

Morgan Stanley Emerging Markets Domestic Debt Fund, Inc.
Form N-Q
March 30, 2012

**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 811-22011

Morgan Stanley Emerging Markets Domestic Debt Fund, Inc.
(Exact name of registrant as specified in charter)

522 Fifth Avenue, New York, New York
(Address of principal executive offices)

10036
(Zip code)

Arthur Lev

522 Fifth Avenue, New York, New York 10036
(Name and address of agent for service)

Registrant's telephone number, including area code: 212-296-6990

Date of fiscal year end: October 31, 2012

Date of reporting period: January 31, 2012

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:

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Morgan Stanley Emerging Markets Domestic Debt Fund, Inc.

Portfolio of Investments

First Quarter Report

January 31, 2012 (unaudited)

		Face Amount (000)	Value (000)
Fixed Income Securities (99.6%)			
Argentina (4.1%)			
Sovereign (4.1%)			
Argentina Boden Bonds, 7.00%, 10/3/15	\$	66,500	\$ 64,810
Brazil (18.8%)			
Sovereign (18.8%)			
Brazil Notas do Tesouro Nacional, Series F, 10.00%, 1/1/14	BRL	522,172	298,493
Chile (0.6%)			
Sovereign (0.6%)			
Chile Government International Bond, 5.50%, 8/5/20	CLP	4,665,000	9,916
Colombia (5.0%)			
Sovereign (5.0%)			
Colombia Government International Bond, 7.75%, 4/14/21	COP	29,000,000	19,268
12.00%, 10/22/15		33,000,000	23,261
Republic of Colombia, 9.85%, 6/28/27		46,000,000	36,758
			79,287
Hungary (6.2%)			
Sovereign (6.2%)			
Hungary Government Bond, 6.75%, 2/24/17	HUF	14,588,920	59,730
7.50%, 11/12/20		9,480,000	38,641
			98,371
Indonesia (7.8%)			
Sovereign (7.8%)			
Barclays Bank PLC, Indonesia Government Bonds, Credit Linked Notes, 10.00%, 7/17/17 (a)(b)	IDR	360,000,000	49,719
Credit Suisse, Indonesia Government Bonds, Credit Linked Notes, 10.00%, 7/17/17		154,683,530	21,363
Deutsche Bank AG, Republic of Indonesia Government Bond, Credit Linked Notes, 11.00%, 12/15/20 (b)		60,000,000	9,280
JPMorgan Chase Bank, London, Indonesia Government Bonds, Credit Linked Notes, 8.25%, 7/17/21		135,000,000	18,174
10.00%, 7/19/17 (b)		192,525,000	26,589
			125,125
Malaysia (3.2%)			
Sovereign (3.2%)			
Malaysia Government Bond,			

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3.84%, 8/12/15

MYR

110,000

37,075

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		Face Amount (000)		Value (000)
5.09%, 4/30/14	MYR	42,152	\$	14,509
				51,584
Mexico (15.5%)				
Sovereign (15.5%)				
Mexican Bonos,				
8.00%, 6/11/20	MXN	2,104,028		186,263
Petroleos Mexicanos,				
7.65%, 11/24/21 (a)		791,300		61,548
				247,811
Peru (1.8%)				
Sovereign (1.8%)				
Peru Government Bond,				
7.84%, 8/12/20	PEN	37,745		16,095
Peruvian Government International Bond,				
7.84%, 8/12/20		30,000		12,792
				28,887
Philippines (1.0%)				
Sovereign (1.0%)				
Philippine Government International Bond,				
4.95%, 1/15/21	PHP	648,000		15,811
Poland (8.3%)				
Sovereign (8.3%)				
Poland Government Bond,				
5.25%, 10/25/17	PLN	120,000		37,325
5.50%, 10/25/19		307,287		95,672