

MORGAN STANLEY MUNICIPAL INCOME OPPORTUNITIES TRUST  
 Form N-Q  
 October 27, 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 10020  
 (Address of principal executive offices) (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, 2007

Date of reporting period: August 31, 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 AUGUST 31, 2006 (UNAUDITED)

PRINCIPAL AMOUNT IN THOUSANDS -----		COUPON RATE -----	M
	TAX-EXEMPT MUNICIPAL BONDS (96.2%)		
	Educational Facilities Revenue (3.2%)		
\$ 985	Bellalago Educational Facilities Benefits District, Florida, Bellalago Charter School Ser 2004 B	5.80%	0
500	Illinois Finance Authority, Fullerton Village Student Housing Ser 2004 A	5.125	0
500	Maryland Industrial Development Financing Authority, Our Lady of Good Counsel High School Ser 2005 A	6.00	0
1,000	Westchester County Industrial Development Agency, New York, Guiding Eyes for The Blind Inc Ser 2004	5.375	0
2,000	Chattanooga Health Educational & Housing Facilities Board, Tennessee, Student Housing Refg Ser 2005 A	5.125	1
-----			

Edgar Filing: MORGAN STANLEY MUNICIPAL INCOME OPPORTUNITIES TRUST - Form N-Q

4,985			
-----			
	Hospital Revenue (12.6%)		
1,000	Colbert County - Northwest Health Care Authority, Alabama, Helen Keller Hospital Ser 2003	5.75	0
2,000	Baxter County, Arkansas, Baxter County Regional Hospital Impr & Refg Ser 1999 B	5.625	0
2,000	Hawaii Department of Budget & Finance, Kuakini Health 2002 Ser A	6.375	0
1,000	Indiana Health Facility Financing Authority, Riverview Hospital Ser 2002	6.125	0
500	Maryland Health & Higher Education Facilities Authority, General German Aged People's Home of Baltimore, Ser 2006 A	5.40	0
600	Gaylord Hospital Financing Authority, Michigan, Otsego Memorial Hospital Ser 2004	6.50	0
1,500	St Paul, Housing & Redevelopment Authority, Minnesota, HealthEast Ser 2005	6.00	1
2,335	Henderson, Nevada, Catholic Health West 1998 Ser A	5.375	0
1,500	New Hampshire Higher Educational & Health Facilities Authority, Littleton Hospital Association Ser 1998 A	6.00	0
2,000	New Jersey Health Care Facilities Financing Authority, Raritan Bay Medical Center Ser 1994	7.25	0
955	Nassau County Industrial Development Agency, New York, North Shore Health Ser B	5.875	1
500	Fulton County Industrial Development Authority, Pennsylvania, Fulton County Medical Center Ser 2006	5.875	0
1,000	Monroe County Hospital Authority, Pennsylvania, Pocono Medical Center Ser 2003	6.00	0
285	South Carolina Jobs Economic Development Authority, Palmetto Health Alliance Refg Ser 2003 C	6.875	0
1,000	Knox County Health, Educational & Housing Facility Board, Tennessee, Baptist Health of East Tennessee Ser 2002	6.50	0
1,000	Decatur Hospital Authority, Texas, Wise Regional Health Ser 2004 A	7.125	0
-----			
19,175			
-----			

	Industrial Development/Pollution Control Revenue (12.2%)		
1,000	Northern Tobacco Securitization Corporation, Alaska, Ser 2006 A	5.00	0
2,000	California County Tobacco Securitization Agency, Gold County Settlement Funding Corp Ser 2006 (WI)	0.00	0
260	Metropolitan Washington Airports Authority, District of Columbia & Virginia, CaterAir International Corp Ser 1991 (AMT) ++	10.125	0
1,500	Iowa Finance Authority, IPSCO Inc Ser 1997 (AMT)	6.00	0
1,000	Nassau County Tobacco Settlement Corporation, New York, Ser 2006 A-3	5.125	0
	New York City Industrial Development Agency, New York,		
2,000	7 World Trade Center LLC Ser A	6.50	0
2,000	American Airlines Inc Ser 2005 (AMT)	7.75	0
1,500	TSASC Inc, New York, Tobacco Settlement Ser 2006-1	5.125	0
325	Zanesville-Muskingum County Port Authority, Ohio, Anchor Glass Container Corp Ser 1989 B (AMT)	10.25	1
2,620	Carbon County Industrial Development Authority, Pennsylvania, Panther Creek Partners Refg 2000 Ser (AMT)	6.65	0
1,000	Pennsylvania Economic Development Financing Authority, Reliant Energy Inc Ser 2001 A (AMT)	6.75	1
350	Lexington County, South Carolina, Ellett Brothers Inc Refg Ser 1988	7.50	0

