



3 Inflation-Resistant TSX Stocks to Buy Right Now

Description

Canadians are all worried about inflation right now. Whether it's at the grocery store, the gas pump, or even just buying your morning cup of coffee, it feels like the recent price increase is a slap to the face — especially as **TSX** stocks continue to fall.

Inflation on a tear

Inflation climbed 8.1% in June on a year-over-year basis, according to Statistics Canada — an almost 40-year high. But there are a few pieces of good news that we can look for, even in these dark times.

Motley Fool investors have likely already noticed that the price of gas at the pump has come down quite significantly in July. The major jump in June was contributed in large part to this increase in gas prices, according to several economists. So, it could be that we see inflation drop for July.

Meanwhile, that drop could lead to a rebound in the markets — one that's perhaps already started. Shares of the TSX today are down 10.2% year to date. But the TSX is now up 4% in the last week alone. While that's not much to latch onto, it could be something. Only time will tell.

But no matter what happens next with inflation, I can tell you this: these three TSX stocks are bound to fight back.

Look at the industries

If you want to fight back inflation, the TSX stocks to get you there belong to resistant industries. These are industries that will either continue to be needed, even during a recession, or they tend to go up when the market goes down; these are known as cyclical stocks.

I tend to look more for necessary companies, as these TSX stocks are more likely to continue climbing rather than experience a drop, even after the market recovers. And in this case, there are several that I can recommend to Motley Fool investors on the TSX today.

What Canadians, and indeed the world, always need are necessities. That would include things like power, water, roads, sewers — things like that. And there are multiple ways to get into these industries. But for the case of this article, here are my top three.

Three TSX stocks to buy

A great way to make a diversified portfolio is to look at infrastructure around the world. This would mean investing in a company like **Brookfield Infrastructure Partners**. Brookfield has energy, utility, and water infrastructure properties around the world. Its shares are about where they were back in January and have increased about 6% in the last month alone. It also offers a dividend yield of 3.69% to pay you to wait.

Then there are utility stocks, but above them all, I would consider **Canadian Utilities**. It's performed the best among utility stocks, up 11% year to date and 8% in the last month alone. It's also the only Dividend King on the TSX today, offering 50 years of consecutive dividend growth. That dividend currently comes in at 4.51% among TSX stocks.

Finally, I would also urge Motley Fool investors to look at **H2O Innovation** ([TSXV:HEO](#)) for [water stocks](#). This small-cap company is one of the only TSX stocks in the field of water-filtration systems, and it has won awards for its stellar performance. While it doesn't offer a dividend yield, it does offer strong growth; it's up 10.5% in the last month, though it's still down 24% year to date. This is perhaps more of a growth stock to watch, but it offers substantial long-term potential.

Bottom line

If you want to fight back inflation, you need TSX stocks that will get you there. The TSX today has a lot of options, but these continue to outperform the TSX. That's what makes them such strong choices. Further, there are many offering you long-term gains coupled with dividends. Together, all three of these stocks could leave your portfolio looking like a [market correction](#) never happened.

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