

MORGAN STANLEY MUNICIPAL INCOME OPPORTUNITIES TRUST
Form N-Q
April 28, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number: 811-05597

Morgan Stanley Municipal Income Opportunities Trust
(Exact name of registrant as specified in charter)

1221 Avenue of the Americas, New York, New York
(Address of principal executive offices)

10020
(Zip code)

Ronald E. Robison
1221 Avenue of the Americas, New York, New York 10020
(Name and address of agent for service)

Registrant's telephone number, including area code: 212-762-4000

Date of fiscal year end: May 31, 2006

Date of reporting period: February 28, 2006

ITEM 1. SCHEDULE OF INVESTMENTS.

The Fund's schedule of investments as of the close of the reporting period prepared pursuant to Rule 12-12 of Regulation S-X is as follows:

MORGAN STANLEY MUNICIPAL INCOME OPPORTUNITIES TRUST
PORTFOLIO OF INVESTMENTS FEBRUARY 28, 2006 (UNAUDITED)

| PRINCIPAL AMOUNT IN THOUSANDS ----- | | COUPON RATE ----- | MATURITY DATE ----- |
|--|--|-------------------------|---------------------------|
| | TAX-EXEMPT MUNICIPAL BONDS (96.5%) | | |
| | General Obligation (1.6%) | | |
| \$ 1,000 | Bolingbrook, Illinois, Sales Tax Revenue | 0.00% | 01/01/24 |
| 1,500 | Bucks County, Pennsylvania, Industrial Development Authority Ann's Choice Inc Ser A | 6.125 | 01/01/25 |
| ----- | | | |
| 2,500 | | | |
| ----- | | | |
| | Educational Facilities Revenue (4.3%) | | |

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| | | | |
|--------|---|--------|----------|
| 1,100 | ABAG Finance Authority for Nonprofit Corporations, California, National Center for International Schools COPs | 7.50 | 05/01/11 |
| 500 | San Diego County, California, The Burnham Institute COPs | 6.25 | 09/01/29 |
| 1,000 | Bellalago Educational Facilities Benefits District, Florida, Bellalago Charter School Ser 2004 B | 5.80 | 05/01/34 |
| 500 | Illinois Finance Authority, Fullerton Village Student Housing Ser 2004 A | 5.125 | 06/01/35 |
| 500 | Maryland Industrial Development Financing Authority, Our Lady of Good Counsel High School Ser 2005 A | 6.00 | 05/01/35 |
| 1,000 | Westchester County Industrial Development Agency, New York, Guiding Eyes for The Blind Inc Ser 2004 | 5.375 | 08/01/24 |
| 2,000 | Chattanooga Health Educational & Housing Facilities Board, Tennessee, Student Housing Refg Ser 2005 A | 5.125 | 10/01/35 |
| ----- | | | |
| 6,600 | | | |
| ----- | | | |
| | Hospital Revenue (13.4%) | | |
| 1,000 | Colbert County - Northwest Health Care Authority, Alabama, Helen Keller Hospital Ser 2003 | 5.75 | 06/01/27 |
| 2,000 | Baxter County, Arkansas, Baxter County Regional Hospital Impr & Refg Ser 1999 B | 5.625 | 09/01/28 |
| 2,000 | Hawaii Department of Budget & Finance, Kuakini Health 2002 Ser A | 6.375 | 07/01/32 |
| 1,000 | Indiana Health Facility Financing Authority, Riverview Hospital Ser 2002 | 6.125 | 08/01/31 |
| 600 | Gaylord Hospital Financing Authority, Michigan, Otsego Memorial Hospital Ser 2004 | 6.50 | 01/01/37 |
| 1,500 | St Paul, Housing & Redevelopment Authority, Minnesota, HealthEast Ser 2005 | 6.00 | 11/15/35 |
| 2,335 | Henderson, Nevada, Catholic Health West 1998 Ser A | 5.375 | 07/01/26 |
| 1,500 | New Hampshire Higher Educational & Health Facilities Authority, Littleton Hospital Assn Ser 1998 A | 6.00 | 05/01/28 |
| 2,000 | New Jersey Health Care Facilities Financing Authority, Raritan Bay Medical Center Ser 1994 | 7.25 | 07/01/27 |
| | | | |
| 955 | Nassau County Industrial Development Agency, New York, North Shore Health Ser B | 5.875 | 11/01/11 |
| 1,000 | Monroe County Hospital Authority, Pennsylvania, Pocono Medical Center Ser 2003 | 6.00 | 01/01/43 |
| 2,000 | South Carolina Jobs - Economic Development Authority, Palmetto Health Alliance Refg Ser 2003 C | 6.875 | 08/01/27 |
| 1,000 | Knox County Health, Educational & Housing Facility Board, Tennessee, Baptist Health of East Tennessee Ser 2002 | 6.50 | 04/15/31 |
| 1,000 | Decatur Hospital Authority, Texas, Wise Regional Health Ser 2004 A | 7.125 | 09/01/34 |
| ----- | | | |
| 19,890 | | | |
| ----- | | | |
| | Industrial Development/Pollution Control Revenue (11.7%) | | |
| 260 | Metropolitan Washington Airports Authority, District of Columbia & Virginia, CaterAir International Corp Ser 1991 (AMT) ++ | 10.125 | 09/01/11 |
| 1,500 | Iowa Finance Authority, IPSCO Inc Ser 1997 (AMT) | 6.00 | 06/01/27 |
| 2,000 | New York City Industrial Development Agency, New York, 7 World Trade Center LLC Ser 2005 A | 6.50 | 03/01/35 |
| 2,000 | American Airlines Inc Ser 2005 (AMT) | 7.75 | 08/01/31 |
| 250 | New York Counties Tobacco Trust IV, New York, Ser 2005 A | 5.00 | 06/01/45 |
| 1,500 | Tsasc Inc, New York, Ser 1 | 5.125 | 06/01/42 |
| 380 | Zanesville-Muskingum County Port Authority, Ohio, Anchor Glass | 10.25 | 12/01/08 |

