

MORGAN STANLEY MUNICIPAL INCOME OPPORTUNITIES TRUST  
Form N-Q  
April 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)

Ronald E. Robison  
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, 2008

Date of reporting period: February 29, 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  
FEBRUARY 29, 2008 (UNAUDITED)

| PRINCIPAL<br>AMOUNT IN<br>THOUSANDS<br>----- |  | COUPON<br>RATE<br>----- | MAT<br>D<br>--- |
|--|--|-------------------------|-----------------|
|  | TAX-EXEMPT MUNICIPAL BONDS (108.5%)  |                         |                 |
|  | ALABAMA (0.7%)   |                         |                 |
| \$ 1,000                                     | Colbert County Northwest Health Care Authority, Helen Keller<br>Hospital, Ser 2003       | 5.75%                   | 06/             |
|  | ARIZONA (3.2%)   |                         |                 |
| 1,225  | Pima County Arizona Industrial Development Authority, Constellation<br>Schools, Ser 2008 | 7.00                    | 01/             |
| 800  | Pima County Arizona Industrial Development Authority Water and                           |                         |                 |

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|                    |  |        |     |
|--------------------|--|--------|-----|
| 2,900              | Wastewater Global Water Resources LLC, Ser 2007 (ATM)  | 6.55   | 12/ |
|                    | Salt Verde Financial Corp., Ser 2007 @@  | 5.25   | 12/ |
| CALIFORNIA (7.9%)  |  |        |     |
| 1,955              | California County Tobacco Securitization Agency, Gold County Settlement Funding Corp, Ser 2006     | 0.00   | 06/ |
| 500                | California Housing Finance Agency, RITES PA 1417 Ser 2006 (AMT)                                    | 4.117# | 08/ |
| 500                | California Housing Finance Agency, RITES PA 1417 Ser 2006 (AMT)                                    | 4.317# | 08/ |
| 1,000              | California Statewide Community, Baptist University, Ser 2007 A                                     | 5.50   | 11/ |
| 1,000              | Daily City California Housing Development Finance  | 6.50   | 12/ |
| 4,000              | Golden State Tobacco Securitization Corporation, Enhanced Asset Backed, Ser 2007 A-1 @@            | 5.125  | 06/ |
| 800                | Quechan Indian Tribe FT Yuma Indian Reservation, Ser 2008  | 7.00   | 12/ |
| 2,000              | Sacramento Financing Authority, Convention Center Hotel, Ser 1999 A                                | 6.25   | 01/ |
| 1,000              | San Diego County, San Diego Natural History Museum COPS  | 5.70   | 02/ |
| 1,000              | San Marcos Community Facilities District # 2002-01, University Commons, Ser 2004                   | 5.95   | 09/ |
| 1,000              | Santa Ana, Unified School District Community Facilities, District # 2004-1, Central Park, Ser 2005 | 5.10   | 09/ |
| 13,000             | Silicon Valley Tobacco Securitization Authority, Santa Clara Tobacco Securitization Corp, Ser 2007 | 0.00   | 06/ |
| COLORADO (4.0%)    |  |        |     |
| 1,000              | Colorado Health Facilities Authority, Christian Living Communities, Ser 2006                       | 5.75   | 01/ |
| 25                 | Colorado Housing & Finance Authority, Ser 1996 Ser B-1 (AMT)                                       | 7.65   | 11/ |
| 340                | Colorado Housing & Finance Authority, Ser 1998 Ser D-2 (AMT)                                       | 6.35   | 11/ |
| 1,000              | Copperleaf Metropolitan District # 2, Ser 2006   | 5.95   | 12/ |
| 2,000              | Elk Valley Public Improvement Corporation, Ser 2001 A  | 7.35   | 09/ |
| 2,000              | Northwest Metropolitan District #3, Ser 2005   | 6.25   | 12/ |
| CONNECTICUT (1.7%) |  |        |     |
| 2,000              | Georgetown Special Taxing District, Ser 2006 A *   | 5.125  | 10/ |
| 1,000              | Mashantucket (Western) Pequot Tribe, Special Ser 1997 B *  | 5.75   | 09/ |
| FLORIDA (16.8%)    |  |        |     |
| 500                | Alachua County Florida Industrial Development Revenue, North Florida, Retirement Village, Ser 2007 | 5.25   | 11/ |
| 800                | Alachua County Florida Industrial Development Revenue, North Florida, Retirement Village, Ser 2007 | 5.875  | 11/ |
| 2,000              | Beacon Lakes, Community Development District, Ser 2003 A   | 6.90   | 05/ |
| 960                | Bellalago Educational Facilities Benefits District, Bellalago Charter School, Ser 2004 B           | 5.80   | 05/ |
| 650                | Brevard County Health Facilities Authority, Buena Vida Estate, Inc. Ser 2007                       | 6.75   | 01/ |
| 3,550              | Escambia County, Pensacola Care Development Centers, Ser 1989                                      | 10.25  | 07/ |
| 820                | Escambia County, Pensacola Care Development Centers, Ser 1989 A                                    | 10.25  | 07/ |
| 1,000              | Fiddlers Creek Community Development District # 1, Ser 2005  | 6.00   | 05/ |
| 500                | Fountainbleau Lakes Florida Community Development District, Ser 2007 B *                           | 6.00   | 05/ |
| 750                | Grand Bay at Doral Community Development District, Florida, Ser 2007 A                             | 6.00   | 05/ |
| 1,000              | Lee County Florida Industrial Development Authority, Ser 2007 A                                    | 5.375  | 06/ |

