

MORGAN STANLEY MUNICIPAL INCOME OPPORTUNITIES TRUST
Form N-CSRS
February 08, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES

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: November 30, 2007

Item 1 - Report to Shareholders

Welcome, Shareholder:

In this report, you'll learn about how your investment in Morgan Stanley Municipal Income Opportunities Trust performed during the semiannual period. We will provide an overview of the market conditions, and discuss some of the factors that affected performance during the reporting period. In addition, this report includes the Fund's financial statements and a list of Fund investments.

MARKET FORECASTS PROVIDED IN THIS REPORT MAY NOT NECESSARILY COME TO PASS. THERE IS NO ASSURANCE THAT THE FUND WILL ACHIEVE ITS INVESTMENT OBJECTIVE. THE FUND IS SUBJECT TO MARKET RISK, WHICH IS THE POSSIBILITY THAT MARKET VALUES OF SECURITIES OWNED BY THE FUND WILL DECLINE AND, THEREFORE, THE VALUE OF THE FUND'S SHARES MAY BE LESS THAN WHAT YOU PAID FOR THEM. ACCORDINGLY, YOU CAN LOSE MONEY INVESTING IN THIS FUND.

INCOME EARNED BY CERTAIN SECURITIES IN THE PORTFOLIO MAY BE SUBJECT TO THE FEDERAL ALTERNATIVE MINIMUM TAX (AMT).

FUND REPORT

For the six months ended November 30, 2007

MARKET CONDITIONS

Contagion from the troubled subprime mortgage sector led to an illiquid and volatile market that persisted throughout the reporting period, causing investors to become increasingly risk averse. As a result, demand for high-yielding, lower-rated bonds waned, prices declined, and credit spreads widened. This was a complete reversal from earlier in 2007 when demand for higher-yielding securities was strong and spreads were unusually tight. The challenging environment fueled a flight to quality that led Treasury bonds to outperform all other sectors of the fixed income market.

In an effort to help ease the liquidity and credit crunch, the Federal Open Market Committee (the "Fed") elected to cut the target federal funds rate by 50 basis points in September and another 25 basis points in October, bringing the rate to 4.50 percent. Although this intervention helped stabilize the market somewhat and enhance liquidity, market conditions overall remained difficult and municipal bonds continued to underperform Treasuries. As a result, the 30-year municipal-to-Treasury ratio, which measures the relative attractiveness of these two sectors, rose from 85 percent at the start of the reporting period to 98 percent at the end of the period, indicating that municipals underperformed Treasuries while at the same time becoming cheaper (more attractive) on a relative basis.

In general, municipal bond yields ended the period higher, but most of the yield increases occurred in the intermediate-to-long maturity portion of the high yield sector. Representative yields on 30-year AAA rated municipal bonds rose from 4.25 percent on May 31, 2007 to 4.32 percent by the end of November. Short-term municipal bond yields, however, ended the period lower with yields on one-year bonds falling from 3.63 percent to 3.20 percent. Accordingly, the spread between long-term and short-term yields, which began the period at 62 basis points, widened to 112 basis points by the end of the period, causing the slope of the municipal yield curve to steepen.

PERFORMANCE ANALYSIS

For the six-month period ended November 30, 2007, the net asset value (NAV) of Morgan Stanley Municipal Income Opportunities Trust (OIA) decreased from \$8.28 to \$7.76 per share. Based on this change plus reinvestment of tax-free dividends totaling \$0.2575 per share, the Fund's total NAV return was -3.43 percent. OIA's value on the New York Stock Exchange (NYSE) moved from \$9.68 to \$7.66 per share during the same period. Based on this change plus reinvestment of dividends, the Fund's total market return was -18.46 percent. OIA's NYSE market price was at a 1.29 percent discount to its NAV. During the fiscal period, the Fund purchased and retired 6,400 shares of common stock at a weighted average market discount of 4.34 percent. Past performance is no guarantee of future results.

Monthly dividends for the fourth quarter of 2007, declared in September, decreased from \$0.045 to \$0.03875 per share. The dividend reflects the current level of the Fund's net investment income. OIA's level of undistributed net investment income was \$0.05 per share on November 30, 2007 versus \$0.08 per share six months earlier.(1)

The Fund invests primarily in higher yielding municipal bonds. Given the relative outperformance of the

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investment-grade segment of the market during the period, the Fund's high-yield allocation detracted from performance. We slightly increased the Fund's exposure to these below-investment-grade and non-rated bonds during the period as

widening spreads created a unique opportunity to invest at very attractive values, a strategy which we believe may ultimately prove beneficial to the Fund's performance over time. The Fund's exposure to the single family housing and tobacco sectors also detracted from overall performance. These were among the hardest hit sectors of the market during the period and the considerable spread widening that occurred in each dampened performance. We did, however, modestly reduce the Fund's holdings in single family housing bonds during the period. Conversely, the Fund's pre-refunded* holdings, representing approximately 8 percent of net assets as of the end of the period, contributed positively to performance. These shorter maturity securities did not experience the sell off that longer maturity bonds did as the yield curve steepened.

Overall, the Fund's investments remained well-diversified across a broad range of municipal market sectors. As of the end of the period, life care, industrial development revenue/pollution control revenue (IDR/PCR), and hospital bonds represented the Fund's largest sector weightings.

OIA's procedure for reinvesting all dividends and distributions in common shares is through purchases in the open market. This method helps support the market value of the Fund's shares. In addition, we would like to remind you that the Trustees have approved a procedure whereby the Fund may, when appropriate, purchase shares in the open market or in privately negotiated transactions at a price not above market value or net asset value, whichever is lower at the time of purchase.

PERFORMANCE DATA QUOTED REPRESENTS PAST PERFORMANCE, WHICH IS NO GUARANTEE OF FUTURE RESULTS, AND CURRENT PERFORMANCE MAY BE LOWER OR HIGHER THAN THE FIGURES SHOWN. INVESTMENT RETURN, NET ASSET VALUE AND COMMON SHARE MARKET PRICE WILL FLUCTUATE AND FUND SHARES, WHEN SOLD, MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST.

There is no guarantee that any sectors mentioned will continue to perform as discussed herein or that securities in such sectors will be held by the Fund in the future.

(1) Income earned by certain securities in the portfolio may be subject to the federal alternative minimum tax (AMT).

* Pre-refunding, or advance refunding, is a financing structure under which new bonds are issued to repay an outstanding bond issue on its first call date.

TOP FIVE SECTORS

Life Care	24.3%
IDR/PCR*	14.3
Hospital	10.0
Refunded	7.8
Housing	7.3

LONG-TERM CREDIT ANALYSIS

Aaa/AAA	2.5%
Aa/AA	5.3
Baa/BBB	16.1
Ba/BB or Less	10.1
NR	66.0

* Industrial Development/Pollution Control Revenue

Data as of November 30, 2007. Subject to change daily. All percentages for top five sectors are as a percentage of total investments and all percentages for long-term credit analysis are as a percentage of total long-term investments. These data are provided for informational purposes only and should not be deemed a recommendation to buy or sell the securities mentioned. Morgan Stanley is a full-service securities firm engaged in securities trading and brokerage activities, investment banking, research and analysis, financing and financial advisory services.

FOR MORE INFORMATION ABOUT PORTFOLIO HOLDINGS

EACH MORGAN STANLEY FUND PROVIDES A COMPLETE SCHEDULE OF PORTFOLIO HOLDINGS IN ITS SEMIANNUAL AND ANNUAL REPORTS WITHIN 60 DAYS OF THE END OF THE FUND'S SECOND AND FOURTH FISCAL QUARTERS. THE SEMIANNUAL REPORTS AND THE ANNUAL REPORTS ARE FILED ELECTRONICALLY WITH THE SECURITIES AND EXCHANGE COMMISSION (SEC) ON FORM N-CSRS AND FORM N-CSR, RESPECTIVELY. MORGAN STANLEY ALSO DELIVERS THE SEMIANNUAL AND ANNUAL REPORTS TO FUND SHAREHOLDERS AND MAKES THESE REPORTS AVAILABLE ON ITS PUBLIC WEB SITE, WWW.MORGANSTANLEY.COM. EACH MORGAN STANLEY FUND ALSO FILES A COMPLETE SCHEDULE OF PORTFOLIO HOLDINGS WITH THE SEC FOR THE FUND'S FIRST AND THIRD FISCAL QUARTERS ON FORM N-Q. MORGAN STANLEY DOES NOT DELIVER THE REPORTS FOR THE FIRST AND THIRD FISCAL QUARTERS TO SHAREHOLDERS, NOR ARE THE REPORTS POSTED TO THE MORGAN STANLEY PUBLIC WEB SITE. YOU MAY, HOWEVER, OBTAIN THE FORM N-Q FILINGS (AS WELL AS THE FORM N-CSR AND N-CSRS FILINGS) BY ACCESSING THE SEC'S WEB SITE, [HTTP://WWW.SEC.GOV](http://www.sec.gov). YOU MAY ALSO REVIEW AND COPY THEM AT THE SEC'S PUBLIC REFERENCE ROOM IN WASHINGTON, DC. INFORMATION ON THE OPERATION OF THE SEC'S PUBLIC REFERENCE ROOM MAY BE OBTAINED BY CALLING THE SEC AT (800) SEC-0330. YOU CAN ALSO REQUEST COPIES OF THESE MATERIALS, UPON PAYMENT OF A DUPLICATING FEE, BY ELECTRONIC REQUEST AT THE SEC'S E-MAIL ADDRESS (PUBLICINFO@SEC.GOV) OR BY WRITING THE PUBLIC REFERENCE SECTION OF THE SEC, WASHINGTON, DC 20549-0102.

