

MORGAN STANLEY MUNICIPAL INCOME OPPORTUNITIES TRUST

Form N-Q

October 29, 2008

**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)**

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

10036
(Zip code)

Randy Takian

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: May 31, 2009

Date of reporting period: August 31, 2008

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, 2008 (unaudited)

| PRINCIPAL AMOUNT IN THOUSANDS | | COUPON RATE | MATURITY DATE | VALUE |
|--|--|----------------|------------------|------------|
| Tax-Exempt Municipal Bonds (106.6%) | | | | |
| Alabama (1.0%) | | | | |
| \$ 1,000 | Colbert County-Northwest Health Care Authority, Helen Keller Hospital Ser 2003 | 5.75% | 06/01/27 | \$ 956,380 |
| 400 | Cullman Medical Park South, Medical Clinic Board of the City Ser 1993 A | 6.50 | 02/15/23 | 400,040 |
| | | | | 1,356,420 |
| Arizona (2.0%) | | | | |
| 800 | Pima County Industrial Development Authority, Water & Wastewater Ser 2007 (AMT) | 6.55 | 12/01/37 | 715,736 |
| 1,225 | Pima County Industrial Development Authority, Constellation Schools Ser 2008 | 7.00 | 01/01/38 | 1,158,801 |
| 400 | Pinal County Electrical District # 4 Ser 2008 | 6.00 | 12/01/38 | 393,648 |
| 600 | Scottsdale Industrial Development Authority, Scottsdale Healthcare Ser 2008 A (WI) | 5.25 | 09/01/30 | 577,068 |
| | | | | 2,845,253 |
| California (7.8%) | | | | |
| 1,935 | California County Tobacco Securitization Agency, Gold County Settlement Funding Corp Ser 2006 | 0.00 | 06/01/33 | 272,970 |
| 335 | California Municipal Finance Authority Educational Facility, Ser 2008 | 5.875 | 07/01/28 | 328,816 |
| 1,000 | California Statewide Communities Development Authority, California Baptist University Ser 2007 A | 5.50 | 11/01/38 | 878,490 |
| 600 | California Statewide Communities Development Authority, Daughters of Charity Health Ser 2005 A | 5.00 | 07/01/39 | 512,388 |
| 400 | California Statewide Communities Development Authority, Thomas Jefferson School Ser 2008 A | 7.25 | 10/01/38 | 389,712 |
| 1,000 | Daly City Housing Development Finance Agency, Franciscan Mobile Home Park Third Tier Refg Ser 2007 C | 6.50 | 12/15/47 | 874,470 |
| 4,000 | Golden State Tobacco Securitization Corporation, Asset Backed Ser 2007 A-1 (a) | 5.125 | 06/01/47 | 2,987,242 |
| 800 | Quechan Indian Tribe FT Yuma Indian Reservation Ser 2008 | 7.00 | 12/01/27 | 768,728 |
| 1,000 | Sacramento Financing Authority, Convention Center Hotel Ser 1999 A | 6.25 | 01/01/30 | 1,049,620 |
| 1,000 | San Diego County, San Diego Natural History Museum COPs | 5.70 | 02/01/28 | 908,810 |
| 1,000 | San Marcos Community Facilities District #2002-01, University Commons Ser 2004 | 5.95 | 09/01/35 | 969,330 |
| 1,000 | Santa Ana Unified School District Community Facilities, District #2004-1, Central Park Ser 2005 | 5.10 | 09/01/35 | 832,260 |

