

MORGAN STANLEY MUNICIPAL INCOME OPPORTUNITIES TRUST

Form N-Q

October 28, 2004

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, 2005

Date of reporting period: August 31, 2004

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, 2004 (unaudited)

PRINCIPAL  
AMOUNT IN  
THOUSANDS  
-----

COUPON  
RATE  
-----

|         |                                                                |       |
|---------|----------------------------------------------------------------|-------|
|         | TAX-EXEMPT MUNICIPAL BONDS (97.1%)                             |       |
|         | General Obligation (1.3%)                                      |       |
| \$1,000 | California, Various Purposes Dtd 02/01/04                      | 5.00% |
| 1,000   | Southlands, Colorado, Medical District #1                      | 7.125 |
| -----   |                                                                |       |
| 2,000   |                                                                |       |
| -----   |                                                                |       |
|         | Educational Facilities Revenue (1.8%)                          |       |
| 1,200   | ABAG Finance Authority for Nonprofit Corporations, California, | 7.50  |
|         | National Center for International Schools COPs                 |       |
| 500     | San Diego County, California, The Burnham Institute COPs       | 6.25  |
| 1,000   | Westchester County Industrial Development Agency, New York,    | 5.375 |

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|        |                                                                                                                           |        |
|--------|---------------------------------------------------------------------------------------------------------------------------|--------|
| -----  | Guiding Eyes For The Blind                                                                                                |        |
| 2,700  |                                                                                                                           |        |
| -----  |                                                                                                                           |        |
|        | Hospital Revenue (15.9%)                                                                                                  |        |
| 1,000  | Colbert County-Northwest Health Care Authority, Alabama, Helen Keller Hospital Ser 2003                                   | 5.75   |
| 2,000  | Baxter County, Arkansas, Baxter County Regional Hospital Impr & Refg Ser 1999 B                                           | 5.625  |
| 2,000  | Hawaii Department of Budget & Finance, Kuakini Health 2002 Ser A                                                          | 6.375  |
| 1,000  | Illinois Health Facilities Authority, Riverside Health Ser 2000                                                           | 6.85   |
| 1,000  | Indiana Health Facility Financing Authority, Riverview Hospital Ser 2002                                                  | 6.125  |
| 2,000  | Maryland Health & Higher Educational Facilities Authority, University of Maryland Medical Center Ser 2000                 | 6.75   |
| 1,000  | St Louis County Industrial Development Authority, Missouri, Pediatric Rehabilitation Center Ser 2003 A                    | 6.625  |
| 3,000  | Henderson, Nevada, Catholic Health West 1998 Ser A                                                                        | 5.375  |
| 1,500  | New Hampshire Higher Educational & Health Facilities Authority, Littleton Hospital Assn Ser 1998 A                        | 6.00   |
| 2,000  | New Jersey Health Care Facilities Financing Authority, Raritan Bay Medical Center Ser 1994                                | 7.25   |
| 1,230  | Nassau County Industrial Development Agency, New York, North Shore Health Ser B                                           | 5.875  |
| 1,000  | Monroe County Hospital Authority, Pennsylvania, Pocono Medical Center Ser 2003                                            | 6.00   |
| 1,750  | Philadelphia Hospitals & Higher Education Facilities Authority, Pennsylvania, Chestnut Hill Hospital Ser 1992             | 6.375  |
| 2,000  | South Carolina Jobs - Economic Development Authority, Palmetto Health Alliance Refg & Impr Ser 2003 C                     | 6.875  |
| 1,000  | Knox County Health, Educational & Housing Facility Board, Tennessee, Baptist Health of East Tennessee Ser 2002            | 6.50   |
| 1,000  | Decatur Hospital Authority, Texas, Wise Regal Health Ser Ser A                                                            | 7.125  |
| -----  |                                                                                                                           |        |
| 24,480 |                                                                                                                           |        |
| -----  |                                                                                                                           |        |
|        | Industrial Development/Pollution Control Revenue (14.0%)                                                                  |        |
| 2,000  | Los Angeles, California, American Airlines Inc Terminal 4 Ser 2002 C (AMT)                                                | 7.50   |
| 360    | Metropolitan Washington Airports Authority, District of Columbia & Virginia, CaterAir International Corp Ser 1991 (AMT) + | 10.125 |
| 2,000  | Chicago, Illinois, Chicago O'Hare Int'l Airport/United Airlines Inc Refg Ser 2001 C (a)                                   | 6.30   |
| 1,500  | Iowa Finance Authority, IPSCO Inc Ser 1997 (AMT)                                                                          | 6.00   |
| 1,500  | Dayton, Ohio, Emery Air Freight Corp Refg Ser 1998 A                                                                      | 5.625  |
| 505    | Zanesville-Muskingum County Port Authority, Ohio, Anchor Glass Container Corp Ser 1989 B (AMT)                            | 10.25  |
| 2,000  | Beaver County Industrial Development Authority, Pennsylvania, Toledo Edison Co Collateralized Ser 1995 B                  | 7.75   |
| 3,330  | Carbon County Industrial Development Authority, Pennsylvania, Panther Creek Partners Refg 2000 Ser (AMT)                  | 6.65   |
| 2,125  | Lexington County, South Carolina, Ellett Brothers Inc Refg Ser 1988                                                       | 7.50   |
| 1,000  | Brazos River Authority, Texas, TXU Electric Co Refg Ser 1999 A (AMT)                                                      | 7.70   |
| 1,000  | Chesterfield County Industrial Development Authority, Virginia, Virginia Electric & Power Company Ser 1985                | 5.50   |
| 4,000  | Pittsylvania County Industrial Development Authority, Virginia,                                                           | 7.45   |

