Morgan Stanley

Morgan Stanley & Co. Incorporated
1585 Broadway
New York, NY 10036

SEC-Required Report on Routing of Customer Orders
For Quarter Ending March 31, 2006

The Securities and Exchange Commission ("SEC" or "Commission") Rule 606 (the "Rule") requires all brokerage firms to make publicly available quarterly reports that present a general overview of the Firm's routing of non-directed customer orders in covered equity and option securities. Non-directed orders are orders that customers have not specifically instructed to be routed to a specific destination. For these non-directed orders, Morgan Stanley & Co. Incorporated ("Morgan Stanley") has selected the execution venue on behalf of its customers. In addition, Morgan Stanley must identify the significant venues to which it routed customer orders for execution during the applicable quarter. To obtain information about the rule, you may access the following web site addresses: http://www.sec.gov/rules/final/34-43590.htm and http://www.sec.gov/interps/legal/mrslb13a.htm.

The report is divided into four sections: one for securities listed on the New York Stock Exchange and reported as a Network A eligible security; one for securities listed on The Nasdaq Stock Market; one for securities listed on the American Stock Exchange or regional exchanges and reported as a Network B eligible security; and one for exchange-listed options. For each section, this report identifies the venues most often selected by Morgan Stanley, sets forth the percentage of various types of orders routed to the venues, and discusses the material aspects, if any, of Morgan Stanley's relationship with the venues.

Securities Listed on New York Stock Exchange/Network A Eligible Security

Summary Statistics:

Non-directed orders as percentage of total customer orders	35%
Market orders as percentage of total non-directed orders	0%
Limit orders as percentage of total non-directed orders	0%
Other orders as percentage of total non-directed orders	99%

Venues Receiving Significant Percentage of Total Non-Directed Orders:

New York Stock Exchange (NYSE)	95%

Information Concerning Significant Venues:

1. NYSE

Types of Orders Routed to Venue:

Market orders as percentage of total market orders	97%
Limit orders as percentage of total limit orders	96%
Other orders as percentage of total other orders	95%

Securities Listed On The Nasdaq Stock Market

Summary Statistics:

Non-directed orders as percentage of total customer orders	15%
Market orders as percentage of total non-directed orders	0%
Limit orders as percentage of total non-directed orders	0%
Other orders as percentage of total non-directed orders	99%

Venues Receiving Significant Percentage of Total Non-Directed Orders:

INET	36%
NASD	31%
BRUT	16%
ARCA	10%
MSCO	4 %

Information Concerning Significant Venues:

1. INET*

Types of Orders Routed to Venue:

Market orders as percentage of total market orders	0%
Limit orders as percentage of total limit orders	0%
Others orders as percentage of total other orders	37%

2. NASD

Types of Orders Routed to Venue:

Market orders as percentage of total market orders	0%
Limit orders as percentage of total limit orders	0%
Other orders as percentage of total other orders	31%

3. BRUT*

Types of Orders Routed to Venue:

Market orders as percentage of total market orders	0%
Limit orders as percentage of total limit orders	0%
Other orders as percentage of total other orders	16%

4. ARCA*

Types of Orders Routed to Venue:

Market orders as percentage of total market orders	0%
Limit orders as percentage of total limit orders	0%
Other orders as percentage of total other orders	10%

5. MSCO

Types of Orders Routed to Venue:

Market orders as percentage of total market orders	100%
Limit orders as percentage of total limit orders	99%
Other orders as percentage of total other orders	3%

Morgan Stanley executes large amounts of both institutional and retail order flow. Morgan Stanley utilizes various automated systems for its OTC market making, including, but not limited to, “automatic execution” capabilities. These automated systems and the interaction between these two sources of order flow, provide considerable opportunities for liquidity, quick turnaround and access to a broad array of market centers. Morgan Stanley may internalize customer order flow to allow the customer to benefit from this pool of liquidity and to offer this order flow improved opportunities for price improvement. Such internalization may enable Morgan Stanley to share in the profits, if any, generated by this activity.

*Electronic communication networks (“ECNs”) generally charge Morgan Stanley execution fees on a per share basis for accessing liquidity from their market and credit Morgan Stanley on a per share basis for providing liquidity to their market, in some instances, the credit exceeds the fees charged.

Securities Listed on American Stock Exchange or Regional Exchanges/Network B Eligible Security

Summary Statistics:

Non-directed orders as percentage of total customer orders	12%
Market orders as percentage of total non-directed orders	2%
Limit orders as percentage of total non-directed orders	2%
Other orders as percentage of total non-directed orders	96%

Venues Receiving Significant Percentage of Total Non-Directed Orders:

American Stock Exchange (AMEX)	75%
ARCA	16%
INET	5%

Information Concerning Significant Venues:

1. AMEX

Types of Orders Routed to Venue:

Market orders as percentage of total market orders	93%
Limit orders as percentage of total limit orders	96%
Other orders as percentage of total other orders	74%

2. ARCA

Types of Orders Routed to Venue:

Market orders as percentage of total market orders	0 %
Limit orders as percentage of total limit orders	1 %
Other orders as percentage of total other orders	16 %

3. INET

Types of Orders Routed to Venue:

Market orders as percentage of total market orders	0%
Limit orders as percentage of total limit orders	1%
Other orders as a percentage of total other orders	5%

Exchange-Listed Options

Summary Statistics:

Non-directed orders as percentage of total customer orders	24%
Market orders as percentage of total non-directed orders	6%
Limit orders as percentage of total non-directed orders	60%
Other orders as percentage of total non-directed orders	35%

Venues Receiving Significant Percentage of Total Non-Directed Orders:

International Securities Exchange (ISE)	59%
Chicago Board of Options Exchange (CBOE)	17%
Philadelphia Board of Options Exchange (PHLX)	11%
American Stock Exchange (AMEX)	6%

Information Concerning Significant Venues:

1. ISE

Types of Orders Routed to Venue:

Market orders as percentage of total market orders	74%
Limit orders as percentage of total limit orders	66%
Other orders as percentage of total other orders	44%

Morgan Stanley is a Primary Market Maker in 1 bin and a Competitive Market Maker in 9 bins on the ISE. Morgan Stanley has an indirect ownership interest in the ISE, which stands to appreciate as a result of any profits the ISE generates from the execution of customer orders.

2. CBOE

Types of Orders Routed to Venue:

Market orders as percentage of total market orders	15%
Limit orders as percentage of total limit orders	17%
Other orders as percentage of total other orders	16%

3. PHLX

Types of Orders Routed to Venue:

Market orders as percentage of total market orders	7%
Limit orders as percentage of total limit orders	9%
Other orders as percentage of total other orders	15%

Morgan Stanley holds an ownership interest in the PHLX, which stands to appreciate as a result of any profits the PHLX generates from the execution of orders. In addition, Morgan Stanley is the holder of a warrant that will grant it an additional ownership interest in the PHLX if certain options order flow goals are met.

4. AMEX

Types of Orders Routed to Venue:

Market orders as percentage of total market orders	3%
Limit orders as percentage of total limit orders	4%
Other orders as percentage of total other orders	10%

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To better inform you of Morgan Stanley & Co. Incorporated’s performance as a market center, the Reports may contain data that is in addition to that, which is required by the Disclosure Rules.

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