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| | | | | |
|--------|---|--------|----------|------------|
| 13,000 | Silicon Valley Tobacco Securitization Authority, Santa Clara Tobacco Securitization Corp Ser 2007 C | 0.00 | 06/01/56 | 241,800 |
| | | | | 11,014,636 |
| | Colorado (4.0%) | | | |
| 1,000 | Colorado Health Facilities Authority, Christian Living Communities Ser 2006 A | 5.75 | 01/01/37 | 874,890 |
| 10 | Colorado Housing Finance Authority, 1996 Ser B-1 (AMT) | 7.65 | 11/01/26 | 10,192 |
| 305 | Colorado Housing Finance Authority, 1998 Ser B-3 | 6.35 | 11/01/29 | 320,509 |
| 1,000 | Copperleaf Metropolitan District #2 Ser 2006 | 5.95 | 12/01/36 | 794,220 |
| 2,000 | Elk Valley Public Improvement Corporation Ser 2001 A | 7.35 | 09/01/31 | 1,994,700 |
| 2,000 | Northwest Metropolitan District #3 Ser 2005 | 6.25 | 12/01/35 | 1,681,980 |
| | | | | 5,676,491 |
| | Connecticut (1.7%) | | | |
| 2,000 | Georgetown Special Taxing District Ser 2006 A (b) | 5.125 | 10/01/36 | 1,463,940 |
| 1,000 | Mashantucket (Western) Pequot Tribe, Special Ser 1997 B (b) | 5.75 | 09/01/27 | 894,290 |
| | | | | 2,358,230 |
| | District of Columbia (0.2%) | | | |
| 260 | Metropolitan Washington Airports Authority, District of Columbia & Virginia, CaterAir International Corp Ser 1991 (AMT) (c) | 10.125 | 09/01/11 | 260,107 |
| | Florida (17.4%) | | | |
| 500 | Alachua County Industrial Development, North Florida Retirement Village Ser 2007 | 5.25 | 11/15/17 | 467,330 |
| 800 | Alachua County Florida Industrial Development, North Florida Retirement Village Ser 2007 | 5.875 | 11/15/36 | 698,592 |
| 2,000 | Beacon Lakes, Community Development District Ser 2003 A | 6.90 | 05/01/35 | 1,905,199 |
| 950 | Bellalago Educational Facilities Benifits District, Bellalago Chapter School Ser 2004 B | 5.80 | 05/01/34 | 911,392 |
| 650 | Brevard County Health Facilities authority, Buena Vida Estates, Inc Ser 2007 | 6.75 | 01/01/37 | 624,988 |
| 2,960 | Broward County Professional Sports Facilities, Civic Arena Refg Ser 2006 A (AMBAC Insd) (a) | 5.00 | 09/01/23 | 3,050,546 |
| 2,780 | Escambia County, Pensacola Care Development Centers Ser 1989 | 10.25 | 07/01/11 | 2,809,745 |
| 645 | Escambia County, Pensacola Care Development Centers Ser 1989 A | 10.25 | 07/01/11 | 651,902 |
| 1,000 | Fiddlers Creek Community Development District # 1 Ser 2005 | 6.00 | 05/01/38 | 907,230 |
| 500 | Fountainbleau Lakes Community Development District Ser 2007 B (b) | 6.00 | 05/01/15 | 458,790 |
| 750 | Grand Bay at Doral Community Development District Ser 2007 A | 6.00 | 05/01/39 | 579,652 |
| 1,000 | Lee County Florida Industrial Development Authority Ser 2007 A | 5.375 | 06/15/37 | 809,690 |
| 1,000 | Midtown Miami Community Development District, Parking Garage Ser 2004 A | 6.25 | 05/01/37 | 908,210 |

