Some of the Safest Places to Invest Now

Inflation is still soaring.

Consumer prices for March jumped 8.5% year over year, which came in above expectations for 8.4%. We haven't seen numbers like that since December 1981. Core inflation was at its highest points since August 1982. However, there was some good news in the latest data.

Core CPI – which excludes food and energy – was up 0.3%, which was just below expectations for 0.5%. With that, the market believes inflation may be moderating, which is why markets were rallying in pre-market. However, that's only a month over month figure.

Year over year, core CPI is up 6.5% from last month's year over year pace of 6.4%. So, don't get too excited. That number alone is why we're not excited.

Plus, according to Barron's, "The jump in prices marks the seventh-straight monthly increase in the annual pace and the fastest inflation the U.S. has seen in more than 40 years. That pace will add to mounting pressure on the Federal Reserve to move faster to rein in spiraling inflation, potentially by raising interest rates by a half-point when central bank officials meet."

With inflation rising and rate hikes on the way, where should we invest?

With interest rate hikes, one way is to invest in financial stocks, like Bank of America (BAC) and Wells Fargo (WFC). Or, you can jump into the XLF ETF, which offers diversification among financial names. With an expense ratio of 0.10%, the ETF holds positions in Berkshire Hathaway, JP Morgan, Bank of America, Wells Fargo, Charles Schwab, and Goldman Sachs.

"Rising interest-rate indexes mean banks will be able to increase the rates they charge on revolving credit lines. Commercial loans typically have relatively short terms and also tend to be renewed — these will reprice at higher rates, increasing banks' profits. Meanwhile, banks as a group are awash with cash, which means they will have relatively little pressure to increase the rates they pay for deposits," says MarketWatch.

With inflation still running hot, keep an eye on dividend stocks.

Look at NextEra Energy (NEE), for example.

NEE has a dividend yield of 2.01%. Demand for utility services will always remain intact, even in the worst of times. NEE provides a basic need service – electricity.

Or, look at Universal Corp. (UVV), which carries a dividend yield of 5.33%. In recent months, the Board of Directors declared a quarterly dividend of seventy-eight cents ($0.78) per share on the common shares of the Company, payable May 2, 2022, to common shareholders of record at the close of business on April 11, 2022.