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| | | | |
|--------|---|-------|----------|
| | Container Corp Ser 1989 B (AMT) | | |
| 2,920 | Carbon County Industrial Development Authority, Pennsylvania, Panther Creek Partners Refg 2000 Ser (AMT) | 6.65 | 05/01/10 |
| 1,000 | Pennsylvania Economic Development Financing Authority, Reliant Energy Inc Ser 2001 A (AMT) | 6.75 | 12/01/36 |
| 1,225 | Lexington County, South Carolina, Ellett Brothers Inc Refg Ser 1988 | 7.50 | 09/01/08 |
| 1,000 | Brazos River Authority, Texas, Texas Utilities Electric Co Refg Ser 1999 A (AMT) | 7.70 | 04/01/33 |
| 1,000 | Chesterfield County Industrial Development Authority, Virginia, Virginia Electric & Power Co Ser 1985 | 5.50 | 10/01/09 |
| 2,700 | Pittsylvania County Industrial Development Authority, Virginia, Multi-Trade Pittsylvania County Ser 1994 A (AMT) | 7.45 | 01/01/09 |
| ----- | | | |
| 17,735 | | | |
| ----- | | | |
| | Mortgage Revenue - Multi-Family (7.2%) | | |
| | Washington County Housing & Redevelopment Authority, Minnesota, | | |
| 3,885 | Courtly Park Ser 1989 A | 9.75 | 06/15/19 |
| 1,165 | Courtly Park Ser 1989 A (AMT) | 10.25 | 06/15/19 |
| 24,080 | Courtly Park Ser 1989 B | 0.00 | 06/15/19 |
| 8,678 | Courtly Park Ser 1989 B (AMT) | 0.00 | 06/15/19 |
| | White Bear Lake, Minnesota, | | |
| 3,715 | White Bear Woods Apts Phase II Refg 1989 Ser A | 9.75 | 06/15/19 |
| 19,771 | White Bear Woods Apts Phase II Refg 1989 Ser B | 0.00 | 06/15/19 |
| 3,000 | Brookhaven Industrial Development Agency, New York, Woodcrest Estates Ser 1998 A (AMT) | 6.375 | 12/01/37 |
| ----- | | | |
| 64,294 | | | |
| ----- | | | |
| | Mortgage Revenue - Single Family (5.6%) | | |
| | Colorado Housing & Finance Authority, | | |
| 115 | 1996 Ser B (AMT) | 7.65 | 11/01/26 |
| 575 | Ser 1998 D-2 (AMT) | 6.35 | 11/01/29 |
| 20,050 | New Hampshire Housing Finance Authority, Residential 1983 Ser B | 0.00 | 01/01/15 |
| ----- | | | |
| 20,740 | | | |
| ----- | | | |
| | Nursing & Health Related Facilities Revenue (11.5%) | | |
| | Escambia County, Florida, | | |
| 4,885 | Pensacola Care Development Centers Ser 1989 | 10.25 | 07/01/11 |
| 1,125 | Pensacola Care Development Centers Ser 1989 A | 10.25 | 07/01/11 |
| 1,000 | Orange County Health Facilities Authority, Florida, Westminster Community Care Services Inc Ser 1999 | 6.75 | 04/01/34 |
| 1,000 | Pinellas County Health Facilities Authority, Florida, Oaks of Clearwater Ser 2004 | 6.25 | 06/01/34 |
| 1,925 | Iowa Health Facilities Development Financing Authority, Care Initiatives Ser 1996 | 9.25 | 07/01/25 |
| 515 | Kentucky Economic Development Financing Authority, AHF/Kentucky-Iowa Inc Ser 2003 | 6.50# | 01/01/29 |
| 1,000 | Westside Habilitation Center, Louisiana, Intermediate Care Facility for the Mentally Retarded Refg Ser 1993 | 8.375 | 10/01/13 |
| 1,725 | Massachusetts Development Finance Agency, New England Center for Children Ser 1998 | 5.875 | 11/01/18 |
| 1,000 | Massachusetts Health & Educational Facilities Authority, The Learning Center for Deaf Children Ser C | 6.125 | 07/01/29 |
| 1,000 | St Louis County Industrial Development Authority, Missouri, | 6.625 | 11/15/35 |