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|                 |   |       |     |
|-----------------|---|-------|-----|
| 1,415           | Mid-Bay Bridge Authority, Sr Lien Crossover Refg,<br>Ser 1993 A (AMBAC Insd)                    | 5.85  | 10/ |
| 1,000           | Midtown Miami Community Development District, Parking Garage,<br>Ser 2004 A                     | 6.25  | 05/ |
| 500             | Orange County Health Facilities Authority, Orlando Lutheran<br>Towers Inc, Ser 2005             | 5.70  | 07/ |
| 2,000           | Orange County Health Facilities Authority, Orlando Lutheran<br>Towers Inc, Ser 2007             | 5.50  | 07/ |
| 1,000           | Orange County Health Facilities Authority, Westminster<br>Community Care Services Inc, Ser 1999 | 6.75  | 04/ |
| 1,000           | Pinellas County Health Facilities Authority, Oaks of Clearwater,<br>Ser 2004                    | 6.25  | 06/ |
| 980             | Renaissance Commons Community Development District, Ser 2005 A                                  | 5.60  | 05/ |
| 2,860           | South Miami Health Facilities Authority, Baptist Health South<br>Florida Obligated Group @@     | 5.00  | 08/ |
| 500             | Split Pine Community Development District, Ser 2007 A   | 5.25  | 05/ |
| 1,000           | St Johns County Industrial Development Authority, Glenmoor<br>Ser 1999 A                        | 8.00  | 01/ |
| 600             | Tolomato Community Development District, Special Assessment,<br>Ser 2007                        | 6.55  | 05/ |
|                 |   |       |     |
| GEORGIA (1.2%)  |   |       |     |
| 2,000           | Atlanta, Georgia, Eastside, Ser 2005 B  | 5.60  | 01/ |
|                 |   |       |     |
| HAWAII (2.2%)   |   |       |     |
| 1,000           | Hawaii Department of Budget & Finance, Kahala Nui, Ser 2003 A                                   | 8.00  | 11/ |
| 2,000           | Hawaii Department of Budget & Finance, Kuakini Health, Ser 2002 A                               | 6.375 | 07/ |
|                 |   |       |     |
| IDAHO (0.7%)    |   |       |     |
| 1,000           | Idaho Health Facilities Authority Revenue, Valley Vista Care<br>Corp Refg,, Ser 2007            | 6.125 | 11/ |
|                 |   |       |     |
| ILLINOIS (6.2%) |   |       |     |
| 1,000           | Bolingbrook, Sales Tax, Ser 2005  | 6.25  | 01/ |
| 2,000           | Chicago, Lake Shore East, Ser 2002  | 6.75  | 12/ |
| 500             | Hampshire, Special Service Area #18, Ser 2007 A   | 6.00  | 03/ |
| 1,000           | Illinois Finance Authority, Landing at Plymouth, Ser 2005 A                                     | 6.00  | 05/ |
| 1,000           | Illinois Finance Authority, Luther Oaks, Ser 2006 A   | 6.00  | 08/ |
| 1,650           | Illinois Finance Authority, Montgomery Place, Ser 2006 A  | 5.75  | 05/ |
| 725             | Lincolnshire, Service Area #1-Sedgebrook, Ser 2004  | 6.25  | 03/ |
| 1,000           | Yorkville, Cannonball/Beecher Road, Ser 2007  | 5.75  | 03/ |
| 650             | Will-Kankakee Regional Development Authority, Senior Estates<br>Support Living, Ser 2007 (ATM)  | 7.00  | 12/ |
|                 |   |       |     |
| IOWA (1.9%)     |   |       |     |
| 1,000           | Iowa Finance Authority, Bethany Life Communities Refg, Ser 2006 A                               | 5.55  | 11/ |
| 750             | Iowa Financial Authority Health Care Facilities, Madrid Homes,<br>Ser 2007                      | 5.90  | 11/ |
| 785             | Jefferson County Iowa Hospital Revenue, Jefferson County Hospital<br>Project Ser C              | 5.95  | 08/ |
| 525             | Washington County Hospital, Iowa, Ser 2006  | 5.375 | 07/ |

