

MORGAN STANLEY EMERGING MARKETS DEBT FUND INC  
Form N-Q  
November 24, 2009

**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: 811-07694

MORGAN STANLEY EMERGING MARKETS DEBT FUND, INC.  
(Exact name of registrant as specified in charter)

522 FIFTH AVENUE NEW YORK, NY  
(Address of principal executive offices)

10036  
(Zip code)

RANDY TAKIAN

522 FIFTH AVENUE NEW YORK, NY, 10036  
(Name and address of agent for service)

Registrant's telephone number, including area code: 1-800-231-2608

Date of fiscal year end: 12/31

Date of reporting period: 9/30/09

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**Item 1. Schedule of Investments.**

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

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## Morgan Stanley Emerging Markets Debt Fund, Inc.

## Portfolio of Investments

## Third Quarter Report

September 30, 2009 (unaudited)

(Showing Percentage of Total Value of Investments)

	Face Amount (000)	Value (000)
<b>DEBT INSTRUMENTS (98.6%)</b>		
<b>Argentina (3.1%)</b>		
<b>Sovereign (3.1%)</b>		
Republic of Argentina,		
1.68%, 8/3/12(a)	\$ 8,305	\$ 6,771
8.28%, 12/31/33	1,764	1,200
		7,971
<b>Belize (0.0%)</b>		
<b>Sovereign (0.0%)</b>		
Government of Belize,		
4.25%, 2/20/29(b)	154	85
<b>Brazil (14.6%)</b>		
<b>Sovereign (14.6%)</b>		
Banco Nacional de Desenvolvimento Economico e Social,		
6.37%, 6/16/18(c)	5,000	5,281
Federative Republic of Brazil,		
5.88%, 1/15/19(d)	5,340	5,767
7.13%, 1/20/37	550	659
8.00%, 1/15/18	1,401	1,629
8.88%, 10/14/19 - 4/15/24	6,188	8,087
10.00%, 1/1/17	BRL 9,520	4,717
10.50%, 7/14/14	\$ 1,740	2,242
11.00%, 8/17/40(d)	6,880	9,288
		37,670
<b>Bulgaria (0.4%)</b>		
<b>Sovereign (0.4%)</b>		
Republic of Bulgaria,		
8.25%, 1/15/15(c)	898	1,042
<b>Chile (0.5%)</b>		
<b>Sovereign (0.5%)</b>		
Empresa Nacional de Petroleo,		
6.75%, 11/15/12(c)	1,140	1,249
<b>Colombia (3.9%)</b>		
<b>Sovereign (3.9%)</b>		
Republic of Colombia,		
7.38%, 3/18/19	5,090	5,846
11.75%, 2/25/20	2,795	4,080
		9,926
<b>Ecuador (0.6%)</b>		
<b>Sovereign (0.6%)</b>		

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Republic of Ecuador, 9.38%, 12/15/15		1,715	1,501
<b>Georgia (0.3%)</b>			
<b>Sovereign (0.3%)</b>			
Republic of Georgia, 7.50%, 4/15/13		720	720
<b>Ghana (0.8%)</b>			
<b>Sovereign (0.8%)</b>			
Republic of Ghana, 8.50%, 10/4/17(c)		1,916	1,925
<b>Indonesia (8.4%)</b>			
<b>Corporate (0.4%)</b>			
Pindo Deli Finance Mauritius, Tranche A, Zero Coupon, 4/28/15(a)(c)(e)(f)		397	93
Tranche B, Zero Coupon, 4/28/18(a)(c)(e)(f)		1,707	197
Tranche C, Zero Coupon, 4/28/25(a)(c)(e)(f)		6,884	103
Tjiwi Kimia Finance Mauritius Ltd., Tranche A, Zero Coupon, 4/28/15(a)(f)		1,317	303
Tranche B, Zero Coupon, 4/28/18(a)(c)(e)(f)		1,477	273
Tranche C, Zero Coupon, 4/28/27(a)(c)(e)(f)		3,352	50
			1,019
<b>Sovereign (8.0%)</b>			
Republic of Indonesia, 6.88%, 1/17/18		3,280	3,559
6.88%, 1/17/18(c)		2,452	2,661
7.75%, 1/17/38		2,339	2,608
7.75%, 1/17/38(c)		1,130	1,260
11.63%, 3/4/19		5,300	7,388
11.63%, 3/4/19(c)		2,169	3,064
			20,540
			21,559
<b>Ivory Coast (0.4%)</b>			
<b>Sovereign (0.4%)</b>			
Ivory Coast, Zero Coupon, 3/31/18(f)		2,045	951
<b>Kazakhstan (3.5%)</b>			
<b>Sovereign (3.5%)</b>			
Intergas Finance BV, 6.38%, 5/14/17		610	555
KazMunaiGaz Finance Sub BV, 9.13%, 7/2/18		2,000	2,180
9.13%, 7/2/18(c)		5,720	6,235
			8,970
<b>Mexico (12.6%)</b>			
<b>Sovereign (12.6%)</b>			
Mexican Bonos, 8.50%, 11/18/38	MXN	69,250	4,992
10.00%, 12/5/24		25,810	2,211
Pemex Project Funding Master Trust, 1.60%, 6/15/10(a)(c)	\$	2,150	2,139
8.63%, 12/1/23		1,740	1,997
9.13%, 10/13/10		1,027	1,096
United Mexican States, 5.63%, 1/15/17(d)		5,418	5,651
5.95%, 3/19/19		6,180	6,520
6.05%, 1/11/40		1,670	1,674
6.75%, 9/27/34(d)		5,669	6,264
			32,544