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DISTRIBUTION BY MATURITY

(% of Long-Term Portfolio) As of November 30, 2007

WEIGHTED AVERAGE MATURITY: 21 YEARS(A)

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0-5	13
6-10	6
11-15	3
16-20	14
21-25	17
26-30	35
31+	12

(a) Where applicable maturities reflect mandatory tenders, puts and call dates.

Portfolio structure is subject to change.

Summary of Investments by State Classification as of November 30, 2007

Florida.....	14.0%	Tennessee.....	2.3%	North Carolina.....	1.0%
Pennsylvania.....	8.6	Virginia.....	2.3	Indiana.....	0.7
California.....	7.6	Maryland.....	2.2	Alabama.....	0.7
New York.....	7.4	Hawaii.....	2.1	Idaho.....	0.7
Missouri.....	6.5	Iowa.....	1.9	Washington.....	0.6
Illinois.....	5.8	Connecticut....	1.8	Alaska.....	0.5
Texas.....	5.5	Michigan.....	1.7	District of Columbia.....	0.2

New Jersey.....	5.5	Minnesota.....	1.5	Total Long Term Investments*.....	104.5
New Hampshire.....	5.0	South Carolina.....	1.4	Short-Term Investment.....	0.2
Colorado.....	4.0	Nevada.....	1.3	Liability for Floating Rate Note	
Ohio.....	3.1	Georgia.....	1.2	Obligations.....	(6.6)
Massachusetts.....	2.7	North Dakota...	1.2	Other Assets in Excess of	1.9
				Liabilities.....	-----
Arizona.....	2.5	Vermont.....	1.0	Net Assets.....	100.0%
					=====

 * Does not include open short futures contracts with underlying face amount of \$3,046,875 with unrealized appreciation of \$13,741.

CALL AND COST (BOOK) YIELD STRUCTURE

(Based on Long-Term Portfolio) As of November 30, 2007

YEARS BONDS CALLABLE -- WEIGHTED AVERAGE CALL PROTECTION: 6 YEARS

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2007 (a)	0
2008	14
2009	7
2010	3
2011	8
2012	6
2013	7
2014	5
2015	14
2016	15
2017+	21

COST (BOOK) YIELD (C) -- WEIGHTED AVERAGE BOOK YIELD: 6.6%

2007 (a)	10.3
2008	7.2
2009	6.3
2010	7.0
2011	7.1
2012	6.6
2013	6.7
2014	6.2
2015	7.0
2016	6.0
2017+	6.1

(a) May include issues initially callable in previous years.

(b) Less than 1%.

(c) Cost or "book" yield is the annual income earned on a portfolio investment based on its original purchase price before the Fund's operating expenses. For example, the Fund is earning a book yield of 10.3% on 0% of the long-term portfolio that is callable in 2007.

Portfolio structure is subject to change.

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Morgan Stanley Municipal Income Opportunities Trust
 PORTFOLIO OF INVESTMENTS - NOVEMBER 30, 2007 (UNAUDITED)

PRINCIPAL
 AMOUNT IN

COUPON MATURITY

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THOUSANDS		RATE	DATE	VALUE
	Tax-Exempt Municipal Bonds (104.5%)			
	Alabama (0.7%)			
\$ 1,000	Colbert County - Northwest Health Care Authority, Helen Keller Hospital Ser 2003.....	5.75 %	06/01/27	\$ 1,019,250
	Alaska (0.5%)			
1,000	Northern Tobacco Securitization Corporation, Asset Backed Ser 2006 A....	5.00	06/01/46	829,270
	Arizona (2.5%)			
800	Pima County Arizona Industrial Development Authority, Water & Wastewater Ser 2007 (AMT).....	6.55	12/01/37	793,560
2,900	Salt Verde Financial Corp Ser 2007 @@.....	5.25	12/01/24	2,967,324
				3,760,884
	California (7.6%)			
1,955	California County Tobacco Securitization Agency, Gold County Settlement Funding Corp Ser 2006.....	0.00	06/01/33	346,152
500	California Housing Finance Agency, RITES PA 1417 Ser 2006 (AMT).....	6.417##	08/01/31	394,590
500	California Housing Finance Agency, RITES PA 1417 Ser 2006 (AMT).....	6.567##	08/01/36	367,940
2,000	California Statewide Community - Baptist University - Ser 2007 A.....	5.50	11/01/38	1,943,480
4,000	Golden State Tobacco Securitization Corporation, Asset Backed Refg Ser 2007 A-1@@.....	5.125	06/01/47	3,385,780
2,000	Sacramento Financing Authority, Convention Center Hotel 1999 Ser A.....	6.25	01/01/30	1,999,620
1,000	Santa Ana Unified School District Community Facilities, District # 2004-1, Central Park Ser 2005.....	5.10	09/01/35	905,820
1,000	San Diego County, San Diego Natural History Museum COPS.....	5.70	02/01/28	963,840
1,000	San Marcos Community Facilities District # 2002-01, University Commons Ser 2004....	5.95	09/01/35	1,007,490
13,000	Silicon Valley Tobacco Securitization Authority, Santa Clara Tobacco Securitization Corp Ser 2007 C.....	0.00	06/01/56	349,700
				11,664,412
	Colorado (4.0%)			
25	Colorado Housing & Finance Authority, 1996 Ser B-1 (AMT).....	7.65	11/01/26	25,432
340	Colorado Housing & Finance Authority, Ser 1998 D-2 (AMT).....	6.35	11/01/29	356,068
1,000	Colorado Health Facilities Authority, Christian Living Communities Ser 2006 A.....	5.75	01/01/37	962,420
1,000	Copperleaf Metropolitan District # 2 Ser 2006.....	5.95	12/01/36	862,150

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See Notes to Financial Statements

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Morgan Stanley Municipal Income Opportunities Trust
 PORTFOLIO OF INVESTMENTS - NOVEMBER 30, 2007 (UNAUDITED) continued

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
\$ 2,000	Elk Valley Public Improvement Corporation Ser 2001 A.....	7.35 %	09/01/31	\$ 2,072,660
2,000	Northwest Metropolitan District #3 Ser 2005.....	6.25	12/01/35	1,800,060
				----- 6,078,790
	Connecticut (1.8%)			
2,000	Georgetown Special Taxing District Ser 2006 A (a).....	5.125	10/01/36	1,728,220
1,000	Mashantucket (Western) Pequot Tribe, Special 1997 Ser B (a).....	5.75	09/01/27	1,000,310
				----- 2,728,530
	District of Columbia (0.2%)			
260	Metropolitan Washington Airports Authority, District of Columbia & Virginia, CaterAir International Corp Ser 1991 (AMT)++.....	10.125	09/01/11	260,291

	Florida (14.0%)			
500	Alachua County Florida Industrial Development, North Florida Retirement Village Ser 2007.....	5.25	11/15/17	481,595
800	Alachua County Florida Industrial Development, North Florida Retirement Village Ser 2007.....	5.875	11/15/36	784,160
2,000	Beacon Lakes, Community Development District Ser 2003 A.....	6.90	05/01/35	2,011,660
960	Bellalago Educational Facilities Benefits District, Bellalago Charter School Ser 2004 B.....	5.80	05/01/34	961,219
3,550	Escambia County, Pensacola Care Development Centers Ser 1989.....	10.25	07/01/11	3,559,798
820	Escambia County, Pensacola Care Development Centers Ser 1989 A.....	10.25	07/01/11	822,263
1,000	Fiddler's Creek Community Development District #1 Ser 2005.....	6.00	05/01/38	908,930
500	Fountainbleau Lakes Florida Community Development District Ser 2007 B (a).....	6.00	05/01/15	477,660
750	Grand Bay at Doral Community Development			

