

BLACKROCK ENHANCED CAPITAL & INCOME FUND, INC
Form N-CSR
January 08, 2010

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

FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES**

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: Anne F. Ackerley, Chief Executive Officer, BlackRock
Enhanced Capital and Income Fund, Inc., 55 East 52nd Street, New York, NY 10055.

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

Date of fiscal year end: 10/31/2009

Date of reporting period: 10/31/2009

Item 1 Report to Stockholders

EQUITIES FIXED INCOME REAL ESTATE LIQUIDITY ALTERNATIVES BLACKROCK SOLUTIONS

Annual Report

OCTOBER 31, 2009

[BlackRock Credit Allocation Income Trust I, Inc. \(PSW\)](#)

[BlackRock Credit Allocation Income Trust II, Inc. \(PSY\)](#)

[BlackRock Credit Allocation Income Trust III \(BPP\)](#)

[BlackRock Credit Allocation Income Trust IV \(BTZ\)](#)

[BlackRock Enhanced Capital and Income Fund, Inc. \(CII\)](#)

[BlackRock Floating Rate Income Trust \(BGT\)](#)

NOT FDIC INSURED

MAY LOSE VALUE

NO BANK GUARANTEE

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Section 19(b) Disclosure

BlackRock Credit Allocation Income Trust IV (BTZ) and BlackRock Enhanced Capital and Income Fund, Inc. (CII) (collectively, the Funds), acting pursuant to a Securities and Exchange Commission (SEC) exemptive order and with the approval of each Fund s Board of Directors/Trustees (the Board), each have adopted a plan, consistent with its investment objectives and policies to support a level distribution of income, capital gains and/or return of capital (Plan). In accordance with the Plans, the Funds currently distribute the following fixed amounts per share on a monthly basis for BTZ and a quarterly basis for CII:

Exchange Symbol	Amount Per Common Share
BTZ	\$ 0.100
CII	\$ 0.485

The fixed amounts distributed per share are subject to change at the discretion of each Fund s Board. Under its Plan, each Fund will distribute all available investment income to its shareholders, consistent with its primary investment objectives and as required by the Internal Revenue Code of 1986, as amended (the Code). If sufficient investment income is not available on a monthly/quarterly basis, the Funds will distribute long-term capital

gains and/or return of capital to shareholders in order to maintain a level distribution. Each monthly/quarterly distribution to shareholders is expected to be at the fixed amount established by the Board, except for extraordinary distributions and potential distribution rate increases or decreases to enable the Funds to comply with the distribution requirements imposed by the Code.

Shareholders should not draw any conclusions about the Funds' investment performance from the amount of these distributions or from the terms of the Plan.

Each Fund's total return performance on net asset value is presented in its financial highlights table.

The Board may amend, suspend or terminate a Fund's Plan without prior notice if it deems such actions to be in the best interests of the Fund or its shareholders. The suspension or termination of the Plan could have the effect of creating a trading discount (if the Fund's stock is trading at or above net asset value) or widening an existing trading discount. The Funds are subject to risks that could have an adverse impact on their ability to maintain level distributions. Examples of potential risks include, but are not limited to, economic downturns impacting the markets, decreased market volatility, companies suspending or decreasing corporate dividend distributions and changes in the Code. Please refer to each Fund's prospectus for a more complete description of its risks.

Please refer to Additional Information for a cumulative summary of the Section 19(a) notices for each Fund's current fiscal period. Section 19(a) notices for the Funds, as applicable, are available on the BlackRock website www.blackrock.com.

Dear Shareholder

Over the past 12 months, we have witnessed a seismic shift in market sentiment from fear and pessimism during the worst economic decline and crisis

of confidence in financial markets since The Great Depression to increasing optimism amid emerging signs of recovery. The period began in the midst of an

intense deterioration in global economic activity and financial markets in the final months of 2008 and the early months of 2009. The collapse of confi-

dence resulted in massive government policy intervention on a global scale in the financial system and the economy. The tide turned dramatically in March

2009, however, on the back of new US government initiatives, as well as better-than-expected economic data and upside surprises in corporate earnings.

Not surprisingly, global equity markets endured extreme volatility over the past 12 months, starting with steep declines and heightened risk aversion in the

early part of the reporting period, which eventually gave way to an impressive rally that began in March. Although there have been fits and starts along the

way and a few modest corrections, the new bull market has pushed all major US indices well into positive territory for 2009. The experience in international

markets was similar to that in the United States. In particular, emerging markets (which were less affected by the global credit crunch and are experiencing

faster economic growth rates when compared to the developed world) have posted impressive gains since the rally began.

In fixed income markets, the flight-to-safety premium in Treasury securities prevailed during the equity market downturn, which drove yields sharply lower,

but concerns about deficit spending, debt issuance, inflation and dollar weakness have kept Treasury yields range bound in recent months. As economic

and market conditions began to improve in early 2009, near-zero interest rates on risk-free assets prompted many investors to reallocate money from cash

investments into higher-yielding and riskier non-Treasury assets. The high yield sector was the greatest beneficiary of this move, having decisively outpaced

all other taxable asset classes since the start of 2009. Similarly, the municipal bond market is on pace for its best performance year ever in 2009, following

one of its worst years in 2008. Investor demand remains strong for munis, helping to create a highly favorable technical backdrop. Municipal bond mutual

funds are seeing record inflows, reflecting the renewed investor interest in the asset class.

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As a result of the rebound in sentiment and global market conditions, most major benchmark indexes are now in positive territory for both the

6- and 12-month periods.

