

Global stock markets ended slightly down as heightened concerns over a trade war toward the end of the week put a damper on generally positive economic news for last week. The 10-year U.S. Treasury yield started and ended the week at 2.93%, briefly rising above 3.00% mid-week after the Federal Reserve Board (Fed) rate hike announcement before falling back on Friday's news that the U.S. planned to move ahead with \$50 billion in tariffs on Chinese imports. The price of a barrel of West Texas Intermediate crude fell along with equities, down \$1.25 for the week, to end at \$64.24.

The Federal Open Markets Committee (FOMC) hiked the target Fed funds rate by another 0.25% on Wednesday to a range of 1.75%- 2.00%, in a move that was well signaled to the market. The FOMC's statement was fairly upbeat on the strength of the U.S. economy and guidance for future rate hikes has become more hawkish. The outlook for additional rate hikes expects two more rate hikes in the second half of the year. Also, beginning in July, the Fed plans to reduce its balance sheet at a pace of \$40 billion/month, up from the current pace of \$30 billion/month.

With the Q2 2018 earnings season right around the corner, Factset reports that the estimated earnings growth rate for the S&P 500 is now 19.0% for the quarter. This was revised upward from the March 31, 2018 estimate of 18.6%. The energy, materials and information technology sectors are once again expected to lead this quarter's growth.

Reports, Speeches and Market Movers:

- Mon: U.S. Housing Starts
- Tue: U.S. Existing Home Sales
- Wed: U.S. EIA Petroleum Status Report
- Thu: U.S. Jobless Claims, U.S. Philadelphia Fed Outlook Survey, Bank of England Announcement, Japan CPI
- Fri: U.S. PMI Composite, Eurozone PMI Composite
- Sat: Bank of Japan MPB Minutes

Index Returns (%)						
Returns are as of 6/15/18	1Wk	1Mo	QTD	3Mo	YTD	1Yr
S&P 500	0.07	2.75	5.73	1.67	4.92	16.52
Dow Jones Industrial Average	(0.84)	1.86	4.68	1.44	2.62	20.17
Russell 2000	0.72	5.35	10.35	7.14	10.26	20.94
MSCI EAFE	(0.49)	(2.04)	0.77	(1.01)	(0.77)	9.45
MSCI Emerging Markets	(1.85)	(2.88)	(4.42)	(7.89)	(3.07)	13.51
BBg Barclays U.S. Agg. Bond	0.13	0.88	(0.49)	(0.03)	(1.94)	(1.08)
BBg Barclays U.S. Corporate 10+ Yr	0.42	1.18	(2.30)	(1.42)	(6.25)	(1.50)
BBg Barclays U.S. Corporate High Yield	0.45	0.84	1.61	1.34	0.73	3.09
NASDAQ Composite	1.34	5.51	9.94	3.82	12.78	26.97

Yields (%)			
	6/15/2018	YE 2017	1 Yr Ago
2-Yr Treasury	2.55	1.88	1.35
10-Yr Treasury	2.92	2.41	2.16
BBg Barclays U.S. Corp High Yield	6.23	5.72	5.49
BBg Barclays U.S. Aggregate Bond	3.33	2.71	2.48

Currencies			
	6/15/2018	YE 2017	1Yr Ago
EUR : USD	1.16	1.20	1.11
GBP : USD	1.33	1.35	1.28
USD : Yen	110.66	112.69	110.93
USD : CAD	1.32	1.26	1.33

Commodities (\$)			
	6/15/2018	YE 2017	1Yr Ago
Gold	1,278.94	1,302.80	1,253.73
Silver	16.57	16.94	16.70
Natural Gas	3.02	2.95	3.04
WTI	65.06	60.42	44.74
Copper	314.45	330.05	256.40
Corn	361.25	350.75	384.00

USD - U.S. Dollar, EUR - Euro, GBP - British Pound, JPY - Japanese Yen, CAD - Canadian Dollar