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1,000	District Ser 2007 A.....	6.00	05/01/39	672,952
1,000	Lee County Florida Industrial Development Authority Ser 2007 A.....	5.375	06/15/37	896,870
1,415	Mid-Bay Bridge Authority Development District Sr Lien Crossover Refg Ser 1993 A (AMBAC Insd).....	5.85	10/01/13	1,498,754
1,000	Midtown Miami Community Development District, Parking Garage Ser 2004 A.....	6.25	05/01/37	934,550
500	Orange County Health Facilities Authority, Orlando Lutheran Towers, Inc Ser 2005*..	5.70	07/01/26	487,125
2,000	Orange County Health Facilities Authority, Orlando Lutheran Towers, Inc Ser 2007...	5.50	07/01/32	1,877,060
1,000	Orange County Health Facilities Authority, Westminster Community Care Services Inc Ser 1999.....	6.75	04/01/34	1,023,410
1,000	Pinellas County Health Facilities Authority, Oaks of Clearwater Ser 2004..	6.25	06/01/34	1,040,750
980	Renaissance Commons Community Development District, 2005 Ser A.....	5.60	05/01/36	859,999
500	Split Pine Community Development District Ser 2007 A.....	5.25	05/01/39	404,525

See Notes to Financial Statements

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Morgan Stanley Municipal Income Opportunities Trust
 PORTFOLIO OF INVESTMENTS - NOVEMBER 30, 2007 (UNAUDITED) continued

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
\$ 1,000	St Johns County Industrial Development Authority, Glenmoor Ser 1999 A.....	8.00 %	01/01/10+	\$ 1,110,590
600	Tolomato Community Development District, Special Assessment Ser 2007.....	6.55	05/01/27	593,148
				----- 21,407,018
	Georgia (1.2%)			
2,000	Atlanta, Georgia, Eastside Ser 2005 B.....	5.60	01/01/30	1,909,020

	Hawaii (2.1%)			
1,000	Hawaii Department of Budget & Finance, Kahala Nui 2003 Ser A.....	8.00	11/15/33	1,128,550
2,000	Hawaii Department of Budget & Finance, Kuakini Health Ser 2002 A.....	6.375	07/01/32	2,090,120
				----- 3,218,670
	Idaho (0.7%)			
1,000	Idaho Health Facilities Authority, Valley Vista Care Corp Refg Ser 2007.....	6.125	11/15/27	1,007,000

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	Illinois (5.8%)			
1,000	Bolingbrook Sales Tax Ser 2005.....	0.00@	01/01/24	1,032,080
2,000	Chicago, Lake Shore East Ser 2002.....	6.75	12/01/32	2,089,960
1,000	Illinois Finance Authority, Landing at Plymouth Ser 2005 A.....	6.00	05/15/37	983,680
1,000	Illinois Finance Authority, Luther Oaks Ser 2006 A.....	6.00	08/15/39	981,120
1,650	Illinois Finance Authority, Montgomery Place Ser 2006 A.....	5.75	05/15/38	1,581,442
725	Lincolnshire, Illinois, Service Area #1 - Sedgebrook Ser 2004.....	6.25	03/01/34	739,340
1,000	Yorkville Illinois, Cannonball/Beecher Road Ser 2007.....	5.75	03/01/28	931,500
500	Village of Hampshire, Kane County Special Service Area #18 Crown Development Tamms Farm Ser 2007 A.....	6.00	03/01/44	483,830

				8,822,952

	Indiana (0.7%)			
1,000	Indiana Health Facility Financing Authority, Riverview Hospital Ser 2002..	6.125	08/01/31	1,045,330

	Iowa (1.9%)			
1,000	Iowa Finance Authority, Bethany Life Communities Refg Ser 2006 A.....	5.55	11/01/41	926,890
750	Iowa Financial Authority Health Care Facilities, Madrid Homes Ser 2007.....	5.90	11/15/37	725,445
785	Jefferson County Iowa Hospital Ser 2007 C.....	5.95	08/01/37	769,920
525	Washington County Hospital Ser 2006.....	5.375	07/01/26	499,795

				2,922,050

See Notes to Financial Statements

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Morgan Stanley Municipal Income Opportunities Trust
PORTFOLIO OF INVESTMENTS - NOVEMBER 30, 2007 (UNAUDITED) continued

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
	Maryland (2.2%)			
\$ 1,000	Maryland Economic Development Corporation, Chesapeake Bay Conference Center Ser 2006 A.....	5.00 %	12/01/31	\$ 892,880
500	Maryland Health & Higher Educational Facilities Authority, Edenwald Ser 2006 A.....	5.40	01/01/31	482,715

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750	Maryland Health & Higher Educational Facilities Authority, King Farm Presbyterian Community 2007 Ser A.....	5.30	01/01/37	664,560
800	Maryland Health & Higher Educational Facilities Authority, Washington Christian Academy Ser 2006.....	5.50	07/01/38	771,872
500	Maryland Industrial Development Financing Authority, Our Lady of Good Counsel High School Ser 2005 A.....	6.00	05/01/35	507,285

				3,319,312

	Massachusetts (2.7%)			
1,500	Massachusetts Development Finance Agency, Loomis Communities Ser 1999 A.....	5.75	07/01/23	1,521,945
1,625	Massachusetts Development Finance Agency, New England Center for Children Ser 1998.....	5.875	11/01/18	1,634,214
1,000	Massachusetts Health & Educational Facilities Authority, The Learning Center for Deaf Children Ser 1999 C.....	6.125	07/01/29	1,011,940

				4,168,099

	Michigan (1.7%)			
600	Gaylord Hospital Financing Authority, Otsego Memorial Hospital Ser 2004.....	6.50	01/01/37	613,944
2,000	Michigan Tobacco Settlement Finance Authority, Asset Backed Ser 2007.....	6.00	06/01/48	1,948,140

				2,562,084

	Minnesota (1.5%)			
750	North Oaks, Minnesota, Presbyterian Homes Ser 2007.....	6.125	10/01/39	751,568
1,500	St Paul Housing & Redevelopment Authority, HealthEast Ser 2005.....	6.00	11/15/35	1,524,585

				2,276,153

	Missouri (6.5%)			
750	Branson Hills Community Improvement District Ser 2007 A.....	5.50	04/01/27	699,645
500	Branson, Missouri Regional Airport Transportation Development District Ser 2007 B (AMT).....	6.00	07/01/37	474,640
2,000	Des Peres, Missouri, West County Center Ser 2002.....	5.75	04/15/20	2,014,820
3,850	Fenton, Missouri, Gravois Bluffs Redevelopment Refg Ser 2001 A.....	7.00	10/01/11+	4,393,813

See Notes to Financial Statements

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Morgan Stanley Municipal Income Opportunities Trust
 PORTFOLIO OF INVESTMENTS - NOVEMBER 30, 2007 (UNAUDITED) continued

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PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
\$ 1,500	Kansas City Industrial Development Agency, Bishop Spencer 2004 Ser A.....	6.50 %	01/01/35	\$ 1,531,845
750	St Louis County Industrial Development Authority, St Andrews Resources for Seniors Ser 2007 A.....	6.375	12/01/41	741,772

				9,856,535

	Nevada (1.3%)			
1,050	Mesquite Nevada Special Improvement District #07-01 Anthem at Mesquite Ser 2007.....	6.00	08/01/23	1,045,149
1,000	Nevada Department of Business & Industry, Las Vegas Monorail 2nd Tier Ser 2000....	7.375	01/01/40	940,410

				1,985,559

	New Hampshire (5.0%)			
1,500	New Hampshire Higher Educational & Health Facilities Authority, Littleton Hospital Association Ser 1998 A.....	6.00	05/01/28	1,504,590
12,670	New Hampshire Housing Finance Authority, Residential Ser 1983 B.....	0.00	01/01/15	6,096,297

				7,600,887

	New Jersey (5.5%)			
1,000	New Jersey Economic Development Authority, Cedar Crest Village Inc Ser 2001 A.....	7.25	11/15/11+	1,149,190
1,000	New Jersey Economic Development Authority, Franciscan Oaks Ser 1997.....	5.70	10/01/17	1,008,380
730	New Jersey Economic Development Authority, Lions Gate Ser 2005 A.....	5.875	01/01/37	718,459
1,000	New Jersey Economic Development Authority, The Presbyterian Home at Montgomery Ser 2001 A.....	6.375	11/01/31	1,015,920
700	New Jersey Economic Development Authority, Seashore Gardens Living Center Ser 2006.....	5.375	11/01/36	650,181
2,000	New Jersey Economic Development Authority, United Methodist Homes of New Jersey Ser 1998.....	5.125	07/01/25	1,827,580
2,000	New Jersey Health Care Facilities Financing Authority, Raritan Bay Medical Center Ser 1994.....	7.25	07/01/27	2,032,020

