

Morgan Stanley Emerging Markets Domestic Debt Fund, Inc.
Form N-Q
September 27, 2016

**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, 2016

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, 2016 (unaudited)

(Showing Percentage of Total Value of Investments)

		Face Amount (000)		Value (000)
Fixed Income Securities (95.4%)				
Argentina (2.3%)				
Corporate Bond (0.9%)				
YPF SA, 31.35%, 7/7/20 (a)(b)	\$	7,500	\$	8,194
Sovereign (1.4%)				
Argentina Bonar Bonds, 28.97%, 10/9/17 (b)	ARS	148,220		10,275
Argentina Treasury Bond, 2.50%, 7/22/21		22,232		1,522
				11,797
				19,991
Brazil (12.3%)				
Corporate Bond (0.8%)				
Petrobras Global Finance BV, 5.38%, 1/27/21	\$	7,200		6,849
Sovereign (11.5%)				
Brazil Letras do Tesouro Nacional, 0.00%, 1/1/19	BRL	103,800		24,283
Brazil Notas do Tesouro Nacional, Series F, 10.00%, 1/1/19 1/1/21		262,130		76,785
				101,068
				107,917
Chile (0.2%)				
Sovereign (0.2%)				
Chile Government International Bond, 5.50%, 8/5/20	CLP	1,165,000		1,892
Colombia (5.9%)				
Corporate Bond (0.5%)				
Fideicomiso PA Costera, 6.25%, 1/15/34 (a)	COP	13,958,176		4,297
Sovereign (5.4%)				
Colombia Government International Bond, 9.85%, 6/28/27		32,100,000		12,599
Colombian TES, 10.00%, 7/24/24		75,028,500		28,294
Financiera de Desarrollo Territorial SA Findeter, 7.88%, 8/12/24 (a)		21,492,000		6,309

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			47,202
			51,499
Hungary (4.4%)			
Sovereign (4.4%)			
Hungary Government Bond,			
3.00%, 6/26/24	HUF	1,200,000	4,403
5.50%, 6/24/25		2,700,000	11,794
6.00%, 11/24/23		1,214,000	5,411

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7.50%, 11/12/20		3,804,000	16,882
			38,490
India (1.0%)			
Sovereign (1.0%)			
India Government Bond,			
8.40%, 7/28/24	INR	550,000	8,795
Indonesia (10.4%)			
Sovereign (10.4%)			
Barclays Bank PLC, Indonesia Government Bonds, Credit Linked Notes,			
10.00%, 7/17/17 (a)	IDR	290,000,000	22,914
Credit Suisse, Indonesia Government Bonds, Credit Linked Notes,			
10.00%, 7/17/17		154,683,530	12,222
Indonesia Treasury Bond,			
8.38%, 3/15/34		202,600,000	16,968
8.75%, 5/15/31		137,230,000	11,960
9.00%, 3/15/29		311,014,000	27,270
			91,334
Malaysia (4.8%)			
Sovereign (4.8%)			
Malaysia Government Bond,			
3.96%, 9/15/25	MYR	23,754	5,970
4.18%, 7/15/24		141,175	36,254
			42,224
Mexico (11.3%)			
Sovereign (11.3%)			
Mexican Bonos,			
6.50%, 6/10/21	MXN	675,185	37,361
7.75%, 5/29/31		29,500	1,801
8.50%, 5/31/29		290,400	18,728
Petroleos Mexicanos,			
(Units)			
7.65%, 11/24/21 (a)(c)		791,300	41,085
			98,975
Peru (2.7%)			
Sovereign (2.7%)			
Peru Government Bond,			
(Units)			
5.70%, 8/12/24 (c)	PEN	44,037	13,314
Peruvian Government International Bond,			
(Units)			
5.70%, 8/12/24 (a)(c)		14,001	4,233
8.20%, 8/12/26 (c)		17,110	6,068
			23,615
Poland (9.3%)			
Sovereign (9.3%)			
Poland Government Bond,			
5.25%, 10/25/20	PLN	130,500	37,775
5.75%, 9/23/22		141,500	43,214
			80,989

	Face Amount (000)	Value (000)
Argentina (1.9%)		