Past Performance is No Guarantee of Future Results

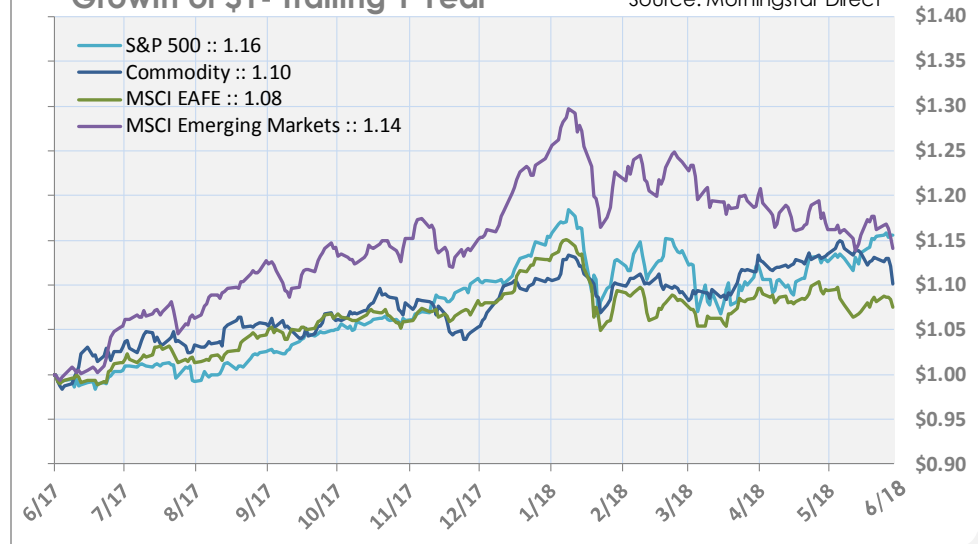
International policy dominated last week's news flow as President Donald Trump approved tariffs on \$50 billion in Chinese imports on Thursday, the European Central Bank announced the end of its asset purchase program at the end of the year, and a showdown in Germany over immigration policy put Chancellor Angela Merkel's hold on power at risk. Surprisingly, equity market volatility remained relatively unfazed, with the VIX ending the week low at 12.0.

U.S. consumer prices moved up 0.2% in May and are up 2.8% year-over-year. Gasoline prices led the charge, rising 1.7% in the month, while rent and new vehicle prices followed with gains of 0.3%. Core inflation, which excludes the more volatile food and energy prices, was up 0.3% for the month and 2.2% year-over-year. The rise in core inflation was the highest since February 2018 and could foretell a rise in PCE prices at or above the Federal Reserve's 2% goal.

Retail sales were surprisingly strong in May, rising 0.8% despite weakness in auto sales. Sales in building materials, department stores and restaurants came in very strong. April retail sales were also revised upward to a 0.4% gain.

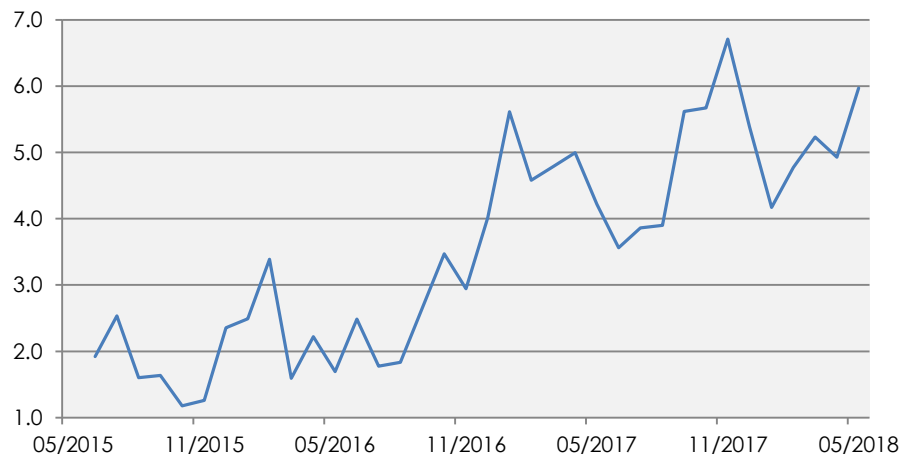
Growth of \$1 - Trailing 1 Year

Source: Morningstar Direct



Advance Retail Sales: Retail (Excluding Food Services)