Edgar Filing: MORGAN STANLEY MUNICIPAL INCOME OPPORTUNITIES TRUST - Form N-Q

1,000	Brazos River Authority, Texas, Texas Utilities Electric Co Refg Ser 1999 A (AMT)	7.70	0
1,000	Chesterfield County Industrial Development Authority, Virginia, Virginia Electric & Power Co Ser 1985	5.50	1
2,700	Pittsylvania County Industrial Development Authority, Virginia, Multi-Trade LP Ser 1994 A (AMT)	7.45	0
-----			
20,255			
-----			
	Mortgage Revenue - Multi-Family (7.9%)		
	Washington County Housing & Redevelopment Authority, Minnesota,		
3,885	Courtly Park Ser 1989 A	9.75	0
1,165	Courtly Park Ser 1989 A (AMT)	10.25	0
8,678	Courtly Park Ser 1989 B (AMT)	0.00	0
24,080	Courtly Park Ser 1989 B	0.00	0
	White Bear Lake, Minnesota,		
3,715	White Bear Woods Apts Phase II Refg 1989 Ser A	9.75	0
19,771	White Bear Woods Apts Phase II Refg 1989 Ser B	0.00	0
3,000	Brookhaven Industrial Development Agency, New York, Woodcrest Estates Ser 1998 A (AMT)	6.375	1
-----			
64,294			
-----			
	Mortgage Revenue - Single Family (5.0%)		
	Colorado Housing & Finance Authority,		
85	1996 Ser B (AMT)	7.65	1
530	Ser 1998 D-2 (AMT)	6.35	1
17,360	New Hampshire Housing Finance Authority, Residential 1983 Ser B	0.00	0
-----			
17,975			
-----			
	Nursing & Health Related Facilities Revenue (9.0%)		
	Escambia County, Florida,		
4,250	Pensacola Care Development Centers Ser 1989	10.25	0
980	Pensacola Care Development Centers Ser 1989 A	10.25	0
1,000	Orange County Health Facilities Authority, Florida, Westminster Community Care Services Inc Ser 1999	6.75	0
1,000	Pinellas County Health Facilities Authority, Florida, Oaks of Clearwater Ser 2004	6.25	0
525	Washington County Hospital, Iowa, Ser 2006	5.375	0
515	Kentucky Economic Development Financing Authority, AHF/Kentucky-Iowa Inc Ser 2003	6.50#	0
1,725	Massachusetts Development Finance Agency, New England Center for Children Ser 1998	5.875	1
1,000	Massachusetts Health & Educational Facilities Authority, The Learning Center for Deaf Children Ser C	6.125	0
1,000	St Louis County Industrial Development Authority, Missouri, Pediatric Rehabilitation Center Ser 2003 A	6.625	1
610	Mount Vernon Industrial Development Agency, New York, Meadowview at the Wartburg Ser 1999	6.00	0
1,500	Suffolk County Industrial Development Agency, New York, Medford Hamlet Ser 2006	6.375	0
-----			
14,105			
-----			
	Recreational Facilities Revenue (4.5%)		