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|        |                                                                     |       |
|--------|---------------------------------------------------------------------|-------|
|        | Multi-Trade Pittsylvania County Ser 1994 A (AMT)                    |       |
| 2,000  | Upshur County, West Virginia, TJ International Inc Ser 1995 (AMT)   | 7.00  |
| -----  |                                                                     |       |
| 23,320 |                                                                     |       |
| -----  |                                                                     |       |
|        | Mortgage Revenue - Multi-Family (6.9%)                              |       |
|        | Washington County Housing & Redevelopment Authority,                |       |
| 3,885  | Courtly Park Ser 1989 A                                             | 9.75  |
| 1,165  | Courtly Park Ser 1989 A (AMT)                                       | 10.25 |
| 24,080 | Courtly Park Ser 1989 B                                             | 0.00  |
| 8,678  | Courtly Park Ser 1989 B (AMT)                                       | 0.00  |
|        | White Bear Lake, Minnesota,                                         |       |
| 3,715  | White Bear Woods Apts Phase II Refg 1989 Ser A                      | 9.75  |
| 19,771 | White Bear Woods Apts Phase II Refg 1989 Ser B                      | 0.00  |
| 3,000  | Brookhaven Industrial Development Agency, New York, Woodcrest       | 6.375 |
| -----  | Estates Ser 1998 A (AMT)                                            |       |
| 64,294 |                                                                     |       |
| -----  |                                                                     |       |
|        | Mortgage Revenue - Single Family (7.0%)                             |       |
|        | Colorado Housing & Finance Authority,                               |       |
| 215    | 1996 Ser B (AMT)                                                    | 7.65  |
| 1,015  | Ser 1998 D-2 (AMT)                                                  | 6.35  |
| 28,585 | New Hampshire Housing Finance Authority, Residential 1983 Ser B     | 0.00  |
| -----  |                                                                     |       |
| 29,815 |                                                                     |       |
| -----  |                                                                     |       |
|        | Nursing & Health Related Facilities Revenue (10.8%)                 |       |
|        | Escambia County, Florida,                                           |       |
| 5,470  | Pensacola Care Development Centers Ser 1989                         | 10.25 |
| 1,255  | Pensacola Care Development Centers Ser 1989 A                       | 10.25 |
| 1,000  | Orange County Health Facilities Authority, Florida, Westminster     | 6.75  |
|        | Community Care Services Inc Ser 1999                                |       |
| 1,000  | Pinellas County Health Facilities Authority, Florida, Oaks of       | 6.25  |
|        | Clearwater Ser 2004                                                 |       |
|        |                                                                     |       |
| 1,965  | Iowa Health Facilities Development Financing Authority, Care        | 9.25  |
|        | Initiatives Ser 1996                                                |       |
| 1,205  | Kentucky Economic Development Financing Authority,                  | 6.50# |
|        | AHF/Kentucky-Iowa Inc Ser 2003                                      |       |
| 1,200  | Westside Habilitation Center, Louisiana, Intermediate Care Facility | 8.375 |
|        | for the Mentally Retarded Refg Ser 1993                             |       |
| 1,850  | Massachusetts Development Finance Agency, New England               | 5.875 |
|        | Center for Children Ser 1998                                        |       |
| 1,000  | Massachusetts Health & Educational Facilities Authority, The        | 6.125 |
|        | Learning Center for Deaf Children Ser C                             |       |
| 870    | Mount Vernon Industrial Development Agency, New York,               | 6.00  |
| ---    | Meadowview at the Wartburg Ser 1999                                 |       |
| 16,815 |                                                                     |       |
| -----  |                                                                     |       |
|        | Recreational Facilities Revenue (6.9%)                              |       |
| 2,000  | Sacramento Financing Authority, California, Convention Center       | 6.25  |
|        | Hotel 1999 Ser A                                                    |       |
| 1,000  | San Diego County, San Diego Natural History Museum COPs             | 5.70  |
| 2,000  | Mohegan Tribe of Indians, Connecticut, Gaming Authority Ser 2003    | 5.25  |
|        | Mashantucket (Western) Pequot Tribe, Connecticut,                   |       |

