



## 3 Inflation-Resistant Stocks to Add Today

### Description

The Bank of Canada (BoC) stunned onlookers to kick off this week when it elected to hike the benchmark interest rate by a full percentage point. That brings the benchmark rate to a total of 2.5%. Policymakers are working feverishly to combat the inflation rate that is squeezing Canadian consumers. However, it remains to be seen whether these policy moves will have the desired impact in the near term.

Today, I want to look at three inflation-resistant stocks that are worth snatching up in this climate.

### Grocery retailers are set to see more price increases in the weeks ahead

Canadian food prices were geared up for growth coming into 2022. However, the pace of inflation has outshot those initial projections. Unfortunately, consumers do not have any respite to look forward to. Canadian food suppliers have recently warned that further food price increases are on the horizon. That should spur investors to snatch up inflation-resistant [grocery retail stocks](#) like **Empire Company** ([TSX:EMP.A](#)).

This top grocery retailer owns and operates brands like IGA, Farm Boy, and Sobeys. Its shares have climbed 4.6% in 2022 as of early afternoon trading on July 14. The stock is up 1.3% from the prior year. Empire is still trading in favourable value territory with a price-to-earnings (P/E) ratio of 14. It offers a quarterly dividend of \$0.165 per share, which represents a 1.6% yield.

### Inflation is spurring a flight to Dollarama and its peers

It is no secret that price inflation has put significant pressure on the everyday consumer. Canadians have been forced to absorb hits on essentials like food and gas. Dollar stores rose in prominence beyond a niche offering after the Great Recession. There is evidence that they are again gaining traction in this inflationary climate. That should pique investor interest in **Dollarama** ([TSX:DOL](#)),

Canada's top dollar store chain.

Shares of this inflation-resistant stock have climbed 21% in 2022 at the time of this writing. The stock is up 34% from the prior year. It unveiled its first-quarter fiscal 2023 results on June 8. Dollarama posted sales growth of 12% to \$1.07 billion. Meanwhile, comparable-store sales increased 7.3% from the previous year. Diluted earnings per share (EPS) jumped 32% from the prior year to \$0.49.

## One more inflation-resistant stock to target right now

Gas prices have been the most significant inflation driver in recent months. Oil and gas prices surged in the wake of Russia's invasion of Ukraine. However, the sector has softened in response to recession fears.

**Imperial Oil** ([TSX:IMO](#))(NYSE:IMO) is a Calgary-based company engaged in the exploration, production, and sale of crude oil and natural gas in Canada. Its shares have increased 12% so far in 2022. The stock is up 49% year over year.

In Q1 2022, Imperial Oil delivered its highest first-quarter net income in over three decades. It also posted its highest-ever first-quarter cash flow of \$1.91 billion. This inflation-resistant stock still possesses an attractive P/E ratio of 11. It offers a quarterly dividend of \$0.34 per share, which represents a 2.5% yield.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSEMKT:IMO (Imperial Oil Limited)
2. TSX:DOL (Dollarama Inc.)
3. TSX:EMP.A (Empire Company Limited)
4. TSX:IMO (Imperial Oil Limited)

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