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|                      |   |           |
|----------------------|---|-----------|
| LOUISIANA (0.5%)     |   |           |
| 800                  | Lakeshore Vilages Master Community Development District,<br>Special Assessment, Ser 2007                      | 5.250 07/ |
| MARYLAND (1.8%)      |   |           |
| 750                  | Maryland Health & Higher Educational Facilities Authority,<br>King Farm Presbyterian Community, Ser 2007 A    | 5.30 01/  |
| 800                  | Maryland Health & Higher Educational Facilities Authority,<br>Washington Christian Academy, Ser 2006          | 5.50 07/  |
| 500                  | Maryland Industrial Development Financing Authority, Our Lady of<br>Good Counsel High School, Ser 2005 A      | 6.00 05/  |
| 1,000                | Maryland State Economic Development Corporation, Chesapeake<br>Bay Conference Center, Ser 2006 A              | 5.00 12/  |
| MASSACHUSETTS (2.8%) |   |           |
| 1,500                | Massachusetts Development Finance Agency, Loomis Communities,<br>Ser 1999 A                                   | 5.75 07/  |
| 1,625                | Massachusetts Development Finance Agency, New England Center for<br>Children, Ser 1998                        | 5.875 11/ |
| 1,000                | Massachusetts Health & Educational Facilities Authority, The<br>Learning Center for Deaf Children, Ser 1999 C | 6.125 07/ |
| MICHIGAN (1.7%)      |   |           |
| 600                  | Gaylord Hospital Financing Authority, Otsego Memorial Hospital,<br>Ser 2004                                   | 6.50 01/  |
| 2,000                | Michigan Tobacco Settlement Financial Authority, Asset Backed<br>Ser 2007                                     | 6.00 06/  |
| MINNESOTA (0.5%)     |   |           |
| 750                  | North Oaks Minnesota, Presbyterian Homes, Ser 2007  | 6.125 10/ |
| MISSOURI (6.7%)      |   |           |
| 750                  | Branson Hills Community Improvement District, Ser 2007 A  | 5.50 04/  |
| 500                  | Branson, Missouri Regional Airport Transportation Development<br>District, Ser 2007 B (ATM)                   | 6.00 07/  |
| 2,000                | Des Peres, West County Center, Ser 2002   | 5.75 04/  |
| 3,850                | Fenton, Gravois Bluffs Redevelopment, Ser 2001 A  | 7.00 10/  |
| 1,500                | Kansas City Industrial Development Agency, Bishop Spencer,<br>Ser 2004 A                                      | 6.50 01/  |
| 750                  | St Louis County Industrial Development Authority, Pediatric<br>Rehabilitation Center, Ser 2007 A              | 6.375 12/ |
| NEVADA (0.9%)        |   |           |
| 1,050                | Mesquite Nevada Special Impt Dist No 07-01 Loc Impt-Anthem At<br>Mesquite                                     | 6.00 08/  |

