

BASE PROSPECTUS SUPPLEMENT FOR WARRANTS AND CERTIFICATES

Morgan Stanley

*as issuer and guarantor
(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 Warrants and Certificates

Morgan Stanley ("**Morgan Stanley**"), Morgan Stanley (Jersey) Limited and Morgan Stanley B.V. (together the "**Issuers**") have prepared this base prospectus supplement (the "**Base Prospectus Supplement**"), which constitutes a supplementary prospectus for the purposes of 87G of the Financial Services and Markets Act 2000 ("**FSMA 2000**") and has been approved by the Financial Services Authority in its capacity as the competent authority in the United Kingdom as a prospectus supplement for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**"), to supplement and be read in conjunction with the base prospectus dated 19 June 2008 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 any of the Issuers may offer from time to time warrants (the "**Warrants**") and certificates (the "**Certificates**", together with the Warrants, the "**Securities**").

Defined terms used in the Base Prospectus shall have the same meaning when used in this Base Prospectus Supplement.

On 11 August 2008, 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 Base Prospectus Supplement. 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 19 June 2008.

On 11 August 2008, Moody's Investors Services ("**Moody's**") lowered its long-term debt counterparty credit ratings for Morgan Stanley to "A1" from "Aa3" and announced that its outlook for Morgan Stanley is stable.

Credit ratings are subject to change from time to time. Updated credit ratings may be viewed on Moody's public website www.moodys.com.

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 (who have 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 SECURITIES 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 SECURITIES 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).

Investors should be aware of their rights under Section 87Q(4) of FSMA 2000.

None of the Issuers nor Morgan Stanley & Co. International plc nor Morgan Stanley & Co. Incorporated, as agents for the Securities, has or will take any action in any country or jurisdiction that would permit a public offering of the Securities 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 Securities or has in the investor's possession or distributes this Base Prospectus Supplement, the Base Prospectus or any accompanying Final Terms.

MORGAN STANLEY

20 August 2008

Appendix 1

Form 8-K

**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): August 11, 2008

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))
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Item 8.01 Other Events.

On August 11, 2008, Morgan Stanley (the "Company") issued a press release announcing the Company's repurchase of certain auction rate securities held by its retail accounts. A copy of the press release is being filed as Exhibit 99 to this Current Report on Form 8-K and is incorporated by reference in its entirety.

On August 11, 2008, Moody's Investors Services announced that it had lowered its long-term debt counterparty credit ratings on the Company from 'Aa3' to 'A1.' The outlook assigned to the Company is stable.

Statements about the expected effects, timing and completion of the repurchase of any auction rate securities and all other statements in the press release, other than historical facts, constitute forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made and which reflect current estimates, projections and expectations. In making any such statements, the Company believes that its expectations are based on reasonable assumptions. However, any such statement may be influenced by factors that could cause actual outcomes and results to be materially different from those projected or anticipated. There are various important factors that could cause actual results to differ materially from those in any such forward-looking statements, many of which are beyond the control of the Company. For a discussion of additional risks and uncertainties that may affect the future results of the Company, 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 and "Certain Factors Affecting Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 2007, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's 2008 Quarterly Reports on Form 10-Q and in other items throughout the Form 10-K, Forms 10-Q and the Company's 2008 Current Reports on Form 8-K.

Item 9.01 Financial Statements and Exhibits

99 Press release, dated August 11, 2008, issued by the Company.

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

Date: August 11, 2008

By: /s/ MARTIN M. COHEN

Name: Martin M. Cohen

Title: Vice President, Assistant Secretary
and Counsel

Contact:

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Morgan Stanley

For Immediate Release

Morgan Stanley to Repurchase Auction Rate Securities

NEW YORK, August 11, 2008 – Morgan Stanley announced today that it will repurchase at par auction rate securities (ARS) that are held by its retail accounts and were purchased through the Firm prior to February 13, 2008. Morgan Stanley has informed the appropriate authorities at the Office of the New York State Attorney General, the Office of the Secretary of State Illinois Securities Department (on behalf of the North American Securities Administrators Association), and the Securities and Exchange Commission's Division of Enforcement with respect to these matters.

As part of our ongoing commitment to our clients, Morgan Stanley is announcing the following buy-back program:

- Commencing no later than September 30, 2008, Morgan Stanley will offer to repurchase at par ARS held by all individuals, all charities and those small to medium sized businesses with accounts of \$10 million or less (collectively, "retail clients") that were purchased through the Firm prior to February 13, 2008, with the exception of those ARS where auctions are clearing or there is a scheduled redemption. The Firm will keep this offer open until November 30, 2008. The Firm anticipates that this buy-back program will result in repurchases from retail clients of approximately \$4.5 billion.
- Morgan Stanley will make whole any losses sustained by retail clients who purchased ARS through Morgan Stanley before Feb. 12, 2008, and sold such securities at a loss between that date and the date of this announcement.
- Consistent with applicable regulatory rules, until Morgan Stanley actually provides for the liquidation of the securities on the schedule set forth above, on request, Morgan Stanley will provide no-cost loans to retail clients that will remain outstanding until the ARS are repurchased, and will reimburse retail clients for any interest costs incurred under any prior loan programs the Firm provided to its ARS customers.
- To the extent that a retail client has incurred consequential damages beyond the loss of liquidity in the retail client's holdings of ARS, Morgan Stanley will participate in a special arbitration process that the retail client may elect, and that will be overseen by FINRA, whereby Morgan Stanley will not contest liability for any alleged misrepresentations and omissions concerning the ARS, but may challenge the existence or amount of any consequential damages; the arbitration claim will be heard by a single, non-industry arbitrator.
- Morgan Stanley will use its best efforts to provide liquidity solutions for its institutional investor base, including continuing to work with issuers and other interested parties on capital markets solutions, financing options and market liquidity, with the goal of resolving institutional investor clients' liquidity concerns no later than the end of 2009. Institutional clients who purchased ARS after February 13, 2008, as well as institutional clients who hold ARS where the auctions are clearing will be excluded from the program.

Morgan Stanley (NYSE: MS) 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 33 countries. For further information about Morgan Stanley, please visit www.morganstanley.com.