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| | | | |
|--------|--|-------|----------|
| | Pediatric Rehabilitation Center Ser 2003 A | | |
| 780 | Mount Vernon Industrial Development Agency, New York, Meadowview at the Wartburg Ser 1999 | 6.00 | 06/01/09 |
| 1,500 | Suffolk County, New York, Industrial Development Agency Medford Hamlet Assisted Living Project | 6.375 | 01/01/39 |
| ----- | | | |
| 17,455 | | | |
| ----- | | | |
| | Recreational Facilities Revenue (4.6%) | | |
| 2,000 | Sacramento Financing Authority, California, Convention Center Hotel 1999 Ser A | 6.25 | 01/01/30 |
| 1,000 | San Diego County, California, San Diego Natural History Museum COPs | 5.70 | 02/01/28 |
| 1,010 | Mashantucket (Western) Pequot Tribe, Connecticut, Special 1996 Ser A (a) | 6.40 | 09/01/11 |
| 1,000 | Special 1997 Ser B (a) | 5.75 | 09/01/27 |
| 2,000 | Austin Convention Enterprises Inc, Texas, Convention Center Hotel Ser 2000 A | 6.70 | 01/01/32 |
| ----- | | | |
| 7,010 | | | |
| ----- | | | |
| | Retirement & Life Care Facilities Revenue (18.8%) | | |
| 500 | Orange County Health Facilities Authority, Florida, Orlando Lutheran Towers Inc Ser 2005 | 5.70 | 07/01/26 |
| | | | |
| 1,000 | St Johns County Industrial Development Authority, Florida, Glenmoor Ser 1999 A | 8.00 | 01/01/30 |
| 1,000 | Illinois Finance Authority, Landing at Plymouth Ser 2005 A | 6.00 | 05/15/37 |
| 1,000 | Hawaii Department of Budget & Finance, Kahala Nui 2003 Ser A | 8.00 | 11/15/33 |
| 1,500 | Lenexa, Kansas, Lakeview Village - Southridge Ser 2002 C | 6.875 | 05/15/32 |
| 1,500 | Maryland Health & Higher Educational Facilities Authority, Mercy Ridge 2003 Ser A | 6.00 | 04/01/35 |
| 1,500 | Massachusetts Development Finance Agency, Loomis Communities Ser 1999 A | 5.75 | 07/01/23 |
| 1,500 | Kansas City Industrial Development Agency, Missouri, Bishop Spencer 2004 Ser A | 6.50 | 01/01/35 |
| | New Jersey Economic Development Authority, | | |
| 1,000 | Cedar Crest Village Inc Ser 2001 A | 7.25 | 11/15/31 |
| 1,000 | Franciscan Oaks Ser 1997 | 5.70 | 10/01/17 |
| 730 | Lions Gate Ser 2005 A | 5.875 | 01/01/37 |
| 1,000 | The Presbyterian Home at Montgomery Ser 2001 A | 6.375 | 11/01/31 |
| 2,000 | United Methodist Homes of New Jersey Ser 1998 | 5.125 | 07/01/25 |
| 3,250 | Suffolk County Industrial Development Agency, New York, Jefferson's Ferry Ser 1999 | 7.25 | 11/01/28 |
| 1,000 | North Carolina Medical Care Commission, Given Estate Ser 2003 A | 6.50 | 07/01/32 |
| 1,000 | Chester County Health & Education Facilities Authority, Pennsylvania, Jenner's Pond Inc Ser 2002 | 7.625 | 07/01/34 |
| 1,000 | Montgomery County Industry Development Authority, Pennsylvania, Whitemarsh Community Ser 2005 | 6.25 | 02/01/35 |
| 750 | Shelby County Health, Educational & Housing Facilities Board, Tennessee, Village at Germantown Ser 2003 A | 7.25 | 12/01/34 |
| 1,000 | Houston Health Facilities Authority, Texas, Buckingham Senior Living Community Ser 2004 A | 7.125 | 02/15/34 |
| 1,000 | Lubbock, Texas, Health Facilities Development Corporation 1st Mortgage Carillon Project A | 6.50 | 07/01/26 |
| 2,100 | Vermont Economic Development Authority, Wake Robin Corp Ser | 6.75 | 03/01/29 |

