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MORGAN STANLEY EMERGING MARKETS DEBT FUND INC Form N-Q November 24, 2009

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:

MORGAN STANLEY EMERGING MARKETS DEBT FUND, INC. (Exact name of registrant as specified in charter)

522 FIFTH AVENUE NEW YORK, NY (Address of principal executive offices)

(Zip code)

522 FIFTH AVENUE NEW YORK, NY, 10036

RANDY TAKIAN

(Name and address of agent for service)

1-800-231-2608

Registrant s telephone number, including area code:

Date of fiscal year end: 12/31

Date of reporting period: 9/30/09

811-07694

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Item 1. Schedule of Investments.

The Fund s schedule of investment as of the close of the reporting period prepared pursuant to Rule 12-12 Regulation S-X is as follows:

Portfolio of Investments

Third Quarter Report

September 30, 2009 (unaudited)

(Showing Percentage of Total Value of Investments)

		Amount 000)	Value (000)	
DEBT INSTRUMENTS (98.6%)				
Argentina (3.1%)				
Sovereign (3.1%)				
Republic of Argentina,				
1.68%, 8/3/12(a)	\$	8,305 \$	6,771	
8.28%, 12/31/33		1,764	1,200	
			7,971	
Belize (0.0%)				
Sovereign (0.0%)				
Government of Belize,				
4.25%, 2/20/29(b)		154	85	
Brazil (14.6%)				
Sovereign (14.6%)				
Banco Nacional de Desenvolvimento Economico e Social,				
6.37%, 6/16/18(c)		5,000	5,281	
Federative Republic of Brazil,				
5.88%, 1/15/19(d)		5,340	5,767	
7.13%, 1/20/37		550	659	
8.00%, 1/15/18		1,401	1,629	
8.88%, 10/14/19 - 4/15/24		6,188	8,087	
10.00%, 1/1/17	BRL	9,520	4,717	
10.50%, 7/14/14	\$	1,740	2,242	
11.00%, 8/17/40(d)		6,880	9,288	
			37,670	
Bulgaria (0.4%)				
Sovereign (0.4%)				
Republic of Bulgaria,				
8.25%, 1/15/15(c)		898	1,042	
Chile (0.5%)				
Sovereign (0.5%)				
Empresa Nacional de Petroleo,				
6.75%, 11/15/12(c)		1,140	1,249	
Colombia (3.9%)				
Sovereign (3.9%)				
Republic of Colombia,				
7.38%, 3/18/19		5,090	5,846	
11.75%, 2/25/20		2,795	4,080	
		_,. >5	9,926	
Ecuador (0.6%)			,,,20	
Sovereign (0.6%)				

