Is there an income for combination with evaluations are where where we are going to perhaps? What is that net out to in terms of a Market Outlook few would investors should emphasize here.

That's out to you know, we're not going to really see the strongest returns from the S&P 500 this year unlike pretty much every other year over the last decade.

So I think investors need to get used to the idea that US large-cap Stocks.

Don't just go straight up forever.

You know what these indicators are all telling us in concert is that sentiment has grown, you know fairly you Oregon sauce.

We don't hear too many bears out there.

We're also seeing of appointment with the market has essentially priced in a lot of the good news that were likely to see this year.

So, you know, don't get me wrong, and I think this is going to be a great year for the economy.

I think it's going to be a great year for S&P earnings Presley, but something close to 20% penciled in for corporate profits growth, but last year Arkansas mass of multiple expansion in anticipation of that grow.

So I think our view is that there are probably other spots where you can get better bang for your buck namely, you know value stocks small caps.

We still don't think that those areas of leadership are over.

So that's where we would focus our portfolio concentration at this point large-cap growth which dominates the S&P in an entry into war cyclical and value area.

It's really at least in a subtle way and now in an obvious way been going on for a few months right now.

So, what would you be looking for in terms of knowing when we have soda priced in this Outlook when those sectors I have become more fully value you want to look at when is value? Cheap.

stocks are still really really cheap to expensive stocks the way we just measure that is by the dispersion between high and low PE stocks is still at almost record wide level.

So I think we would want to see that snap back a little bit more the second thing.

I would watch his positioning and I think what's been interesting is that even though we all kind of know that this year is going to be pretty different from last year for a whole host of.

reasons, you know new Administration reopening versus shut down at cetera investors haven't really changed their positioning that aggressively so when we track hedge fund Holdings in Houston manager holding, they're still very embedded in this gross,.

you know, check overweight positioning they've only started to leg into energy sand and soul.

So I think that's when that selling pressure is over and when you see more buying About is that as we get further into the year if the economy starts to recover and look like it's on.

better ground.

We might start to hear some of the negative Rumblings from policymakers around no potential taper tax hikes reversal in the tax cuts that we saw a couple of years ago.

So some of those negative headlines watch are three factors are really important to get a gauge of how long we have to go here.

I will tell you this typically in an economic recovery coming out of a recession value.

I'll perform spells for at least a year.

So I think that, you know, the idea that we've had six months of great performance doesn't necessarily make me too worried about this continuing.

Shepard Smith here.

Thanks for watching CNBC on YouTube.

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