



2 Top Canadian Stocks to Buy for Higher Inflation

Description

Inflation is something many experts and economists have warned about over the last year. Governments needed to add stimulus to economies to prop them up during shutdowns. However, it's led to a tonne of extra cash in the global economy, which is translating to much higher inflation. We've even started to see signs of asset inflation as investors have flocked to buy Canadian stocks over the last year.

Other supply chain issues are also causing shortages, resulting in prices soaring as well. The result is inflation at levels we haven't seen in years and supply chain issues that are not expected to improve for months.

So if you're looking to take advantage or even just offset the effects it could have on your wallet, here are two top Canadian stocks to buy today.

A top consumer staple stock to offset inflation

Some of the best companies to buy during periods of increasing inflation are those that can pass on the increasing costs to their consumers. That's why consumer staples, which sell food and other essential goods, are some of the best businesses to own in this environment.

There are a few high-quality [consumer staple stocks](#) to buy, but in my view, **The North West Company (TSX:NWC)** is the best stock not just to buy for this environment, but to hold long-term.

One of the main reasons North West is such an excellent company is that it's vertically integrated. The company has taken steps such as buying its own airline to ensure that it has better control over its costs and supply chain. And while that's been crucial in helping North West improve its margins, it could prove to be highly beneficial with all the supply chain issues that are ongoing worldwide.

And as I mentioned before, not only is it an excellent stock to buy for this environment, it's also a top Canadian stock to own long-term. North West is a Dividend Aristocrat, and its stock currently yields 4.4%. So if you're looking for a top Canadian stock to buy as inflation continues to soar, North West is

one of the best to consider.

A top Canadian energy stock to buy for this environment

Commodities are another industry that sees soaring prices during periods of higher inflation. For example, you've probably noticed that gas prices are soaring. You also may have noticed that energy stocks have been some of the top performers this year. And one of the best Canadian energy stocks to buy, especially to help combat inflation, is **Freehold Royalties** ([TSX:FRU](#)).

Freehold owns tonnes of land in Western Canada and the United States, where companies can produce energy in exchange for a royalty payment. This makes it an excellent [dividend stock](#) as it has low risk, its portfolio is well-diversified, and it's constantly seeing a stream of cash flow.

It's an outstanding company to gain exposure to energy, and because its operations are low risk and the stock has almost no debt, it's a company you can plan to own long-term. However, it's also an excellent company for investors during inflation. As energy prices have been rising through 2021, Freehold's income has been increasing rapidly.

In fact, over the last year, it's increased its dividend on four separate occasions. And today, the stock pays an attractive yield of 5.1%. Plus, it continues to retain capital and invest it in expanding its portfolio, most recently acquiring land in the United States.

So if you're looking for a top dividend stock to help combat inflation that you can also hold long-term, similar to North West, Freehold is one of the top stocks for Canadian investors to buy now.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:FRU (Freehold Royalties Ltd.)
2. TSX:NWC (The North West Company Inc.)

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