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|        |                                                                                                                   |       |
|--------|-------------------------------------------------------------------------------------------------------------------|-------|
| 1,010  | 1996 Ser A (b)                                                                                                    | 6.40  |
| 1,000  | 1997 Ser B (b)                                                                                                    | 5.75  |
| 2,000  | St Louis Industrial Development Authority, Missouri, St Louis Convention Center Headquarters Hotel Ser 2000 (AMT) | 6.875 |
| 2,000  | Austin Convention Enterprises, Texas, Convention Center Hotel Ser 2000 A                                          | 6.70  |
| -----  |                                                                                                                   |       |
| 11,010 |                                                                                                                   |       |
| -----  |                                                                                                                   |       |
|        | Retirement & Life Care Facilities Revenue (14.5%)                                                                 |       |
| 1,000  | St Johns County Industrial Development Authority, Florida, Glenmoor Ser 1999 A                                    | 8.00  |
| 1,000  | Hawaii Department of Budget & Finance, Kahala Nui, 2003 Ser A                                                     | 8.00  |
| 1,500  | Lenexa, Kansas, Lakeview Village - Southridge Ser 2002 C                                                          | 6.875 |
| 1,500  | Maryland Health & Higher Educational Facilities Authority, Mercy Ridge 2003 Ser A                                 | 6.00  |
| 1,500  | Massachusetts Development Finance Agency, Loomis Communities Ser 1999 A                                           | 5.75  |
| 1,500  | Kansas City, Missouri, Industrial Development Agency, Bishop Spencer 2004 Ser A                                   | 6.50  |
|        | New Jersey Economic Development Authority,                                                                        |       |
| 1,000  | Cedar Crest Villiage Inc Ser 2001 A                                                                               | 7.25  |
| 1,000  | Franciscan Oaks Ser 1997                                                                                          | 5.70  |
| 1,000  | The Presbyterian Home at Montgomery Ser 2001 A                                                                    | 6.375 |
| 2,000  | United Methodist Homes of New Jersey Ser 1998                                                                     | 5.125 |
| 3,250  | Suffolk County Industrial Development Agency, New York, Jefferson's Ferry Ser 1999                                | 7.25  |
|        |                                                                                                                   |       |
| 1,000  | North Carolina Medical Care Commission, The Given Estate Project, Ser 2003 A                                      | 6.50  |
| 1,000  | Chester County Health & Education Facilities Authority, Pennsylvania, Jenner's Pond Inc Ser 2002                  | 7.625 |
| 750    | Shelby County Health, Educational & Housing Facilities Board, Tennessee, Village at Germantown Ser 2003 A         | 7.25  |
|        |                                                                                                                   |       |
| 1,000  | Houston, Health Facilities Authority, Texas, Buckingham Senior Living Community Ser 2003 A                        | 7.125 |
| 2,100  | Vermont Economic Development Authority, Wake Robin Corp Ser 1999 A                                                | 6.75  |
| 1,000  | Peninsula Ports Authorty of Virginia, Virginia Baptist Homes Ser 2003 A                                           | 7.375 |
| -----  |                                                                                                                   |       |
| 23,100 |                                                                                                                   |       |
| -----  |                                                                                                                   |       |
|        | Tax Allocation Revenue (10.6%)                                                                                    |       |
| 1,000  | San Marcos, California, Special Tax Community Facilities District # 02-01                                         | 5.95  |
| 2,000  | Elk Valley Public Improvement Corporation, Colorado Ser 2001 A                                                    | 7.35  |
| 2,000  | Beacon Lakes, Community Development District, Florida, Ser 2003 A                                                 | 6.90  |
| 1,000  | Midtown Miami FL                                                                                                  | 6.25  |
| 2,000  | Chicago, Illinois, Lake Shore East, Ser 2002                                                                      | 6.75  |
| 2,000  | Des Peres, Missouri, West County Center Ser 2002                                                                  | 5.75  |
| 4,000  | Fenton, Missouri, Gravois Bluffs Redevelopment Ser 2001 A Refg                                                    | 7.00  |
| 1,995  | Las Vegas District No 808, Nevada, Summerlin Area Ser 2001                                                        | 6.75  |
| -----  |                                                                                                                   |       |
| 15,995 |                                                                                                                   |       |
| -----  |                                                                                                                   |       |
|        | Transportation Facilities Revenue (3.8%)                                                                          |       |