## Morgan Stanley Emerging Markets Debt Fund, Inc.

## Portfolio of Investments

## Third Quarter Report

September 30, 2009 (unaudited)

(Showing Percentage of Total Value of Investments)

	Face Amount (000)	Value (000)
<b>Pakistan (0.4%)</b>		
<b>Sovereign (0.4%)</b>		
Republic of Pakistan,		
6.88%, 6/1/17	\$ 530	\$ 464
7.13%, 3/31/16	500	440
7.13%, 3/31/16(c)	197	174
		1,078
<b>Panama (2.2%)</b>		
<b>Sovereign (2.2%)</b>		
Republic of Panama,		
7.13%, 1/29/26	1,340	1,551
8.88%, 9/30/27	430	570
9.38%, 4/1/29	2,663	3,648
		5,769
<b>Peru (6.2%)</b>		
<b>Sovereign (6.2%)</b>		
Republic of Peru,		
7.13%, 3/30/19	3,360	3,892
7.35%, 7/21/25	3,360	3,940
8.75%, 11/21/33	6,130	8,214
		16,046
<b>Philippines (4.5%)</b>		
<b>Sovereign (4.5%)</b>		
Republic of Philippines,		
8.38%, 6/17/19	1,041	1,273
8.88%, 3/17/15	2,608	3,149
9.00%, 2/15/13	2,240	2,626
9.50%, 2/2/30	3,409	4,543
		11,591
<b>Poland (0.6%)</b>		
<b>Sovereign (0.6%)</b>		
Republic of Poland,		
6.38%, 7/15/19	1,400	1,580
<b>Qatar (0.7%)</b>		
<b>Sovereign (0.7%)</b>		
State of Qatar (Registered),		
9.75%, 6/15/30	1,260	1,808
<b>Russia (12.1%)</b>		
<b>Sovereign (12.1%)</b>		
RSHB Capital S.A. for OJSC Russian Agricultural Bank,		
6.30%, 5/15/17(c)	2,004	1,924

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7.18%, 5/16/13(c)		1,920	1,989
Russian Federation,			
7.50%, 3/31/30(b)(c)		831	911
Russian Federation (Registered),			
7.50%, 3/31/30(b)(d)		18,042	19,767
12.75%, 6/24/28		4,000	6,680
			31,271
<b>South Africa (0.2%)</b>			
<b>Sovereign (0.2%)</b>			
Republic of South Africa,			
6.88%, 5/27/19		470	526
<b>South Korea (1.6%)</b>			
<b>Sovereign (1.6%)</b>			
Export-Import Bank of Korea,			
5.88%, 1/14/15		1,760	1,860
Korea Development Bank,			
8.00%, 1/23/14		1,320	1,510
Republic of Korea,			
5.75%, 4/16/14		650	702
			4,072
<b>Sri Lanka (0.1%)</b>			
<b>Sovereign (0.1%)</b>			
Republic of Sri Lanka,			
8.25%, 10/24/12		350	351
<b>Trinidad (0.8%)</b>			
<b>Sovereign (0.8%)</b>			
National Gas Co. of Trinidad & Tobago Ltd.,			
6.05%, 1/15/36(c)		2,369	2,043
<b>Turkey (10.2%)</b>			
<b>Sovereign (10.2%)</b>			
Republic of Turkey,			
Zero Coupon, 5/11/11	TRY	8,040	4,745
6.75%, 4/3/18	\$	3,045	3,224
6.88%, 3/17/36		1,174	1,180
7.50%, 7/14/17 - 11/7/19		3,856	4,270
8.00%, 2/14/34		867	989
11.00%, 1/14/13		1,445	1,743
11.00%, 8/6/14	TRY	3,310	2,261
11.50%, 1/23/12	\$	320	378
11.88%, 1/15/30		3,237	5,236
16.00%, 3/7/12	TRY	2,740	2,112
			26,138
<b>Ukraine (0.7%)</b>			
<b>Sovereign (0.7%)</b>			
Ukraine Government,			
6.58%, 11/21/16	\$	836	661
6.75%, 11/14/17		120	95
7.65%, 6/11/13		1,096	1,000
			1,756
<b>Uruguay (0.2%)</b>			
<b>Sovereign (0.2%)</b>			
Republic of Uruguay,			
8.00%, 11/18/22		545	613
<b>Venezuela (9.0%)</b>			
<b>Sovereign (9.0%)</b>			
Republic of Venezuela,			
5.75%, 2/26/16		987	730
7.00%, 3/31/38		1,631	1,003