				8,401,730

	New York (7.4%)			
3,000	Brookhaven Industrial Development Agency, Woodcrest Estates Ser 1998 A (AMT).....	6.375	12/01/37	3,041,970
415	Mount Vernon Industrial Development Agency, Meadowview at the Wartburg Ser 1999.....	6.00	06/01/09	417,212
2,000	New York City Industrial Development Agency, 7 World Trade Center LLC Ser			

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2,000	2005 A.....	6.50	03/01/35	2,078,160
	New York City Industrial Development Agency, American Airlines Inc Ser 2005 (AMT).....	7.75	08/01/31	2,206,400

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Morgan Stanley Municipal Income Opportunities Trust
 PORTFOLIO OF INVESTMENTS - NOVEMBER 30, 2007 (UNAUDITED) continued

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
\$ 1,000	New York Liberty Development Corp, National Sports Museum, Ser 2006 A.....	6.125%	02/15/19	\$ 1,006,030
1,500	Suffolk County Industrial Development Agency, Medford Hamlet Ser 2006.....	6.375	01/01/39	1,465,215
1,000	Westchester County Industrial Development Agency, Guiding Eyes for The Blind Inc Ser 2004.....	5.375	08/01/24	1,028,170

				11,243,157

	North Carolina (1.0%)			
1,000	North Carolina Medical Care Commission, Presbyterian Homes Ser 2006.....	5.50	10/01/31	972,110
500	North Carolina Medical Care Commission, Southminster Ser 2007 A.....	5.75	10/01/37	490,860

				1,462,970

	North Dakota (1.2%)			
1,500	Grand Forks, North Dakota, 4000 Valley Square Ser 2006.....	5.30	12/01/34	1,341,195
500	Ward County, North Dakota, Trinity Ser 2006.....	5.125	07/01/29	491,010

				1,832,205

	Ohio (3.1%)			
3,300	Buckeye Tobacco Settlement Financing Authority, Asset Backed Ser 2007A-2 @@..	5.875	06/01/30	3,215,674
850	Cuyahoga County Ohio Health Care and Independent Living Facilities Ser 2007 A.....	5.75	05/15/27	818,219
650	Tuscarawas County Ohio Hospital Facilities Ser 2007.....	6.35	11/01/37	638,008
125	Zanesville-Muskingum County Port Authority, Anchor Glass Container Corp Ser 1989 B (AMT).....	10.25	12/01/08	125,339

				4,797,240

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	Pennsylvania (8.6%)			
4,000	Allegheny County Development Authority, West Penn Allegheny Health Ser 2007 A @@.....	5.375	11/15/40	3,650,600
1,500	Bucks County Industrial Development Authority, Ann's Choice Ser 2005 A.....	6.125	01/01/25	1,530,765
2,120	Carbon County Industrial Development Authority, Panther Creek Partners Refg 2000 Ser (AMT).....	6.65	05/01/10	2,169,205
1,000	Chester County Health & Educational Facilities Authority, Jenner's Pond Inc Ser 2002.....	7.625	07/01/12+	1,192,270
500	Fulton County Industrial Development Authority, Fulton County Medical Center Ser 2006.....	5.875	07/01/31	489,665
1,000	Harrisburg Authority, Harrisburg University of Science & Technology Ser 2007 B.....	6.00	09/01/36	999,210
1,000	Montgomery County Industrial Development Authority, Whitemarsh Community Ser 2005.....	6.25	02/01/35	1,012,550

See Notes to Financial Statements

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Morgan Stanley Municipal Income Opportunities Trust
PORTFOLIO OF INVESTMENTS - NOVEMBER 30, 2007 (UNAUDITED) continued

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE

\$ 1,000	Pennsylvania Economic Development Financing Authority, Reliant Energy Inc Ser 2001 A (AMT).....	6.75 %	12/01/36	\$ 1,063,980
1,000	Washington County, Victory Centre/Tanger Outlet Redevelopment Authority Ser 2006 A.....	5.45	07/01/35	967,410
				----- 13,075,655 -----
	South Carolina (1.4%)			
1,000	Myrtle Beach, South Carolina, Air Force Base Redevelopment Ser 2006 A.....	5.30	11/01/35	889,120
750	South Carolina Jobs-Economic Development Authority, Wesley Commons Ser 2006.....	5.30	10/01/36	653,018
625	South Carolina Jobs-Economic Development Authority, Woodlands at Furman Ser 2007 A.....	6.00	11/15/37	608,881
				----- 2,151,019 -----
	Tennessee (2.3%)			
2,000	Chattanooga Health, Educational & Housing			

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	Facilities Board, Student Housing Refg Ser 2005 A.....	5.00	10/01/25	1,888,200
500	Shelby County Health, Educational & Housing Facilities Board, Trezevant Manor Ser 2006 A.....	5.75	09/01/37	486,755
750	Shelby County Health, Educational & Housing Facilities Board, Village at Germantown Ser 2003 A.....	7.25	12/01/34	747,705
500	Shelby County Health, Educational & Housing Facilities Board, Village at Germantown Ser 2006.....	6.25	12/01/34	439,730

				3,562,390

	Texas (5.5%)			
2,000	Austin Convention Enterprises Inc, Convention Center Hotel Ser 2000 A.....	6.70	01/01/11+	2,200,680
2,000	Austin Convention Enterprises Inc, Convention Center Hotel Ser 2006 B.....	5.75	01/01/34	1,908,060
1,000	Brazos River Authority, Texas Utilities Electric Co Refg Ser 1999 A (AMT).....	7.70	04/01/33	1,042,180
1,000	Decatur Hospital Authority, Wise Regional Health Ser 2004 A.....	7.125	09/01/34	1,049,150
1,250	HFDC Central Texas Inc, Legacy at Willow Bend, Ser 2006 A.....	5.75	11/01/36	1,176,312
1,000	Lubbock Health Facilities Development Corporation, Carillon Senior Lifecare Ser 2005 A.....	6.50	07/01/26	1,028,640

				8,405,022

	Vermont (1.0%)			
1,500	Vermont Economic Development Authority, Wake Robin Corp Ser 1999 A.....	6.75	03/01/09+	1,587,390

See Notes to Financial Statements

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Morgan Stanley Municipal Income Opportunities Trust
PORTFOLIO OF INVESTMENTS - NOVEMBER 30, 2007 (UNAUDITED) continued

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE

	Virginia (2.3%)			
\$ 2,000	Peninsula Ports Authority of Virginia, Baptist Homes Ser 2006 C.....	5.40 %	12/01/33	\$ 1,865,360
700	Peninsula Town Center Community Development Authority Ser 2007.....	6.45	09/01/37	715,407
1,000	Virginia Beach Development Authority, Westminster-Canterbury Refg Ser 2005 A..	5.25	11/01/26	974,220

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				----- 3,554,987 -----
	Washington (0.6%)			
1,000	Washington Housing Finance Commission, Skyline at First Hill Ser 2007 A.....	5.625	01/01/38	952,670 -----
	Total Tax-Exempt Municipal Bonds (Cost \$161,413,312).....			159,468,531 -----
	NUMBER OF SHARES (000)			

	Short-Term Investment (b) (0.2%) Investment Company			
336	Morgan Stanley Institutional Liquidity Tax-Exempt Portfolio - Institutional Class (Cost \$336,093).....			336,093 -----
	Total Investments (Cost \$161,749,405).....			159,804,624 -----
	PRINCIPAL AMOUNT IN THOUSANDS			

	Floating Rate Note and Dealer Trusts Obligations Related to Securities Held (-6.6%)			
\$(10,040)	Notes with interest rates ranging from 3.64% to 3.73% at November 30, 2007 and contractual maturities of collateral ranging from 12/01/24 to 06/01/47+++ (Cost \$(10,040,000)).....			(10,040,000) -----
	Total Net Investments (Cost \$151,709,405) (c) (d)..	98.1%		149,764,624
	Other Assets in Excess of Liabilities.....	1.9		2,876,394 -----
	Net Assets.....	100.0%		\$152,641,018 =====

See Notes to Financial Statements

- AMT Alternative Minimum Tax.
- COPs Certificates of Participation.
- RITES Residual Interest Tax-Exempt Security.
 - + Prerefunded to call date shown.
 - ++ Joint exemption.
 - +++ Floating rate note and dealer trusts obligations related to securities held. The interest rates shown reflect the rates in effect at November 30, 2007.
 - @ Security is a "step-up" bond where the coupon increases on a predetermined future date.
 - @@ Underlying security related to inverse floater entered into by the Fund. (See Note 1D).
 - ## Current coupon rate for inverse floating rate municipal obligation (See Note 8). 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 \$762,530, which represents 0.5% of net assets.
 - * A portion of this security has been physically segregated in connection with open futures contracts in the amount of \$39,000.
 - (a) Resale is restricted to qualified institutional investors.
 - (b) See Note 3 to the financial statements regarding investments in Morgan Stanley Institutional Liquidity Tax-Exempt Portfolio - Institutional Class.
 - (c) Securities have been designated as collateral in the amount equal to \$3,021,688 in connection with open futures contracts.
 - (d) The aggregate cost for federal income tax purposes approximates the aggregate cost for book purposes. The aggregate gross unrealized appreciation is \$3,680,187 and the aggregate gross unrealized depreciation is \$5,624,968, resulting in net unrealized depreciation of \$1,944,781.