Total Returns as of October 31, 2009	6-month	12-month
US equities (S&P 500 Index)	20.04%	9.80%
Small cap US equities (Russell 2000 Index)	16.21	6.46
International equities (MSCI Europe, Australasia, Far East Index)	31.18	27.71
US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index*)	(0.79)	8.12
Taxable fixed income (Barclays Capital US Aggregate Bond Index)		5.61 13.79
Tax-exempt fixed income (Barclays Capital Municipal Bond Index)		4.99 13.60
High yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index)	27.72	48.65

* Formerly a Merrill Lynch index.

Past performance is no guarantee of future results. Index performance shown for illustrative purposes only. You cannot invest directly in an index.

The market environment has visibly improved since the beginning of the year, but a great deal of uncertainty and risk remain. Through periods of market turbulence, as ever, BlackRock's full resources are dedicated to the management of our clients' assets. For additional market perspective and investment insight, visit the most recent issue of our award-winning Shareholder® magazine at www.blackrock.com/shareholdermagazine. As always, we thank you for entrusting BlackRock with your investments, and we look forward to continuing to serve you in the months and years ahead.

Announcement to Shareholders

On December 1, 2009, BlackRock, Inc. and Barclays Global Investors, N.A. combined to form one of the world's preeminent investment management firms.

The new company, operating under the BlackRock name, manages \$3.19 trillion in assets** and offers clients worldwide a full complement of active man-

agement, enhanced and index investment strategies and products, including individual and institutional separate accounts, mutual funds and other pooled

investment vehicles, and the industry-leading iShares platform of exchange traded funds.

** Data is as of September 30, 2009, is subject to change, and is based on a pro forma estimate of assets under management and other data at BlackRock, Inc. and Barclays Global Investors.

THIS PAGE NOT PART OF YOUR FUND REPORT 3

Fund Summary as of October 31, 2009 BlackRock Credit Allocation Income Trust I, Inc.

Investment Objective

BlackRock Credit Allocation Income Trust I, Inc. (PSW) (formerly BlackRock Preferred and Corporate Income Strategies Fund, Inc.) (the Fund) seeks to provide shareholders with high current income and capital appreciation. The Fund seeks to achieve its objectives by investing primarily in credit-related securities, including, but not limited to, investment grade corporate bonds, high yield bonds, bank loans, preferred securities or convertible bonds or derivatives with economic characteristics similar to these credit-related securities.

Effective November 13, 2009, BlackRock Preferred and Corporate Income Strategies Fund, Inc. was renamed BlackRock Credit Allocation Income Trust I, Inc.

The Board approved a change to the Fund's non-fundamental investment policies during the period. Please refer to page 70 in the Additional Information section.

No assurance can be given that the Fund's investment objective will be achieved.

Performance

For the 12 months ended October 31, 2009, the Fund returned 37.59% based on market price and 46.46% based on net asset value (NAV). For the same period, the closed-end Lipper Income & Preferred Stock Funds category posted an average return of 39.55% on a market price basis and 40.36% on a NAV basis. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. Strong annual performance has been driven by the Fund's positioning to fully capture the near-term strength anticipated in the preferred sector during 2009. The Fund benefited from an overweight allocation to institutional hybrids (preferred securities available only over-the-counter to institutional investors) as the sector continued its dramatic outperformance during 2009 relative to retail preferred securities, which are exchange traded. This position also served as a performance detractor when the preferred sector deteriorated during the fourth quarter of 2008. Performance benefited from participation in several additional issuer-related tenders in preferred equity exchanges, along with an overweight in the insurance sector. A generally large position in short-term securities proved beneficial as well most notably during 2008 and into the first quarter of 2009 as it preserved NAV better than had the Fund been fully invested. Finally, the Fund notably reduced leverage in response to rating agency methodology changes for preferred securities requiring greater collateral due to increased volatility in the sector, which detracted from performance.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Fund Information	
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Symbol on New York Stock Exchange (NYSE)	PSW
Initial Offering Date	August 1, 2003
Yield based on Closing Market Price as of October 31, 2009 (\$8.24) ¹	8.74%
Current Monthly Distribution per Common Share ²	\$0.06
Current Annualized Distribution per Common Share ²	\$0.72
Leverage as of October 31, 2009 ³	32%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

Past performance does not guarantee future results.

² The distribution is not constant and is subject to change. A portion of the distribution may be deemed a tax return of capital or net realized gain.

³ Represents reverse repurchase agreements and Auction Market Preferred Shares (Preferred Shares) as a percentage of total managed assets,

which is the total assets of the Fund (including any assets attributable to any borrowings and Preferred Shares) minus the sum of liabilities (other

than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of

Leveraging on page 10.

The table below summarizes the changes in the Fund's market price and NAV per share:

	10/31/09	10/31/08	Change	High	Low
Market Price	\$8.24	\$7.00	17.71%	\$8.52	\$3.44
Net Asset Value	\$9.31	\$7.43	25.30%	\$9.31	\$4.55

The following unaudited charts show the portfolio composition and credit quality allocations of the Fund's total investments:

Portfolio Composition	Credit Quality Allocations ⁴			
	10/31/09	10/31/08	10/31/09	10/31/08
Preferred Securities	58%	87%	AA/Aa	14%
Short-Term Securities	29	11	A/A	26%
Corporate Bonds	13	2	BBB/Baa	62
			BB/Ba	8
			B/B	2
			Not Rated	2
				10

⁴ Using the higher of Standard & Poor's (S&P's) or Moody's Investor

Service (Moody's)

ratings.

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ANNUAL REPORT

OCTOBER 31, 2009

Fund Summary as of October 31, 2009 BlackRock Credit Allocation Income Trust II, Inc.

