

Morgan Stanley Emerging Markets Domestic Debt Fund, Inc.
Form N-Q
September 28, 2015

**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 811-22011

Morgan Stanley Emerging Markets Domestic Debt Fund, Inc.
(Exact name of registrant as specified in charter)

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

10036
(Zip code)

John H. Gernon

522 Fifth Avenue, New York, New York 10036
(Name and address of agent for service)

Registrant's telephone number, including area code: 212-296-0289

Date of fiscal year October 31,
end:

Date of reporting period: July 31, 2015

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:

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Morgan Stanley Emerging Markets Domestic Debt Fund, Inc.

Portfolio of Investments

Third Quarter Report

July 31, 2015 (unaudited)

(Showing Percentage of Total Value of Investments)

		Face Amount (000)	Value (000)
Fixed Income Securities (99.4%)			
Brazil (10.5%)			
Sovereign (10.5%)			
Brazil Notas do Tesouro Nacional, Series F, 10.00%, 1/1/17 1/1/25	BRL	389,500	\$ 101,850
Chile (0.8%)			
Sovereign (0.8%)			
Chile Government International Bond, 5.50%, 8/5/20	CLP	4,665,000	7,388
Colombia (7.9%)			
Sovereign (7.9%)			
Colombia Government International Bond, 7.75%, 4/14/21	COP	29,000,000	10,869
9.85%, 6/28/27		46,000,000	19,570
12.00%, 10/22/15		11,000,000	3,874
Colombian TES, 10.00%, 7/24/24		75,500,000	31,162
Financiera de Desarrollo Territorial SA Findeter, 7.88%, 8/12/24 (a)		31,492,000	10,825
			76,300
Hungary (5.5%)			
Sovereign (5.5%)			
Hungary Government Bond, 5.50%, 6/24/25	HUF	4,900,000	20,109
6.00%, 11/24/23		510,000	2,141
7.50%, 11/12/20		7,180,000	31,391
			53,641
Indonesia (9.0%)			
Sovereign (9.0%)			
Barclays Bank PLC, Indonesia Government Bonds, Credit Linked Notes, 10.00%, 7/17/17 (a)(b)	IDR	360,000,000	27,654
Credit Suisse, Indonesia Government Bonds, Credit Linked Notes, 10.00%, 7/17/17		154,683,530	11,882
Deutsche Bank AG, Indonesia Government Bond, Credit Linked Notes, 11.00%, 12/15/20 (a)(b)		60,000,000	4,923
Indonesia Treasury Bond, 8.38%, 3/15/34		252,600,000	17,943
JPMorgan Chase Bank, London, Indonesia Government Bonds, Credit Linked Notes, 8.25%, 7/17/21		135,000,000	9,874
10.00%, 7/19/17(b)		192,525,000	14,789

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				87,065
Malaysia (10.1%)				
Sovereign (10.1%)				
Malaysia Government Bond,				
3.48%, 3/15/23		MYR	49,480	12,439
4.18%, 7/15/24			327,900	85,654
				98,093

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Mexico (11.4%)			
Mexican Bonos,			
7.50%, 6/3/27		72,585	4,973
Petroleos Mexicanos (Units),			
			110,086
Sovereign (4.5%)			
5.70%, 8/12/24	PEN	44,037	13,084
5.70%, 8/12/24 (a)(c)		66,501	19,759
			44,016
Sovereign (1.5%)			
4.95%, 1/15/21	PHP	648,000	14,877
Poland (9.3%)			
Poland Government Bond,			
5.75%, 9/23/22		141,500	44,902
Romania (2.7%)			
Romania Government Bond,			
5.90%, 7/26/17		53,290	14,388
Russia (5.4%)			
Russian Federal Bond - OFZ,			
8.15%, 2/3/27		2,171,800	30,194
South Africa (10.5%)			
South Africa Government Bond,			
7.25%, 1/15/20		24	2
			102,155