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7.65%, 4/21/25	2,700	1,796
9.00%, 5/7/23	617	466
9.25%, 9/15/27 - 5/7/28	13,832	10,954

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**Morgan Stanley Emerging Markets Debt Fund, Inc.****Portfolio of Investments****Third Quarter Report****September 30, 2009 (unaudited)****(Showing Percentage of Total Value of Investments)**

	<b>Face Amount (000)</b>	<b>Value (000)</b>
<b>Venezuela (cont d)</b>		
<b>Sovereign (cont d)</b>		
10.75%, 9/19/13	\$ 8,330	\$ 8,288
		23,237
<b>TOTAL DEBT INSTRUMENTS</b>		
(Cost \$239,923)		253,992
	<b>No. of Warrants</b>	
<b>WARRANT (0.1%)</b>		
<b>Nigeria (0.1%)</b>		
Central Bank of Nigeria, expires 11/15/20(a)(e)		
(Cost \$ )	3,000	345
	<b>Face Amount (000)</b>	
<b>SHORT-TERM INVESTMENT (1.3%)</b>		
<b>United States (1.3%)</b>		
<b>Investment Company (1.3%)</b>		
Morgan Stanley Institutional Liquidity Funds Money Market Portfolio Institutional Class (g)		
(Cost \$3,416)	3,415,667	3,416
<b>TOTAL INVESTMENTS (100.0%) (Cost \$243,339) +</b>		<b>257,753</b>
<b>LIABILITIES IN EXCESS OF OTHER ASSETS</b>		<b>(23,897)</b>
<b>NET ASSETS</b>		<b>\$ 233,856</b>

- (a) Variable/Floating Rate Security Interest rate changes on these instruments are based on changes in a designated base rate. The rates shown are those in effect on September 30, 2009.
- (b) Step Bond Coupon rate increases in increments to maturity. Rate disclosed is as of September 30, 2009. Maturity date disclosed is the ultimate maturity date.
- (c) 144A security Certain conditions for public sale may exist. Unless otherwise noted, these securities are deemed to be liquid.
- (d) Denotes all or a portion of securities subject to repurchase under the Reverse Repurchase Agreements as of September 30, 2009.
- (e) Security has been deemed illiquid at September 30, 2009.
- (f) Issuer is in default.
- (g) The Fund invests in the Morgan Stanley Institutional Liquidity Funds Money Market Portfolio Institutional Class (the Liquidity Fund), an open-end management investment company managed by the Adviser. Investment Advisory fees paid by the Fund are reduced by an amount equal to its pro-rata share of the advisory and administration fees paid by the Liquidity Fund. For the period ended September 30, 2009, advisory fees paid were reduced by approximately \$3,000 relating to the Fund's investments in the Liquidity Fund. For the same period, income distributions earned by the Fund are recorded as dividends from affiliates and totaled approximately \$7,000. For the period ended September 30, 2009, the approximate cost of purchases and sales in the Liquidity Fund were \$106,324,000 and \$110,570,000, respectively.
- + At September 30, 2009, the U.S. Federal income tax cost basis of investments was approximately \$243,339,000 and, accordingly, net unrealized appreciation for U.S. Federal income tax purposes was \$14,414,000 of which \$23,074,000 related to appreciated securities and

\$8,660,000 related to depreciated securities.

**Foreign Currency Exchange Contracts Information:**

The Fund had the following foreign currency exchange contract(s) open at period end:

**Currency  
to  
Deliver  
(000)**