Edgar Filing: MORGAN STANLEY MUNICIPAL INCOME OPPORTUNITIES TRUST - Form N-Q

2,000	Sacramento Financing Authority, California, Convention Center Hotel 1999 Ser A	6.25	0
1,000	San Diego County, California, San Diego Natural History Museum COPs	5.70	0
1,000	Mashantucket (Western) Pequot Tribe, Connecticut, Special 1997 Ser B (a)	5.75	0
1,000	New York Liberty Development Corp, National Sports Museum, Ser 2006 A	6.125	0
2,000	Austin Convention Enterprises Inc, Texas, Convention Center Hotel Ser 2000 A	6.70	0
-----			
7,000			
-----			
	Retirement & Life Care Facilities Revenue (20.7%)		
500	Orange County Health Facilities Authority, Florida, Orlando Lutheran Towers Inc Ser 2005**	5.70	0
1,000	St Johns County Industrial Development Authority, Florida, Glenmoor Ser 1999 A	8.00	0
1,000	Hawaii Department of Budget & Finance, Kahala Nui 2003 Ser A	8.00	1
1,000	Illinois Finance Authority, Landing at Plymouth Place Ser 2005 A	6.00	0
1,000	Luther Oaks Ser 2006 A	6.00	0
1,500	Lenexa, Kansas, Lakeview Village - Southridge Ser 2002 C	6.875	0
1,500	Maryland Health & Higher Educational Facilities Authority, Mercy Ridge 2003 Ser A	6.00	0
1,500	Massachusetts Development Finance Agency, Loomis Communities Ser 1999 A	5.75	0
1,500	Kansas City Industrial Development Agency, Missouri, Bishop Spencer 2004 Ser A	6.50	0
	New Jersey Economic Development Authority,		
1,000	Cedar Crest Village Inc Ser 2001 A	7.25	1
1,000	Franciscan Oaks Ser 1997	5.70	1
730	Lions Gate Ser 2005 A	5.875	0
1,000	The Presbyterian Home at Montgomery Ser 2001 A	6.375	1
2,000	United Methodist Homes of New Jersey Ser 1998	5.125	0
750	Suffolk County Industrial Development Agency, New York, Jefferson's Ferry Ser 2006 (WI)	5.00	1
1,000	North Carolina Medical Care Commission, Presbyterian Homes Inc Ser 2006	5.50	1
1,000	North Carolina Medical Care Commission, Given Estate Ser 2003 A	6.50	0
1,500	Bucks County Industrial Development Authority, Pennsylvania, Ann's Choice Ser 2005 A	6.125	0
1,000	Chester County Health & Education Facilities Authority, Pennsylvania, Jenner's Pond Inc Ser 2002	7.625	0
1,000	Montgomery County Industry Development Authority, Pennsylvania, Whitemarsh Community Ser 2005	6.25	0
	Shelby County Health, Educational & Housing Facilities Board, Tennessee,		
500	Trezevant Manor Ser 2006 A	5.75	0
500	Village at Germantown Ser 2006	6.25	1
750	Village at Germantown Ser 2003 A	7.25	1
1,000	Houston Health Facilities Authority, Texas, Buckingham Senior Living Community Ser 2004 A	7.125	0
1,000	Lubbock, Health Facilities Development Corporation, Texas, Carillon Senior Lifecare Ser 2005 A	6.50	0
2,100	Vermont Economic Development Authority, Wake Robin Corp Ser 1999 A	6.75	0

Edgar Filing: MORGAN STANLEY MUNICIPAL INCOME OPPORTUNITIES TRUST - Form N-Q

2,000	Peninsula Ports Authority of Virginia, Virginia Baptist Homes Ser 2003 A	5.40	1
1,000	Virginia Beach Development Authority, Virginia, Westminster-Canterbury Refg Ser 2005 A	5.25	1
-----			
31,330			
-----			
	Tax Allocation Revenue (14.5%)		
495	Carlsbad Assessment District No 2002-2001, California, Poinsettia Lane East Ser 2005 A	5.20	0
1,000	San Marcos Community Facilities District # 2002-01, California, University Commons Ser 2004	5.95	0
1,000	Santa Ana, Unified School District Community Facilities, District # 2004-1, California, Central Park Ser 2005	5.10	0
1,000	Poway Unified School District, California, Community Facilities District No 14 Ser 2006	5.25	0
2,000	Elk Valley Public Improvement Corporation, Colorado, Ser 2001 A	7.35	0
2,000	Northwest Metropolitan District #3, Colorado, Ser 2005	6.25	1
1,000	Southlands Metropolitan District #1, Colorado, Ser 2004	7.125	1
2,000	Beacon Lakes, Community Development District, Florida, Ser 2003 A	6.90	0
1,000	Renaissance Commons Community Development District, Florida, 2005 Ser A	5.60	0
1,000	Midtown Miami Community Development District, Florida, Parking Garage Ser 2004 A	6.25	0
2,000	Atlanta, Georgia, Eastside Ser 2005 B	5.60	0
1,000	Bolingbrook, Illinois, Sales Tax Ser 2005	0.00#	0
2,000	Chicago, Illinois, Lake Shore East Ser 2002	6.75	1
725	Lincolnshire, Illinois, Service Area No 1-Sedgebrook Ser 2004	6.25	0
2,000	Des Peres, Missouri, West County Center Ser 2002	5.75	0
1,980	Las Vegas District # 808, Nevada, Summerlin Ser 2001	6.75	0
-----			
22,200			
-----			
	Transportation Facilities Revenue (1.6%)		
1,515	Mid-Bay Bridge Authority, Florida, Sr Lien Crossover Refg Ser 1993 A (Ambac)	5.85	1
1,000	Nevada Department of Business & Industry, Las Vegas Monorail 2nd Tier Ser 2000	7.375	0
-----			
2,515			
-----			
	Refunded (5.0%)		
3,850	Fenton, Missouri, Gravois Bluffs Redevelopment Ser 2001 A Refg	7.00	1
3,250	Suffolk County Industrial Development Agency, New York, Jefferson's Ferry Ser 1999	7.25	1
-----			
7,100			
-----			
210,934	TOTAL TAX-EXEMPT MUNICIPAL BONDS (Cost \$159,189,198)		
-----			
	TAXABLE CONVERTIBLE BOND (0.4%)		
	Airlines		
633	UAL Corp (Cost \$633,081) (b)	5.00	0
-----			
	SHORT-TERM TAX-EXEMPT MUNICIPAL OBLIGATIONS (1.3%)		
1,700	Cuyahoga County Hospital, Ohio, Ser B (Demand 09/01/06)	3.95*	0

