

BASE PROSPECTUS SUPPLEMENT FOR NOTES

Morgan Stanley

as issuer
(incorporated under
the laws of the State of Delaware in the United States of America)

MORGAN STANLEY (JERSEY) LIMITED

as issuer
(incorporated with limited liability in Jersey, Channel Islands)

MORGAN STANLEY B. V.

as issuer
(incorporated with limited liability in The Netherlands)

**Program for the
Issuance of Notes, Series A and B**

The Issuers, as defined below, have prepared this base prospectus supplement (the "**Base Prospectus Supplement**"), which constitutes and has been approved as a base prospectus supplement by the Irish Financial Services Regulatory Authority in its capacity as the Irish competent authority for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") as implemented in Ireland by the Prospectus (Directive 2003/71/EC) Regulations 2005, to supplement and be read in conjunction with the base prospectus dated 22 June 2007 as supplemented by a base prospectus supplement dated 2 October 2007 prepared by the Issuers (the "**Base Prospectus**") (and any documents incorporated by reference therein and any supplements thereto) and used in connection with the program (the "**Program**") under which Morgan Stanley ("**Morgan Stanley**"), Morgan Stanley (Jersey) Limited ("**Morgan Stanley Jersey**") and Morgan Stanley B.V. ("**MSBV**") (each, an "**Issuer**" and together, the "**Issuers**") may offer from time to time Series A Notes and Series B Notes (together, the "**Notes**").

Application has been made to the Irish Financial Services Regulatory Authority (the "**IFSRA**"), as competent authority under Directive 2003/71/EC (the "**Prospectus Directive**") for this Base Prospectus Supplement to be approved. This document constitutes a base prospectus supplement for the purposes of the Prospectus Directive.

On 7 November 2007, Morgan Stanley filed a Form 8-K with the Securities and Exchange Commission, the text of which is set out in Appendix 1 to this document. Copies of such Form 8-K will be made available for inspection at the offices of the parties at whose offices documents are to be available for inspection as identified in "General Information" in the Base Prospectus dated 22 June 2007. The exhibit to the Form 8-K forms part of this Base Prospectus Supplement.

On 8 November 2007, Standard & Poor's Ratings Services' revised its outlook on Morgan Stanley and all related entities to negative from stable and affirmed its "AA-/A-1+" ratings on Morgan Stanley and all related entities. On 8 November 2007, Moody's Investors Service assigned a negative outlook to the Aa3 senior debt ratings of Morgan Stanley, following Morgan Stanley's announcement of U.S. \$3.7 billion of writedowns on its sub-prime related and CDO exposures. Morgan Stanley's Prime-1 short-term rating was affirmed. On 8 November 2007, Fitch Ratings ("**Fitch**") affirmed the long-term and short-term Issuer

Default Ratings ("IDR") of Morgan Stanley and its subsidiaries. According to Fitch, the Rating Outlook remains negative. Fitch has affirmed the long-term IDR at 'AA-' and the short-term IDR at 'F1+'.

To the extent that there is any inconsistency between any statement in this Base Prospectus Supplement and any other statement in or incorporated by reference in the Base Prospectus, the statements in this Base Prospectus Supplement will prevail.

Save as disclosed in this Base Prospectus Supplement, no significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen since the publication of the Base Prospectus.

Each Issuer accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the Issuers (which has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Base Prospectus Supplement is available for viewing, and copies may be obtained from, the offices of the Issuers and the Paying Agents.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE IN THE UNITED STATES, AND ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. THE NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED AT ANY TIME, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OF U.S. PERSONS (AS DEFINED IN EITHER REGULATION S UNDER THE SECURITIES ACT OR THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED).

Neither the Issuers nor Morgan Stanley & Co. International Plc, as agent for the Notes, has or will take any action in any country or jurisdiction that would permit a public offering of the Notes or possession or distribution of any offering material in relation to a public offering in any country or jurisdiction where action for that purpose is required. Each investor must comply with all applicable laws and regulations in each country or jurisdiction in or from which the investor purchases, offers, sells or delivers the Notes or has in the investor's possession or distributes this Base Prospectus Supplement, the Base Prospectus or any accompanying Final Terms.