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|                       |  |       |     |
|-----------------------|--|-------|-----|
| 1,000                 | Nevada Department of Business & Industry, Las Vegas Monorail 2nd Tier Ser 2000                       | 7.375 | 01/ |
| NEW HAMPSHIRE (3.8%)  |  |       |     |
| 10,735                | New Hampshire Housing Finance Authority, Residential Ser 1983 B                                      | 0.00  | 01/ |
| NEW JERSEY (5.6%)     |  |       |     |
| 1,000                 | New Jersey Economic Development Authority, Cedar Crest Village Inc, Ser 2001 A                       | 7.25  | 11/ |
| 1,000                 | New Jersey Economic Development Authority, Franciscan Oaks, Ser 1997                                 | 5.70  | 10/ |
| 730                   | New Jersey Economic Development Authority, Lions Gate, Ser 2005 A                                    | 5.875 | 01/ |
| 700                   | New Jersey Economic Development Authority, Seashore Gardens Living Center, Ser 2006                  | 5.375 | 11/ |
| 1,000                 | New Jersey Economic Development Authority, The Presbyterian Home at Montgomery, Ser 2001 A           | 6.375 | 11/ |
| 2,000                 | New Jersey Economic Development Authority, United Methodist Homes of New Jersey, Ser 1998            | 5.125 | 07/ |
| 2,000                 | New Jersey Health Care Facilities Financing Authority, Raritan Bay Medical Center, Ser 1994          | 7.25  | 07/ |
| NEW YORK (7.6%)       |  |       |     |
| 3,000                 | Brookhaven Industrial Development Agency, Woodcrest Estates, Ser 1998 A (AMT)                        | 6.375 | 12/ |
| 415                   | Mount Vernon Industrial Development Agency, Meadowview at the Wartburg, Ser 1999                     | 6.00  | 06/ |
| 2,000                 | New York City Industrial Development Agency, 7 World Trade Center LLC, Ser 2005 A                    | 6.50  | 03/ |
| 2,000                 | New York City Industrial Development Agency, American Airlines Inc, Ser 2005 (AMT)                   | 7.75  | 08/ |
| 1,000                 | New York Liberty Development Corporation, National Sports Museum, Ser 2006 A                         | 6.125 | 02/ |
| 1,500                 | Suffolk County Industrial Development Agency, Medford Hamlet, Ser 2006                               | 6.375 | 01/ |
| 1,000                 | Westchester County Industrial Development Agency, Guiding Eyes for The Blind Inc, Ser 2004           | 5.375 | 08/ |
| NORTH CAROLINA (1.0%) |  |       |     |
| 1,000                 | North Carolina Medical Care Commission, Presbyterian Homes, Ser 2006                                 | 5.50  | 10/ |
| 500                   | North Carolina Medical Care Commission Healthcare Facilities, Southminster, Ser 2007 A               | 5.75  | 10/ |
| NORTH DAKOTA (1.2%)   |  |       |     |
| 1,500                 | Grand Forks, North Dakota, 4000 Valley Square, Ser 2006  | 5.30  | 12/ |
| 500                   | Ward County Health Care Facilities Trinity Obligated Group, Ser 2006                                 | 5.125 | 07/ |
| OHIO (3.2%)           |  |       |     |
| 3,300                 | Buckeye Tobacco Settlement Financing Authority, Asset Backed Ser 2007 A2 @@                          | 5.875 | 06/ |
| 850                   | Cuyahoga County Health Care and Independent Living Facilities Eliza Jennings Senior Care, Ser 2007 A | 5.75  | 05/ |
| 650                   | Tuscarawas County Hospital Facilities, Twin City Hospital Ser 2007                                   | 6.35  | 11/ |
| 125                   | Zanesville-Muskingum County Port Authority, Anchor Glass   |       |     |