Thailand (1.2%)			
Sovereign (1.2%)			
Thailand Government Bond, 3.63%, 6/16/23	THB	380,000	11,459
Turkey (9.1%)			
Corporate Bond (3.5%)			
Turkiye Garanti Bankasi AS, 7.38%, 3/7/18 (a)	TRY	102,980	33,585
Sovereign (5.6%)			
Turkey Government Bond, 10.40%, 3/20/24		9,500	3,631
10.50%, 1/15/20		135,825	51,024
			54,655
			88,240
Total Fixed Income Securities (Cost \$1,265,757)			963,290
	Shares		Value (000)
Investment Company (0.0%)			
United States (0.0%)			
Morgan Stanley Institutional Fund, Inc. - Emerging Markets Portfolio (d) (Cost \$ @)		1	@
Short-Term Investments (0.6%)			
Investment Company (0.5%)			
Morgan Stanley Institutional Liquidity Funds - Money Market Portfolio - Institutional Class (e) (Cost \$4,793)		4,793,431	4,793
	Face Amount (000)		Value (000)
U.S. Treasury Security (0.1%)			
U.S. Treasury Bill (f) (Cost \$965)	\$	965,000	965
Total Short-Term Investments (Cost \$5,758)			5,758
Total Investments (100.0%) (Cost \$1,271,515) (g)+			969,048
Liabilities in Excess of Other Assets			(302,815)
Net Assets			\$ 666,233

(a) 144A security Certain conditions for public sale may exist. Unless otherwise noted, these securities are deemed to be liquid.

(b) Variable/Floating Rate Security Interest rate changes on these instruments are based on changes in a designated base rate. The rates shown are those in effect on July 31, 2015.

(c) Consists of one or more classes of securities traded together as a unit.

(d) For the nine months ended July 31, 2015, the cost of purchases of Morgan Stanley Institutional Fund, Inc. - Emerging Markets Portfolio, Investment Company, and its affiliated broker-dealers, which may be deemed affiliates of the Adviser/Administrator and Distributor under the Investment Company Act of 1940, was less than \$500.

(e) The Fund invests in the Institutional Class of the Morgan Stanley Institutional Liquidity Funds - Money Market Portfolio - (the Liquidity Funds), an open-end management investment company managed by the Adviser. Advisory fees paid by the Fund are reduced by an amount equal to its pro-rata share of the advisory and administrative service fees paid by the Fund due to its investment in the Liquidity Funds. For the nine months ended July 31, 2015, advisory fees paid were reduced by approximately \$17,000 relating to the Fund's investment in the Liquidity Funds.

(f) Rate shown is the yield to maturity at July 31, 2015.

(g) Securities are available for collateral in connection with open foreign currency forward exchange contracts.

+ At July 31, 2015, the U.S. Federal income tax cost basis of investments was approximately \$1,271,515,000 and, accordingly, net unrealized depreciation for U.S. Federal income tax purposes was approximately \$302,467,000 of which approximately \$179,000 related to appreciated securities and approximately \$302,646,000 related to depreciated securities.

@ Value is less than \$500.

OFZ Obilgatsyi Federal novo Zaima (Russian Federal Loan Obligation)

Foreign Currency Forward Exchange Contracts:

The Fund had the following foreign currency forward exchange contracts open at July 31, 2015:

Counterparty	Currency to Deliver (000)	Value (000)	Settlement Date	In Exchange For (000)	Value (000)	Unrealized Appreciation (Depreciation) (000)
JPMorgan Chase Bank NA	HUF 3,490,000	\$ 12,477	8/3/15	USD 12,303	\$ 12,303	\$ (174)
JPMorgan Chase Bank NA	HUF 2,100,000	7,508	8/3/15	USD 7,369	7,369	(139)
JPMorgan Chase Bank NA	USD 19,781	19,781	8/3/15	HUF 5,590,000	19,983	202
JPMorgan Chase Bank NA	USD 18,153	18,153	8/3/15	ZAR 230,900	18,253	100
JPMorgan Chase Bank NA	ZAR 138,900	10,980	8/3/15	USD 11,275	11,275	295
JPMorgan Chase Bank NA	ZAR 92,000	7,273	8/3/15	USD 7,418	7,418	145
JPMorgan Chase Bank NA	BRL 159,850	46,685	8/4/15	USD 50,327	50,327	3,642