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| | | | | |
|-------|--|-------|-------------|------------|
| 500 | Orange County Health Facilities Authority, Orlando Lutheran Towers, Inc Ser 2005 | 5.70 | 07/01/26 | 444,310 |
| 2,000 | Orange County Health Facilities Authority, Orlando Lutheran Towers, Inc Ser 2007 | 5.50 | 07/01/32 | 1,677,600 |
| 1,000 | Orange County Health Facilities Authority, Westminister Community Care Services Inc Ser 1999 | 6.75 | 04/01/34 | 1,002,500 |
| 1,000 | Pinellas County Health Facilities Authority, Oaks of Clearwater Ser 2004 | 6.25 | 06/01/34 | 1,004,760 |
| 965 | Renaissance Commons Community Development District, Ser 2005 A | 5.60 | 05/01/36 | 790,094 |
| 500 | Split Pine Community Development District, Ser 2007 A | 5.25 | 05/01/39 | 397,695 |
| 2,860 | South Miami Health Facilities Authority, Baptist Health South Florida Obligated Group Ser 2007 (a) | 5.00 | 08/15/32 | 2,710,880 |
| 1,000 | St Johns County Industrial Development Authority, Glenmoor Ser 1999 A | 8.00 | 01/01/10(d) | 1,096,120 |
| 600 | Tolomato Community Development District, Special Assessment Ser 2007 | 6.55 | 05/01/27 | 586,986 |
| | | | | 24,494,211 |
| | Georgia (1.3%) | | | |
| 2,000 | Atlanta Eastside Ser 2005 B | 5.60 | 01/01/30 | 1,786,200 |
| | Hawaii (3.1%) | | | |
| 1,000 | Hawaii Department of Budget & Finance, Kahala Nui Ser 2003 A | 8.00 | 11/15/33 | 1,075,220 |
| 2,000 | Hawaii Department of Budget & Finance, Kuakini Health 2002 Ser A | 6.375 | 07/01/32 | 2,021,419 |
| 1,220 | Hawaii Ser 2008 DK (a) | 5.00 | 05/01/23 | 1,292,877 |
| | | | | 4,389,516 |
| | Idaho (0.7%) | | | |
| 1,000 | Idaho Health Facilities Authority-Valley Vista Care Corp Refg Ser 2007 | 6.125 | 11/15/27 | 921,250 |

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| PRINCIPAL AMOUNT IN THOUSANDS | | COUPON MATURITY | | VALUE |
|--|--|-----------------|----------|-----------|
| | | RATE | DATE | |
| Illinois (6.9%) | | | | |
| 1,000 | Bolingbrook Sales Tax Ser 2005 | 6.25 | 01/01/24 | 975,090 |
| 2,000 | Chicago Lake Shore East Ser 2002 | 6.75 | 12/01/32 | 2,008,299 |
| 1,000 | Illinois Finance Authority, Elmhurst Memorial Healthcare Ser 2008 A | 5.625 | 01/01/37 | 967,610 |
| 1,000 | Illinois Finance Authority, Landing at Plymouth Ser 2005 A | 6.00 | 05/15/37 | 877,390 |
| 1,000 | Illinois Finance Authority, Luther Oaks Ser 2006 A | 6.00 | 08/15/39 | 884,920 |
| 1,650 | Illinois Finance Authority, Montgomery Place Ser 2006 A | 5.75 | 05/15/38 | 1,392,418 |
| 725 | Lincolnshire, Service Area #1-Sedgebrook Ser 2004 | 6.25 | 03/01/34 | 688,330 |
| 500 | Village of Hampshire, Kane County Special Service Area # 18 Crown Development Tamms Farm Ser 2007 A | 6.00 | 03/01/44 | 413,900 |
| 650 | Will-Kankakee Regional Development Authority, Senior Estates Supportive Living Ser 2007 (AMT) | 7.00 | 12/01/42 | 621,166 |
| 1,000 | Yorkville Special Service Area #2006-113, Cannonball/Beecher Road Ser 2007 | 5.75 | 03/01/28 | 864,750 |
| | | | | 9,693,873 |
| Iowa (1.5%) | | | | |
| 785 | Jefferson County Hospital Ser 2007 C | 5.95 | 08/01/37 | 714,311 |
| 1,000 | Iowa Finance Authority, Bethany Life Communities Refg Ser 2006 A | 5.55 | 11/01/41 | 813,340 |
| 750 | Iowa Finance Authority Health Care Facilities, Madrid Homes Ser 2007 | 5.90 | 11/15/37 | 646,605 |
| | | | | 2,174,256 |
| Kansas (0.6%) | | | | |
| 900 | Olathe Catholic Care Ser 2006 A | 6.00 | 11/15/38 | 807,525 |
| Louisiana (0.9%) | | | | |
| 800 | Lakeshore Villages Master Community Development District, Special Assessment Ser 2007 | 5.25 | 07/01/17 | 718,840 |
| 600 | Louisiana Public Facilities Authority, Lake Charles Memorial Hospital Refg Ser 2007 | 6.375 | 12/01/34 | 565,272 |
| | | | | 1,284,112 |
| Maryland (1.8%) | | | | |
| 1,000 | Maryland Economic Development Corporation, Chesapeake Bay Conference Center Ser 2006 A | 5.00 | 12/01/31 | 749,230 |
| 800 | Maryland Health & Higher Educational Facilities Authority, Washington Christian Academy Ser 2006 | 5.50 | 07/01/38 | 649,224 |