Bond Insurance:

AMBAC AMBAC Assurance Corporation

FUTURES CONTRACTS OPEN AT NOVEMBER 30, 2007

NUMBER OF CONTRACTS	LONG/SHORT	DESCRIPTION, DELIVERY MONTH AND YEAR	UNDERLYING FACE AMOUNT AT VALUE	UNREALIZED APPRECIATION
26	Short	U.S. Treasury Bonds 20 Year March 2008	\$(3,046,875)	\$13,741 =====

See Notes to Financial Statements

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Morgan Stanley Municipal Income Opportunities Trust
FINANCIAL STATEMENTSStatement of Assets and Liabilities
November 30, 2007 (unaudited)

Assets	
Investments in securities, at value (cost \$161,413,312).....	\$159,468,531
Investments in affiliate, at value (cost \$336,093).....	336,093
Receivable for:	
Interest.....	2,573,359
Investments sold.....	475,601
Variation margin.....	16,250
Dividends from affiliate.....	2,352
Prepaid expenses and other assets.....	9,419

Total Assets.....	162,881,605

Liabilities	
Floating rate note and dealer trusts obligations.....	10,040,000
Payable to bank.....	21,937
Payable for:	
Investment advisory fee.....	73,689
Administration fee.....	11,827
Transfer agent fee.....	1,697
Accrued expenses and other payables.....	91,437

Total Liabilities.....	10,240,587

Net Assets.....	\$152,641,018
	=====
Composition of Net Assets:	
Paid-in-capital.....	\$173,966,937
Net unrealized depreciation.....	(1,931,040)
Accumulated undistributed net investment income.....	979,362
Accumulated net realized loss.....	(20,374,241)

Net Assets.....	\$152,641,018
	=====
Net Asset Value per Share	
19,678,643 shares outstanding (unlimited shares authorized of \$.01 par value).....	\$7.76
	=====

See Notes to Financial Statements

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Morgan Stanley Municipal Income Opportunities Trust
FINANCIAL STATEMENTS continuedStatement of Operations
For the six months ended November 30, 2007 (unaudited)

Net Investment Income:	
Income	
Interest.....	\$ 5,220,937
Dividends from affiliate.....	33,877

Total Income.....	5,254,814

Expenses	
Investment advisory fee.....	394,902
Interest and residual trust expenses.....	219,994
Administration fee.....	63,184
Professional fees.....	24,502
Shareholder reports and notices.....	16,438
Listing fees.....	11,010
Transfer agent fees and expenses.....	6,890
Custodian fees.....	4,345
Trustees' fees and expenses.....	4,094
Other.....	17,325

Total Expenses.....	762,684
Less: amounts waived/reimbursed.....	(956)
Less: expense offset.....	(4,268)

Net Expenses.....	757,460

Net Investment Income.....	4,497,354

Net Realized and Unrealized Gain (Loss):	
Net Realized Gain (Loss):	
Investment.....	378,680
Futures contracts.....	(621,720)
Swap contract.....	148,154

Net Realized Loss.....	(94,886)

Net Change in Unrealized	
Appreciation/Depreciation on:	
Investment.....	(9,576,459)
Futures contracts.....	(19,650)
Swap contract.....	(50,854)

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Net Change in Unrealized Appreciation/Depreciation.....	(9,646,963)

Net Loss.....	(9,741,849)

Net Decrease.....	\$ (5,244,495)
	=====

See Notes to Financial Statements

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Morgan Stanley Municipal Income Opportunities Trust
FINANCIAL STATEMENTS continued

Statements of Changes in Net Assets

	FOR THE SIX MONTHS ENDED NOVEMBER 30, 2007	FOR THE YEAR ENDED MAY 31, 2007
	-----	-----
	(unaudited)	
Increase (Decrease) in Net Assets:		
Operations:		
Net investment income.....	\$ 4,497,354	\$ 9,524,302
Net realized loss.....	(94,886)	(8,551,492)
Net change in unrealized appreciation/depreciation.....	(9,646,963)	14,749,972
	-----	-----
Net Increase (Decrease).....	(5,244,495)	15,722,782
Dividends to shareholders from net investment income.....	(5,068,869)	(10,648,870)
Decrease from transactions in shares of beneficial interest.....	(47,420)	--
	-----	-----
Net Increase (Decrease).....	(10,360,784)	5,073,912
Net Assets:		
Beginning of period.....	163,001,802	157,927,890
	-----	-----
End of period (Including accumulated undistributed net investment income of \$979,362 and \$1,550,877, respectively)...	\$152,641,018	\$163,001,802
	=====	=====

See Notes to Financial Statements

Morgan Stanley Municipal Income Opportunities Trust
NOTES TO FINANCIAL STATEMENTS - NOVEMBER 30, 2007 (UNAUDITED)

1. Organization and Accounting Policies

Morgan Stanley Municipal Income Opportunities Trust (the "Fund") is registered under the Investment Company Act of 1940, as amended, as a diversified, closed-end management investment company. The Fund's investment objective is to provide a high level of current income which is exempt from federal income tax. The Fund was organized as a Massachusetts business trust on June 22, 1988 and commenced operations on September 19, 1988.

The following is a summary of significant accounting policies:

A. 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 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.

B. Accounting for Investments -- Security transactions are accounted for on the trade date (date the order to buy or sell is executed). Realized gains and losses on security transactions are determined by the identified cost method. Discounts are accreted and premiums are amortized over the life of the respective securities and are included in interest income. Interest income is accrued daily except where collection is not expected.

Morgan Stanley Municipal Income Opportunities Trust
NOTES TO FINANCIAL STATEMENTS - NOVEMBER 30, 2007 (UNAUDITED) continued

C. Federal Income Tax Policy -- It is the Fund's policy to comply with the requirements of the Subchapter M of the Internal Revenue Code applicable to

regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no federal income tax provision is required. The Fund files tax returns with the U.S. Internal Revenue Service and various states. Generally, the tax authorities can examine all tax returns filed for the last three years. If applicable, the Fund recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in other expenses in the Statement of Operations. The Fund adopted the provisions of the Financial Accounting Standards Board's (FASB) Interpretation number 48 Accounting for Uncertainty in Income Taxes, on June 30, 2007. As of November 30, 2007, this did not result in an impact to the Fund's financial statements.

D. Floating Rate Note and Dealer Trusts 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 under the caption "floating rate note and dealer trusts obligations" on the Statement of Assets and Liabilities. The Fund records the interest income from the fixed rate bonds under the caption "Interest Income" and records the expenses related to floating rate note obligations and any administrative expenses of the Dealer Trusts under the caption "Interest and residual trust expenses" in the Fund's Statement of Operations. 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 November 30, 2007, Fund investments with a value of \$13,219,378 are held by the Dealer Trusts and serve as collateral for the \$10,040,000 in floating rate note obligations outstanding at that date. Contractual maturities of the floating rate note obligations and interest rates in effect at November 30, 2007 are presented in the Portfolio of Investments.

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Morgan Stanley Municipal Income Opportunities Trust
NOTES TO FINANCIAL STATEMENTS - NOVEMBER 30, 2007 (UNAUDITED) continued

E. Interest Rate Swaps -- Interest rate swaps involve the exchange of commitments to pay and receive interest based on a notional principal amount. Net periodic interest payments to be received or paid are accrued daily and are recorded as realized gains or losses in the Statement of Operations.

F. Futures Contracts -- A futures contract is an agreement between two parties to buy and sell financial instruments or contracts based on financial indices at a set price on a future date. Upon entering into such a contract, the Fund is required to pledge to the broker cash, U.S. Government securities or other

liquid portfolio securities equal to the minimum initial margin requirements of the applicable futures exchange. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in the value of the contract. Such receipts or payments known as variation margin are recorded by the Fund as unrealized gains and losses. Upon closing of the contract, the Fund realizes a gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

G. Dividends and Distributions to Shareholders -- Dividends and distributions to shareholders are recorded on the ex-dividend date.

