



Young Investors: 3 Canadian Stocks You Can Trust as Inflation Rises

Description

Canada's inflation rate rose to 7.7% in the month of May. That came close to a 40-year high. Statistics Canada revealed that gas prices surged 48% in the year-over-year period. Meanwhile, grocery bills increased by 9.7% over the same stretch. This has put major pressure on Canadian consumers. Young investors have not faced an environment like this. Today, I want to look at three Canadian stocks that they can trust in this climate.

Grocery retailers are a great target for young investors in this climate

Empire Company ([TSX:EMP.A](#)) is a Stellarton-based company that is engaged in the [food retail](#) and related real estate businesses in Canada. Young investors can depend on grocery retailers, as inflation has ballooned their profits. Shares of this Canadian stock have climbed 3.5% in 2022 as of mid-morning trading on June 28. That has represented most of its gains in the year-over-year period.

The company released its fourth-quarter fiscal 2022 results on June 22. It delivered earnings per share (EPS) of \$0.68 — up from \$0.64 in the previous year. Meanwhile, gross profit rose to \$7.65 billion for the full year compared to \$7.19 billion in fiscal 2021. Moreover, EBITDA rose by \$187 million year over year to \$2.33 billion.

Shares of this Canadian stock currently possess a favourable price-to-earnings (P/E) ratio of 14. That puts Empire in favourable value territory at the time of this writing. It offers a quarterly dividend of \$0.165 per share, which represents a modest 1.6% yield.

Here's another Canadian stock that will benefit from rising food prices

Maple Leaf ([TSX:MFI](#)) is another food-focused Canadian stock that young investors may want to target in this environment. This Mississauga-based company produces food products in North America

and around the world. Shares of Maple Leaf have dropped 12% in 2022 at the time of this writing. The stock is down 2.2% in the year-over-year period.

In Q1 2022, Maple Leaf delivered total company sales of 7% to \$1.12 billion. Meanwhile, Meat Protein Group sales increased 7.5% from the previous year to \$1.08 billion. The Plant Protein Group posted sales growth of 5.2% to \$44.9 million.

This Canadian stock is trading in favourable value territory compared to its industry peers. It last paid out a quarterly dividend of \$0.20 per share. That represents a 3.1% yield.

One more TSX stock young investors should snatch up as inflation soars

Suncor Energy ([TSX:SU](#))([NYSE:SU](#)) is the third Canadian stock I'd suggest for young investors after inflation hit a near four-decade high in May. This Calgary-based company is one of the largest integrated energy producers in Canada. Its shares have climbed 42% in 2022, largely on the back of surging oil and gas prices.

Investors got to see its first-quarter 2022 earnings on May 9. Adjusted operating earnings more than tripled in the year-over-year period to \$2.75 billion, or \$1.92 per common share. This Canadian stock currently possesses an attractive P/E ratio of 11. It recently hiked its quarterly dividend to \$0.47 per share, representing a 3.9% yield.

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Date

2025/09/26

Date Created

2022/06/28

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