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|       |   |       |     |
|-------|---|-------|-----|
|       | Container Corp, Ser 1989 B (AMT)  | 10.25 | 12/ |
|       | OKLAHOMA (0.4%)   |       |     |
| 650   | Chickasaw Nation Health Systems, Ser 2007   | 6.25  | 12/ |
|       | PENNSYLVANIA (10.0%)  |       |     |
| 2,900 | Allegheny County Hospital Development Authority, West Penn Allegheny Health, Ser 2007 A @@      | 5.375 | 11/ |
| 1,500 | Bucks County Industrial Development Authority, Ann's Choice, Ser 2005 A                         | 6.125 | 01/ |
| 2,120 | Carbon County Industrial Development Authority, Panther Creek Partners Refg, Ser 2000 (AMT)     | 6.65  | 05/ |
| 1,000 | Chester County Health & Education Facilities Authority, Jenner's Pond Inc, Ser 2002             | 7.625 | 07/ |
| 500   | Fulton County Industrial Development Authority, Fulton County Medical Center, Ser 2006          | 5.875 | 07/ |
| 1,000 | Harrisburg Authority, Pennsylvania, Harrisburg University of Science & Technology, Ser 2007 B   | 6.00  | 09/ |
| 1,000 | Montgomery County Industry Development Authority, Whitemarsh Community, Ser 2005                | 6.25  | 02/ |
| 1,000 | Pennsylvania Economic Development Financing Authority, Reliant Energy Inc, Ser 2001 A (AMT)     | 6.75  | 12/ |
| 2,860 | Pennsylvania Housing Finance Agency, Ser 2007-100A (ATM) @@                                     | 5.375 | 10/ |
| 1,000 | Washington County, Victory Centre/Tanger Outlet, Redevelopment Authority, Ser 2006 A            | 5.45  | 07/ |
|       | SOUTH CAROLINA (1.4%)   |       |     |
| 1,000 | Myrtle Beach, Air Force Base Redevelopment, Ser 2006 A  | 5.30  | 11/ |
| 750   | South Carolina Jobs-Economic Development Authority, Wesley Commons, Ser 2006                    | 5.30  | 10/ |
| 625   | South Carolina Jobs Economic Development Woodlands At Furman Project - Ser A                    | 6.00  | 11/ |
|       | TENNESSEE (1.5%)  |       |     |
| 650   | Chattanooga Health Educational & Housing Facilities Board, Student Housing Refg, Ser 2005 A     | 5.00  | 10/ |
| 500   | Shelby County Health, Educational & Housing Facilities Board, Trezevant Manor, Ser 2006 A       | 5.75  | 09/ |
| 750   | Shelby County Health, Educational & Housing Facilities Board, Village at Germantown, Ser 2003 A | 7.25  | 12/ |
| 500   | Shelby County Health, Educational & Housing Facilities Board, Village at Germantown, Ser 2006   | 6.25  | 12/ |
|       | TEXAS (7.9%)  |       |     |
| 2,000 | Austin Convention Enterprises Inc, Convention Center Hotel, Ser 2000 A                          | 6.70  | 01/ |
| 2,000 | Austin Convention Enterprises Inc, Convention Center Hotel, Ser 2006 B                          | 5.75  | 01/ |