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|---------|--|-------|----------|--|
| | 1999 A | | | |
| 1,000 | Peninsula Ports Authority of Virginia, Virginia Baptist Homes Ser 2003 A | 7.375 | 12/01/32 | |
| 1,000 | Virginia Beach Development Authority, Virginia, Westminster-Canterbury Refg Ser 2005 A | 5.25 | 11/01/26 | |
| ----- | | | | |
| 28,330 | | | | |
| ----- | | | | |
| | Tax Allocation Revenue (16.0%) | | | |
| 500 | Carlsbad Assessment District No 2002-2001, California, Poinsettia Lane East Ser 2005 A | 5.20 | 09/02/35 | |
| 1,000 | San Marcos Community Facilities District # 2002-01, California, University Commons Ser 2004 | 5.95 | 09/01/35 | |
| 1,000 | Santa Ana, Unified School District Community Facilities District #2004-1, California, Central Park Ser 2005 | 5.10 | 09/01/35 | |
| 2,000 | Elk Valley Public Improvement Corporation, Colorado, Ser 2001 A | 7.35 | 09/01/31 | |
| 2,000 | Northwest, Colorado, Metropolitan District #3 | 6.25 | 12/01/35 | |
| 1,000 | Southlands Metropolitan District #1, Colorado, Ser 2004 | 7.125 | 12/01/34 | |
| | | | | |
| 2,000 | Beacon Lakes, Community Development District, Florida, Ser 2003 A | 6.90 | 05/01/35 | |
| 1,000 | Midtown Miami Community Development District, Florida, Ser 2004 A | 6.25 | 05/01/37 | |
| 1,000 | Renaissance Commons Community Development District, Florida, Special Assessment Ser A | 5.60 | 05/01/36 | |
| 2,000 | Atlanta, Georgia, Eastside Ser 2005 B | 5.60 | 01/01/30 | |
| 2,000 | Chicago, Illinois, Lake Shore East Ser 2002 | 6.75 | 12/01/32 | |
| 725 | Lincolnshire, Illinois, Service Area #1 Sedgebrook Ser 2004 | 6.25 | 03/01/34 | |
| 2,000 | Des Peres, Missouri, West County Center Ser 2002 | 5.75 | 04/15/20 | |
| 4,000 | Fenton, Missouri, Gravois Bluffs Redevelopment Ser 2001 A Refg | 7.00 | 10/01/21 | |
| 1,980 | Las Vegas District # 808, Nevada, Summerlin Ser 2001 | 6.75 | 06/01/21 | |
| ----- | | | | |
| 24,205 | | | | |
| ----- | | | | |
| | Transportation Facilities Revenue (1.8%) | | | |
| 1,650 | Mid-Bay Bridge Authority, Florida, Sr Lien Crossover Refg Ser 1993 A (Ambac) | 5.85 | 10/01/13 | |
| 1,000 | Nevada Department of Business & Industry, Las Vegas Monorail 2nd Tier Ser 2000 | 7.375 | 01/01/40 | |
| ----- | | | | |
| 2,650 | | | | |
| ----- | | | | |
| 211,409 | TOTAL TAX-EXEMPT MUNICIPAL BONDS (Cost \$158,856,051) | | | |
| ----- | | | | |
| | CONVERTIBLE BOND (b) (c) (0.4%) | | | |
| | Airlines | | | |
| 633 | UAL Corp. (Cost \$633,080) | 5.00 | 01/25/21 | |
| ----- | | | | |
| | SHORT-TERM TAX-EXEMPT MUNICIPAL OBLIGATIONS (1.4%) | | | |
| 1,200 | Orange County Sanitation District, California, Ser 2000 B COPs (Demand 03/01/06) | 2.90* | 08/01/30 | |
| 1,000 | Bell County Health Facilities Development Corporation, Texas, Scott and White Memorial Hospital Ser 2001-1 (MBIA) (Demand 3/01/06) | 3.01* | 08/15/29 | |
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|-----------|--|--------|
| 2,200 | TOTAL SHORT-TERM TAX-EXEMPT MUNICIPAL OBLIGATIONS (Cost \$2,200,000) | |
| ----- | | |
| \$214,242 | TOTAL INVESTMENTS (Cost \$161,689,131) (d) | 98.3% |
| ===== | | |
| | OTHER ASSETS IN EXCESS OF LIABILITIES | 1.7 |
| | | ----- |
| | NET ASSETS | 100.0% |
| | | ===== |