MORGAN STANLEY

19 November 2007

**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant To Section 13 or 15(d) of
the Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): November 7, 2007

Morgan Stanley

(Exact Name of Registrant
as Specified in Charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

1-11758
(Commission File Number)

36-3145972
(IRS Employer Identification No.)

**1585 Broadway, New York, New
York**
(Address of Principal Executive
Offices)

10036
(Zip Code)

Registrant's telephone number, including area code: (212) 761-4000

Not Applicable

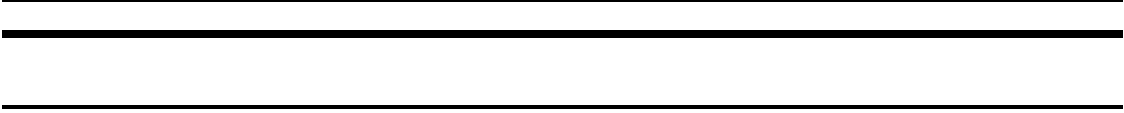
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))



Item 8.01. Other Events.

On November 7, 2007, Morgan Stanley (the “Company”) issued a press release announcing significant declines since August 31, 2007 in the fair value of its U.S. subprime related exposures as a result of the continued deterioration in the market and other market developments. As of August 31, 2007, the Company had \$12.3 billion in U.S. subprime related balance sheet exposures representing \$10.4 billion in net exposures. Net exposure as of October 31, 2007 was \$6.0 billion. Net exposures are defined as potential loss to the Company in a 100 percent loss default scenario, with zero recovery. As a result of the decline in the fair value of these exposures, the Company has determined that the reduction in revenues for the two months ended October 31, 2007 attributable to the decline was \$3.7 billion (representing a decline of approximately \$2.5 billion in net income on an after-tax basis). The impact on the Company’s fourth quarter financial results from changes in the fair value of these exposures will depend on future market developments and could differ materially from the amounts noted. It is expected that market conditions will continue to evolve, and that the fair value of these exposures will frequently change and could further deteriorate.

A copy of the press release is being filed as Exhibit 99 to this Current Report on Form 8-K and is incorporated herein by reference in its entirety.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

**Exhibit
Number**

99 Press release of the Company dated November 7, 2007

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MORGAN STANLEY
(Registrant)

Date: November 7, 2007

By: /s/ Paul C. Wirth
Name: Paul C. Wirth
Title: Controller and Principal
Accounting Officer

Contact:	Media Relations	Media Relations
	Jeanmarie McFadden	Mark Lake
	212 762 6901	212 762 6927

Morgan Stanley

For Immediate Release

Provides Information Regarding Subprime Exposure

Continued Market Deterioration Since August Reduces Fair Value of Firm's Subprime Exposure by \$3.7 Billion – as of October 31, 2007

NEW YORK, November 7, 2007 – Morgan Stanley (NYSE: MS) today provided additional information about the Firm's U.S. subprime related exposures, which have declined in value as a result of continued market deterioration since August 2007.

At the end of Morgan Stanley's fiscal third quarter on August 31, 2007, the Firm had \$12.3 billion in U.S. subprime related balance sheet exposures representing \$10.4 billion in net exposures, as indicated in the attached table. Net exposure as of October 31, 2007 is \$6.0 billion. Net exposures are defined as potential loss to the firm in a 100 percent loss default scenario, with zero recovery.

Since that time, the fair value of these exposures has declined as a result of the continued deterioration in market data, as reflected by the sharp decline in the ABX Indices, and other market developments, including updates to mortgage remittance data and cumulative loss forecasts. The declines in value are outlined in the attached table as of August 31, 2007 and October 31, 2007.

As a result of these declines in value, Morgan Stanley's revenues for the two months ended October 31, 2007, were reduced by \$3.7 billion (representing a decline of approximately \$2.5 billion in net income on an after-tax basis). The actual impact on the Firm's fourth quarter financial results, which will include results for the month of November, will depend on future market developments and could differ from the amounts noted.