Investment Objective

BlackRock Credit Allocation Income Trust II, Inc. (PSY) (formerly BlackRock Preferred Income Strategies Fund, Inc.) (the Fund) seeks to provide share-holders with current income and capital appreciation. The Fund seeks to achieve its objectives by investing primarily in credit-related securities, including, but not limited to, investment grade corporate bonds, high yield bonds, bank loans, preferred securities or convertible bonds or derivatives with economic characteristics similar to these credit-related securities.

Effective November 13, 2009, BlackRock Preferred Income Strategies Fund, Inc. was renamed BlackRock Credit Allocation Income Trust II, Inc.

The Board approved a change to the Fund's non-fundamental investment policies during the period. Please refer to page 70 in the Additional Information section.

No assurance can be given that the Fund's investment objective will be achieved.

Performance

For the 12 months ended October 31, 2009, the Fund returned 29.37% based on market price and 48.36% based on NAV. For the same period, the closed-end Lipper Income & Preferred Stock Funds category posted an average return of 39.55% on a market price basis and 40.36% on a NAV basis.

All returns reflect reinvestment of dividends. The Fund moved from a premium to a discount to NAV by year-end, which accounts for the difference between performance based on price and performance based on NAV. Strong annual performance has been driven by the Fund's positioning to fully capture the near-term strength anticipated in the preferred sector during 2009. The Fund benefited from an overweight allocation to institutional hybrids (preferred securities available only over-the-counter to institutional investors) as the sector continued its dramatic outperformance during 2009 relative to retail preferred securities, which are exchange traded. This position also served as a performance detractor when the preferred sector deteriorated during the fourth quarter of 2008. Performance benefited from participation in several additional issuer-related tenders in preferred equity exchanges, along with an overweight in the insurance sector. A generally large position in short-term securities proved beneficial as well most notably during 2008 and into the first quarter of 2009 as it preserved NAV better than had the Fund been fully invested. Finally, the Fund notably reduced leverage in response to rating agency methodology changes for preferred securities requiring greater collateral due to increased volatility in the sector, which detracted from performance.

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**Fund
Information**

Symbol on NYSE	PSY
Initial Offering Date	March 28, 2003
Yield on Closing Market Price as of October 31, 2009 (\$8.90) ¹	10.11%
Current Monthly Distribution per Common Share ²	\$ 0.075
Current Annualized Distribution per Common Share ²	\$ 0.900
Leverage as of October 31, 2009 ³	30%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

Past performance does not guarantee future results.

² The distribution is not constant and is subject to change. A portion of the distribution may be deemed a tax return of capital or net realized gain.

³ Represents reverse repurchase agreements and Preferred Shares as a percentage of total managed assets, which is the total assets of the Fund

(including any assets attributable to any borrowings and Preferred Shares) minus the sum of liabilities (other than borrowings representing financial

leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 10.

The table below summarizes the changes in the Fund's market price and NAV per share:

	10/31/09	10/31/08	Change	High	Low
Market Price	\$ 8.90	\$8.10	9.88%	\$ 9.20	\$3.69
Net Asset Value	\$10.03	\$7.96	26.01%	\$10.03	\$4.60

The following unaudited charts show the portfolio composition and credit quality allocations of the Fund's total investments:

	Portfolio Composition		Credit Quality Allocations ⁴		
	10/31/09	10/31/08		10/31/09	10/31/08
Preferred Securities	88%	93%	AA/Aa	1%	15%
Short-Term Securities	9	4	A/A	26	34
Corporate Bonds	3	3	BBB/Baa	56	28
			BB/Ba	14	6
			B/B	3	
			Not Rated		17

⁴ Using the higher of S&P's or Moody's ratings.

Fund Summary as of October 31, 2009 **BlackRock Credit Allocation Income Trust III**

Investment Objective

BlackRock Credit Allocation Income Trust III (BPP) (formerly BlackRock Preferred Opportunity Trust) (the Fund) seeks high current income consistent with capital preservation. The Fund seeks to achieve its objectives by investing primarily in credit-related securities, including, but not limited to, investment grade corporate bonds, high yield bonds, bank loans, preferred securities or convertible bonds or derivatives with economic characteristics similar to these credit-related securities.

Effective November 13, 2009, BlackRock Preferred Opportunity Trust was renamed BlackRock Credit Allocation Income Trust III.

The Board approved a change to the Fund's non-fundamental investment policies during the period. Please refer to page 70 in the Additional Information section.

No assurance can be given that the Fund's investment objective will be achieved.

Performance

For the 12 months ended October 31, 2009, the Fund returned 36.42% based on market price and 47.16% based on NAV. For the same period, the closed-end Lipper Income & Preferred Stock Funds category posted an average return of 39.55% on a market price basis and 40.36% on a NAV basis. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. Strong annual performance has been driven by the Fund's positioning to fully capture the near-term strength anticipated in the preferred sector during 2009. The Fund benefited from an overweight allocation to institutional hybrids (preferred securities available only over-the-counter to institutional investors) as the sector continued its dramatic outperformance during 2009 relative to retail preferred securities, which are exchange traded. This position also served as a performance detractor when the preferred sector deteriorated during the fourth quarter of 2008. Performance benefited from participation in several additional issuer-related tenders in preferred equity exchanges, along with an overweight in the insurance sector. A generally large position in short-term securities proved beneficial as well – most notably during 2008 and into the first quarter of 2009 as it preserved NAV better than had the Fund been fully invested. Finally, the Fund notably reduced leverage in response to rating agency methodology changes for preferred securities requiring greater collateral due to increased volatility in the sector, which detracted from performance.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

**Fund
Information**

Symbol on NYSE	BPP
Initial Offering Date	February 28, 2003
Yield on Closing Market Price as of October 31, 2009 (\$9.94) ¹	8.75%
Current Monthly Distribution per Common Share ²	\$0.0725
Current Annualized Distribution per Common Share ²	\$0.8700
Leverage as of October 31, 2009 ³	29%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

Past performance does not guarantee future results.

