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:

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

			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

7.50%, 11/12/20		3,804,000	16,882
I 1 (4.0g)			38,490
India (1.0%)			
Sovereign (1.0%)			
India Government Bond,	IND	550,000	0.705
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,	1001	655.105	25.261
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)		701 200	41.005
7.65%, 11/24/21 (a)(c)		791,300	41,085
D (ARC)			98,975
Peru (2.7%)			
Sovereign (2.7%)			
Peru Government Bond,			
(Units) 5.70%, 8/12/24 (c)	PEN	44,037	12 214
Peruvian Government International Bond,	PEN	44,037	13,314
(Units) 5.70%, 8/12/24 (a)(c)		14,001	4,233
8.20%, 8/12/26 (c)		17,110	6,068
8.20%, 8/12/20 (C)		17,110	23,615
Poland (9.3%)			23,013
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

Damania (2.5%)			
Romania (3.5%)			
Sovereign (3.5%) Romania Government Bond,			
·	DON	100.000	20.602
4.75%, 2/24/25	RON	108,800	30,603
Russia (6.8%)			
Sovereign (6.8%)			
Russian Federal Bond - OFZ,			
6.70%, 5/15/19	RUB	953,300	13,761
7.05%, 1/19/28	Reb	1,775,000	24,562
8.15%, 2/3/27		1,398,800	21,044
0.15 76, 275127		1,570,000	59,367
South Africa (10.3%)			23,207
Sovereign (10.3%)			
South Africa Government Bond,			
6.75%, 3/31/21	ZAR	651,200	44,476
7.25%, 1/15/20		24	2
8.00%, 1/31/30		692,350	45,957
			90,435
Thailand (1.4%)			
Sovereign (1.4%)			
Thailand Government Bond,			
3.63%, 6/16/23	THB	380,000	12,125
Turkey (8.8%)			
Corporate Bond (3.7%)			
Turkiye Garanti Bankasi AS,			
7.38%, 3/7/18 (a)	TRY	102,980	32,702
Sovereign (5.1%)			
Turkey Government Bond,			
7.10%, 3/8/23		38,300	11,333
8.00%, 3/12/25		19,600	5,980
10.50%, 1/15/20		77,825	27,158
			44,471
			77,173
Total Fixed Income Securities (Cost \$978,222)			835,424
Short-Term Investments (4.6%)			
U.S. Treasury Security (0.9%)			
U.S. Treasury Bill,			
0.34%, 10/20/16 (d) (Cost \$8,224)	\$	8,230	8,226

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(555)
4,247 15,864
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	Face	
	Amount (000)	Value (000)
Argentina (1.9%)		