

BLACKROCK ENHANCED CAPITAL & INCOME FUND, INC  
Form N-Q  
March 31, 2009

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-21506

Name of Fund: BlackRock Enhanced Capital and Income Fund, Inc. (CII)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Donald C. Burke, Chief Executive Officer, BlackRock  
Enhanced Capital and Income Fund, Inc., 800 Scudders Mill Road, Plainsboro, NJ, 08536.

Mailing address: P.O. Box 9011, Princeton, NJ, 08543-9011

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 10/31/2009

Date of reporting period: 11/01/2008 - 01/31/2009

Item 1 Schedule of Investments

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**BlackRock Enhanced Capital and Income Fund, Inc.**

(Percentages shown are based on Net  
Assets)

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**Schedule of Investments January 31, 2009 (Unaudited)**

| <b>Industry</b>                           | <b>Common Stocks</b>                | <b>Shares</b> | <b>Value</b> |
|---|-------------------------------------|---------------|--------------|
| <b>Aerospace &amp; Defense - 4.7%</b>     | Honeywell International, Inc.       | 154,308       | \$ 5,062,846 |
|   | Northrop Grumman Corp.              | 190,852       | 9,183,798    |
|   | Raytheon Co.                        | 230,000       | 11,642,600   |
|   |                                     |               | 25,889,244   |
| <b>Air Freight &amp; Logistics - 0.3%</b> | United Parcel Service, Inc. Class B | 38,914        | 1,653,456    |
|   |                                     |               |              |
| <b>Capital Markets - 4.0%</b>             | The Bank of New York Mellon Corp.   | 483,498       | 12,445,239   |
|   | The Goldman Sachs Group, Inc.       | 16,881        | 1,362,803    |
|   | Invesco Ltd. (a)                    | 225,000       | 2,652,750    |
|   | Morgan Stanley                      | 273,913       | 5,541,260    |
|   |                                     |               | 22,002,052   |
| <b>Chemicals - 2.1%</b>                   | Air Products & Chemicals, Inc.      | 55,500        | 2,791,650    |
|   | The Dow Chemical Co.                | 73,613        | 853,175      |
|   | E.I. du Pont de Nemours & Co.       | 340,945       | 7,828,097    |
|   |                                     |               | 11,472,922   |

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|  |  |           |            |
|--|--|-----------|------------|
| <b>Communications Equipment - 1.1%</b>               | Cisco Systems, Inc. (b)                  | 230,005   | 3,443,175  |
|  | Corning, Inc.                            | 275,000   | 2,780,250  |
|  |  |           | 6,223,425  |
| <b>Computers &amp; Peripherals - 4.1%</b>            | Hewlett-Packard Co.                      | 319,692   | 11,109,297 |
|  | International Business Machines Corp.    | 125,653   | 11,516,097 |
|  |  |           | 22,625,394 |
| <b>Diversified Financial Services - 2.9%</b>         | Bank of America Corp.                    | 200,000   | 1,316,000  |
|  | JPMorgan Chase & Co.                     | 565,339   | 14,421,798 |
|  |  |           | 15,737,798 |
| <b>Diversified Telecommunication Services - 6.3%</b> | AT&T Inc.                                | 475,539   | 11,707,770 |
|  | Qwest Communications International, Inc. | 3,262,538 | 10,505,372 |
|  | Verizon Communications, Inc.             | 417,103   | 12,458,867 |
|  |  |           | 34,672,009 |
| <b>Electric Utilities - 3.2%</b>                     | FPL Group, Inc.                          | 163,644   | 8,435,848  |
|  | The Southern Co.                         | 277,129   | 9,269,965  |
|  |  |           | 17,705,813 |
| <b>Electrical Equipment - 0.5%</b>                   | Emerson Electric Co.                     | 85,000    | 2,779,500  |
| <b>Energy Equipment &amp; Services - 3.2%</b>        | BJ Services Co.                          | 700,000   | 7,700,000  |
|  | Halliburton Co.                          | 504,489   | 8,702,435  |
|  | Transocean Ltd. (b)                      | 22,105    | 1,207,375  |
|  |  |           | 17,609,810 |
| <b>Food &amp; Staples Retailing - 0.7%</b>           | Wal-Mart Stores, Inc.                    | 83,926    | 3,954,593  |
| <b>Food Products - 7.3%</b>                          | General Mills, Inc.                      | 237,371   | 14,040,495 |
|  | Kraft Foods, Inc.                        | 488,699   | 13,708,007 |
|  | Ralcorp Holdings, Inc. (b)               | 2         | 118        |
|  | Unilever NV (a)                          | 552,232   | 12,132,537 |
|  |  |           |            |
| <b>Health Care Equipment &amp; Supplies - 2.0%</b>   | Baxter International, Inc. (c)           | 100,841   | 5,914,325  |
|  | Covidien Ltd.                            | 130,644   | 5,008,891  |
|  |  |           | 10,923,216 |
| <b>Health Care Providers &amp; Services - 1.1%</b>   | Cardinal Health, Inc.                    | 158,444   | 5,965,417  |
| <b>Hotels, Restaurants &amp; Leisure - 0.1%</b>      | Carnival Corp.                           | 25,100    | 456,569    |