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Sovereign (8.0%) Republic of Indonesia,	Tranche C, Zero Coupon, 4/20/27(a)(C)(C)(1)		5,552	
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$\begin{array}{cccc} 1,130 & 1,260 \\ 11,03\%,3/4/19 & 5,300 & 7,388 \\ 11,03\%,3/4/19 & 5,300 & 7,388 \\ 11,03\%,3/4/19 & 5,300 & 7,388 \\ 20,540 & 20,540 \\ 20,540 & 21,559 \\ \hline \\ Ivory Coast (0.4\%) & & & & & \\ 2ror Coupon, 3/31/18(f) & & & & & \\ Zero Coupon, 3/31/18(f) & & & & & \\ Zero Coupon, 3/31/18(f) & & & & & \\ Sovereign (0.4\%) & & & & & \\ Sovereign (3.5\%) & & & \\ Sovereign (3.5\%) & & & & \\ Sovereign (3.5\%) & & & & \\ Sovereign (3.5\%) & & & \\ Sovereign (3.5\%) & & & & \\ Sovereign (3.5$				
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Sovereign (0.4%) Ivory Coast, Zero Coupon, 3/31/18(f) 2,045 951 Kazahstan (3.5%) Sovereign (3.5%) Intergas Finance BV, 610 555 KazMunaiGaz Finance BV, 610 555 Naturation (3.5%) 610 555 KazMunaiGaz Finance BV, 610 555 Naturation (3.5%) 2,000 2,180 9.13%, 7/2/18 2,000 2,180 9.13%, 7/2/18 2,000 2,80 9.13%, 7/2/18 2,000 2,80 9.13%, 7/2/18 2,000 2,80 9.13%, 7/2/18 2,000 2,80 9.13%, 7/2/18 2,000 2,80 9.13%, 7/2/18 2,000 2,80 9.13%, 7/2/18 2,000 2,80 9.13%, 7/2/18 2,000 2,80 9.13%, 7/2/18 4,92 2,000 9.00%, 12/5/24 2,510 2,139 8.63%, 12/1/23 1,740 1,997 9.13%, 10/13/10 1,027 1,097				21,559
Ivory Coast, Zero Coupon, 3/31/18(f) 2,045 951 Kazakhstan (3.5%)				
Zero Coupon, 3/31/18(f) 2,045 951 Kazakhstan (3.5%)				
Kazakhstan (3.5%) Sovereign (3.5%) Intergas Finance BV, 6.38%, 5/14/17 6.38%, 5/14/17 6.38%, 5/14/17 6.38%, 5/14/17 6.38%, 5/14/17 6.38%, 5/14/17 6.38%, 5/14/17 6.38%, 5/14/17 6.38%, 5/14/17 6.38%, 5/14/17 6.38%, 5/14/17 6.38%, 5/14/17 6.38%, 5/14/17 6.38%, 5/14/17 6.10 5.55 KazukunaiGaz Finance BV, 6.10 9.13%, 7/2/18 (c) 8.07%, 11/18/38 Mexico (12.6%) Mexican Bonos, 8.07%, 11/18/38 Mexican Bonos, 8.00%, 11/18/38 MXN 69,250 4.992 10.00%, 6/15/10 (a)(c) \$ 2,150 2,139 8.63%, 12/1/23 1,272 1,297 1,38, 10/13/10 1,027 1,38, 10/13/10 1,1670 5,53%,	•			
Sovereign (3.5%) Intergas Finance BV, 6.38%, 5/14/17 6.10 555 KazMunaiGaz Finance Sub BV,	Zero Coupon, 3/31/18(f)		2,045	951
Sovereign (3.5%) Intergas Finance BV, 6.38%, 5/14/17 610 555 KazMunaiGaz Finance Sub BV, 9.13%, 7/2/18 2,000 2,180 9.13%, 7/2/18(c) 5,720 6,235 Nexico (12.6%) 8,970 Mexico 12.6%) 8 8,970 Mexica Bonos, 8 8,970 8.50%, 11/18/38 MXN 69,250 4,992 10.00%, 12/5/24 25,810 2,211 Pemex Project Funding Master Trust, 1 1 1.60%, 6/15/10(a)(c) \$ 2,150 2,139 8.63%, 12/1/23 1,027 1,096 United Mexican States, 1 1,027 1,096 United Mexican States, 5,418 5,651 5.95%, 3/19/19 6,180 6,520 6.05%, 1/11/40 1,670 1,670 6.05%, 1/11/40 1,670 1,674				