While these writedowns will negatively impact the fourth quarter results in the Firm's fixed income business, Morgan Stanley expects to deliver solid results in each of its other businesses, including Investment Banking, Equities, Global Wealth Management and Asset Management – subject to market conditions through the end of the year.

Valuation of Subprime Exposures

In determining the fair value of the Firm's ABS CDO-related exposures – which represent the most senior tranches of the capital structure of subprime ABS CDOs – Morgan Stanley took into consideration observable data for relevant benchmark instruments in synthetic subprime markets. Deterioration of value in the benchmark instruments as well as the market developments referred to earlier have led to significant declines in the estimates of fair value. These declines reflect increases in implied cumulative losses across this portfolio. These loss levels are consistent with the cumulative losses implied by ABX Indices in the range between 11-19 percent. At a severity rate of 50 percent, these levels of cumulative loss imply defaults in the range of 40-50 percent of outstanding mortgages for 2005 and 2006 vintages.

In calculating the fair value of the Firm's U.S. subprime mortgage related exposures – including loans, total rate-of-return swaps, ABS bonds (including subprime residuals) and ABS CDS – Morgan Stanley took into consideration observable transactions, the continued deterioration in market conditions, as reflected by the sharp decline in the ABX Indices, and other market developments, including updated cumulative loss data. The fair value of the ABS Bonds declined significantly, which was driven by increases in implied cumulative loss rates applied to subprime residuals at levels consistent with those implied by current market indicators.

It is expected that market conditions will continue to evolve, and that the fair value of these exposures will frequently change and could further deteriorate. Given these anticipated fluctuations, Morgan Stanley does not intend to update this information until it announces its fourth quarter 2007 earnings in December 2007. Investors also should not expect the Company to provide information about the results of future quarters in advance of scheduled quarterly earnings announcement dates.

Conference Call

The company will hold an analyst conference call today from 5:30 pm - 6:00 pm (ET). A live audio of the conference call will be available on the Morgan Stanley website at www.morganstanley.com or by dialing 1-877-391-6849 (passcode 45873077) in the United States. International callers dial 1-617-597-9298 (passcode 45873077). To listen to the playback dial: 1-888-286-8010 (pass code 98702509) within the United States or 1-617-801-6888 (passcode 98702509) internationally.

Morgan Stanley is a leading global financial services firm providing a wide range of investment banking, securities, investment management and wealth management services. The Firm's employees serve clients worldwide including corporations, governments, institutions and individuals from more than 600 offices in 32 countries. For further information about Morgan Stanley, please visit www.morganstanley.com.

The information above contains forward-looking statements, including without limitation, statements about the expected effects of the ABX Index and the continued deterioration of the U.S. subprime markets since August 2007. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made, which reflect management's current estimates, projections, expectations or beliefs and which are subject to risks and uncertainties that may cause actual results to differ materially from those projected or anticipated. In making such statements, Morgan Stanley believes that its expectations are based on reasonable assumptions. However, any such statement may be influenced by factors that could cause actual results to differ materially from those expressed in, or implied by, these forward-looking statements, including, but not limited to, a further deterioration in U.S. subprime market conditions. Accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will occur, or if they do, what impact they will have on the results of operations or financial condition of Morgan Stanley.

More information about these factors is contained in Morgan Stanley's filings with the Securities and Exchange Commission.

For a discussion of additional risks and uncertainties that may affect the future results of Morgan Stanley, please see "Forward-Looking Statements" immediately preceding Part I, Item 1, "Competition" and "Regulation" in Part I, Item 1, "Risk Factors" in Part I, Item 1A, "Legal Proceedings" in Part I, Item 3, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 and "Quantitative and Qualitative Disclosures about Market Risk" in Part II, Item 7A of Morgan Stanley's Annual Report on Form 10-K for the fiscal year ended November 30, 2006, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" in Morgan Stanley's Quarterly Reports on Form 10-Q and other items throughout the Form 10-K and Morgan Stanley's 2007 Current Reports on Form 8-K.