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| | | | | |
|-----------------------------|--|-------|-------------|-----------|
| 500 | Maryland Industrial Development Financing Authority, Our Lady of Good Counsel High School Ser 2005 A | 6.00 | 05/01/35 | 489,855 |
| 750 | Maryland State Health & Higher Educational Facilities Authority, King Farm Presbyterian Community 2007 Ser A | 5.30 | 01/01/37 | 596,393 |
| | | | | 2,484,702 |
| Massachusetts (2.8%) | | | | |
| 1,500 | Massachusetts Development Finance Agency, Loomis Communities Ser 1999 A | 5.75 | 07/01/23 | 1,500,060 |
| 1,625 | Massachusetts Development Finance Agency, New England Center for Children Ser 1998 | 5.875 | 11/01/18 | 1,559,074 |
| 1,000 | Massachusetts Health & Educational Facilities Authority, The Learning Center for Deaf Children Ser 1999 C | 6.125 | 07/01/29 | 945,660 |
| | | | | 4,004,794 |
| Michigan (2.5%) | | | | |
| 1,230 | Detroit Sewerage Disposal, Senior Lien Revenue Refg Ser 2001 C-2 (FGIC Insd) (a) | 5.25 | 07/01/29 | 1,269,028 |
| 600 | Gaylord Hospital Financing Authority, Otsego Memorial Hospital Ser 2004 | 6.50 | 01/01/37 | 565,626 |
| 2,000 | Michigan Tobacco Settlement Finance Authority, Asset Backed Ser 2007 A | 6.00 | 06/01/48 | 1,667,460 |
| | | | | 3,502,114 |
| Minnesota (0.5%) | | | | |
| 750 | North Oaks Senior Housing Presbyterian Homes Ser 2007 | 6.125 | 10/01/39 | 702,390 |
| Mississippi (0.3%) | | | | |
| 400 | Mississippi Business Finance Corp., Pollution Control Revenue Refg Ser 1998 | 5.875 | 04/01/22 | 387,972 |
| Missouri (6.7%) | | | | |
| 750 | Branson Hills Community Improvement District Ser 2007 A | 5.50 | 04/01/27 | 661,238 |
| 500 | Branson Regional Airport Transportation Development District Ser 2007 B (AMT) | 6.00 | 07/01/37 | 404,225 |
| 2,000 | Des Peres, West County Center Ser 2002 | 5.75 | 04/15/20 | 1,928,440 |
| 3,850 | Fenton, Gravois Bluffs Redevelopment Refg Ser 2001 A | 7.00 | 10/01/11(d) | 4,384,496 |
| 1,500 | Kansas City Industrial Development Agency, Bishop Spencer 2004 Ser A | 6.50 | 01/01/35 | 1,426,560 |
| 750 | St. Louis Industrial Development Authority, St. Andrews Resources for Seniors Ser 2007 A | 6.375 | 12/01/41 | 686,595 |
| | | | | 9,491,554 |
| Nevada (1.5%) | | | | |

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|-------|--|-------|----------|-----------|
| 450 | Henderson, Nevada, Local Improvement District #T-18, Ser 2006 | 5.30 | 09/01/55 | 304,376 |
| 1,050 | Mesquite Nevada Special Improvement District # 07-01 Local Improvement-Anthem at Mesquite Ser 2007 | 6.00 | 08/01/23 | 989,279 |
| 1,000 | Nevada Department of Business & Industry, Las Vegas Monorail 2nd Tier Ser 2000 | 7.375 | 01/01/40 | 287,370 |
| 600 | Sparks, Local Improvement District # 3 Legends at Sparks Marina Ser 2008 | 6.50 | 09/01/20 | 587,550 |
| | | | | 2,168,575 |

New Hampshire (3.3%)

| | | | | |
|-------|---|------|----------|-----------|
| 8,895 | New Hampshire Housing Finance Authority, Single Family Residential 1983 Ser B | 0.00 | 01/01/15 | 4,628,692 |
|-------|---|------|----------|-----------|