Intergas Finance BV, $6.38\%, 5/14/17$ 610 555 KazMunaiGaz Finance Sub BV, $2,000$ $2,180$ $9.13\%, 7/2/18$ $2,000$ $2,180$ $9.13\%, 7/2/18(c)$ $5,720$ $6,235$ 8.000 $8,970$ $8,970$ Mexico (12.6%)Mexican Bonos, $8.50\%, 11/18/38$ MXN $69,250$ $4,992$ $10.00\%, 12/5/24$ $25,810$ $2,211$ Pemex Project Funding Master Trust, $1.60\%, 6/15/10(a)(c)$ \$ $2,150$ $2,139$ $8.63\%, 12/1/23$ $1,740$ $1,997$ $9,13\%, 10/13/10$ $1,027$ $1,096$ United Mexican States, $5,418$ $5,651$ $5.95\%, 3/19/19$ $6,180$ $6,520$ $6.05\%, 1/11/40$ $1,670$ $1,674$ $6.75\%, 9/27/34(d)$ $5,669$ $6,264$				
6.38%, 5/14/17 610 555 KazMunaiGaz Finance Sub BV, 9.13%, 7/2/18 2,000 2,180 9.13%, 7/2/18(c) 5,720 6,235 8,970 8,970 8,970 Mexico (12.6%) 8 8,970 Mexican Bonos, 8 8,950 4,992 10.00%, 12/5/24 25,810 2,211 Pemex Project Funding Master Trust, 1 2,150 2,139 8.63%, 12/1/23 1,740 1,997 9.13%, 10/13/10 1,027 1,096 United Mexican States, 5,418 5,651 5.95%, 3/19/19 6,180 6,520 6.05%, 1/11/40 1,670 1,674 6.75%, 9/27/34(d) 5,669 6,264				
KazMunaiGaz Finance Sub BV, 9.13%, 7/2/18 2,000 2,180 9.13%, 7/2/18(c) 5,720 6,235 8,970 8,970 Mexico (12.6%) 8,970 Sovereign (12.6%) Mexican Bonos, 8.50%, 11/18/38 MXN 69,250 4,992 10.00%, 12/5/24 25,810 2,211 Pemex Project Funding Master Trust, 2 1.60%, 6/15/10(a)(c) \$ 2,150 2,139 8.63%, 12/1/23 1,740 1,997 9.13%, 10/13/10 1,027 1,096 United Mexican States, 5,418 5,651 5.95%, 3/19/19 6,180 6,520 6,521 6.05%, 1/11/40 1,670 1,674 6.75%, 9/27/34(d) 5,669 6,264			(10	555
9.13%, 7/2/18 2,000 2,180 9.13%, 7/2/18(c) 5,720 6,235 8,970 8,970 Mexico (12.6%) 5 8,970 Mexican Bonos, 5 8,970 8.50%, 11/18/38 MXN 69,250 4,992 10.00%, 12/5/24 25,810 2,211 Pemex Project Funding Master Trust, 5 2,150 2,139 8.63%, 12/1/23 1,740 1,997 9.13%, 10/13/10 1,027 1,096 United Mexican States, 5 5,55%, 3/19/19 6,180 6,520 6.05%, 1/11/40 1,670 1,674 6.75%, 9/27/34(d) 5,669 6,264			010	333
9.13%, 7/2/18(c) 5,720 6,235 8,970 Mexico (12.6%) Sovereign (12.6%) Mexican Bonos, 8.50%, 11/18/38 MXN 69,250 4,992 10.00%, 12/5/24 25,810 2,211 Pemex Project Funding Master Trust, 1 2 1.60%, 6/15/10(a)(c) \$ 2,150 2,139 8.63%, 12/1/23 1,740 1,997 9.13%, 10/13/10 1,027 1,097 9.13%, 10/13/10 5,418 5,651 5.63%, 1/15/17(d) 5,418 5,651 5.95%, 3/19/19 6,180 6,520 6.05%, 1/11/40 1,670 1,674 6.75%, 9/27/34(d) 5,669 6,264			2 000	2 190
Mexico (12.6%) \$ Sovereign (12.6%) \$ Mexican Bonos, \$ 8.50%, 11/18/38 MXN 69,250 4,992 10.00%, 12/5/24 25,810 2,211 Pemex Project Funding Master Trust, \$ 2,150 2,139 8.63%, 12/1/23 1,740 1,997 9.13%, 10/13/10 1,027 1,096 United Mexican States, \$ 5,418 5,651 5.95%, 3/19/19 6,180 6,520 6,520 6.05%, 1/11/40 1,670 1,674 6.75%, 9/27/34(d) 5,669 6,264				