AMT Alternative Minimum Tax.

COPs Certificates of Participation.

* Current coupon of variable rate demand obligation.

++ Joint exemption in locations shown.

Currently a 6.50% coupon; increases to 8.00% on January 1, 2009.

(a) Resale is restricted to qualified institutional investors.

(b) Taxable convertible bond issued in reorganization.

(c) A security with a total market value equal to \$633,080 has been valued at its fair value as determined in good faith under procedures established by and under the general supervision of the Fund's Trustees.

(d) The aggregate cost for federal income tax purposes approximates the aggregate cost for book purposes. The aggregate gross unrealized appreciation is \$7,876,968 and the aggregate gross unrealized depreciation is \$14,024,216, resulting in net unrealized depreciation of \$6,147,248.

Bond Insurance:

Ambac Ambac Assurance Corporation.

Geographic Summary of Investments
Based on Market Value as a Percent of Total Investments
February 28, 2006

| | |
|----------------------|------|
| Alabama | 0.7% |
| Arkansas | 1.3 |
| California | 5.5 |
| Colorado | 3.8 |
| Connecticut | 1.3 |
| District of Columbia | 0.2 |
| Florida | 10.8 |
| Georgia | 1.3 |
| Hawaii | 2.1 |
| Illinois | 3.9 |
| Indiana | 0.7 |
| Iowa | 2.5 |
| Kansas | 1.0 |
| Kentucky | 0.3 |
| Louisiana | 0.6 |
| Maryland | 1.4 |

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| | |
|------------------|--------|
| Massachusetts | 2.8 |
| Michigan | 0.4 |
| Minnesota | 6.4 |
| Missouri | 5.8 |
| Nevada | 3.5 |
| New Hampshire | 6.2 |
| New Jersey | 5.1 |
| New York | 10.9 |
| North Carolina | 0.7 |
| Ohio | 0.2 |
| Pennsylvania | 5.8 |
| South Carolina | 2.3 |
| Tennessee | 2.5 |
| Texas | 4.8 |
| Vermont | 1.4 |
| Virginia | 4.0 |
| Joint exemption* | (0.2) |
| | ----- |
| Total | 100.0% |
| | ===== |

* Joint exemptions have been included in each geographic location.

ITEM 2. CONTROLS AND PROCEDURES.

(a) The Fund's principal executive officer and principal financial officer have concluded that the Fund's disclosure controls and procedures are sufficient to ensure that information required to be disclosed by the Fund in this Form N-Q was recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, based upon such officers' evaluation of these controls and procedures as of a date within 90 days of the filing date of the report.

(b) There were no changes in the Fund's internal control over financial reporting that occurred during the registrant's fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Fund's internal control over financial reporting.

ITEM 3. EXHIBITS.

(a) A separate certification for each principal executive officer and principal financial officer of the registrant are attached hereto.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Morgan Stanley Municipal Income Opportunities Trust

/s/ Ronald E. Robison

Ronald E. Robison
Principal Executive Officer
April 19, 2006

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Ronald E. Robison

Ronald E. Robison
Principal Executive Officer
April 19, 2006

/s/ Francis Smith

Francis Smith
Principal Financial Officer
April 19, 2006