New Jersey (5.6%)

| | | | | |
|-------|--|-------|-------------|-----------|
| 1,000 | New Jersey Economic Development Authority, Cedar Crest Village Inc Ser 2001 A | 7.25 | 11/15/11(d) | 1,150,510 |
| 1,000 | New Jersey Economic Development Authority, Franciscan Oaks Ser 1997 | 5.70 | 10/01/17 | 978,950 |
| 730 | New Jersey Economic Development Authority, Lions Gate Ser 2005 A | 5.875 | 01/01/37 | 648,043 |
| 700 | New Jersey Economic Development Authority, Seashore Gardens Living Center Ser 2006 | 5.375 | 11/01/36 | 570,318 |
| 1,000 | New Jersey Economic Development Authority, The Presbyterian Home at Montgomery Ser 2001 A | 6.375 | 11/01/31 | 953,780 |
| 2,000 | New Jersey Economic Development Authority, United Methodist Homes of New Jersey Ser 1998 | 5.125 | 07/01/25 | 1,663,780 |
| 2,000 | New Jersey Health Care Facilities Financing Authority, Raritan Bay Medical Center Ser 1994 | 7.25 | 07/01/27 | 1,980,499 |
| | | | | 7,945,880 |

New York (5.2%)

| | | | | |
|-------|--|-------|----------|-----------|
| 3,000 | Brookhaven Industrial Development Agency, Woodcrest Estates Ser 1998 A (AMT) | 6.375 | 12/01/37 | 2,954,670 |
| 235 | Mount Vernon Industrial Development Agency, Meadowview at the Wartburg Ser 1999 | 6.00 | 06/01/09 | 234,554 |
| 1,800 | New York City Industrial Development Agency, 7 World Trade Center LLC Ser 2005 A | 6.50 | 03/01/35 | 1,827,215 |
| 1,000 | New York Liberty Development Corporation, National Sports Museum, Ser 2006 A | 6.125 | 02/15/19 | 887,880 |
| 1,500 | Suffolk County Industrial Development Agency, Medford Hamlet Ser 2006 | 6.375 | 01/01/39 | 1,363,035 |
| | | | | 7,267,354 |

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| PRINCIPAL AMOUNT IN THOUSANDS | | COUPON RATE | MATURITY DATE | VALUE |
|--|--|----------------|------------------|-----------|
| | North Carolina (0.6%) | | | |
| 400 | North Carolina Medical Care Commission Healthcare Facilities, Pennybyrn Ser 2005 A | 6.125 | 10/01/35 | 355,168 |
| 500 | North Carolina Medical Care Commission Healthcare Facilities, Southminster Ser 2007 A | 5.75 | 10/01/37 | 468,230 |
| | | | | 823,398 |
| | North Dakota (1.2%) | | | |
| 1,500 | Grand Forks 4000 Valley Square Ser 2006 | 5.30 | 12/01/34 | 1,208,295 |
| 500 | Ward County, Trinity Ser 2006 | 5.125 | 07/01/29 | 461,720 |
| | | | | 1,670,015 |
| | Ohio (3.3%) | | | |
| 3,300 | Buckeye Tobacco Settlement Financing Authority, Asset Backed Ser 2007 A-2 | 5.875 | 06/01/30 | 2,867,799 |
| 600 | Centerville Health Care, Bethany Lutheran Village Continuing Care Facility, Ser 2007 A | 6.00 | 11/01/38 | 521,280 |
| 850 | Cuyahoga County Health Care and Independent Living Facilities, Eliza Jennings Senior Care Ser 2007 A | 5.75 | 05/15/27 | 756,211 |
| 450 | Tuscarawas County Hospital Facilities, Twin City Hospital Ser 2007 | 6.35 | 11/01/37 | 415,130 |
| 75 | Zanesville-Muskingum County Port Authority, Anchor Glass Container Corp Ser 1989 B (AMT) | 10.25 | 12/01/08 | 75,146 |
| | | | | 4,635,566 |
| | Oklahoma (0.5%) | | | |
| 650 | Chickasaw Nation Health Systems Ser 2007 | 6.25 | 12/01/32 | 652,607 |
| | Pennsylvania (7.9%) | | | |
| 2,300 | Allegheny County Hospital Development Authority, West Penn Allegheny Health Ser 2007 A | 5.375 | 11/15/40 | 1,614,209 |
| 1,500 | Bucks County Industrial Development Authority, Ann s Choice Ser 2005 A | 6.125 | 01/01/25 | 1,491,734 |
| 1,000 | | 7.625 | 07/01/12(d) | 1,187,930 |