Mexico (12.6%) Sovereign (12.6%) Mexican Bonos, 8.50%, 11/18/38 MXN 69,250 4,992 10.00%, 12/5/24 25,810 2,211 Pemex Project Funding Master Trust, 21 25,810 2,211 1.60%, 6/15/10(a)(c) \$ 2,150 2,139 8.63%, 12/1/23 1,740 1,997 9.13%, 10/13/10 1,027 1,096 United Mexican States, 5 5,418 5,651 5.95%, 3/19/19 6,180 6,520 6,05% 6.05%, 1/11/40 1,670 1,674 6.75%, 9/27/34(d) 5,669 6,264	9.15%, //2/18(0)		5,720	
Sovereign (12.6%) Mexican Bonos, 8.50%, 11/18/38 MXN 69,250 4,992 10.00%, 12/5/24 25,810 2,211 Pemex Project Funding Master Trust, 2 2 1.60%, 6/15/10(a)(c) \$ 2,150 2,139 8.63%, 12/1/23 1,740 1,997 9.13%, 10/13/10 1,027 1,096 United Mexican States, 5 5,418 5,651 5.95%, 3/19/19 6,180 6,520 6.05%, 1/11/40 1,670 1,674 6.75%, 9/27/34(d) 5,669 6,264	Mexico (12.6%)			0,970
Mexican Bonos, 8.50%, 11/18/38 MXN 69,250 4,992 10.00%, 12/5/24 25,810 2,211 Pemex Project Funding Master Trust, 2 2 1.60%, 6/15/10(a)(c) \$ 2,150 2,139 8.63%, 12/1/23 1,740 1,997 9.13%, 10/13/10 1,027 1,096 United Mexican States, 5 5,418 5,651 5.95%, 3/19/19 6,180 6,520 6.05%, 1/11/40 1,670 1,674 6.75%, 9/27/34(d) 5,669 6,264				
8.50%, 11/18/38MXN69,2504,99210.00%, 12/5/2425,8102,211Pemex Project Funding Master Trust,221.60%, 6/15/10(a)(c)\$2,1502,1398.63%, 12/1/231,7401,9979.13%, 10/13/101,0271,096United Mexican States,555.63%, 1/15/17(d)5,4185,6515.95%, 3/19/196,1806,5206.05%, 1/11/401,6701,6746.75%, 9/27/34(d)5,6696,264				
10.00%, 12/5/2425,8102,211Pemex Project Funding Master Trust,11.60%, 6/15/10(a)(c)\$2,1502,1398.63%, 12/1/231,7401,9979.13%, 10/13/101,0271,096United Mexican States,555.63%, 1/15/17(d)5,4185,6515.95%, 3/19/196,1806,5206.05%, 1/11/401,6701,6746.75%, 9/27/34(d)5,6696,264	,	MXN	69.250	4.992
Pemex Project Funding Master Trust, 1.60%, 6/15/10(a)(c) \$ 2,150 2,139 8.63%, 12/1/23 1,740 1,997 9.13%, 10/13/10 1,027 1,096 United Mexican States, 5,418 5,651 5.95%, 3/19/19 6,180 6,520 6.05%, 1/11/40 1,670 1,674 6.75%, 9/27/34(d) 5,669 6,264				
1.60%, 6/15/10(a)(c)\$2,1502,1398.63%, 12/1/231,7401,9979.13%, 10/13/101,0271,006United Mexican States,555.63%, 1/15/17(d)5,4185,6515.95%, 3/19/196,1806,5206.05%, 1/11/401,6701,6746.75%, 9/27/34(d)5,6696,264			.,	_,1
8.63%, 12/1/23 1,740 1,997 9.13%, 10/13/10 1,027 1,096 United Mexican States, 5 5 5.63%, 1/15/17(d) 5,418 5,651 5.95%, 3/19/19 6,180 6,520 6.05%, 1/11/40 1,670 1,674 6.75%, 9/27/34(d) 5,669 6,264		\$	2,150	2,139
9.13%, 10/13/101,0271,096United Mexican States,55.63%, 1/15/17(d)5,4185,6515.95%, 3/19/196,1806,5206.05%, 1/11/401,6701,6746.75%, 9/27/34(d)5,6696,264				
United Mexican States,5.63%, 1/15/17(d)5,4185,6515.95%, 3/19/196,1806,5206.05%, 1/11/401,6701,6746.75%, 9/27/34(d)5,6696,264				
5.63%, 1/15/17(d)5,4185,6515.95%, 3/19/196,1806,5206.05%, 1/11/401,6701,6746.75%, 9/27/34(d)5,6696,264			,	,
5.95%, 3/19/196,1806,5206.05%, 1/11/401,6701,6746.75%, 9/27/34(d)5,6696,264			5,418	5,651
6.05%, 1/11/401,6701,6746.75%, 9/27/34(d)5,6696,264				
6.75%, 9/27/34(d) 5,669 6,264				