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|           |                                                                                                               |        |
|-----------|---------------------------------------------------------------------------------------------------------------|--------|
| 5,000     | E-470 Public Highway Authority, Colorado, Ser 1997 B (MBIA)                                                   | 0.00   |
| 1,780     | Mid-Bay Bridge Authority, Florida, Sr Lien Crossover Refg Ser 1993 A (Ambac)                                  | 5.85   |
| 1,000     | Nevada Department of Business & Industry, Las Vegas Monorail                                                  | 7.375  |
| -----     | 2nd Tier Ser 2000                                                                                             |        |
| 7,780     |                                                                                                               |        |
| -----     |                                                                                                               |        |
|           | Refunded (3.6%)                                                                                               |        |
| 2,000     | Anne Arundel County, Maryland, National Business Park Ser 2000                                                | 7.375  |
| 3,000     | Massachusetts Health & Educational Facilities Authority, Dana Farber Cancer Institute Ser G-1                 | 6.25   |
| -----     |                                                                                                               |        |
| 5,000     |                                                                                                               |        |
| -----     |                                                                                                               |        |
| 226,309   | TOTAL TAX-EXEMPT MUNICIPAL BONDS (COST \$162,745,434)                                                         |        |
| -----     |                                                                                                               |        |
|           | SHORT-TERM TAX-EXEMPT MUNICIPAL OBLIGATIONS (2.0%)                                                            |        |
| 3,000     | Harris County Health Facilities Development Corporation, Texas, Methodist Hospital Ser 2002 (Demand 08/02/04) | 1.35*  |
| 115       | Washington Health Care Facilities Authority, Virginia, Mason                                                  | 1.26*  |
| ---       |                                                                                                               |        |
|           | Medical Center Ser 1997 B (MBIA) (Demand 08/02/04)                                                            |        |
| 3,115     | TOTAL SHORT-TERM TAX-EXEMPT MUNICIPAL OBLIGATIONS (COST \$3,115,000)                                          |        |
| -----     |                                                                                                               |        |
| \$229,424 | TOTAL INVESTMENTS (COST \$165,860,434) (C)                                                                    | 99.1%  |
| =====     |                                                                                                               |        |
|           | OTHER ASSETS IN EXCESS OF LIABILITIES                                                                         | 0.9    |
|           |                                                                                                               | ---    |
|           | NET ASSETS                                                                                                    | 100.0% |
|           |                                                                                                               | =====  |