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**BlackRock Enhanced Capital and Income Fund, Inc.**

(Percentages shown are based on Net Assets)

Schedule of Investments January 31, 2009 (Unaudited)

| Industry                               | Common Stocks            | Shares  | Value        |
|--|--------------------------|---------|--------------|
| <b>Household Products - 3.6%</b>       | Clorox Co. (c)           | 61,357  | \$ 3,077,054 |
|  | Kimberly-Clark Corp.     | 243,750 | 12,545,813   |
|  | The Procter & Gamble Co. | 72,545  | 3,953,703    |
|  |                          |         | 19,576,570   |
| <b>Industrial Conglomerates - 1.4%</b> | 3M Co.                   | 37,901  | 2,038,695    |
|  | General Electric Co.     | 101,234 | 1,227,968    |
|  | Tyco International Ltd.  | 199,053 | 4,184,094    |
|  |                          |         | 7,450,757    |
| <b>Insurance - 6.6%</b>                | ACE Ltd.                 | 125,000 | 5,457,500    |

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|  |                                       |           |            |
|--|---------------------------------------|-----------|------------|
|  | MetLife, Inc.                         | 273,525   | 7,858,373  |
|  | Prudential Financial, Inc.            | 111,951   | 2,882,738  |
|  | The Travelers Cos., Inc.              | 512,330   | 19,796,431 |
|  |                                       |           | 35,995,042 |
| <b>Machinery - 1.5%</b>                                    | Deere & Co.                           | 239,186   | 8,309,322  |
| <b>Media - 5.4%</b>  | CBS Corp. Class B                     | 156,022   | 892,446    |
|  | Time Warner, Inc.                     | 1,694,468 | 15,809,386 |
|  | Viacom, Inc. Class B (b)              | 485,424   | 7,160,004  |
|  | Walt Disney Co.                       | 267,547   | 5,532,872  |
|  |                                       |           | 29,394,708 |
| <b>Metals &amp; Mining - 1.4%</b>                          | Alcoa, Inc. (c)                       | 296,095   | 2,306,580  |
|  | Nucor Corp.                           | 130,000   | 5,302,700  |
|  |                                       |           | 7,609,280  |
| <b>Multi-Utilities - 1.4%</b>                              | Dominion Resources, Inc.              | 185,239   | 6,516,708  |
|  | Public Service Enterprise Group, Inc. | 35,860    | 1,132,100  |
|  |                                       |           | 7,648,808  |
| <b>Office Electronics - 3.1%</b>                           | Xerox Corp.                           | 2,550,000 | 16,932,000 |
| <b>Oil, Gas &amp; Consumable Fuels - 8.3%</b>              | Anadarko Petroleum Corp.              | 93,117    | 3,421,119  |
|  | Chevron Corp.                         | 139,943   | 9,868,780  |
|  | Exxon Mobil Corp.                     | 349,956   | 26,764,635 |
|  | Massey Energy Co.                     | 61,134    | 928,014    |
|  | Peabody Energy Corp.                  | 182,191   | 4,554,775  |
|  |                                       |           | 45,537,323 |
| <b>Pharmaceuticals - 11.3%</b>                             | Bristol-Myers Squibb Co.              | 1,000,000 | 21,410,000 |
|  | Eli Lilly & Co.                       | 56,738    | 2,089,093  |
|  | Johnson & Johnson                     | 151,354   | 8,731,612  |
|  | Merck & Co., Inc.                     | 77,988    | 2,226,557  |
|  | Pfizer, Inc.                          | 421,187   | 6,140,906  |
|  | Schering-Plough Corp.                 | 893,403   | 15,688,157 |
|  | Wyeth                                 | 125,000   | 5,371,250  |
|  |                                       |           | 61,657,575 |
| <b>Semiconductors &amp; Semiconductor Equipment - 6.7%</b> | Analog Devices, Inc.                  | 375,687   | 7,506,226  |
|  | Intel Corp.                           | 547,278   | 7,059,886  |
|  | LSI Corp. (b)                         | 3,825,920 | 12,166,426 |
|  | Micron Technology, Inc. (b)           | 2,236,600 | 8,320,152  |
|  | Texas Instruments, Inc.               | 119,460   | 1,785,927  |
|  |                                       |           | 36,838,617 |
| <b>Software - 0.8%</b>                                     | Microsoft Corp.                       | 254,714   | 4,355,609  |

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**BlackRock Enhanced Capital and Income Fund, Inc.**

Schedule of Investments January 31, 2009 (Unaudited)

(Percentages shown are based on Net Assets)

| Industry                       | Common Stocks                         | Shares            | Value        |
|--------------------------------|---------------------------------------|-------------------|--------------|
| <b>Specialty Retail - 0.4%</b> | Home Depot, Inc.                      | 89,858            | \$ 1,934,643 |
|                                | <b>Total Long-Term Investments</b>    |                   |              |
|                                | <b>(Cost - \$737,451,796) - 95.5%</b> |                   | 522,792,629  |
|                                |                                       | <b>Beneficial</b> |              |
|                                |                                       | <b>Interest</b>   |              |