Portfolio of Investments

Third Quarter Report

September 30, 2009 (unaudited)

(Showing Percentage of Total Value of Investments)

	Face A (00		Value (000)		
Pakistan (0.4%)					
Sovereign (0.4%)					
Republic of Pakistan,					
6.88%, 6/1/17	\$	530 \$	464		
7.13%, 3/31/16		500	440		
7.13%, 3/31/16(c)		197	174		
			1,078		
Panama (2.2%)					
Sovereign (2.2%)					
Republic of Panama,					
7.13%, 1/29/26		1,340	1,551		
8.88%, 9/30/27		430	570		
9.38%, 4/1/29		2,663	3,648		
			5,769		
Peru (6.2%)					
Sovereign (6.2%)					
Republic of Peru,					
7.13%, 3/30/19		3,360	3,892		
7.35%, 7/21/25		3,360	3,940		
8.75%, 11/21/33		6,130	8,214		
			16,046		
Philippines (4.5%)					
Sovereign (4.5%)					
Republic of Philippines,					
8.38%, 6/17/19		1,041	1,273		
8.88%, 3/17/15		2,608	3,149		
9.00%, 2/15/13		2,240	2,626		
9.50%, 2/2/30		3,409	4,543		
			11,591		
Poland (0.6%)					
Sovereign (0.6%)					
Republic of Poland,					
6.38%, 7/15/19		1,400	1,580		
Qatar (0.7%)					
Sovereign (0.7%)					
State of Qatar (Registered),					
9.75%, 6/15/30		1,260	1,808		
		1,200	1,000		
Russia (12.1%)					
Sovereign (12.1%)					
RSHB Capital S.A. for OJSC Russian Agricultural Bank,					
6.30%, 5/15/17(c)		2,004	1,924		
		_,001	1,221		

5 5			
7.18%, 5/16/13(c)		1,920	1,989
Russian Federation,			
7.50%, 3/31/30(b)(c)		831	911
Russian Federation (Registered),			
7.50%, 3/31/30(b)(d)		18,042	19,767
12.75%, 6/24/28		4,000	6,680
			31,271
South Africa (0.2%)			
Sovereign (0.2%)			
Republic of South Africa,			
6.88%, 5/27/19		470	526
South Korea (1.6%)			
Sovereign (1.6%)			
Export-Import Bank of Korea,			
5.88%, 1/14/15		1,760	1,860
Korea Development Bank,			
8.00%, 1/23/14		1,320	1,510
Republic of Korea,			
5.75%, 4/16/14		650	702
			4,072
Sri Lanka (0.1%)			
Sovereign (0.1%)			
Republic of Sri Lanka,		250	251
8.25%, 10/24/12		350	351
Trinidad (0.8%)			
Sovereign (0.8%)			
National Gas Co. of Trinidad & Tobago Ltd.,		2 260	2.042
6.05%, 1/15/36(c)		2,369	2,043
Turkey (10.2%)			
Sovereign (10.2%)			
Republic of Turkey,			
Zero Coupon, 5/11/11	TRY	8,040	4,745
6.75%, 4/3/18	\$	3,045	3,224
6.88%, 3/17/36	Ψ	1,174	1,180
7.50%, 7/14/17 - 11/7/19		3,856	4,270
8.00%, 2/14/34		867	989
11.00%, 1/14/13		1,445	1,743
11.00%, 8/6/14	TRY	3,310	2,261
11.50%, 1/23/12	\$	320	378
11.88%, 1/15/30	÷	3,237	5,236
16.00%, 3/7/12	TRY	2,740	2,112
10:00 /0, 0, // 12		_,,	26,138
Ukraine (0.7%)			20,100
Sovereign (0.7%)			
Ukraine Government,			
6.58%, 11/21/16	\$	836	661
6.75%, 11/14/17		120	95
7.65%, 6/11/13		1,096	1,000
		,	1,756
Uruguay (0.2%)			,
Sovereign (0.2%)			
Republic of Uruguay,			
8.00%, 11/18/22		545	613
Venezuela (9.0%)			
Sovereign (9.0%)			
Republic of Venezuela,			
5.75%, 2/26/16		987	730
7.00%, 3/31/38		1,631	1,003