² The distribution is not constant and is subject to change. A portion of the distribution may be deemed a tax return of capital or net realized gain.

³ Represents reverse repurchase agreements and Preferred Shares as a percentage of total managed assets, which is the total assets of the Fund

(including any assets attributable to any borrowings and Preferred Shares) minus the sum of liabilities (other than borrowings representing financial

leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 10.

The table below summarizes the changes in the Fund's market price and NAV per share:

	10/31/09	10/31/08	Change	High	Low
Market Price	\$ 9.94	\$8.51	16.80%	\$10.35	\$4.00
Net Asset Value	\$11.05	\$8.77	26.00%	\$11.13	\$5.06

The following unaudited charts show the portfolio composition and credit quality allocations of the Fund's total investments:

	Portfolio Composition		Credit Quality Allocations ⁴		
	10/31/09	10/31/08		10/31/09	10/31/08
Preferred Securities	69%	90%	AA/Aa	4%	16%
Short-Term Securities	23	3	A/A	28	39
Corporate Bonds	8	7	BBB/Baa	45	24
			BB/Ba	13	5
			B	5	
			CCC/Caa	5	
			Not Rated		16

⁴ Using the higher of S&P's or Moody's ratings.

Fund Summary as of October 31, 2009 **BlackRock Credit Allocation Income Trust IV**

Investment Objective

BlackRock Credit Allocation Income Trust IV (BTZ) (formerly BlackRock Preferred and Equity Advantage Trust) (the Fund) seeks to achieve high current income, current gains and capital appreciation. The Fund seeks to achieve its objectives by investing primarily in credit-related securities, including, but not limited to, investment grade corporate bonds, high yield bonds, bank loans, preferred securities or convertible bonds or derivatives with economic characteristics similar to these credit-related securities.

Effective November 13, 2009, BlackRock Preferred and Equity Advantage Trust was renamed BlackRock Credit Allocation Income Trust IV.

The Board approved a change to the Fund's non-fundamental investment policies during the period. Please refer to page 70 in the Additional Information section.

No assurance can be given that the Fund's investment objective will be achieved.

Performance

For the 12 months ended October 31, 2009, the Fund returned 38.38% based on market price and 41.06% based on NAV. For the same period, the closed-end Lipper Income & Preferred Stock Funds category posted an average return of 39.55% on a market price basis and 40.36% on a NAV basis. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. Strong annual performance has been driven by the Fund's positioning to fully capture the near-term strength anticipated in the preferred sector during 2009. The Fund benefited from an overweight allocation to institutional hybrids (preferred securities available only over-the-counter to institutional investors) as the sector continued its dramatic outperformance during 2009 relative to retail preferred securities, which are exchange traded. This position also served as a performance detractor when the preferred sector deteriorated during the fourth quarter of 2008. Performance benefited from participation in several additional issuer-related tenders in preferred equity exchanges, along with an overweight in the insurance sector. A generally large position in short-term securities proved beneficial as well—most notably during 2008 and into the first quarter of 2009 as it preserved NAV better than had the Fund been fully invested. Finally, the Fund notably reduced leverage in response to rating agency methodology changes for preferred securities requiring greater collateral due to increased volatility in the sector, which detracted from performance.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

**Fund
Information**

Symbol on NYSE	BTZ
Initial Offering Date	December 27, 2006
Yield on Closing Market Price as of October 31, 2009 (\$10.96) ¹	10.95%
Current Monthly Distribution per Common Share ²	\$ 0.10
Current Annualized Distribution per Common Share ²	\$ 1.20
Leverage as of October 31, 2009 ³	31%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

Past performance does not guarantee future results.

² The distribution is not constant and is subject to change. A portion of the distribution may be deemed a tax return of capital or net realized gain.

³ Represents reverse repurchase agreements and Preferred Shares as a percentage of total managed assets, which is the total assets of the Fund

(including any assets attributable to any borrowings and Preferred Shares) minus the sum of liabilities (other than borrowings representing financial

leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 10.

The table below summarizes the changes in the Fund's market price and NAV per share:

	10/31/09	10/31/08	Change	High	Low
Market Price	\$10.96	\$ 9.36	17.09%	\$11.49	\$4.56
Net Asset Value	\$12.64	\$10.59	19.36%	\$12.69	\$6.89

The following unaudited charts show the portfolio composition of the Fund's total investments and credit quality allocations of the

Fund's total investments excluding Common Stocks:

Portfolio Composition	Credit Quality Allocations ⁴				
	10/31/09	10/31/08		10/31/09	10/31/08
Preferred Securities	57%	59%	AA/Aa	4%	15%
Short-Term Securities	33	21	A/A	33	37
Corporate Bonds	4	4	BBB/Baa	53	30
Common Stocks	6	16	BB/Ba	6	2
			B/B	4	16

⁴ Using the higher of S&P's or Moody's ratings.

Fund Summary as of October 31, 2009

Investment Objective

BlackRock Enhanced Capital and Income Fund, Inc. (CII) (the Fund) seeks to provide investors with a combination of current income and capital appreciation. The Fund seeks to achieve its investment objective by investing primarily in a diversified portfolio of common stocks in an attempt to generate current income and by employing a strategy of writing (selling) call options on equity indexes in an attempt to generate gains from option premiums primarily on the S&P 500 Index. The Board approved a change to the Fund's option writing policy during the period. Please refer to page 70 in the Additional Information section.

