



3 Useful Stocks to Combat Inflation

Description

Inflation is a serious concern, especially if the [impact on purchasing power](#) is significant like today. The actual reading of 5.7% in February 2022 surpassed the consensus estimate of 5.5%. Tradingeconomics.com forecast the rate to climb further to 5.9% this month.

Canadians can expect financial strain as long as prices of goods and services remain elevated. For people with excess cash to spare, [dividend investing](#) a way to earn passive income and hedge against inflation.

Among the useful stocks to combat or even beat inflation are **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)), **Rogers Sugar** ([TSX:RSI](#)), and **Bird Construction** ([TSX:BDT](#)). The following are the strong points of their respective business models.

Growing passive income

Fortis is on track to become TSX's second dividend king after **Canadian Utilities**. If management raises the dividend this year and in 2023, it will mark 50 consecutive years of dividend increases. The \$28.64 billion company has 10 affiliated and regulated electric and gas operations that produce stable, predictable cash flows.

This top-tier utility stock doesn't pay the highest dividend but the yield is ever-growing. In 2021, the mid-year rate base was \$31 billion. However, it should increase to \$41.6 billion by 2026, given the \$20 billion five-year capital plan (2022 to 2026).

The long-term rate base growth should support Fortis' annual dividend growth guidance of 6% through 2025. Fortis often makes it onto lists of the [best stocks in Canada](#). Besides the strength of its diversified utility portfolio, management said the execution of the new capital plan will enhance shareholder value. The share price of this [defensive stock](#) is \$60.06, while the dividend yield is 3.51%.

Rock-steady payouts

A consumer staple stock like Rogers Sugar will not disappoint investors. While sugar is a low-growth business, the demand will never wane. The \$653.51 million sugar and maple producer operate in a duopoly, so there's hardly a competition. Also, the stock price hardly fluctuates and usually stays in the \$5 to \$6.50 range.

If you invest today, Rogers Sugar trades at \$6.25 per share and pays a lucrative 5.77% dividend. Despite the postponement of anticipated shipments in Q1 2022, revenue and earnings grew 3.1% and 25.1% versus Q1 2021. Note that healthy growth in top and bottom lines amid the reduced sugar (-5.5%) and maple syrup (-17.5%) volumes.

According to management, the uncertainty and increased demand volatility could impact future sale volumes, operations, and financial results. Still, Rogers Sugar remain optimistic the financial performance 2022 will be far better than last year.

Construction boom

Bird Construction is one of the few companies that pay monthly dividends. The \$498.82 million company offers a comprehensive range of construction services. It caters to clients in the industrial, commercial, and institutional and civil infrastructure markets. Moreover, the construction business will not stall despite the challenging environment.

In 2021, Bird experienced a construction boom owing to the strong full-year results. Construction revenue and net income increased 47.6% and 18.6% compared to 2020. On year-end, backlog rose to \$3 billion. Teri McKibbin, Bird's president and CEO, credits the unwavering focus on collaboration, cross-selling, and diversification of both capabilities and geographical reach for the record backlog.

At \$9.19 per share, you can partake of Bird's 4.17% dividend.

Preserve purchasing power

Investors can face inflation head-on. Passive income from Fortis, Rogers Sugar, and Bird Construction can lessen its impact and preserve your purchasing power.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:BDT (Bird Construction Inc.)
3. TSX:FTS (Fortis Inc.)
4. TSX:RSI (Rogers Sugar Inc.)

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