



STOCK EXCHANGE			
Regulatory Information Circular			
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Subject: Morgan Stanley Market Participation Securities

Information on the Notes

ISE today began trading Morgan Stanley 2.8% Market Participation Securities (“MPS”) based upon the value of the Dow Jones High Yield Select 10 Index. 1.1 million shares of the new security were issued at \$25.00 (par), with a maturity date of March 30, 2012.

As more fully set forth in the Issuer’s Registration Statement (#333-106789), and Prospectus Supplement, the MPS are global medium term debt securities of Morgan Stanley. The securities are principal-protected and will pay 2.8% interest on the principal amount of each MPS. Interest will be paid semi-annually, each 30th day of March and September, beginning September 30, 2004.

At maturity, each holder will receive the principal amount (\$25.00) plus a supplemental redemption amount, if any. The supplemental redemption amount will be equal to the amount by which the index-linked performance amount exceeds the sum of the principal amount (\$25) plus the total amount of interest payments the holder received over the term of the note (referred to as the “minimum return on the MPS”). The index-linked performance amount is equal to \$25 multiplied by the product of the quarterly performance amounts of the Dow Jones High Yield Select 10 Index for each of the 31 quarterly valuation periods over the term of the MPS.

The quarterly performance amount in each quarterly valuation period is equal to (i) the closing value of the Dow Jones High Yield Select 10 Index at the end of that quarterly valuation period divided by (ii) the closing value of the Dow Jones High Yield Select 10 Index at the beginning of that quarterly valuation period, subject to a maximum quarterly performance amount of 1.10 or a 10% quarterly increase in the value of the index. The MUT Index Quarterly Starting Value for the initial Quarterly Valuation Period is 92.84.

If the index-linked performance amount is less than or equal to the minimum return on the MPS, holders will receive only the principal amount of the MPS at maturity and will not receive any supplemental redemption amount.

The Dow Jones High Yield Select 10 Index is an equal-dollar-weighted index composed of the ten highest dividend-yielding stocks in the DJIA. The Dow Jones High Yield Select 10 Index is designed to replicate a popular contrarian strategy that assumes the ten highest-yielding stocks in the DJIA are underpriced relative to the other stocks

comprising the average. The Dow Jones High Yield Select 10 Index was initially constituted on December 31, 1998 and set to the level of the DJIA divided by 100 rounded to the nearest cent. The Dow Jones High Yield Select 10 Index is rebalanced back to equal-dollar weight on the last business day of each calendar year.

It is expected that the market value of the MPS will be affected by the value of the Index, by a number of other interrelated factors including, among other things: the general level of interest rates, the volatility of the Dow Jones High Yield Select 10 Index, the time remaining to maturity, the dividend rate on stocks underlying the Dow Jones High Yield Select 10 Index, and the credit rating of the Issuer.

Investing in the PPY is not equivalent to investing in the Dow Jones High Yield Select 10 Index.

Ownership of the PPY will be maintained in book-entry form by or through The Depository Trust Company.

PPY will be quoted and trade as an equity issue in round lots of 100, and will trade "flat" without accrued interest.

Trading in the shares on ISE is on a UTP basis and is subject to ISE equity trading rules. The shares will trade from 9:00 a.m. until 4:00 p.m. Eastern Time. Equity Electronic Access Members ("Equity EAMs") trading the shares during the Pre-Market Session are exposed to the risk of the lack of the calculation or dissemination of underlying index value or intraday indicative value ("IIV"). For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in the Pre-Market hours. Since the underlying index value and IIV are not calculated or widely disseminated during Pre-Market hours, an investor who is unable to calculate implied values for certain derivative securities products during Pre-Market hours may be at a disadvantage to market professionals.

Equity EAMs also should review NASD Notice to Members 03-71 for guidance on trading these products. The Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

This Regulatory Information Circular is not a statutory Prospectus. Equity EAMs should consult the Trust's Registration Statement, SAI, Prospectus and the Fund's website for relevant information.

Appendix A
Exchange-Traded Fund Symbol CUSIP Number

Ticker	Fund Name	CUSIP Number
PPY	Morgan Stanley 2.8% Market Participation Securities ("MPS") based upon the value of the Dow Jones High Yield Select 10 Index	61748A742