No assurance can be given that the Fund's investment objective will be achieved.

Performance

For the 12 months ended October 31, 2009, the Fund returned 29.88% based on market price and 22.01% based on NAV. For the same period, the benchmark S&P 500 Citigroup Value Index returned 2.98% based on NAV. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which narrowed significantly during the period, accounts for the difference between performance based on price and performance based on NAV. The main contributor to Fund performance relative to the S&P 500 Citigroup Value Index was the Option strategy that was implemented by the Fund. The option strategy contributed almost 75% of the outperformance over the index. From an equity holdings standpoint, the main contributors were an underweight and stock selection in financials, stock selection in health care and industrials, and overweights in the information technology and energy sectors. The main detractors from performance for the one-year period included stock selection in materials and consumer staples, as well as an underweight in the consumer discretionary sector.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These

views are not intended to be a forecast of future events and are no guarantee of future results.

Fund
Information

Symbol on NYSE	CII
Initial Offering Date	April 30, 2004
Yield on Closing Market Price as of October 31, 2009 (\$13.76) ¹	14.10%
Current Quarterly Distribution per share ²	\$ 0.485
Current Annualized Distribution per share ²	\$ 1.940

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

Past performance does not guarantee future results.

² The distribution is not constant and is subject to change. A portion of the distribution may be deemed a tax return of capital or net realized gain.

The table below summarizes the changes in the Fund's market price and NAV per share:

	10/31/09	10/31/08	Change	High	Low
Market Price	\$13.76	\$12.37	11.24%	\$15.70	\$ 7.92
Net Asset Value	\$14.40	\$13.78	4.50%	\$14.99	\$10.62

The following unaudited charts show the ten largest holdings and sector allocations of the Fund's long-term investments:

Ten Largest Holdings	Sector Allocations			
	10/31/09		10/31/09	10/31/08
The Travelers Cos., Inc.	4%	Financials	19%	16%
		Information		
JPMorgan Chase & Co.	3	Technology	17	15
LSI Corp.	3	Health Care	13	4
		Consumer		
Chevron Corp.	3	Staples	12	23
Schering-Plough Corp.	3	Energy	11	15
Bristol-Myers Squibb Co.	3	Industrials	9	7
		Telecommunication		
Exxon Mobil Corp.	3	Services	7	6
Kimberly-Clark Corp.	3	Consumer Discretionary	6	6
Kraft Foods, Inc.	3	Materials	3	3
Time Warner, Inc.	3	Utilities	3	5

For Fund compliance purposes, the Fund's sector classifications refer to any one or more of the sector 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 sector sub-classifications for reporting ease.

Fund Summary as of October 31, 2009 **BlackRock Floating Rate Income Trust**

Investment Objective

BlackRock Floating Rate Income Trust (BGT) (formerly BlackRock Global Floating Rate Income Trust) (the Fund) seeks to provide a high level of current income and to seek the preservation of capital. The Fund seeks to achieve its objective by investing in a global portfolio of primarily floating and variable rate securities.

No assurance can be given that the Fund's investment objective will be achieved.

Performance

For the 12 months ended October 31, 2009, the Fund returned 54.14% based on market price and 39.51% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 39.76% on a market price basis and 25.60% on a NAV basis. All returns reflect reinvestment of dividends. (The performance of the Lipper category does not necessarily correlate to that of the Fund, as the Lipper group comprises both closed-end funds that employ leverage and continuously offered closed-end funds that do not. For this reporting period, those Lipper peers that do not employ leverage were at a disadvantage given the market rally.) The Fund's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. For the first two months of the reporting period, the high yield loan market was under extreme pressure and lost 10.9%, as measured by the Credit Suisse Leveraged Loan Index. However, this brief period of underperformance was followed by the market's strongest results ever, as the sector gained more than 40% for the period January 1, 2009 to October 31, 2009. On average, market performance was positive and the Fund's reduction of leverage in response to higher collateral requirements imposed by the major rating agencies had a negative effect on absolute performance. Relative to its Lipper peers, the Fund gained from both maintaining leverage and focusing on higher-quality sectors and structures, which benefited most during the sharp rally in 2009. Conversely, the Fund's cash position hurt performance during the period.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Fund Information

Symbol on NYSE	BGT
Initial Offering Date	August 30, 2004
Yield on Closing Market Price as of October 31, 2009 (\$12.58) ¹	6.44%
Current Monthly Distribution per Common Share ²	\$0.0675
Current Annualized Distribution per Common Share ²	\$0.8100

Leverage as of October 31, 2009³

19%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

Past performance does not guarantee future results.

² The distribution is not constant and is subject to change. A portion of the distribution may be deemed a tax return of capital or net realized gain.

³ Represents loan outstanding and Preferred Shares as a percentage of total managed assets, which is the total assets of the Fund (including any

assets attributable to any borrowings and Preferred Shares) minus the sum of liabilities (other than borrowings representing financial leverage).

For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 10.

The table below summarizes the changes in the Fund's market price and NAV per share:

	10/31/09	10/31/08	Change	High	Low
Market Price	\$12.58	\$ 9.63	30.63%	\$12.98	\$6.88
Net Asset Value	\$13.29	\$11.24	18.24%	\$13.35	\$8.86

The following unaudited charts show the portfolio composition of the Fund's long-term investments and credit quality allocations

of the Fund's long-term investments excluding floating rate loan interests:

Portfolio Composition	Credit Quality Allocations ⁴			
	10/31/09	10/31/08	10/31/09	10/31/08
Floating Rate Loan Interests	76%	79%	AAA/Aaa	16%
Corporate Bonds	20	14	A/A	4
Foreign Government Obligations	3	7	BBB/Baa	27
Other Interests	1		BB/Ba	17
			B/B	22
			CCC/Caa	6
			C/C	5
			D	1
			Not Rated	2
				1

⁴ Using the higher of S&P's or Moody's ratings.

