

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 |
| ----- | | | |

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| | | | |
|--------|---|-------|---|
| 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 |

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| | | | |
|---|--|-------|---|
| 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%) | | | |

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| | | | |
|-------|--|-------|---|
| 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 |

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| | | | |
|---------|---|-------|---|
| 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 |

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| | | |
|-----------|--|-------|
| 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) |
| | | | | ----- |

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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

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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