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|-------|--|-------|-------------|------------|
| | Chester County Health & Educational Facilities Authority, Jenner s Pond Inc Ser 2002 | | | |
| 500 | Fulton County Industrial Development Authority, Fulton County Medical Center Ser 2006 | 5.875 | 07/01/31 | 450,970 |
| 1,000 | Harrisburg Authority, Harrisburg University of Science & Technology Ser 2007 B | 6.00 | 09/01/36 | 935,290 |
| 1,000 | Montgomery County Industrial Development Authority, Whitmarsh Community Ser 2005 | 6.25 | 02/01/35 | 902,440 |
| 1,000 | Pennsylvania Economic Development Financing Authority, Reliant Energy Inc Ser 2001 A (AMT) | 6.75 | 12/01/36 | 1,003,870 |
| 2,860 | Pennsylvania Housing Finance Agency Ser 2007-100A (AMT) (a) | 5.10 | 10/01/22 | 2,754,151 |
| 1,000 | Washington County, Victory Centre/Tanger Outlet Redevelopment Authority Ser 2006 A | 5.45 | 07/01/35 | 850,080 |
| | | | | 11,190,674 |
| | South Carolina (2.1%) | | | |
| 1,250 | Myrtle Beach, Air Force Base Redevelopment Ser 2006 A | 5.30 | 11/01/35 | 992,788 |
| 1,000 | South Carolina Jobs-Economic Development Authority, Lutheran Homes Ser 2007 | 5.625 | 05/01/42 | 823,930 |
| 750 | South Carolina Jobs-Economic Development Authority, Westley Commons Ser 2006 | 5.30 | 10/01/36 | 599,183 |
| 625 | South Carolina Jobs-Economic Development authority, Woodlands At Furman Ser 2007 A | 6.00 | 11/15/37 | 551,456 |
| | | | | 2,967,357 |
| | Tennessee (1.1%) | | | |
| 500 | Shelby County Health, Educational & Housing Facilities Board, Trezevant Manor Ser 2006 A | 5.75 | 09/01/37 | 460,150 |
| 750 | Shelby County Health, Educational & Housing Facilities Board, Village at Germantown Ser 2003 A | 7.25 | 12/01/34 | 739,838 |
| 500 | Shelby County Health, Educational & Housing Facilities Board, Village at Germantown Ser 2006 | 6.25 | 12/01/34 | 403,805 |
| | | | | 1,603,793 |
| | Texas (7.8%) | | | |
| 2,000 | Austin Convention Enterprises Inc, Convention Center Hotel Ser 2001 A | 6.70 | 01/01/11(d) | 2,190,320 |
| 2,000 | | 5.75 | 01/01/34 | 1,765,400 |