The Benefits and Risks of Leveraging

The Funds may utilize leverage to seek to enhance the yield and NAV of their Common Shares. However, these objectives cannot be achieved in all interest rate environments.

The Funds may utilize leverage through borrowings, the issuance of Preferred Shares or by entering into reverse repurchase agreements. In general, the concept of leveraging is based on the premise that the cost of assets to be obtained from leverage will be based on short-term interest rates, which normally will be lower than the income earned by each Fund on its longer-term portfolio investments. To the extent that the total assets of each Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Fund's Common Shareholders will benefit from the incremental net income.

The interest earned on securities purchased with the proceeds from leverage is paid to Common Shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share NAV of each Fund's Common Shares. However, in order to benefit Common Shareholders, the yield curve must be positively sloped; that is, short-term interest rates must be lower than long-term interest rates. If the yield curve becomes negatively sloped, meaning short-term interest rates exceed long-term interest rates, income to Common Shareholders will be lower than if the Funds had not used leverage.

To illustrate these concepts, assume a Fund's Common Shares capitalization is \$100 million and it borrows and/or issues Preferred Shares for an additional \$50 million, creating a total value of \$150 million available for investment in long-term securities. If prevailing short-term interest rates are 3% and long-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the Fund pays interest expense and/or dividends on the \$50 million of Preferred Shares based on the lower short-term interest rates. At the same time, the securities purchased by the Fund with assets received from the borrowings and/or issuance of Preferred Shares can earn income based on long-term interest rates. In this case, the interest expense and/or dividends paid to Preferred Shareholders are significantly lower than the income earned on the Fund's long-term investments, and therefore the Common Shareholders are the beneficiaries of the incremental net income.

If short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental net income pickup on the Common Shares will be reduced or eliminated completely. Furthermore, if prevailing short-term interest rates rise above long-term interest rates of 6%, the yield curve has a negative slope. In this case, the Fund pays dividends on the higher short-term interest rates whereas the Fund's total portfolio earns income based on lower long-term interest rates.

Furthermore, the value of a Fund's portfolio investments generally varies

inversely with the direction of long-term interest rates, although other factors can influence the value of portfolio investments. In contrast, the redemption value of the Funds' borrowings and/or Preferred Shares does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Funds' NAV positively or negatively in addition to the impact on Fund performance from leverage from borrowings.

The use of leverage may enhance opportunities for increased income to the Funds and Common Shareholders, but as described above, it also creates risks as short- or long-term interest rates fluctuate. Leverage also will generally cause greater changes to each Fund's NAV, market price and dividend rates than a comparable portfolio without leverage. If the income derived from securities purchased with assets received from leverage exceeds the cost of leverage, each Fund's net income will be greater than if leverage had not been used. Conversely, if the income from the securities purchased is not sufficient to cover the cost of leverage, each Fund's net income will be less than if leverage had not been used, and therefore the amount available for distribution to shareholders will be reduced. Each Fund may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of leverage instruments which may cause a Fund to incur losses. The use of leverage may limit each Fund's ability to invest in certain types of securities or use certain types of hedging strategies, such as in the case of certain restrictions imposed by ratings agencies that rate Preferred Shares issued by each Fund. Each Fund will incur expenses in connection with the use of leverage, all of which are borne by the Common Shareholders and may reduce income on the Common Shares.

Under the Investment Company Act of 1940, BGT is permitted to borrow through a credit facility up to $33\frac{1}{3}\%$ of its total managed assets and the Funds are permitted to issue Preferred Shares in an amount of up to 50% of their total managed assets at the time of issuance. Under normal circumstances, each Fund anticipates that the total economic leverage from Preferred Shares, reverse repurchase agreements and credit facility borrowings will not exceed 50% of its total managed assets at the time such leverage is incurred. As of October 31, 2009, the Funds had economic leverage from Preferred Shares, reverse repurchase agreements and/or credit facility borrowings as a percentage of their total managed assets as follows:

	Percent of Leverage
PSW	32%
PSY	30%
BPP	29%
BTZ	31%
BGT	19%

Derivative Financial Instruments

The Funds may invest in various derivative instruments, including financial futures contracts, swaps, foreign currency exchange contracts and options, as specified in Note 2 of the Notes to Financial Statements, which constitute forms of economic leverage. Such instruments are used to obtain exposure to a market without owning or taking physical custody of securities or to hedge market, equity, credit, interest rate and/or foreign currency exchange rate risks. Such derivative instruments involve risks, including the imperfect correlation between the value of a derivative instrument and the underlying asset, possible default of the counterparty to the transaction and illiquidity of the derivative instrument. Each Fund's ability to success-

fully use a derivative instrument depends on the investment advisor's ability to accurately predict pertinent market movements, which cannot be assured. The use of derivative instruments may result in losses greater than if they had not been used, may require the Funds to sell or purchase portfolio securities at inopportune times or at distressed values, may limit the amount of appreciation the Funds can realize on an investment or may cause the Funds to hold a security that they might otherwise sell. The Funds' investments in these instruments are discussed in detail in the Notes to Financial Statements.

