



The last few years I seem to be losing money everywhere. Where are the best areas to invest this financial year?

Mug Investor, Morriset

This is where I see the main asset classes heading this financial year

Cash/fixed interest – the best performer in recent years will struggle in 2009/10 following significant interest rate cuts. Investors with term deposits that were getting 8% 12 months ago are not going to be happy reinvesting at 3%. A great example of past performance not guaranteeing future returns.

Shares – have we hit the lows? I think so but I am not 100% sure. The sharemarket over the next 6 months is going to be a bit like a plane ride. You know where the captain gets on the speaker and says that there is going to be some turbulence. But there will be blue sky once we get through. I don't have any particular stock tips, other than to go with the top quality stocks rather than speculative ones. Remember that history tells us that the stock market generally has a significant rise after terrible declines.

Property – the property experts are telling us all that the property market has officially rebounded but the jury is still out with me. I have always been skeptical of the spruiking by the industry. Over the next few months there is going to be plenty of barriers to the rebound including rising interest rates, rising unemployment and the phasing out of the First Home Owners Grant Boost. Will be some absolute bargains as there will be some desperate sellers. Tread carefully & learn from the mistakes of the past few years.

Super – suffered over the past few years and has lost its luster as result but still a favourite of mine due to its favourable tax concessions and long term savings. Expect it to rise with the sharemarket. Regular contributions provide a great dollar cost averaging strategy in a low market. eBay of those users that have sold more than \$50,000 in a financial year.