



2 'Toothpaste and Toilet Paper Stocks' to Buy Without Hesitation

Description

Consumer staples usually refer to a set of essential products that people can't do without daily. Toothpaste and toilet paper are examples of staple items because a vast majority of consumers purchase them regularly. Also, most people stock up on both items or maintain household reserves for good measure.

The **TSX** has 11 primary sectors, one of which is consumer staples. Its constituents are mostly companies providing products and services people need, not want. More importantly, [businesses are pretty stable](#) regardless of the economic environment.

If you have an investment appetite but are worried about [market volatility](#), you can buy shares of **Rogers Sugar** ([TSX:RSI](#)) and **North West Company** ([TSX:NWC](#)) without hesitation. These toothpaste and toilet paper stocks can lessen the impact of high inflation. Their prices could dip from inflationary pressures, but the dividend payments should remain rock-steady.

Favourable market dynamics

Rogers Sugar is an excellent backup in a dividend stock portfolio for its low price (\$5.90 per share) and generous dividend yield (6.1%). Besides sugar, the \$615.8 million company sells and supplies maple syrup and maple syrup-derived products. While the sugar segment is a low-growth business, it's enduring and remains the company's bread and butter.

Its President and CEO, Mike Walton, said, "We expect the strong market conditions of our Sugar segment will more than offset the challenges we are experiencing in our Maple segment from current inflationary pressures." In the first nine months of fiscal 2022, sugar volume increased 2.69% year over year to 579,928 metric tonnes.

During the same stretch, revenue and adjusted net earnings increased 13.5% and 17.5% versus the same period last year to \$738.72 million and \$28.49 million, respectively. Walton adds, “The demand for Canadian refined sugar remained very strong in the third quarter of 2022, and we anticipate this situation to continue for the foreseeable future as market dynamics remain favourable.”

Management’s near-term plan is to expand the refining capacity of its Montreal plant and increase the distribution centre logistics and rail infrastructures in Toronto. These endeavours should boost the eastern refined sugar supply to 100,000 metric tonnes annually.

The corporate existence of NWC dates back to 1668. Today, this \$1.7 billion retail enterprise boasts commanding market shares in underserved rural communities and urban neighbourhoods in Northern & Western Canada, rural Alaska, the South Pacific islands and the Caribbean.

Rich-enterprising legacy

NWC stores offer a broad range of products and services, including everyday household needs, although the emphasis is on food. In Q2 2022, net earnings decreased 23.6% to \$32.4 million versus Q2 2021. Still, NWC President and CEO Dan McConnell is happy with the quarterly results because sales and earnings are back to pre-pandemic levels.

If you invest today, the share price is \$35.25, while the dividend yield is an attractive 4.31%.

Shining consumer staples stocks

As of this writing, the TSX is still in negative territory with its 11.6% year-to-date loss. Meanwhile, toothpaste and toilet paper stocks like Rogers Sugar (+3.6%) and North West Company (+6.39%) continue to outshine the broader market.

CATEGORY

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