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Schedule of Investments October 31, 2009

BlackRock Credit Allocation Income Trust I, Inc. (PSW) (Percentages shown are based on Net Assets)

	Par (000)	Value	Capital Trusts	Par (000)	Value
Corporate Bonds					
Insurance 2.5%			Multi-Utilities 2.8%		
Oil Insurance Ltd., 7.56% (a)(b)(c)	\$ 1,000	\$ 706,200	Dominion Resources Capital Trust I,		
QBE Insurance Group Ltd., 9.75%, 3/14/14 (a)	1,484	1,695,246	7.83%, 12/01/27 (f)	\$ 1,200	\$ 1,202,650
		2,401,446	Dominion Resources, Inc., 7.50% (c)	1,051	1,029,980
			Puget Sound Energy, Inc. Series A, 6.97%, 6/01/67 (c)	475	415,587
Media 12.5%					
COX Communications, Inc., 8.38%, 3/01/39 (a)	10,000	11,988,640			2,648,217
Total Corporate Bonds 15.0%		14,390,086	Oil, Gas & Consumable Fuels 1.3%		
			Enterprise Products Operating LLC, 8.38%, 8/01/66 (c)	825	808,500
			TransCanada PipeLines Ltd., 6.35%, 5/15/67 (c)	500	465,397
Preferred Securities			Total Capital Trusts		1,273,897
			33.5%		32,110,050
Capital Trusts					
Building Products 0.7%			Preferred Stocks	Shares	
C8 Capital SPV Ltd., 6.64% (a)(b)(c)	980	691,018			
Capital Markets 5.8%			Commercial Banks 8.1%		
Ameriprise Financial, Inc., 7.52%, 6/01/66 (c)	1,900	1,615,000	First Tennessee Bank NA, 3.90% (a)(c)	1,176	589,838
Lehman Brothers Holdings Capital Trust V, 3.64% (b)(c)(d)(e)	1,600	160	HSBC USA, Inc.: Series D, 4.50% (c)	35,000	734,300
State Street Capital Trust III, 8.25% (b)(c)	725	731,257	Series H, 6.50%	168,000	3,410,400
State Street Capital Trust IV, 1.30%, 6/01/67 (c)	4,740	3,180,090	Provident Financial Group, Inc., 7.75%	42,000	1,013,250
		5,526,507	Royal Bank of Scotland Group Plc, Series M, 6.40%	5,000	51,700
			Santander Finance Preferred SA Unipersonal, 6.80%	72,807	1,992,000
Commercial Banks 3.3%					
Bank of Ireland Capital Funding II, LP, 5.57% (a)(b)(c)	429	188,760			7,791,488
Bank of Ireland Capital Funding III, LP, 6.11% (a)(b)(c)	740	325,600	Diversified Financial Services		
Barclays Bank Plc, 5.93% (a)(b)(c)	500	390,000	2.0%		
	910	691,337	Cobank ACB, 7.00% (a)	38,000	1,326,439
			ING Groep NV, 7.20%	35	612,942

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First Empire Capital Trust II, 8.28%, 6/01/27					
National City Preferred Capital Trust I, 12.00% (b)(c)	300	343,359			
SMFG Preferred Capital USD 3 Ltd., 9.50% (a)(b)(c)	875	948,675			1,939,381
Santander Perpetual SA Unipersonal, 6.67% (a)(b)(c)	250	228,123	Electric Utilities 3.6%		
SunTrust Preferred Capital I, 5.85% (b)(c)	135	88,087	Alabama Power Co., 6.50%	25,000	750,000
		3,203,941	Entergy Arkansas, Inc., 6.45%	28,800	609,301
			Entergy Louisiana LLC, 6.95%	22,650	2,119,747
Diversified Financial Services 3.0%					
Farm Credit Bank of Texas Series 1, 7.56% (b)(c)	1,000	701,550			3,479,048
JPMorgan Chase Capital XXIII, 1.44%, 5/15/77 (c)	3,085	2,172,873	Insurance 5.8%		
		2,874,423	Aspen Insurance Holdings Ltd., 7.40% (c)	55,000	1,116,500
			Axis Capital Holdings Ltd.:		
			Series A, 7.25%	35,000	789,250
PPL Capital Funding, 6.70%, 3/30/67 (c)	500	430,000	Series B, 7.50% (c)	9,000	673,875
			Endurance Specialty Holdings Ltd. Series A, 7.75%	35,200	770,880
Insurance 16.1%			RenaissanceRe Holding Ltd. Series D, 6.60%	110,000	2,267,100
AXA SA, 6.38% (a)(b)(c)	3,585	3,038,287			
Ace Capital Trust II, 9.70%, 4/01/30	500	552,614			5,617,605
The Allstate Corp., 6.50%, 5/15/57 (c)(f)	3,200	2,736,000			
			Real Estate Investment Trusts (REITs) 7.4%		
Chubb Corp., 6.38%, 3/29/67 (c)(g)	500	453,750			
Farmers Exchange Capital, 7.05%, 7/15/28 (a)	500	428,271	BRE Properties, Inc. Series D, 6.75%	10,000	205,200
Genworth Financial, Inc., 6.15%, 11/15/66 (c)	750	502,500	First Industrial Realty Trust, Inc., 6.24% (c)	610	270,116
Great West Life & Annuity Insurance Co.,			HRPT Properties Trust:		
7.15%, 5/16/46 (a)(c)	500	415,000	Series B, 8.75%	97,917	2,257,966
Liberty Mutual Group, Inc., 10.75%, 6/15/88 (a)(c)	500	525,000	Series C, 7.13%	125,000	2,332,500
Lincoln National Corp., 7.00%, 5/17/66 (c)	500	410,000	iStar Financial, Inc. Series I, 7.50%	59,500	416,500
MetLife, Inc., 6.40%, 12/15/66 (f)	500	433,125	Public Storage:		
Nationwide Life Global Funding I, 6.75%, 5/15/67	500	378,967	Series F, 6.45%	10,000	212,500
Oil Casualty Insurance Ltd., 8.00%, 9/15/34 (a)	915	576,450	Series I, 7.25%	40,000	954,000
Progressive Corp., 6.70%, 6/15/67 (c)	500	437,973	Series M, 6.63%	20,000	429,000