7.65%, 4/21/25	2,700	1,796
9.00%, 5/7/23	617	466
9.25%, 9/15/27 - 5/7/28	13,832	10,954

Portfolio of Investments

Third Quarter Report

September 30, 2009 (unaudited)

(Showing Percentage of Total Value of Investments)

		Face Amount (000)	Value (000)		
Venezuela (cont d)					
Sovereign (cont d)					
10.75%, 9/19/13	\$	8,330	\$	8,288	
			2	23,237	
TOTAL DEBT INSTRUMENTS					
(Cost \$239,923)			25	53,992	
				,	
		No. of Warrants			
WARRANT (0.1%)		vv arrants			
Nigeria (0.1%)					
Central Bank of Nigeria, expires 11/15/20(a)(e)					
(Cost \$)		3,000		345	
		Face Amount (000)			
SHORT-TERM INVESTMENT (1.3%)		(000)			
United States (1.3%)					
Investment Company (1.3%)					
Morgan Stanley Institutional Liquidity Funds Money Market Portfolio	Institutional Class (g)				
(Cost \$3,416)		3,415,667		3,416	
TOTAL INVESTMENTS (100.0%) (Cost \$243,339) +			25	57,753	
LIABILITIES IN EXCESS OF OTHER ASSETS				23,897)	
NET ASSETS				33,856	

⁽a) 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 September 30, 2009.

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

(d) Denotes all or a portion of securities subject to repurchase under the Reverse Repurchase Agreements as of September 30, 2009.

(e) Security has been deemed illiquid at September 30, 2009.

(f) Issuer is in default.

⁽b) Step Bond Coupon rate increases in increments to maturity. Rate disclosed is as of September 30, 2009. Maturity date disclosed is the ultimate maturity date.

⁽g) The Fund invests in the Morgan Stanley Institutional Liquidity Funds Money Market Portfolio Institutional Class (the Liquidity Fund), an open-end management investment company managed by the Adviser. Investment Advisory fees paid by the Fund are reduced by an amount equal to its pro-rata share of the advisory and administration fees paid by the Liquidity Fund. For the period ended September 30, 2009, advisory fees paid were reduced by approximately \$3,000 relating to the Fund s investments in the Liquidity Fund. For the same period, income distributions earned by the Fund are recorded as dividends from affiliates and totaled approximately \$7,000. For the period ended September 30, 2009, the approximate cost of purchases and sales in the Liquidity Fund were \$106,324,000 and \$110,570,000, respectively.

⁺ At September 30, 2009, the U.S. Federal income tax cost basis of investments was approximately \$243,339,000 and, accordingly, net unrealized appreciation for U.S. Federal income tax purposes was \$14,414,000 of which \$23,074,000 related to appreciated securities and

\$8,660,000 related to depreciated securities.

Foreign Currency Exchange Contracts Information:

The Fund had the following foreign currency exchange contract(s) open at period end:

										Net	
(Currency						In			Unrealized	
	to					E	xchange			Appreciation	
	Deliver		Value		Settlement		For	Value		(Depreciation)	
	(000)		(000)		Date		(000)	(000)		(000)	
USD	4,470) \$		4,470	10/26/09	KRW	5,406,000	\$	4,587	\$ 1	17
USD	2,358	3		2,358	12/28/09	RUB	72,510		2,361		3
		\$		6,828				\$	6,948	\$ 12	20

BRL	Brazilian Real
KRW	Korean Won
MXN	Mexican Peso
RUB	Russian Ruble
TRY	Turkish Lira
USD	United States Dollar

Futures Contracts:

The Fund had the following futures contract(s) open at period end:

	Number of Contracts	Value (000)	Expiration Date	Net Unrealized Appreciation (Depreciation) (000)	
Short:					
U.S. Treasury 10 yr. Note	395	\$ 46,740	Dec-09	\$ (31	14)

Portfolio of Investments

Third Quarter Report

September 30, 2009 (unaudited)

(Showing Percentage of Total Value of Investments)

Fair Value Measurement Information:

The following is a summary of the inputs used to value the Fund s net assets as of September 30, 2009. (See Notes to Portfolio of Investments for further information regarding fair value measurement.)