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Morgan Stanley
Subprime Analysis 2007
10/31/2007

			8/31/07		10/31/07			
	Statement of Financial Condition 8/31/07	Statement of Financial Condition 10/31/07	Profit and (Loss) Three Months Ended	Profit and (Loss) Nine Months Ended	Profit and (Loss) Two Months Ended	Profit and (Loss) Eleven Months Ended	Net Exposure ⁽¹⁾ 08/31/07	Net Exposure ⁽¹⁾ 10/31/07
<i>Super Senior Exposure</i>								
High- Grade	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Mezzanine	(\$1.8)	(\$5.2)	(\$1.9)	(\$2.2)	(\$3.4)	(\$5.6)	\$11.4	\$8.3
CDO-Squared	\$0.0	(\$0.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1
Total ABS CDO Super Senior Exposure	(\$1.8)	(\$5.2)	(\$1.9)	(\$2.2)	(\$3.4)	(\$5.6)	\$11.4	\$8.4
<i>Other Retained and Warehouse Exposure</i>								
ABS CDO CDS	\$1.1	\$1.7	\$0.8	\$1.0	\$0.5	\$1.5	(\$2.9)	(\$3.1)
ABS CDO Bonds	\$1.6	\$1.7	(\$0.4)	(\$0.3)	(\$0.0)	(\$0.3)	\$1.6	\$1.7
CDO Warehouse	\$0.0	\$0.0	(\$0.0)	(\$0.0)	\$0.0	(\$0.0)	\$0.0	\$0.0
Total Other Retained and Warehouse Exposure	\$2.7	\$3.4	\$0.4	\$0.7	\$0.5	\$1.2	(\$1.3)	(\$1.4)
Subtotal ABS CDO Related Exposure (2)	\$0.9	(\$1.8)	(\$1.5)	(\$1.5)	(\$2.9)	(\$4.4)	\$10.1	\$7.0
<i>U.S. Subprime Mortgage Related Exposure</i>								
Loans	\$2.9	\$1.5	(\$0.0)	(\$0.1)	(\$0.0)	(\$0.1)	\$2.9	\$1.5
Total Rate of Return Swaps	\$0.1	(\$0.0)	\$0.0	\$0.1	\$0.0	\$0.1	(\$0.7)	(\$0.0)
ABS Bonds	\$4.2	\$3.0	(\$0.7)	(\$0.9)	(\$1.9)	(\$2.8)	\$4.0	\$3.0
ABS CDS	\$4.2	\$6.6	\$2.3	\$3.4	\$1.1	\$4.5	(\$5.9)	(\$5.5)
Subtotal U.S. Subprime Mortgage Related Exposure (3)	\$11.4	\$11.1	\$1.6	\$2.5	(\$0.8)	\$1.7	\$0.3	(\$1.0)
Total ABS CDO / Subprime Exposure	\$12.3	\$9.3	\$0.1	\$1.0	(\$3.7)	(\$2.7)	\$10.4	\$6.0

Notes:

- (1) Net Exposure is defined as potential loss to the Firm in an event of 100% default, assuming zero recovery. Positive amounts indicate potential loss (long position) in a default scenario. Negative amounts indicate potential gain (short position) in a default scenario.
- (2) In determining the fair value of the Firm's ABS CDO-related exposures – which represent the most senior tranches of the capital structure of subprime ABS CDOs – Morgan Stanley took into consideration observable data for relevant benchmark instruments in

synthetic sub prime markets. Deterioration of value in the benchmark instruments as well as the market developments referred to above have led to significant declines in the estimates of fair value. These declines reflect increase in implied losses across this portfolio. These implied loss levels are consistent with the losses in the range between 11% - 19% implied by the ABX indices. These cumulative loss levels, at a severity rate of 50%, imply defaults in the range of 40 - 50% for 2005 and 2006 outstanding mortgages.

- (3) In calculating the fair value of the Firm's U.S. sub-prime mortgage related exposures – including loans, total rate-of-return swaps, ABS bonds (including subprime residuals) and ABS CDS – Morgan Stanley took into consideration observable transactions, the continued deterioration in market data, as reflected by the sharp decline in the ABX indices, and other market developments, including updated cumulative loss data. The fair value of the ABS Bonds declined significantly, which were driven by increases in implied cumulative losses for subprime residuals to levels equivalent to those now seen in the market.