Millennials: 3 Dividend Stocks You Can Trust as Inflation Soars

Description

On July 20, Statistics Canada revealed that inflation rose to 8.1% in the month of June. That represented the fastest annual increase in the cost of living in 39 years. The Bank of Canada (BoC) moved forward with a higher-than-expected interest rate hike of 1% earlier this month. Despite its commitment to combating inflation, the BoC predicted that the inflation rate would remain around 8% for the next several months. This is uncharted territory for millennial investors.

In this article, I want to look to three dividend stocks that can provide some cover in this difficult climate. Let's jump in.

Millennials can take advantage of rising food prices with this top grocery retailer

Food price increases have played a key role in driving inflation in 2022. In this recent report, Statistics Canada revealed that food prices were up 8.8% in the year-over-year period. Unfortunately, experts have admitted that it is too early to declare that food prices have peaked. Top grocery retailers like **Empire Company** (TSX:EMP.A) have delivered big sales growth in this environment.

Shares of this dividend stock have climbed 2% in 2022 as of close on July 20. The stock is down 1.2% in the year-over-year period. In fiscal 2022, Empire reported total sales of $30.1 billion — up from $28.2 billion in the previous year. Meanwhile, EBITDA rose to $2.33 billion compared to $2.14 billion in fiscal 2021.

Empire possesses a favourable price-to-earnings (P/E) ratio of 14. Millennials can also count on its quarterly dividend of $0.165 per share, which represents a modest 1.6% yield.

Here's another dividend stock to snatch up after the oil and gas price boom

Gasoline prices have been the biggest contributor to rising inflation this year. In June, gas prices were up a whopping 54% in the year-over-year period. Millennial investors should still be interested in buying and holding energy stocks that have an interest in gasoline retailers. **Imperial Oil** (TSX:IMO)(NYSE:IMO) is one such stock. Its shares have increased 23% in 2022.

This Calgary-based company is engaged in exploration, production, and sale of crude oil and natural gas in Canada. In Q1 2022, Imperial Oil delivered net income of $1.17 billion — up from $392 million in the previous year. Meanwhile, it achieved a 30-year high in cash flow from operating activities of $1.91 billion.

Shares of this dividend stock last had an attractive P/E ratio of 12. Imperial Oil offers a quarterly dividend of $0.34 per share. That represents a 2.3% yield.

One more dividend stock millennials can stash in this environment

Hydro One (TSX:H) is the third dividend stock I'd suggest millennials snatch up in this inflationary climate. This utility has proven to be a dependable profit machine. Moreover, it has delivered dividend growth in every year since its debut on the TSX. Its shares are up 4.9% in 2022 as of close on July 20.

Investors can expect to see its next batch of results in the first half of August. It posted earnings per share (EPS) growth of 15% to $0.52 in the first quarter of 2022. Moreover, revenues rose to $2.04 billion over $1.81 billion in the prior year. Hydro One stock possesses a solid P/E ratio of 20. It offers a quarterly dividend of $0.28 per share, representing a 3.2% yield.

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