

Global stock markets turned sharply downward in October and volatility returned, driven by investors seeking safety in response to the Federal Reserve's more hawkish stance, continued trade worries, and already high stock valuations. U.S. small company stocks, as represented by the Russell 2000 Index, fell hardest ending the month down 10.86%. Bond prices also fell as the 10-year yield rose 0.10% to end the month at 3.14%. West Texas Intermediate crude oil ended the week at \$65.31, down nearly \$10, on concerns of weaker demand and reports that sanctions against Iran are being ignored. The advance estimate of Q3 2018 U.S. GDP came above expectations at 3.5%, signaling a strong U.S. economy. Consumer spending, government spending (driven by defense expenditures), and accelerated inventory spending by companies in anticipation of tariffs appear to be driving this growth. It should be noted that business investment and fixed-investment have both slowed.

Third quarter 2018 U.S. corporate earnings season is winding down as 74% of companies in the S&P 500® index have reported actual results. As of last week, FactSet reported that 78% of these companies reported a positive earning-per-share surprise and 61% reported a positive sales surprise. The blended year-over-year earnings per share growth rate for Q3 is currently 24.9%.

Internationally, the U.K. and European Union appear closer to a Brexit deal. However, the trade war between the U.S. and China shows little progress as China reduced reserve requirements for commercial banks as a way to support their domestic economy. That the U.S. and Chinese presidents are scheduled to meet at the G20 summit in November is viewed optimistically by some.

Reports, Speeches and Market Movers:

Mon: U.S. PMI Services Index, U.S. ISM Non-Manufacturing Index
 Tue: U.S. JOLTS, Eurozone PMI Composite
 Wed: U.S. Consumer Credit, Eurozone Retail Sales, China Merchandise Trade Balance
 Thu: U.S. Jobless Claims, U.S. FOMC Meeting Announcement, China CPI
 Fri: U.S. PPI
 Sat: Japan PPI

Index Returns (%)						
Returns are as of 10/31/2018	1Wk	1Mo	QTD	3Mo	YTD	1Yr
S&P 500	2.11	(6.84)	(6.84)	(3.25)	3.01	7.35
Dow Jones Industrial Average	2.17	(4.98)	(4.98)	(0.64)	3.41	9.87
Russell 2000	2.93	(10.86)	(10.86)	(9.26)	(0.60)	1.85
MSCI EAFE	0.99	(7.96)	(7.96)	(8.95)	(9.28)	(6.85)
MSCI Emerging Markets	0.32	(8.71)	(8.71)	(11.65)	(15.72)	(12.52)
BBg Barclays U.S. Agg. Bond	(0.25)	(0.79)	(0.79)	(0.79)	(2.38)	(2.05)
BBg Barclays U.S. Corporate 10+ Yr	(1.14)	(3.63)	(3.63)	(3.97)	(8.97)	(6.68)
BBg Barclays U.S. Corporate High Yield	(0.39)	(1.60)	(1.60)	(0.32)	0.93	0.97
NASDAQ Composite	2.80	(9.16)	(9.16)	(4.52)	6.71	9.74

Yields (%)			
	10/31/2018	YE 2017	1Yr Ago
2-Yr Treasury	2.87	1.88	1.60
10-Yr Treasury	3.14	2.41	2.38
BBg Barclays U.S. Corp High Yield	6.86	5.72	5.43
BBg Barclays U.S. Aggregate Bond	3.59	2.71	2.60

Currencies			
	10/31/2018	YE 2017	1Yr Ago
EUR : USD	1.13	1.20	1.16
GBP : USD	1.28	1.35	1.33
USD : Yen	112.94	112.69	113.64
USD : CAD	1.32	1.26	1.29

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

Commodities (\$)			
	10/31/2018	YE 2017	1Yr Ago
Gold	1,214.76	1,302.80	1,269.91
Silver	14.25	16.94	16.84
Natural Gas	3.26	2.95	2.98
WTI	65.31	60.42	55.64
Copper	265.90	330.05	311.75
Corn	363.25	350.75	348.25

Past Performance is No Guarantee of Future Results

Investors should consider an investment option's objectives, risks, fees and expenses carefully before investing. This and other information can be found in the applicable prospectus or summary prospectuses for the products indicated, which are available from MassMutual at www.massmutual.com/product-performance/product-performance-listing-page or by calling 1-866-444-2601. Please read them carefully before investing. Past performance is no guarantee of future results.

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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