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|   |  |         |     |
|---|--|---------|-----|
| 1,000   | Brazos River Authority, Texas Utilities Electric Co Refg,<br>Ser 1999 A (AMT)                      | 7.70    | 04/ |
| 1,000   | Decatur Hospital Authority, Wise Regional Health, Ser 2004 A                                       | 7.125   | 09/ |
| 1,250   | HFDC Central Texas Inc, Legacy at Willow Bend, Ser 2006 A  | 5.75    | 11/ |
| 1,000   | Lubbock, Health Facilities Development Corporation, Texas, Carillon<br>Senior Lifecare, Ser 2005 A | 6.50    | 07/ |
| 3,375   | Texas Department of Housing and Community Affairs,<br>Ser 2007 B (ATM) @@                          | 5.15    | 09/ |
| VERMONT (0.8%)  |  |         |     |
| 1,000   | Vermont Economic Development Authority, Wake Robin Corp, Ser 1999 A                                | 6.75    | 03/ |
| VIRGINIA (2.2%)   |  |         |     |
| 2,000   | Peninsula Ports Authority of Virginia, Virginia Baptist Homes<br>Ser 2006 C                        | 5.40    | 12/ |
| 700   | Peninsula Town Center Community Development Authority, Ser 2007                                    | 6.45    | 09/ |
| 1,000   | Virginia Beach Development Authority, Westminster-Canterbury Refg,<br>Ser 2005 A                   | 5.25    | 11/ |
| WASHINGTON (0.6%)   |  |         |     |
| 1,000   | Washington Housing Finance Commission, Skyline at First Hill<br>Ser 2007 A                         | 5.625   | 01/ |
| TOTAL TAX-EXEMPT MUNICIPAL BONDS<br>(Cost \$162,106,371)                |  |         |     |
| SHORT-TERM INVESTMENTS (1.3%)   |  |         |     |
| SHORT-TERM TAX-EXEMPT MUNICIPAL OBLIGATIONS (1.2%)                      |  |         |     |
| ALABAMA (0.9%)  |  |         |     |
| 1,200   | Health Care Authority for Baptist Health, Ser 2006 B   | 11.00++ | 11/ |
| CALIFORNIA (0.2%)   |  |         |     |
| 250   | California Statewide Communities Development Authority,<br>Ser 2004 D (FSA Insd)                   | 10.00++ | 04/ |
| GEORGIA (0.2%)  |  |         |     |
| 250   | Gwinnett County Hospital Authority, Gwinnett Hospital Systems, Inc.<br>Ser 2007 E (FSA Insd)       | 7.84++  | 07/ |
| TOTAL SHORT-TERM TAX-EXEMPT MUNICIPAL OBLIGATIONS<br>(Cost \$1,700,000) |  |         |     |

NUMBER OF  
SHARES  
(000)

-----

INVESTMENT COMPANY (A) (0.1%)

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193 Morgan Stanley Institutional Liquidity Tax-Exempt Portfolio -  
Institutional Class  
(Cost \$192,875)

TOTAL SHORT-TERM INVESTMENTS  
(Cost \$1,892,875)

PRINCIPAL  
AMOUNT IN  
THOUSANDS  
-----

\$ (16,035) FLOATING RATE NOTES RELATED TO SECURITIES HELD (- 11.4%)  
Notes with interest rates ranging from 3.20% to 3.75% at  
February 29, 2008 and contractual maturities of collateral  
ranging from 10/01/22 to 06/01/47 +++ (b)  
(Cost (\$16,035,000))

TOTAL NET INVESTMENTS  
(Cost \$156,166,522) (c)  
OTHER ASSETS IN EXCESS OF LIABILITIES

NET ASSETS

COPs Certificate of Participation.

AMT Alternative Minimum Tax.

RITES Residual Interest Tax-Exempt Security.

+ Prerefunded to call date shown.

++ Auction Rate Security.

+++ Floating rate note obligations related to securities held. The interest  
rates shown reflect the rates in effect at February 29, 2008.

@@ Underlying security related to inverse floater entered into by the Fund

# Current coupon rate for inverse floating rate municipal obligation. This  
rate resets periodically as the auction rate on the related security  
changes. Positions in inverse floating rate municipal obligations have a  
total value of \$433,490 which represents 0.3% of net assets.

\* Resale is restricted to qualified institutional investors.

(a) 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.

(b) 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 February 29, 2008, Fund investments with a value of \$19,836,327 are held by the Dealer Trusts and serve as collateral for the \$16,035,000 in floating rate note obligations outstanding at that date. Contractual maturities of the floating rate note obligations and interest rates in effect at February 29, 2008 are presented in the "Portfolio of Investments".

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

Bond Insurance:

AMBAC     AMBAC Assurance Corporation.

FSA        Financial Security Assurance Inc.

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/ Ronald E. Robison  
Ronald E. Robison  
Principal Executive Officer  
April 17, 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/ Ronald E. Robison  
Ronald E. Robison  
Principal Executive Officer  
April 17, 2008

/s/ Francis Smith  
Francis Smith  
Principal Financial Officer  
April 17, 2008