H. Use of Estimates -- The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

2. Investment Advisory/Administration Agreements

Pursuant to an Investment Advisory Agreement with Morgan Stanley Investment Advisors Inc. (the "Investment Adviser"), the Fund pays an advisory fee, calculated weekly and payable monthly, by applying the annual rate of 0.50% to the Fund's weekly net assets.

Pursuant to an Administration Agreement with Morgan Stanley Services Company Inc. (the "Administrator"), an affiliate of the Investment Adviser, the Fund pays an administration fee, calculated weekly and payable monthly, by applying the annual rate of 0.08% to the Fund's weekly net assets.

Under an agreement between the Administrator and State Street Bank and Trust Company ("State Street"), State Street provides certain administrative services to the Fund. For such services, the Administrator pays State Street a portion of the fee the Administrator receives from the Fund.

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Morgan Stanley Municipal Income Opportunities Trust
NOTES TO FINANCIAL STATEMENTS - NOVEMBER 30, 2007 (UNAUDITED) continued

3. Security Transactions and Transactions with Affiliates

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 services 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. For the six months ended November 30, 2007, advisory fees paid were reduced by \$956 relating to the Fund's investment in Morgan Stanley Institutional Liquidity Tax-Exempt Portfolio -- Institutional Class. Income distributions earned by the Fund are recorded as dividends from affiliate in the Statement of Operations and totaled \$33,877 for the six months ended November 30, 2007. During the six months ended November 30, 2007, cost of purchases and sales of investments in Morgan Stanley Institutional Liquidity Tax-Exempt Portfolio -- Institutional Class aggregated \$22,975,684 and \$22,639,591, respectively.

The cost of purchases and proceeds from sales of portfolio securities, excluding short-term investments, for the six months ended November 30, 2007 aggregated \$38,332,168 and \$41,327,944, respectively. Included in the aforementioned

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transactions is a sale of \$1,099,995 with another Morgan Stanley fund including a net realized loss of \$208,542.

Effective September 28, 2007, the transfer agent services previously provided to the Fund by Morgan Stanley Trust was assumed by Computershare Trust Company, N.A. (the "Transfer Agent").

The Fund has an unfunded noncontributory defined benefit pension plan covering certain independent Trustees of the Fund who will have served as independent Trustees for at least five years at the time of retirement. Benefits under this plan are based on factors which include years of service and compensation. The Trustees voted to close the plan to new participants and eliminate the future benefits growth due to increases to compensation after July 31, 2003. Aggregate pension costs for the six months ended November 30, 2007 included in Trustees' fees and expenses in the Statement of Operations amounted to \$3,001. At November 30, 2007, the Fund had an accrued pension liability of \$61,661 which is included in accrued expenses in the Statement of Assets and Liabilities.

The Fund has an unfunded Deferred Compensation Plan (the "Compensation Plan") which allows each independent Trustee to defer payment of all, or a portion, of the fees he or she receives for serving on the Board of Trustees. Each eligible Trustee generally may elect to have the deferred amounts credited with a return equal to the total return on one or more of the Morgan Stanley funds that are offered as investment options under the Compensation Plan. Appreciation/depreciation and distributions received from these investments are recorded with an offsetting increase/decrease in the deferred compensation obligation and do not affect the net asset value of the Fund.

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Morgan Stanley Municipal Income Opportunities Trust
 NOTES TO FINANCIAL STATEMENTS - NOVEMBER 30, 2007 (UNAUDITED) continued

4. Shares of Beneficial Interest

Transactions in shares of beneficial interest were as follows:

	SHARES	PAR VALUE OF SHARES	CAPITAL PAID IN EXCESS OF PAR VALUE
	-----	-----	-----
Balance, May 31, 2005.....	19,693,243	\$196,932	\$174,267,222
Treasury shares purchased and retired (weighted average discount 0.54%)*.....	(8,200)	(82)	(64,628)
Reclassification due to permanent book/tax differences.....	--	--	(413,264)
	-----	-----	-----
Balance, May 31, 2006 and May 31, 2007.....	19,685,043	196,850	173,789,330
Treasury shares purchased and retired (weighted average discount 4.34%)*.....	(6,400)	(64)	(19,179)
	-----	-----	-----
Balance November 30, 2007.....	19,678,643	\$196,786	\$173,770,151
	=====	=====	=====

 * The Trustees have voted to retire the shares purchased.

5. Dividends

The Fund declared the following dividends from net investment income:

DECLARATION DATE	AMOUNT PER SHARE	RECORD DATE	PAYABLE DATE
September 25, 2007	\$0.03875	December 7, 2007	December 21, 2007
December 31, 2007	\$0.03875	January 11, 2008	January 25, 2008
December 31, 2007	\$0.03875	February 8, 2008	February 22, 2008
December 31, 2007	\$0.03875	March 7, 2008	March 20, 2008

6. Federal Income Tax Status

The amount of dividends and distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations which may differ from generally accepted accounting principles. These "book/tax" differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal tax-basis treatment; temporary differences do not require reclassification. Dividends and distributions which exceed net investment income and net realized capital gains for tax purposes are reported as distributions of paid-in-capital.

As of May 31, 2007, the Fund had a net capital loss carryforward of \$10,670,588 of which \$3,930,059 will expire on May 31, 2009, \$1,864,080 will expire on May 31, 2011 and \$4,876,449 will expire on May 31, 2013 to offset future capital gains to extend provided by regulations.

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Morgan Stanley Municipal Income Opportunities Trust
 NOTES TO FINANCIAL STATEMENTS - NOVEMBER 30, 2007 (UNAUDITED) continued

As of May 31, 2007, the Fund had temporary book/tax differences primarily attributable to post-October losses (capital losses incurred after October 31 within the taxable year which are deemed to arise on the first business day of the Fund's next taxable year), book amortization of discounts on debt securities and mark-to-market of open futures contracts.

7. Expense Offset

The expense offset represents a reduction of the fees and expenses for interest earned on cash balances maintained by the Fund with the transfer agent and custodian.

8. Purposes of and Risks Relating to Certain Financial Instruments

The Fund may invest a portion of its assets in inverse floating rate instruments, either through outright purchases of inverse floating rate securities or through the transfer of bonds to a Dealer Trust in exchange for cash and residual interests in the Dealer Trust. These investments are typically

used by the Fund in seeking to enhance the yield of the portfolio. These instruments typically involve greater risks than a fixed rate municipal bond. In particular, these instruments are acquired through leverage or may have leverage embedded in them and therefore involve many of the risks associated with leverage. Leverage is a speculative technique that may expose the Fund to greater risk and increased costs. Leverage may cause the Fund's net asset value to be more volatile than if it had not been leveraged because leverage tends to magnify the effect of any increases or decreases in the value of the Fund's portfolio securities. The use of leverage may also cause the Fund to liquidate portfolio positions when it may not be advantageous to do so in order to satisfy its obligations with respect to inverse floating rate instruments.

To hedge against adverse interest rate changes, the Fund may invest in financial futures contracts or municipal bond index futures contracts ("futures contracts").

These futures contracts involve elements of market risk in excess of the amount reflected in the Statement of Assets and Liabilities. The Fund bears the risk of an unfavorable change in the value of the underlying securities. Risks may also arise upon entering into these contracts from the potential inability of the counterparties to meet the terms of their contracts.

The Fund may enter into interest rate swaps and may purchase or sell interest rate caps, floors and collars. The Fund expects to enter into these transactions primarily to manage interest rate risk, hedge portfolio positions and preserve a return or spread on a particular investment or portion of its portfolio. The Fund may also enter into these transactions to protect against any increase in the price of securities the Fund anticipates purchasing at a later date. Interest rate swap transactions are

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Morgan Stanley Municipal Income Opportunities Trust
NOTES TO FINANCIAL STATEMENTS - NOVEMBER 30, 2007 (UNAUDITED) continued

subject to market risk, risk of default by the other party to the transaction, risk of imperfect correlation and manager risk. Such risks may exceed the related amounts shown in the Statement of Assets and Liabilities.

9. Accounting Pronouncement

In September 2006, Statement of Financial Accounting Standards No. 157, Fair Value Measurements (SFAS 157), was issued and is effective for fiscal years beginning after November 15, 2007. SFAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Management is currently evaluating the impact the adoption of SFAS 157 will have on the Fund's financial statement disclosures.

