



## The 3 Best Dividend Stocks to Buy as Inflation Hits a 30-Year High

### Description

Canada's Consumer Price Index (CPI) rose to 4.8% in December 2021. This represented the highest spike in inflation since 1991. The Bank of Canada (BoC) will now feel even more pressure to raise interest rates in their January 26, 2022 meeting. In the meantime, investors should look to [dividend stocks](#) that are [positioned to thrive](#) in this environment. Let's jump in.

### Why grocery dividend stocks are still worth buying today

**Empire** ([TSX:EMP.A](#)) is a Nova Scotia-based company that is engaged in the food retail and related real estate businesses in Canada. Grocery prices increased by 5.7% in December 2021. Some of the brands it owns and operates include Sobeys, Farm Boy, IGA, and others. Shares of this dividend stock climbed 12% in 2021. The stock has dropped 2% so far in 2022.

The company released its second-quarter fiscal 2022 earnings on December 9. Sales in the first half of fiscal 2022 rose to \$14.9 billion — up from \$14.3 billion in the previous year. Meanwhile, gross profit rose \$163 million year over year to \$3.76 billion. Net earnings were reported at \$363 million, or \$1.36 earnings per share (EPS) — up from \$353 million, or \$1.31 EPS, in the second quarter of fiscal 2021.

Shares of this dividend stock last had a favourable price-to-earnings (P/E) ratio of 14. It offers a quarterly dividend of \$0.15 per share, which represents a modest 1.5% yield.

### Don't sleep on this other food company

**Maple Leaf Foods** ([TSX:MFI](#)) is a Mississauga-based packaged meats company that has also moved into plant-based alternatives in recent years. This dividend stock increased 6.5% in 2021. Its shares have dropped marginally so far this year.

Investors can expect to see Maple Leaf's next batch of earnings on February 23, 2022. In Q3 2021, Maple Leaf delivered total company sales growth of 12% to \$1.18 billion. Its Meat Protein Group delivered sales growth of 13% to \$1.15 billion. Meanwhile, sales in the Plant Protein Group declined

6.6% from the prior year. In the year-to-date period, adjusted net EPS climbed 23% to \$0.90. Moreover, adjusted EBITDA in its Meat Protein Group jumped 8.2% to \$402 million.

This dividend stock is trading in favourable value territory compared to its industry peers. Maple Leaf last paid out a quarterly dividend of \$0.21 per share. That represents a 2.4% yield.

## Dividend stocks in the oil space are on fire

Canadians finally got some relief at the pump in December 2021 as gas prices dropped 4.1%. That was the biggest drop since April 2020. However, oil prices have continued to increase steadily in the opening weeks of 2022. This means that investors should [continue to stack](#) top dividend stocks like **Suncor**.

Shares of this dividend stock have climbed 4% in 2022 as of late-morning trading on January 21. Suncor stock currently possesses a very solid P/E ratio of 21. It last hiked its quarterly dividend to \$0.42 per share, which represents a 4.8% yield.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:EMP.A (Empire Company Limited)
2. TSX:MFI (Maple Leaf Foods Inc.)

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