

FINAL TERMS NO. NY-1
Dated 27 August 2007
(To Base Prospectus Dated 22 June 2007)

MORGAN STANLEY
NOTES, SERIES A
FIXED RATE 8.47% MEXICAN PESO NOTES DUE AUGUST 27, 2027

This document constitutes Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 22 June 2007 which constitutes a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at The Bank of New York, One Canada Square, London E14 5AL, United Kingdom and copies may be obtained from Morgan Stanley, 1585 Broadway, New York, NY 10036.

We, Morgan Stanley, may not redeem these Notes, Series A, Fixed Rate 8.47% Mexican Peso Notes Due August 27, 2027 (the "**Notes**") prior to the maturity date.

We will issue the Notes only in bearer form, which form is further described under "Forms of Notes" in the accompanying Base Prospectus. You may not exchange Notes in bearer form at any time for Notes in registered form.

We will apply to the London Stock Exchange and the Mexican Stock Exchange (*Bolsa Mexicana de Valores, S.A. de C.V.*) for the listing and quotation of the Notes, subject to meeting the applicable listing requirements. Neither the London Stock Exchange nor the *Bolsa Mexicana de Valores, S.A. de C.V.* assumes responsibility for the correctness of any of the statements or opinions made or reports contained in this document. Admission to the official list of and quotation of the Notes on the London Stock Exchange and the International Quotations System (*Sistema Internacional de Cotizaciones or "SIC"*) of the *Bolsa Mexicana de Valores, S.A. de C.V.* is not to be taken as an indication of the merits of the issuer or the Notes.

Payments made by us in respect of Notes will be made without withholding or deduction for, or on account of, any present or future taxes imposed or levied by or on behalf of the United States or any representative political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of those taxes is required by law. **In the event that withholding or deduction of those taxes is required by law, the Notes will be made net of withholding taxes paid or required to be deducted or withheld and we will not be required to pay any additional amounts to the noteholders with respect to any taxes withheld.**

We described the basic feature of this type of Note in the section called "Description of New York Law Notes - Fixed Rate Notes" in the accompanying Base Prospectus, subject to and as modified by the provisions described below.

Principal Amount:	MXN1,500,000,000	Annual Redemption percentage Reduction:	N/A
Maturity Date:	August 27, 2027	Denomination:	MXN1,000,000 and integral multiples of MXN1,000,000 thereafter.
Settlement Date (original Issue Date):	August 31, 2007	Interest Payment Dates:	Each February 27 and August 27, commencing February 2008.
Interest Accrual Date:	August 31, 2007	Optional Repayment Date(s):	N/A
Issue Price:	100%	Re-offer Price:	Variable
Distribution Agent:	Morgan Stanley & Co. International plc	Paying Agent:	The Bank of New York
Specified Currency:	Mexican pesos	Common Code:	031891523
Interest Rate:	8.47%	ISIN:	XS0318915237
		SIC Ticker Symbol:	MS 1-07
Redemption Percentage at Maturity:	100%	Business Days:	New York and Mexico City
Initial Redemption Percentage:	N/A	Day Count Fraction:	Interest will be calculated on the basis of the actual number of days elapsed and a 360-day year.
Governing Law:	New York	Other Provisions:	See below

Terms not defined above have the meaning given to those terms in the accompanying Base Prospectus.

THE NOTES DESCRIBED HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAW OF ANY STATE IN THE UNITED STATES, AND ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. THE NOTES DESCRIBED HEREIN 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 REGULATIONS UNDER THE SECURITIES ACT OR THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED), SEE "SUBSCRIPTION AND SALE" AND "NO OWNERSHIP BY U.S. PERSONS" IN THE ACCOMPANYING BASE PROSPECTUS.

Determination Agent

Morgan Stanley Capital Services Inc. will be the Determination Agent. All determinations made by the Determination Agent will be at the sole discretion of the Determination Agent and will, in the absence of manifest error be conclusive for all purposes and binding on you and on the Determination Agent. Because the Determination Agent is an affiliate of Morgan Stanley, the economic interests of the Determination Agent and its affiliates may be adverse to your interests as an owner of the Notes.

Taxation

Payments made by the Issuer in respect of Notes will be made without withholding or deduction for, or on account of, any present or future Taxes imposed or levied by or on behalf of the United States or any representative political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of those Taxes is required by law. **In that event, the Notes will be made net of withholding Taxes paid or required to be deducted or withheld and the Issuer will not be required to make any additional amounts to the Noteholders with respect to any Taxes withheld.**

Additional Selling Restrictions

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Program for the Issuance of Notes, Series A and B of Morgan Stanley.

THE NOTES HAVE NOT BEEN REGISTERED IN THE MEXICAN NATIONAL SECURITIES REGISTRY (*REGISTRO NACIONAL DE VALORES*) AND THEREFORE THEY ARE NOT THE SUBJECT OF A PUBLIC OFFER IN MEXICO. INTERMEDIATION OF THE NOTES IN MEXICO IS SUBJECT TO THE RESTRICTIONS OF THE MEXICAN SECURITIES MARKET LAW. ANY INVESTOR OF MEXICAN NATIONALITY THAT PURCHASES THESE NOTES WILL DO SO UNDER ITS OWN RESPONSIBILITY.

THE INFORMATION CONTAINED IN THESE FINAL TERMS IS THE EXCLUSIVE RESPONSIBILITY OF THE ISSUER (OTHER THAN THE INFORMATION RELATING TO THE ISSUER'S RATINGS AS PUBLISHED BY STANDARD & POOR'S, MOODY'S AND FITCH RATINGS SERVICES) AND HAS NOT BEEN REVIEWED BY THE

NATIONAL BANKING AND SECURITIES COMMISSION OF MEXICO (*COMISIÓN NACIONAL BANCARIA Y DE VALORES*).

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms and as far as it is aware, no facts have been omitted which would render the information contained in these Final Terms inaccurate or misleading.

Signed on behalf of the Issuer:

By: .....
Duly authorised

PART B – OTHER INFORMATION

1. LISTING

Listing: London Stock Exchange and Mexican Stock Exchange (*Bolsa Mexicana de Valores, S.A. de C.V.*)

Admission to trading: Application has been made for the Notes to be admitted to trading on the London Stock Exchange and the Mexican Stock Exchange (*Bolsa Mexicana de Valores, S.A. de C.V.*) on the International Quotations System (*Sistema Internacional de Cotizaciones or "SIC"*).

Estimate of total expenses related to admission to trading: MXN25,500

2. RATINGS

Ratings: As senior debt securities of the Issuer, the notes carry the following ratings: AA- by Standard and Poor's, a division of McGraw-Hill Companies; Aa3 by Moody's Investors Service; and AA- by Fitch Ratings Services.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE AND OFFER

Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

4. YIELD

Indication of yield: 8.47%

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5. OPERATIONAL INFORMATION

New Global Note No

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream and the relevant identification number(s): S.D. Ineval Institución para el Depósito de Valores, S.A. de C.V.

Delivery: Delivery against payment

Names and addresses of additional Paying Agent(s) (if any): N/A

Intended to be held in a manner which would allow Eurosystem eligibility: No

Additional distribution agents: Ixe Casa de Bolsa, S.A. de C.V., Ixe Grupo Financiero
Samuel Ramirez & Company