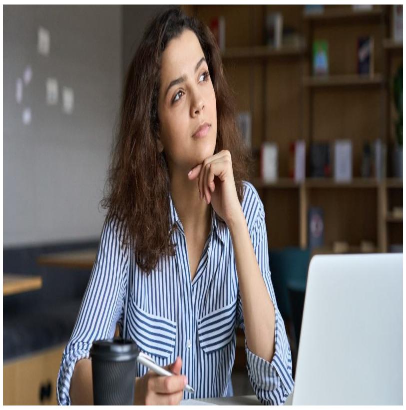

Young Investors: 3 TSX Stocks to Hold as Inflation Soars

Description

Young investors have been investing in an environment of relatively stable inflation over the past 10-15 years. Unfortunately, that era of stability appears to have come to an end. Inflation in Canada reached a stunning 7.7% in the month of May. That represented its highest point since 1983. Today, I want to look at three TSX stocks that young investors may want to target in this inflationary climate. Let's dive in.

Here's why young investors should target grocery retailers in this climate

Food prices have been a key driver in this inflationary environment. Indeed, grocery prices rose by another 9.7% in the month of May. That has put a major squeeze on consumers over the past year. Young investors may want to snatch up top grocery retailers like **Metro** (TSX:MRU). This Montreal-based company operates as a top grocery and pharmaceutical retailer in Canada, with an especially large footprint in its home province of Quebec.

Shares of this TSX stock have climbed marginally in 2022 as of early afternoon trading on June 23. The stock is up 14% from the previous year. In Q2 fiscal 2022, the company delivered sales growth of 1.9% to $4.27 billion. Meanwhile, adjusted net earnings climbed 5.1% year over year to $204 million.

This TSX stock currently possesses a favourable price-to-earnings (P/E) ratio of 19. It last paid out a quarterly dividend of $0.275 per share. That represents a modest 1.6% yield.

Energy stocks have gained huge momentum on the back of soaring oil and gas prices

Oil and gas prices have also been a major factor in the pace of inflation. Young investors should consider targeting top oil and gas producers like **Imperial Oil** (TSX:IMO)(NYSE:IMO). This company also offers exposure to gas station retailers, which have raked in huge profits during this period.

Shares of this TSX stock have climbed 26% in the year-to-date period. It is up 49% from the same period in 2021.

In Q1 2022, the company reported profit of $1.17 billion. This represented a 30-year high. Meanwhile, total revenue jumped $7 billion year over year to $12.6 billion. Shares of this TSX stock possess an attractive P/E ratio of 12. Moreover, it offers a quarterly dividend of $0.34 per share. That represents a 2.2% yield.

Restaurants have also taken advantage of high inflation

Restaurant prices have climbed alongside rising grocery bills in recent months. In this environment, young investors may want to chase those price gains and secure big income with **Keg Royalties Income Fund** (TSX:KEG.UN). This Vancouver-based income fund deliver royalties through its fleet of Keg restaurants. Casual in-room dining has enjoyed a nice rebound since pandemic restrictions were lifted. Shares of this TSX stock have increased 4.5% so far in 2022.

The company unveiled its first-quarter 2022 earnings on May 10. Its Royalty Pool sales climbed 106% year over year to $141 million. Distributable cash jumped 159% to $0.221/fund unit in the first quarter. This income fund currently offers a monthly dividend of $0.095 per share. That represents a monster 7.4% yield.

CATEGORY

1. Investing

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1. NYSEMKT:IMO (Imperial Oil Limited)
2. TSX:IMO (Imperial Oil Limited)
3. TSX:KEG.UN (The Keg Royalties Income Fund)
4. TSX:MRU (Metro Inc.)

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