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Morgan Stanley Municipal Income Opportunities Trust
FINANCIAL HIGHLIGHTS

Selected ratios and per share data for a share of beneficial interest outstanding throughout each period:

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	FOR THE SIX MONTHS ENDED NOVEMBER 30, 2007 (unaudited)	----- 2007 -----	FOR THE YEAR ENDED 2006 -----	2005 -----
Selected Per Share Data:				
Net asset value, beginning of the period.....	\$8.28	\$8.02	\$8.00	\$7.67
Income (loss) from investment operations:				
Net investment income*.....	0.23	0.48	0.54	0.53
Net realized and unrealized gain (loss)...	(0.49)	0.32	0.01	0.29
Total income (loss) from investment operations.....	(0.26)	0.80	0.55	0.82
Less dividends from net investment income....	(0.26)	(0.54)	(0.53)	(0.50)
Anti-dilutive effect of acquiring treasury shares*.....	0.00 (5)	0.00	0.00	0.01
Net asset value, end of period.....	\$7.76 =====	\$8.28 =====	\$8.02 =====	\$8.00 =====
Market value, end of period.....	\$7.66 =====	\$9.68 =====	\$8.76 =====	\$7.97 =====
Total Return+.....	(18.46)% (1)	16.99%	17.04%	20.12%
Ratios to Average Net Assets:				
Total expenses (before expense offset).....	0.96 % (2) (3) (4)	0.80% (4)	0.71%	0.83%
Total expenses (before expense offset, exclusive of interest and residual trust expenses).....	0.68 % (2) (3) (4)	0.72% (4)	0.71%	0.83%
Net investment income.....	5.69 % (2)	5.88%	6.78%	6.76%
Supplemental Data:				
Net assets, end of period, in thousands.....	\$152,641	\$163,002	\$157,928	\$157,594
Portfolio turnover rate.....	23 % (1)	26%	19%	12%

* The per share amounts were computed using an average number of shares outstanding during the period.

+ Total return is based upon the current market value on the last day of

each period reported. Dividends are assumed to be reinvested at the prices obtained under the Fund's dividend reinvestment plan. Total return does not reflect brokerage commissions.

- (1) Not annualized.
- (2) Annualized.
- (3) Reflects waivers of certain Fund expenses in connection with the investments in Morgan Stanley Institutional Liquidity Tax-Exempt Portfolio -- Institutional Class during the period. As a result of such waivers the expenses as a percentage of its net assets had an effect of less than 0.005%
- (4) Does not reflect the effect of expense offset of 0.01%.
- (5) Includes anti-dilutive effect of acquiring treasury shares of less than \$0.01.

See Notes to Financial Statements

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Morgan Stanley Municipal Income Opportunities Trust
PORTFOLIO MANAGEMENT/REVISED INVESTMENT POLICY (UNAUDITED)

Portfolio Management

As of the date of this report, the Fund is managed within the Morgan Stanley Municipals team. The team consists of portfolio managers and analysts. Current members of the team jointly and primarily responsible for the day-to-day management of the Fund's portfolio are Wayne Godlin, a Managing Director of the Investment Adviser, Gerald J. Lian, an Executive Director of the Investment Adviser, and Robert Stryker, a Vice President of the Investment Adviser.

Mr. Godlin has been associated with the investment Adviser in a investment management capacity since July 2001 and began managing the Fund in October 2001. Mr. Lian has been associated with the Investment Adviser in an investment management capacity since December 1991 and began managing the Fund in May 2003. Mr. Stryker has been associated with the Adviser in an investment management capacity since February 1994 and began managing the Fund in September 2007.

Revised Investment Policy

To the extent permitted by applicable law and the Fund's investment objectives, policies, and restrictions, the Fund may invest all or some of its short-term cash investments in any money market fund advised or managed by the Investment Adviser or its affiliates. In connection with any such investments, the Fund, to the extent permitted by the Investment Company Act, will pay its share of all expenses (other than advisory and administrative fees) of a money market fund in which it invests which may result in the Fund bearing some additional expenses.

The Board of Trustees Approved a Clarification in the Investment Policies Discussed Below

The Fund may invest in put and call options and futures on its portfolio securities. The Fund may use options and futures to protect against a decline in the Fund's securities or an increase in prices of securities that may be purchased or to adjust the Fund's yield curve exposure.

If the Fund invests in options and/or futures, its participation in these markets would subject the Fund's portfolio to certain risks. If the Investment Adviser's predictions of movements in the direction of the markets are inaccurate, the adverse consequences to the Fund (e.g., a reduction in the

Fund's net asset value or a reduction in the amount of income available for distribution) may leave the Fund in a worse position than if these strategies were not used. Other risks inherent in the use of options and futures include, for example, the possible imperfect correlation between the price of options and futures contracts and movements in the prices of the securities being hedged. With respect to futures contracts, this correlation may be further distorted since the futures contracts that are being used to hedge are not based on municipal obligations. There is also the possibility of an absence of a liquid secondary market for any particular instrument. Certain

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Morgan Stanley Municipal Income Opportunities Trust
PORTFOLIO MANAGEMENT/REVISED INVESTMENT POLICY (UNAUDITED) continued

options may be over-the-counter options which are options negotiated with dealers; there is no secondary market for these investments and therefore may be difficult to value. If the Fund uses an option or futures transaction as an alternative to purchasing or selling an underlying instrument in order to obtain desired exposure, the Fund will be exposed to the same risks as are incurred in purchasing and selling the underlying instrument directly.

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Morgan Stanley Municipal Income Opportunities Trust
DIVIDEND REINVESTMENT PLAN (UNAUDITED)

The dividend reinvestment plan (the "Plan") offers you a prompt and simple way to reinvest your dividends and capital gains distributions into additional shares of the Fund. Under the Plan, the money you earn from dividends and capital gains distributions will be reinvested automatically in more shares of the Fund, allowing you to potentially increase your investment over time. All shareholders in the Fund are automatically enrolled in the Plan when shares are purchased.

PLAN BENEFITS

- ADD TO YOUR ACCOUNT

You may increase your shares in the Fund easily and automatically with the Plan.

- LOW TRANSACTION COSTS

Transaction costs are low because the new shares are bought in blocks and the brokerage commission is shared among all participants.

- CONVENIENCE

You will receive a detailed account statement from Computershare Trust Company, N.A., which administers the Plan, whenever shares are reinvested for you. The statement shows your total distributions, date of investment, shares acquired, and price per share, as well as the total number of shares in your reinvestment account. You can also access your account via the Internet. To do this, please go to morganstanley.com.

- SAFEKEEPING

Computershare Trust Company, N.A. will hold the shares it has acquired for you in safekeeping.

HOW TO PARTICIPATE IN THE PLAN

If you own shares in your own name, you can participate directly in the Plan. If your shares are held in "street name" -- in the name of your brokerage firm, bank, or other financial institution -- you must instruct that entity to participate on your behalf. If they are unable to participate on your behalf, you may request that they reregister your shares in your own name so that you may enroll in the Plan.

If you choose to participate in the Plan, whenever the Fund declares a dividend or capital gains distributions, it will be invested in additional shares of your Fund that are purchased in the open market.

HOW TO ENROLL

To enroll in the Plan, please read the Terms and Conditions in the Plan brochure. You can obtain a copy of the Plan Brochure and enroll in the Plan by visiting morganstanley.com, calling toll-free (888) 421-4015 or notifying us in writing at Morgan Stanley Closed-End Funds, Computershare Trust Company, N.A., P.O. Box 43078, Providence, RI 02940-3078. Please include the Fund name and

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Morgan Stanley Municipal Income Opportunities Trust
DIVIDEND REINVESTMENT PLAN (UNAUDITED) continued

account number and ensure that all shareholders listed on the account sign these written instructions. Your participation in the Plan will begin with the next dividend or capital gains distribution payable after Computershare Trust Company, N.A. receives your authorization, as long as they receive it before the "record date," which is generally ten business days before the dividend is paid. If your authorization arrives after such record date, your participation in the Plan will begin with the following dividend or distribution.

COSTS OF THE PLAN

There is no direct charge to you for reinvesting dividends and capital gains distributions because the Plan's fees are paid by the Fund. However, when applicable, you will pay your portion of any brokerage commissions incurred when the new shares are purchased on the open market. These brokerage commissions are typically less than the standard brokerage charges for individual transactions, because shares are purchased for all participants in blocks, resulting in lower commissions for each individual participant. Any brokerage commissions or service fees are averaged into the purchase price.

TAX IMPLICATIONS

The automatic reinvestment of dividends and capital gains distributions does not relieve you of any income tax that may be due on dividends or distributions. You will receive tax information annually to help you prepare your federal and state income tax returns.

Morgan Stanley does not offer tax advice. The tax information contained herein is general and is not exhaustive by nature. It was not intended or written to be used, and it cannot be used by any taxpayer, for avoiding penalties that may be imposed on the taxpayer under U.S. federal tax laws. Federal and state tax laws are complex and constantly changing. Shareholders should always consult a legal or tax advisor for information concerning their individual situation.

