Every year at this time, everyone and anyone who has a vested interest in selling stocks comes out and talks about how great a year its going to be in the stockmarket. Of course its all nonsense and bullshit. NO ONE knows what the market is going to do.

Not timers. Not technical charts. Not economists, Not brokerage Heads of Research, Not stock pickers. No one. If you watch CNBC, over the last few months they have taken to putting "experts" who disagree up against each other on stocks and topics. Instead of having carte blance to come across as an expert, they have to offer some support and take some criticism. Its a blast to watch because there rarely is a winner. Its so rare that they get questioned that they have lost the ability to support their own positions. So much for experts.

If its hard to find an expert who can support their investmen choices, what about mutual funds ?

According to an ad for one family of mutual funds, there are 17,000 mutual funds on the market for purchase. How amazing is that ? How in the world can there be 17,000 fund managers that are worth a damn ? There cant be. How many are good ? How many suck ? How many of the funds will close every year taking your money with them ? Are you completely confident in the fund that is taking money from your paycheck every 2 weeks ?

Then of course there are the brokerages. I swear that there are few things that turn my stomach on TV more than watching commercials for brokerages. The guy who gives the toast at the wedding, Paul McCartney, the guy from Law & Order, all trying to con people into thinking that any of their stockbrokers can take you to a financial promised land.

Well guess what, they cant. Yes there are good stockbrokers that are worth the commissions you pay them, but guess what ? Most of the good ones work with people who already have money, not ones with very little hoping to build a nest egg.

One fun little thing I like to do is to look at "The Favorites". The list of the stocks held by he largest number of accounts at Merrill Lynch.These are the stocks that the largestbrokerage, with the largest number of consumer clients is being enticed , convinced or directed to invest in. These are the stocks that Merrill Lynch stockbrokers have had the most success selling. They are their favorite products.

Its interesting how well the names are performing, but also how the names have changed , or in some cases, not changed over the years. A look at the last list of 2005 doesnt inspire overwhelming confidence in the ability of Merrill to pick stocks. 7winners. 13 losers. Biggest winner was Exxon at 9.7pct. On the losing side, there were 7 stocks that lost 10 pct or more and 3 that lost 20pct or more. And these are the stocks that many wouldclassify as todays "widows and orphans" stocks.

Of coure they are completely different from the widows and orphans stocks of yesteryear. GM, Ford, Utilities….Just put them away and dont think about them. Now that was good advice wasnt it. And here is the list from Jan of 2002. You havent done so well if you took Merrills advice then, or now. To be fair , Merrill is not better or worse than any other full service brokerage. They just happen to publish their list of widely held stocks.

So what to do if you want to invest your money ? What to do if you want to end this year with more than you started with ?

Simple, avoid risk.

Risk is what Wall Street lies about every day. Risk is what they try to sweep under the covers knowing that we all are addicted to the dream of financial freedom. Risk is the poison that is masked by the commercials.

When you see a commercial for a brokerage, they are telling you in a very subtle way that they remove risk. Invest with them and the risks regarding investing that you have heard about will be reduced or eliminated because they are so smart. All of which they say beforethey rush through all the disclaimers that confirm that everything they just said is nonsense, that they cant really avoid risk.

You can however make the personal decision to avoid risk. Avoiding risk allows you to sleep at night. Avoiding risk allows you to have more at the end of the year than when you started.

Lots of people spent a lot of money on commissions this year. If you put your money in the bank, in a CD or in treasuries, you not only slept better than them, there is a very, very good chance you kicked their ass in total return. Your interest compounded, they probably paid interest on their investments.

I get emails every day asking me where people should invest. I tell them all the same thing, and I will say it here. Put your money ininterest earninginvestments.

For every stock you buy, there is someone selling you that stock. What is it that you know that they dont ? What is it that they know, that you dont ? Who has the edge ? If its not you. Chances are you are going to lose money on the deal.

If you want more info on how i feel about the stock market, here is another blog entry on the topic.

So here is my investment advice for anyone who doesn't have enough saved to walk away from their job and retire…

1. If interest rates stay where they are or go higher, look at 5 year or shorter maturity vehicles. It doesnt matter if its a bank CD, a money market fund, a tax free fund, treasuries or combinations there of. Bottom line is this, 4plus percent taxed, or up to 6 plus percent tax free equivalent (depending on your tax bracket), is not a bad way to go. If rates go down, do the same thing, evenif you earn a lower rate. At the end of the year, you are guaranteed to have more than you started with.

2. Evaluate your lifestyle. People forget that sometimes the best investment they can make is in wisely buying things they know they will use. If you track what you use and consume, whether its gas vs bus fare, buying bulk quantities or other discretionary spending, you can save more and earn a far greater return than you could in the stock market. If you can save 10pct per month on a hundred dollar per month budget, thats 120 bucks you can put in the bank. Thats the equivalent of earning 12 pct on a 1k dollar investment. If you can cut 100 bucks per month off 1k dollar monthly budget, thats like earning 12 pct on 10k dollars. Thats pretty darn good. Spend smart, put your savings in risk averse, interest earning offerings.

3. Invest in yourself. Do the things that can get you closer to your goals and dreams. It wont come from a brokerage commercial. It will come from preparing yourself , working hard and standing apart from your competition. You Inc is the best stock you can ever buy…if you are willing to do the work.