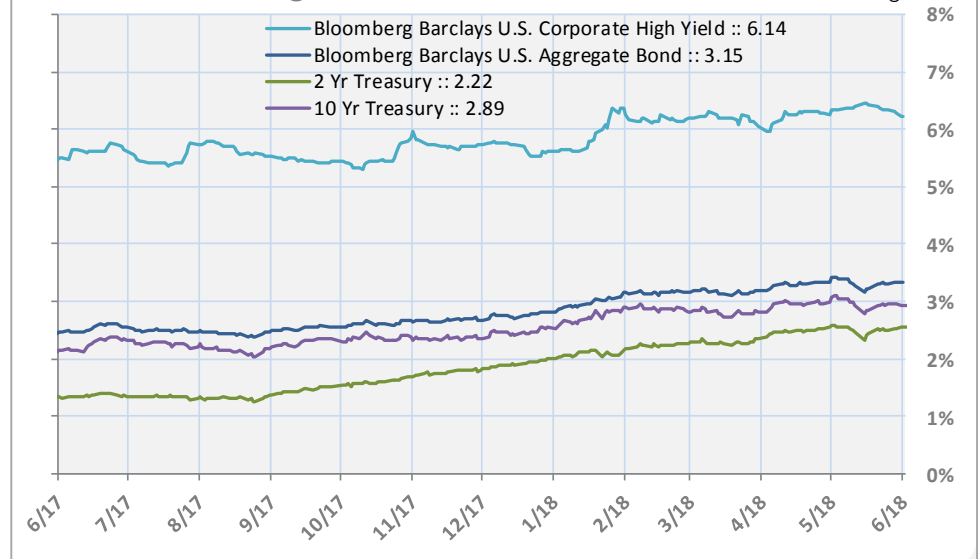
* Percentage Change from a Year Ago



Source: U.S. Bureau of the Census
As Of: 5/01/2018

Yields - Trailing 1 Year

As of: 6/15/2018
Source: Bloomberg



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Indexes are unmanaged, do not incur fees or expenses, do not reflect any deduction for taxes, and cannot be purchased directly by investors.

(1) Price-weighted average of 30 actively traded Blue Chip stocks, primarily industrials, but also including other service-oriented firms; may be used as a benchmark for large cap stocks. (2) Widely recognized, unmanaged index representative of common stocks of larger capitalized U.S. companies. (3) Broad-based index of over 5000 companies, which measure all domestic, and non-U.S. based common stocks listed on the NASDAQ Stock Market, Inc. (4) Unmanaged index representing the performance of small-cap U.S. stocks. (5) Unmanaged index consisting of approximately 1,200 stocks in developed market countries outside of North and South America, and represents approximately 85 percent of the total market capitalization in those countries. (6) Unmanaged index of fixed rate investment grade securities with at least one year to maturity combining the Bloomberg Barclays U.S. Treasury Bond Index, the Bloomberg Barclays U.S. Government-Related Bond Index, the Bloomberg Barclays U.S. Corporate Bond Index, and the Bloomberg Barclays U.S. Securitized Bond Index.

The Bloomberg Barclays U.S. Aggregate Bond Index is an unmanaged index of fixed-rate investment-grade securities with at least one year to maturity, combining the Bloomberg Barclays U.S. Treasury Bond Index, the Bloomberg Barclays U.S. Government-Related Bond Index, the Bloomberg Barclays U.S. Corporate Bond Index, and the Bloomberg Barclays U.S. Securitized Bond Index.

The Bloomberg Barclays U.S. Corporate High-Yield Bond Index covers the universe of fixed rate, non-investment-grade debt from corporate sectors.

The S&P 500® Index is a widely recognized, unmanaged index representative of common stocks of larger capitalized U.S. companies.

The Russell 2000 Index is a widely recognized, unmanaged index representative of common stocks of smaller capitalized U.S. companies.

The MSCI EAFE Index is a widely recognized, unmanaged index representative of equity securities in developed markets, excluding the U.S. and Canada.

The MSCI Emerging Markets (EM) Index is an unmanaged market capitalization-weighted index of equity securities of companies domiciled in various countries.

The Index is designed to represent the performance of emerging stock markets throughout the world and excludes certain market segments unavailable to U.S.-based investors.

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