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|-------|---|---------|----------|-------------|
| | Austin Convention Enterprises Inc, Convention Center Hotel Ser 2006 B | | | |
| 1,000 | Brazos River Authority, Texas Utilities Electric Co Refg Ser 1999 A (AMT) | 7.70 | 04/01/33 | 930,980 |
| 1,000 | Decatur Hospital Authority, Wise Regional Health Ser 2004 A | 7.125 | 09/01/34 | 1,017,180 |
| 1,250 | HFDC Central Texas Inc, Legacy at Willow Bend, Ser 2006 A | 5.75 | 11/01/36 | 1,039,575 |
| 1,000 | Lubbock Health Facilities Development Corporation, Carillon Senior Lifecare Ser 2005 A | 6.50 | 07/01/26 | 959,690 |
| 3,375 | Texas Department of Housing and Community Affairs 2007 Ser B (AMT) (a) | 5.15 | 09/01/27 | 3,138,721 |
| | | | | 11,041,866 |
| | Virginia (1.6%) | | | |
| 2,000 | Peninsula Ports Authority of Virginia, Baptist Homes Ser 2006 C | 5.40 | 12/01/33 | 1,638,260 |
| 700 | Peninsula Town Center Community Development Authority Ser 2007 | 6.45 | 09/01/37 | 630,140 |
| | | | | 2,268,400 |
| | Washington (0.6%) | | | |
| 1,000 | Washington Housing Finance Commission, Skyline at First Hill Ser 2007 A | 5.625 | 01/01/38 | 877,650 |
| | West Virginia (0.6%) | | | |
| 825 | West Virginia Hospital Finance Authority, Thomas Health System, Inc. Ser 2008 | 6.50 | 10/01/38 | 790,862 |
| | Total Tax-Exempt Municipal Bonds <i>(Cost \$160,634,405)</i> | | | 150,168,295 |
| | Short-Term Investments (1.3%) Short-Term Tax-Exempt Municipal Obligation (0.7%) | | | |
| 1,000 | Harris County Health Facilities Development Corp., Baylor College of Medicine Ser 2007 A (Demand 09/01/08) <i>(Cost \$1,000,000)</i> | 8.50(e) | 11/15/47 | 1,000,000 |

NUMBER
OF

SHARES
(000)

| | | |
|-----|--|-------------|
| 825 | <p>Investment Company (f) (0.6%) Morgan Stanley Institutional Liquidity Tax-Exempt Portfolio- Institutional Class <i>(Cost \$825,164)</i></p> | 825,164 |
| | <p>Total Short-Term Investments <i>(Cost \$1,825,164)</i></p> | 1,825,164 |
| | <p>Total Investments <i>(Cost \$162,459,569)</i></p> | 151,993,459 |

PRINCIPAL
AMOUNT IN
THOUSANDS

| | | |
|-------------|--|--------------|
| \$ (13,440) | <p>Floating Rate Note Obligations Related to Securities Held (-9.6%) Notes with interest rates ranging from 1.61% to 1.82% at August 31, 2008 and contractual maturities of collateral ranging from 10/01/22 to 06/01/47 (g) <i>(Cost \$(13,440,000))</i></p> | (13,440,000) |
|-------------|--|--------------|

PRINCIPAL
AMOUNT
IN
THOUSANDS

| | | |
|--|--------|----------------|
| Total Net Investments | 98.3% | 138,553,459 |
| <i>(Cost \$149,429,254) (h)</i> | | |
| Other Assets in Excess of Liabilities | 1.7 | 2,342,426 |
| Net Assets | 100.0% | \$ 140,895,885 |

AMT *Alternative
Minimum Tax.*

COPs *Certificates of
Participation.*

WI *Security
purchased on a
when-issued
basis.*

(a) *Underlying
security related
to inverse
floater entered
into by the
Fund.*

(b) *Resale is
restricted to
qualified
institutional
investors.*

(c) *Joint exemption.*

(d) *Prerefunded to
call date shown.*

(e) *Current coupon
of variable rate
demand
obligation.*

(f) *The Fund
invests in*

*Morgan Stanley
Institutional
Liquidity
Tax-Exempt
Portfolio -
Institutional
Class, an
open-end
management
investment
company
managed by the
Investment
Adviser.
Investment
Advisory fees
paid by the
Fund are
reduced by an
amount equal to
the advisory and
administrative
service fees paid
by Morgan
Stanley
Institutional
Liquidity
Tax-Exempt
Portfolio
Institutional
Class with
respect to assets
invested by the
Fund in Morgan
Stanley
Institutional
Liquidity
Tax-Exempt
Portfolio
Institutional
Class.*

- (g) *Floating rate
note obligations
related to
securities held
The Fund enters
into
transactions in
which it
transfers to*