Edgar Filing: MORGAN STANLEY MUNICIPAL INCOME OPPORTUNITIES TRUST - Form N-Q

445	Wisconsin Health & Educational Facilities Ser B (Demand 09/05/06)	3.30*
-----		
2,145	TOTAL SHORT-TERM TAX-EXEMPT MUNICIPAL OBLIGATIONS (Cost \$2,145,000)	
-----		
\$213,712	TOTAL INVESTMENTS (Cost \$161,967,279) (c) (d)	
=====		
	OTHER ASSETS IN EXCESS OF LIABILITIES	
	NET ASSETS	

-----  
 AMT Alternative Minimum Tax.

COPs Certificates of Participation.

WI Security purchased on a when-issued basis.

\* Current coupon of variable rate demand obligation.

\*\* A portion of this security is physically segregated in connection with open futures contracts in the amount of \$28,000.

+ Prerefunded to call date shown.

++ Joint exemption in locations shown.

# Security is a "step-up" bond where the coupon increases on a predetermined future date.

(a) Resale is restricted to qualified institutional investors.

(b) Taxable convertible bond issued in reorganization.

(c) Securities have been designated as collateral in an amount equal to \$6,232,625 in connection with open futures contracts and the purchase of when-issued securities.

(d) The aggregate cost for federal income tax purposes approximates the aggregate cost for book purposes. The aggregate gross unrealized appreciation is \$8,487,485 and the aggregate gross unrealized depreciation is \$13,502,761, resulting in net unrealized Depreciation of \$5,015,276.

Bond Insurance:

Ambac Ambac Assurance Corporation.

FUTURES CONTRACTS OPEN AT AUGUST 31, 2006:

NUMBER OF CONTRACTS	LONG/SHORT	DESCRIPTION, DELIVERY MONTH AND YEAR	UNDERLYING FACE AMOUNT AT VALUE	UNREALIZED DEPRECIATION
-----	-----	-----	-----	-----
20	Short	U.S. Treasury Note 10 Year September 2006 .....	\$ (2,148,438)	\$ (43,805)
40	Short	U.S. Treasury Note 5 Year September 2006 .....	(4,200,625)	(44,798)
				-----

Edgar Filing: MORGAN STANLEY MUNICIPAL INCOME OPPORTUNITIES TRUST - Form N-Q

Total Unrealized Depreciation ..

\$ (88,603)

=====

GEOGRAPHIC SUMMARY OF INVESTMENTS

Based on Market Value as a Percent of Total Investments

Alabama	\$ 1,042,070	0.7%
Alaska	987,160	0.6
Arkansas	2,052,620	1.3
California	7,099,838	4.5
Colorado	5,976,711	3.8
Connecticut	1,024,990	0.7
District of Columbia	260,377	0.2
Florida	15,913,822	10.1
Georgia	2,061,220	1.3
Hawaii	3,342,630	2.1
Illinois	7,044,561	4.5
Indiana	1,076,920	0.7
Iowa	2,051,501	1.3
Kansas	1,624,830	1.0
Kentucky	555,597	0.4
Maryland	2,640,095	1.7
Massachusetts	4,330,318	2.8
Michigan	622,890	0.4
Minnesota	11,189,248	7.1
Missouri	9,139,402	5.8
Nevada	5,468,439	3.5
New Hampshire	8,903,018	5.7
New Jersey	7,908,618	5.0
New York	19,654,743	12.5
North Carolina	2,109,380	1.3
Ohio	2,025,189	1.3
Pennsylvania	9,223,104	5.9
South Carolina	676,605	0.4
Tennessee	4,914,715	3.1
Texas	6,526,050	4.2
Vermont	2,277,029	1.5
Virginia	7,043,690	4.5
Wisconsin	445,000	0.3
Joint Exemptions*	(260,377)	(0.2)
	-----	-----
Total	\$156,952,003	100.0%
	=====	=====

\* Joint Exemptions have been included in each geographic location.

+ Does not include open short futures contracts with an underlying face amount of \$6,349,063 with unrealized depreciation of \$88,603.

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

Edgar Filing: MORGAN STANLEY MUNICIPAL INCOME OPPORTUNITIES TRUST - Form N-Q

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.

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  
October 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  
October 19, 2006

/s/ Francis Smith  
-----  
Francis Smith  
Principal Financial Officer  
October 19, 2006