HOW TO WITHDRAW FROM THE PLAN

To withdraw from the Plan, please visit morganstanley.com or call (888) 421-4015 or notify us in writing at the address below.

Morgan Stanley Closed-End Funds
Computershare Trust Company, N.A.
P.O. Box 43078
Providence, RI 02940-3078

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Morgan Stanley Municipal Income Opportunities Trust
DIVIDEND REINVESTMENT PLAN (UNAUDITED) continued

All shareholders listed on the account must sign any written withdrawal instructions. If you withdraw, you have three options with regard to the shares held in your account:

1. If you opt to continue to hold your non-certificated shares, they will be held by Computershare Trust Company, N.A.
2. If you opt to sell your shares through Morgan Stanley, we will sell all full and fractional shares and send the proceeds via check to your address of record after deducting brokerage commissions.
3. You may sell your shares through your financial advisor through the Direct Registration System ("DRS"). DRS is a service within the securities industry that allows Fund shares to be held in your name in electronic format. You retain full ownership of your shares, without having to hold a stock certificate.

The Fund and Computershare Trust Company, N.A. may amend or terminate the Plan. Participants will receive written notice at least 30 days before the effective date of any amendment. In the case of termination, Participants will receive written notice at least 30 days before the record date for the payment of any dividend or capital gains distribution by the Fund. In the case of amendment or termination necessary or appropriate to comply with applicable law or the rules and policies of the Securities and Exchange Commission or any other regulatory authority, such written notice will not be required.

TO OBTAIN A COMPLETE COPY OF THE DIVIDEND REINVESTMENT PLAN, PLEASE CALL OUR CLIENT RELATIONS DEPARTMENT AT 888-421-4015 OR VISIT MORGANSTANLEY.COM.

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Morgan Stanley Municipal Income Opportunities Trust
MORGAN STANLEY ADVISOR CLOSED END FUNDS
AN IMPORTANT NOTICE CONCERNING OUR U.S. PRIVACY POLICY

We are required by federal law to provide you with a copy of our Privacy Policy annually.

The following Policy applies to current and former individual investors in Morgan Stanley Advisor closed end funds. This Policy is not applicable to partnerships, corporations, trusts or other non-individual clients or account holders. Please note that we may amend this Policy at any time, and will inform you of any changes to this Policy as required by law.

WE RESPECT YOUR PRIVACY

We appreciate that you have provided us with your personal financial information. We strive to maintain the privacy of such information while we help you achieve your financial objectives. This Policy describes what non-public personal information we collect about you, why we collect it, and when we may share it with others. We hope this Policy will help you understand how we collect and share non-public personal information that we gather about you. Throughout this Policy, we refer to the non-public information that personally identifies you or your accounts as "personal information."

1. WHAT PERSONAL INFORMATION DO WE COLLECT ABOUT YOU?

To serve you better and manage our business, it is important that we collect and maintain accurate information about you. We may obtain this information from applications and other forms you submit to us, from your dealings with us, from consumer reporting agencies, from our Web sites and from third parties and other sources.

FOR EXAMPLE:

- We may collect information such as your name, address, e-mail address, telephone/fax numbers, assets, income and investment objectives through applications and other forms you submit to us.
- We may obtain information about account balances, your use of account(s) and the types of products and services you prefer to receive from us through your dealings and transactions with us and other sources.
- We may obtain information about your creditworthiness and credit history from consumer reporting agencies.
- We may collect background information from and through third-party vendors to verify representations you have made and to comply with various regulatory requirements.
- If you interact with us through our public and private Web sites, we may collect information that you provide directly through online communications (such as an e-mail address). We may also collect information about your Internet service provider, your domain name, your computer's operating system and Web browser, your use of our Web sites and your product and service preferences,

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through the use of "cookies." "Cookies" recognize your computer each time you return to one of our sites, and help to improve our sites' content and personalize your experience on our sites by, for example, suggesting offerings that may interest you. Please consult the Terms of Use of these sites for more details on our use of cookies.

2. WHEN DO WE DISCLOSE PERSONAL INFORMATION WE COLLECT ABOUT YOU?

To provide you with the products and services you request, to serve you better and to manage our business, we may disclose personal information we collect about you to our affiliated companies and to non-affiliated third parties as required or permitted by law.

A. INFORMATION WE DISCLOSE TO OUR AFFILIATED COMPANIES. We do not disclose personal information that we collect about you to our affiliated companies except to enable them to provide services on our behalf or as otherwise required or permitted by law.

B. INFORMATION WE DISCLOSE TO THIRD PARTIES. We do not disclose personal

information that we collect about you to non-affiliated third parties except to enable them to provide services on our behalf, to perform joint marketing agreements with other financial institutions, or as otherwise required or permitted by law. For example, some instances where we may disclose information about you to nonaffiliated third parties include: for servicing and processing transactions, to offer our own products and services, to protect against fraud, for institutional risk control, to respond to judicial process or to perform services on our behalf. When we share personal information with these companies, they are required to limit their use of personal information to the particular purpose for which it was shared and they are not allowed to share personal information with others except to fulfill that limited purpose.

3. HOW DO WE PROTECT THE SECURITY AND CONFIDENTIALITY OF PERSONAL INFORMATION WE COLLECT ABOUT YOU?

We maintain physical, electronic and procedural security measures to help safeguard the personal information we collect about you. We have internal policies governing the proper handling of client information. Third parties that provide support or marketing services on our behalf may also receive personal information, and we require them to adhere to confidentiality standards with respect to such information.

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TRUSTEES

Frank L. Bowman
Michael Bozic
Kathleen A. Dennis
James F. Higgins
Dr. Manuel H. Johnson
Joseph J. Kearns
Michael F. Klein
Michael E. Nugent
W. Allen Reed
Fergus Reid

OFFICERS

Michael E. Nugent
Chairperson of the Board

Ronald E. Robison
President and Principal Executive Officer

J. David Germany
Vice President

Dennis F. Shea
Vice President

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Amy R. Doberman
Vice President

Carsten Otto
Chief Compliance Officer

Stefanie V. Chang Yu
Vice President

Francis J. Smith
Treasurer and Chief Financial Officer

Mary E. Mullin
Secretary

TRANSFER AGENT

Computershare Trust Company, N.A.
P.O. Box 43078
Providence, RI 02940-3078

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Deloitte & Touche LLP
Two World Financial Center
New York, New York 10281

LEGAL COUNSEL

Clifford Chance US LLP
31 West 52nd Street
New York, New York 10019

COUNSEL TO THE INDEPENDENT TRUSTEES

Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, New York 10036

INVESTMENT ADVISER

Morgan Stanley Investment Advisors Inc.
522 Fifth Avenue
New York, New York 10036

The financial statements included herein have been taken from the records of the Fund without examination by the independent auditors and accordingly they do not express an opinion thereon.

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MORGAN STANLEY FUNDS

Morgan Stanley
Municipal Income
Opportunities Trust

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Semiannual Report
November 30, 2007

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01ASAN
IU08-00250P-Y11/07

Item 2. Code of Ethics.

Not applicable for semiannual reports.

Item 3. Audit Committee Financial Expert.

Not applicable for semiannual reports.

Item 4. Principal Accountant Fees and Services

Not applicable for semiannual reports.

Item 5. Audit Committee of Listed Registrants.

Not applicable for semiannual reports.

Item 6.

Refer to Item 1.

Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.

Not applicable for semiannual reports.

Item 8. Portfolio Managers of Closed-End Management Investment Companies

Applicable only to reports covering periods ending on or after December 31, 2005.

Item 9. Closed-End Fund Repurchases

REGISTRANT PURCHASE OF EQUITY SECURITIES

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
November 1				
November 30	6,400	7.40	N/A	N/A

			N/A	N/A
			N/A	N/A
			N/A	N/A
			N/A	N/A
			N/A	N/A
	-----	-----	---	---
Total	6,400	7.40	N/A	N/A
	=====	=====	===	===

Item 10. Submission of Matters to a Vote of Security Holders

Not applicable.

Item 11. Controls and Procedures

(a) The Fund's principal executive officer and principal financial officer have concluded that the Trust's/Fund's disclosure controls and procedures are sufficient to ensure that information required to be disclosed by the Fund in this Form N-CSR 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.

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(b) There were no changes in the registrant's internal control over financial reporting that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 12. Exhibits

(a) Code of Ethics - Not applicable for semiannual reports.

(b) A separate certification for each principal executive officer and principal financial officer of the registrant are attached hereto as part of EX-99.CERT.

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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

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Ronald E. Robison
Principal Executive Officer
January 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
January 17, 2008

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