3 TSX Stocks to Hold as Inflation Remains High

Description

Last month, Statistics Canada reported that inflation reached a stunning 6.8% in the month of April. This represented a 31-year high. Canadian consumers have been weighed down by these crippling conditions. In this climate, it is a great idea to snatch up TSX stocks that could help to mitigate the pain consumers are experiencing. Today, I want to look at three equities that are well positioned to flourish in this inflationary environment. Let's jump in.

Inflation has fueled huge profits at grocery retailers

Grocery retail stocks have been a solid target for investors since the beginning of this new decade. These companies proved resilient in the face of the COVID-19 pandemic. Food prices have surged, as inflation has been on the rise, bolstering profits at companies like **Empire Company** (TSX:EMP.A). Indeed, food prices were up 9.7% year over year in April 2022. Empire owns and operates retailers like Sobeys, FreshCo, Foodland, Farm Boy, and others. Shares of this TSX stock have climbed 6.2% in 2022 as of close on June 21.

Empire is set to release its fourth-quarter and full-year fiscal 2022 results this morning. I have not been able to view this new set of earnings at the time of this writing. Regardless, I'm bullish on Empire going forward. This TSX stock possesses a favourable price-to-earnings ratio of 14. It offers a quarterly dividend of $0.15 per share. That represents a modest 1.4% yield.

This TSX stock has also benefited from surging inflation

Inflation has also had a major impact on oil and gas prices. Consumers have felt a pinch at the pump. Unsurprisingly, top energy companies like **Suncor Energy** (TSX:SU)(NYSE:SU) have raked in profits during this period. This TSX stock has surged 45% in 2022 as of close on June 21. Its shares are up 58% in the year-over-year period. Investors should feel good about holding Suncor in this inflationary climate

The company released its first-quarter 2022 results on May 9. It reported adjusted funds from operations (FFO) of $4.09 billion or $2.86 per common share — up from $2.11 billion, or $1.39 per common share, in the previous year. Moreover, adjusted operating earnings rose to $2.75 billion, or $1.92 per common share, compared to $746 million, or $0.49 per common share, in the first quarter of 2021.

Shares of this TSX stock last had an attractive P/E ratio of 11. It currently offers a quarterly dividend of $0.47 per share, which represents a 3.9% yield.

Why I'm targeting this TSX stock in this environment

Gold is a worthwhile target as investors look to combat high inflation. Moreover, Canadians may want to seek exposure to this safe haven in the middle of a violent market correction. **Barrick Gold** (TSX:ABX)(NYSE:GOLD) is one of the largest gold producers on the planet. This TSX stock has dropped 7.3% month over month as of close on June 21. However, it is still up 6.2% in the year-to-date period.

Barrick released its first-quarter 2022 earnings on May 4. It reported adjusted net earnings of $463 million — down from $507 million in the first quarter of 2021. The company increased its quarterly dividend payout to $0.20 per share, representing a 2% yield. This TSX stock possesses a favourable P/E ratio of 17 at the time of this writing.

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