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**FORM FWP**

**MORGAN STANLEY - MS**

**Filed: February 25, 2011 (period: )**

Free Writing Prospectus

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## STRUCTURED INVESTMENTS

Opportunities in U.S. Equities

### Non-Callable Contingent Coupon Notes Based on the Performance of the S&P 500® Index due February 27, 2026

#### PRICING TERMS – FEBRUARY 23, 2011

<b>Issuer:</b>	Morgan Stanley		
<b>Underlying index:</b>	S&P 500® Index		
<b>Aggregate principal amount:</b>	\$4,500,000		
<b>Stated principal amount:</b>	\$1,000 per note		
<b>Issue price:</b>	\$1,000 per note		
<b>Pricing date:</b>	February 23, 2011		
<b>Original issue date:</b>	February 28, 2011 (3 business days after the pricing date)		
<b>Maturity date:</b>	February 27, 2026		
<b>Interest rate:</b>	<p>Years 1 and 2: 7.00% per annum                      Years 3 through 15: A contingent coupon of 7.00% per annum is paid monthly <i>only if</i> the closing value of the underlying index is <b>at or above</b> the barrier level on the related observation date.</p> <p><b>If on any observation date, the closing value of the underlying index is less than the barrier level, we will pay no coupon for the applicable interest period. It is possible that the underlying index could remain below the barrier level for extended periods of time or even throughout the period from the second year following the original issue date until maturity so that you will receive no contingent monthly coupons.</b></p>		
<b>Barrier level:</b>	1,000		
<b>Interest payment dates:</b>	The 28th day of each month, beginning March 28, 2011; provided that if any such day is not a business day, that interest payment will be made on the next succeeding business day and no adjustment will be made to any interest payment made on that succeeding business day.		
<b>Observation dates:</b>	The fourth business day preceding each interest payment date, beginning with the March 28, 2013 interest payment date, subject to postponement for non-index business days and certain market disruption events		
<b>Payment at maturity:</b>	At maturity, you will receive an amount equal to the stated principal amount for each note you hold and accrued and unpaid interest, if any.		
<b>CUSIP:</b>	617482RH9		
<b>ISIN:</b>	US617482RH91		
<b>Listing:</b>	The notes will not be listed on any securities exchange.		
<b>Agent:</b>	Morgan Stanley & Co. Incorporated ("MS & Co."), a wholly-owned subsidiary of Morgan Stanley. See "Description of Notes—Supplemental Information Concerning Plan of Distribution; Conflicts of Interest" in the accompanying preliminary pricing supplement.		
<b>Commissions and Issue Price:</b>	<b>Price to Public</b>	<b>Agent's Commissions<sup>(1)</sup></b>	<b>Proceeds to Issuer</b>
<b>Per note</b>	\$1,000	\$35	\$965
<b>Total</b>	\$4,500,000	\$157,500	\$4,342,500

(1) Selected dealers, including Morgan Stanley Smith Barney LLC (an affiliate of the agent), and their financial advisors will collectively receive from the Agent, MS & Co., a fixed sales commission of \$35 for each note they sell. For additional information, see "Description of Notes—Supplemental Information Concerning Plan of Distribution; Conflicts of Interest" in the accompanying preliminary pricing supplement and "Plan of Distribution" in the accompanying prospectus supplement.

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**You should read this document together with the preliminary pricing supplement describing the offering and the related prospectus supplement and prospectus, each of which can be accessed via the hyperlinks below.**

**[Preliminary Pricing Supplement No. 678 dated February 8, 2011](#)**  
**[Prospectus Supplement dated December 23, 2008](#)**  
**[Prospectus dated December 23, 2008](#)**

**The notes are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency, nor are they obligations of, or guaranteed by, a bank.**

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, the issuer, any underwriter or any dealer participating in this offering will arrange to send you the prospectus if you request it by calling toll-free 1-800-584-6837.

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