|       |                                                                                                                                                                                                                                                                                              |
|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ----- |                                                                                                                                                                                                                                                                                              |
| AMT   | Alternative Minimum Tax.                                                                                                                                                                                                                                                                     |
| COPs  | Certificates of Participation.                                                                                                                                                                                                                                                               |
| *     | Current coupon of variable rate demand obligation.                                                                                                                                                                                                                                           |
| +     | Joint exemption in locations shown.                                                                                                                                                                                                                                                          |
| ++    | Prerefunded to call date shown.                                                                                                                                                                                                                                                              |
| #     | Currently a 6.50% coupon; increases to 8.00% on January 1, 2009.                                                                                                                                                                                                                             |
| (a)   | Issuer in bankruptcy; non-income producing security.                                                                                                                                                                                                                                         |
| (b)   | Resale is restricted to qualified institutional investors.                                                                                                                                                                                                                                   |
| (c)   | The aggregate cost for federal income tax purposes approximates the aggregate cost for book purposes. The aggregate gross unrealized appreciation is \$6,210,885 and the aggregate gross unrealized depreciation is \$15,441,664 , resulting in net unrealized depreciation of \$9,230,779 . |

## Bond Insurance:

|       |                                                 |
|-------|-------------------------------------------------|
| ----- |                                                 |
| Ambac | Ambac Assurance Corporation.                    |
| MBIA  | Municipal Bond Investors Assurance Corporation. |

SEE NOTES TO FINANCIAL STATEMENTS

MORGAN STANLEY MUNICIPAL INCOME OPPORTUNITIES TRUST  
GEOGRAPHIC SUMMARY OF INVESTMENTS  
AUGUST 31, 2004 (UNAUDITED)

|                  |       |
|------------------|-------|
| Alabama          | 0.6 % |
| Arkansas         | 1.3   |
| California       | 5.5   |
| Colorado         | 4.7   |
| Connecticut      | 2.6   |
| Dist of Columbia | 0.2   |
| Florida          | 9.3   |
| Hawaii           | 1.9   |
| Illinois         | 2.3   |
| Indiana          | 0.7   |
| Iowa             | 2.4   |
| Kansas           | 1.0   |
| Kentucky         | 0.7   |
| Louisiana        | 0.8   |
| Maryland         | 4.0   |
| Massachusetts    | 4.6   |
| Minnesota        | 5.0   |
| Missouri         | 6.8   |
| Nevada           | 3.7   |
| New Hampshire    | 7.0   |
| New Jersey       | 4.2   |
| New York         | 6.1   |
| North Carolina   | 0.6   |
| Ohio             | 1.2   |
| Pennsylvania     | 6.1   |
| South Carolina   | 2.7   |
| Tennessee        | 1.1   |
| Texas            | 5.2   |
| Vermont          | 1.3   |
| Virginia         | 4.1   |
| Washington       | 0.1   |
| West Virginia    | 1.3   |
|                  | ---   |
| Total            | 99.1% |
|                  | ----- |

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  
October 20, 2004

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 20, 2004

/s/ Francis Smith  
Francis Smith  
Principal Financial Officer  
October 20, 2004

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