investors seeking strong future earnings.

Shares are up 66% in the last year alone, with a potential upside of a further 11% as of writing, according to analysts. The $34.19 billion company is still incredibly valued, however, with a P/E ratio of 10.3 at the moment. Meanwhile, you can enjoy a dividend yield of 4.8% right now — again, far outweighing any inflation risks. The company also offers investors a compound annual growth rate (CAGR) of 8.82% in the last decade. That alone makes it one of the best Canadian stocks to buy now.

Cameco

Back to clean energy, there are multiple ways consumers will likely see clean energy in their lives in the future. One such way is through nuclear power. **Cameco** (TSX:CCO)(NYSE:CCJ) is set to be the largest earner from this industry as the world's largest uranium producer. The company has been acquiring and growing with its renewed growth strategy, and yet it still has about $1 billion in cash on hand. With the United States alone seeking to cut greenhouse gas emissions by 52% by 2030, nuclear energy is the fastest way towards this goal.

Shares in Cameco are up 78% in the last year — a growth stock by any means. But this is one of the best Canadian stocks to buy now because of all this potential. Analysts expect the company to continue growing a potential 17% in the next year alone. But this is a buy-and-hold stock I would keep for decades. As the world turns towards nuclear energy more and more, Cameco is set to be a top earner.

CATEGORY

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TICKERS GLOBAL

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:CCO (Cameco Corporation)
4. TSX:ENB (Enbridge Inc.)
5. TSX:GWO (Great-West Lifeco Inc.)

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