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|  |           |                  |
|--|-----------|------------------|
| <b>Short-Term Securities</b>                             |           | <b>(000)</b>     |
| BlackRock Liquidity Series, LLC Cash                     |           |                  |
| Sweep Series, 0.66% (d)(e)                               | \$ 27,732 | 27,732,282       |
| <b>Total Short-Term Securities</b>                       |           |                  |
| <b>(Cost - \$27,732,282) - 5.1%</b>                      |           | 27,732,282       |
| <b>Total Investments Before Options Written</b>          |           |                  |
| <b>(Cost - \$765,184,078*) - 100.6%</b>                  |           | 550,524,911      |
| <b>Options Written</b>                                   |           | <b>Contracts</b> |
| S&P 500 Index, expiring February 2009 at \$855           | 345       | (603,750)        |
| S&P 500 Index, expiring February 2009 at \$875           | 3,620     | (3,873,400)      |
| <b>Total Options Written</b>                             |           |                  |
| <b>(Premiums Received - \$10,475,305) - (0.8)%</b>       |           | (4,477,150)      |
| <b>Total Investments, Net of Options Written - 99.8%</b> |           | 546,047,761      |
| <b>Other Assets Less Liabilities - 0.2%</b>              |           | 949,236          |
| <b>Net Assets - 100.0%</b>                               |           | \$ 546,996,997   |

\* The cost and unrealized appreciation (depreciation) of investments as of January 31, 2009, as computed for federal income tax purposes, were as follows:

|                               |                  |
|-------------------------------|------------------|
| Aggregate cost                | \$ 765,635,776   |
| Gross unrealized appreciation | \$ 2,878,264     |
| Gross unrealized depreciation | (217,989,129)    |
| Net unrealized depreciation   | \$ (215,110,865) |

- (a) Depository receipts.
- (b) Non-income producing security.
- (c) All or a portion of security has been pledged as collateral in connection with open financial futures contracts.
- (d) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

|   | <b>Net Activity</b> | <b>Income</b> |
|---|---------------------|---------------|
| BlackRock Liquidity Series, LLC Cash Sweep Series | \$ 25,281,292       | \$ 103,202    |

(e) Represents the current yield as of report date.

For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications for reporting ease.

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**BlackRock Enhanced Capital and Income Fund, Inc.**  
**Schedule of Investments January 31, 2009 (Unaudited)**

Financial futures contracts purchased as of January 31, 2009 were as follows:

| <b>Expiration</b> | <b>Face</b> | <b>Unrealized</b> |
|-------------------|-------------|-------------------|
|-------------------|-------------|-------------------|

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| Contracts | Issue          | Date       | Value        | Depreciation |
|-----------|----------------|------------|--------------|--------------|
| 195       | E-Mini S&P 500 | March 2009 | \$ 8,019,537 | \$ (162)     |

The Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("FAS 157"). FAS 157 clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of fair value measurements. Various inputs are used in determining the fair value of investments, which are as follows:

- Level 1 - price quotations in active markets/exchanges for identical securities
- Level 2 - other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks, and default rates) or other market-corroborated inputs)
- Level 3 - unobservable inputs based on the best information available in the circumstance, to the extent observable inputs are not available (including the Fund's own assumption used in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to the Fund's most recent financial statements as contained in its annual report.

The following table summarizes the inputs used as of January 31, 2009 in determining the fair valuation of the Fund's investments:

| Valuation<br>Inputs | Investments in<br>Securities<br>Assets | Other Financial Instruments*<br>Liabilities |
|---------------------|--|---|
| Level 1             | \$ 522,792,629                         | \$ (4,477,312)                              |
| Level 2             | 27,732,282                             | -   |
| Level 3             | -                                      | -   |
| <b>Total</b>        | <b>\$ 550,524,911</b>                  | <b>\$ (4,477,312)</b>                       |

\* Other financial instruments are futures and option contracts. Futures are valued at the unrealized appreciation/depreciation on the instrument and options are shown at market value.

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Item 2 Controls and Procedures

2(a) The registrant's principal executive and principal financial officers or persons performing similar functions have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13(a)-15(b) under the Securities Exchange Act of 1934, as amended.

2(b) There were no changes in the registrant's internal control over financial reporting (as defined in

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Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3 Exhibits

Certifications Attached hereto

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock Enhanced Capital and Income Fund, Inc.

By: /s/ Donald C. Burke

Donald C. Burke

Chief Executive Officer of

BlackRock Enhanced Capital and Income Fund, Inc.

Date: March 25, 2009

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Donald C. Burke

Donald C. Burke

Chief Executive Officer (principal executive officer) of

BlackRock Enhanced Capital and Income Fund, Inc.

Date: March 25, 2009

By: /s/ Neal J. Andrews

Neal J. Andrews

Chief Financial Officer (principal financial officer) of

BlackRock Enhanced Capital and Income Fund, Inc.

Date: March 25, 2009

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