Investment Type	Level 1 Quoted prices (000)	Level 2 Other significant observable inputs (000)	Level 3 Significant unobservable inputs (000)	Total (000)
Liabilities:				
Assets:				
Debt Instruments				
Industrials	\$	\$ 1,019	\$	\$ 1,019
Sovereign		252,973		252,973
Total Debt Instruments		253,992		253,992
Forward Currency Exchange Contracts		120)	120
Short-Term Investment				
Investment Company	3,416			3,416
Warrants		345		345
Total Assets	3,416	254,457	,	257,873
Liabilities:				
Futures	314			314
Reverse Repurchase Agreement		24,573		24,573
Total Liabilities	314	24,573	}	24,887
Total	\$ 3,102	\$ 229,884	\$	\$ 232,986

At September 30, 2009, the Fund had reverse repurchase agreements outstanding with UBS as follows:

UBS Agreement	Maturity in less than 365 Days
Value of Securities Subject to Repurchase	\$ 28,695,000
Liability Under Reverse Repurchase Agreement	\$ 24,588,000
Weighted Average Days to Maturity	78.33

Notes to Portfolio of Investments (unaudited)

In accordance with FASB ASC 820 Fair Value Measurements and Disclosure (ASC 820) (formerly known as SFAS 157), fair value is defined as the price that the Fund would receive to sell an investment or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the investment or liability. ASC 820 establishes a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in valuing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity is own assumptions about the assumptions market participants would use in valuing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish classification of fair value measurements for disclosure purposes. Various inputs are used in determining the value the Fund s investments. The inputs are summarized in the three broad levels listed below.

- Level 1 quoted prices in active markets for identical investments
- Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 significant unobservable inputs (including the Fund s own assumptions in determining the fair value of investments)

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

Security Valuation: Bonds and other fixed income securities may be valued according to the broadest and most representative market. In addition, bonds and other fixed income securities may be valued on the basis of prices provided by a pricing service. The prices provided by a pricing service take into account broker dealer market price quotations for institutional size trading in similar groups of securities, security quality, maturity, coupon and other security characteristics as well as any developments related to the specific securities. Securities listed on a foreign exchange are valued at their closing price. Unlisted securities and listed securities not traded on the valuation date for which market quotations are readily available are valued at the mean between the current bid and asked prices obtained from reputable brokers. Equity securities listed on a U.S. exchange are valued at the latest quoted sales price on the valuation date. Equity securities listed or traded on NASDAQ, for which market quotations are available, are valued at the NASDAQ Official Closing Price. Debt securities purchased with remaining maturities of 60 days or less are valued at amortized cost, unless the Board of Directors (the Directors) determines such valuation does not reflect the securities market value, in which case these securities will be valued at their fair value as determined by the Directors.

All other securities and investments for which market values are not readily available, including restricted securities, and those securities for which it is inappropriate to determine prices in accordance with the aforementioned procedures, are valued at fair value as determined in good faith under procedures adopted by the Directors, although the actual calculations may be done by others. Factors considered in making this determination may include, but are not limited to, information obtained by contacting the issuer, analysts, or the appropriate stock exchange (for exchange-traded securities), analysis of the issuer s financial statements or other available documents and, if necessary, available information concerning other securities in similar circumstances.

Most foreign markets close before the New York Stock Exchange (NYSE). Occasionally, developments that could affect the closing prices of securities and other assets may occur between the times at which valuations of such securities are determined (that is, close of the foreign market on which the securities trade) and the close of business on the NYSE. If these developments are expected to materially affect the value of the securities, the valuations may be adjusted to reflect the estimated fair value as of the close of the NYSE, as determined in good faith under procedures established by the Directors.

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.

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.

(Registrant) Morgan Stanley Emerging Markets Debt Fund, Inc.

By: /s/ Randy TakianName:Randy TakianTitle:Principal Executive OfficerDate:November 19, 2009

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.

By: /s/ Randy Takian Name: Title: Date:

Randy Takian Principal Executive Officer November 19, 2009

By: /s/ James Garrett Name: Title: Date:

James Garrett Principal Financial Officer November 19, 2009