Dealer Trusts (Dealer Trusts), fixed rate bonds in exchange for cash and residual interests in the Dealer Trusts assets and cash flows, which are in the form of inverse floating rate investments. The Dealer Trusts fund the purchases of the fixed rate bonds by issuing floating rate notes to third parties and allowing the Fund to retain residual interest in the bonds. The Fund enters into shortfall agreements with the Dealer Trusts which commit the Fund to pay the Dealer Trusts, in certain circumstances, the difference between the liquidation value of the fixed rate bonds held by the Dealer Trusts and the liquidation value of the floating rate notes held by third parties, as well as any shortfalls in

interest cash flows. The residual interests held by the Fund (inverse floating rate investments) include the right of the Fund (1) to cause the holders of the floating rate notes to tender their notes at par at the next interest rate reset date, and (2) to transfer the municipal bond from the Dealer Trusts to the Fund, thereby collapsing the Dealer Trusts. The Fund accounts for the transfer of bonds to the Dealer Trusts as secured borrowings, with the securities transferred remaining in the Fund's investment assets, and the related floating rate notes reflected as Fund liabilities. The notes issued by the Dealer Trusts have interest rates that reset weekly and the floating rate

note holders have the option to tender their notes to the Dealer Trusts for redemption at par at each reset date. At August 31, 2008, Fund investments with a value of \$17,203,445 are held by the Dealer Trusts and serve as collateral for the \$13,440,000 in floating rate note obligations outstanding at that date.

- (h) *The aggregate cost for federal income tax purposes approximates the aggregate cost for book purposes.*

Bond Insurance:

*AMBAC AMBAC Assurance Corporation.
FGIC Financial Guaranty Insurance Company.*

MS Municipal Income Opportunities Trust
Notes to the Portfolio of Investments
FAS 157

The Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements (FAS 157), effective December 1, 2007. In accordance with FAS 157, fair value is defined as the price that the Fund would receive to sell an investment or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the investment or liability. FAS 157 establishes a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish classification of fair value measurements for disclosure purposes. Various inputs are used in determining the value of the Fund's investments. The inputs are summarized in the three broad levels listed below.

Level 1 quoted prices in active markets for identical investments

Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used as of August 31, 2008 in valuing the Fund's investments carried at value:

| | | Fair Value Measurements at August 31, 2008 | | |
|---------------------------|----------------|--|----------------|--------------|
| | | Using | | |
| | | Quoted | Significant | Significant |
| | | Prices In | Other | Unobservable |
| | | Active | Observable | |
| | | Market for | Inputs | Inputs |
| | | Identical | (Level 2) | (Level 3) |
| | | Assets | | |
| Total | | (Level 1) | | |
| Investments in Securities | \$ 138,553,459 | \$ 825,164 | \$ 137,728,295 | |

Valuation of Investments (1) portfolio securities are valued by an outside independent pricing service approved by the Trustees. The pricing service uses both a computerized grid matrix of tax-exempt securities and and evaluations by its staff, in each case based on information concerning market transactions and quotations from dealers which reflect the mean between the last reported bid and asked price. The portfolio securities are thus valued by reference to a combination of transactions and quotations for the same or other securities believed to be comparable in quality, coupon, maturity, type of issue, call provisions, trading characteristics and other features deemed to be relevant. The Trustees believe that timely and reliable market quotations are generally not readily available for purposes of valuing tax-exempt securities and that the valuations supplied by the pricing service are more likely to approximate the fair value of such securities; (2) futures are valued at the latest sale price on the commodities exchange on which they trade unless it is determined that such price does not reflect their market value, in which case they will be valued at their fair value as determined in good faith under procedures established by and under the supervision of the Trustees; (3) interest rate swaps are marked- to-market daily based upon quotations from market makers; (4) investments in

open-end mutual funds, including the Morgan Stanley Institutional Liquidity Funds, are valued at the net asset value as of the close of each business day; and (5) short-term debt securities having a maturity date of more than sixty days at time of purchase are valued on a mark-to-market basis until sixty days prior to maturity and thereafter at amortized cost based on their value on the 61st day. Short-term debt securities having a maturity date of sixty days or less at the time of purchase are valued at amortized cost.

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.

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/ Randy Takian

Randy Takian

Principal Executive Officer

October 21, 2008

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/ Randy Takian

Randy Takian

Principal Executive Officer

October 21, 2008

/s/ Francis Smith

Francis Smith

Principal Financial Officer

October 21, 2008