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Reinsurance Group of America, 6.75%, 12/15/65 (c)	700	542,500		7,077,782
The Travelers Cos., Inc., 6.25%, 3/15/67 (c)	500	450,000	Wireless Telecommunication Services 2.8%	
ZFS Finance (USA) Trust II, 6.45%, 12/15/65 (a)(c)(h)	1,800	1,620,000	Centaur Funding Corp., 9.08% (a)	2,720 2,729,350
ZFS Finance (USA) Trust IV, 5.88%, 5/09/32 (a)(c)	146	118,040		
ZFS Finance (USA) Trust V, 6.50%, 5/09/67 (a)(c)	1,097	888,570	Total Preferred Stocks 29.7%	28,634,654
Zenith National Insurance Capital Trust I, 8.55%, 8/01/28 (a)	1,000	955,000		
		15,462,047		

Portfolio Abbreviations

To simplify the listings of portfolio holdings in the Schedules of Investments, the names of many of the securities have been abbreviated according to the following list:

ADR American Depositary Receipts	MXN Mexican New Peso
EUR Euro	USD US Dollar
GBP British Pound	

See Notes to Financial Statements.

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Schedule of Investments (continued)

**BlackRock Credit Allocation Income Trust I, Inc.
(PSW)**

(Percentages shown are based on Net Assets)

Trust Preferreds	Shares (000)	Value					
Consumer Finance 2.2% Capital One Capital II, 7.50%, 6/15/66	93	\$ 2,060,649	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.				
Electric Utilities 1.3% PPL Energy Supply LLC, 7.00%, 7/15/46	49	1,263,610	Reverse repurchase agreements outstanding as of October 31, 2009 were as follows:				
Insurance 2.0% ABN AMRO North America Capital Funding Trust II, 2.87% (a)(b)(c) Lincoln National Capital VI Series F, 6.75%, 9/11/52	2	85,988					
	90	1,827,781					
		1,913,769					
Total Trust Preferreds 5.5%		5,238,028					
			Interest	Trade	Maturity	Net	
						Closing	
						Face	
			Counterparty	Rate	Date	Date	Amount
							Amount
Total Preferred Securities 68.7%		65,982,732	Barclays Bank Plc	0.75%	10/16/09	11/16/09	\$ 4,975,252
Total Long Term Investments (Cost \$94,148,823) 83.7%		80,372,818					\$ 4,972,041
			Financial futures contracts purchased as of October 31, 2009 were as follows:				
			Contracts	Issue	Expiration	Date	Notional
							Value
							Unrealized
							Appreciation
			50	2-Year U.S. Treasury Bond		December 2009	\$ 10,793,860
							\$ 86,609
			6	30-Year U.S. Treasury Bond		December 2009	\$ 712,575
							8,363
Total Short-Term Securities (Cost \$33,286,296) 34.6%		33,286,296	Total				\$ 94,972
			Credit default swaps on single-name issue buy protection outstanding as of October 31, 2009 were as follows:				

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Total Investments (Cost \$127,435,119*)								
118.3%	113,659,114							
Other Assets Less Liabilities								
23.6%	22,648,143							
Preferred Shares, at Redemption Value (41.9)%	(40,258,949)							
Net Assets Applicable to Common Shares 100.0%	\$ 96,048,308	Issuer	Rate	party	Expiration	Notional Amount (000)	Unrealized Depreciation	
* The cost and unrealized appreciation (depreciation) of investments as of October 31, 2009, as computed for federal income tax purposes, were as follows:		Nordstrom, Inc.	5.20%	Deutsche Bank AG	June 2014	\$ 1,000	\$ (168,952)	
	\$							
Aggregate cost	127,460,901							
Gross unrealized appreciation	\$ 2,075,593							
Gross unrealized depreciation	(15,877,380)							
Net unrealized depreciation	\$ (13,801,787)							

(a) Security exempt from registration under Rule 144A of the Securities Act of 1933.

These securities may be resold in transactions exempt from registration to qualified

institutional investors.

(b) Security is perpetual in nature and has no stated maturity date.

(c) Variable rate security. Rate shown is as of report date.

(d) Non-income producing security.

(e) Issuer filed for bankruptcy and/or is in default of interest payments.

(f) All or a portion of the security has been pledged as collateral in connection with open reverse repurchase agreements.

(g) All or a portion of the security has been pledged as collateral in connection with open swaps.

(h) All or a portion of the security has been pledged as collateral in connection with open financial futures contracts.

(i) 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:

	Net	
Affiliate	Activity	Income

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BlackRock Liquidity
Funds, TempFund,

Institutional Class	\$ 33,286,296	\$ 73,357
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BlackRock Liquidity
Series, LLC

Cash Sweep Series	\$(15,938,424)	\$ 56,701
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(j) Represents the current
yield as of report date.

See Notes to Financial
Statements.

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OCTOBER 31, 2009

Schedule of Investments (concluded)

BlackRock Credit Allocation Income Trust I, Inc. (PSW)

<p>Fair Value Measurements Various inputs are used in determining the fair value of investments, which are as follows:</p> <p>Level 1 price quotations in active markets/exchanges for identical assets and liabilities</p> <p>Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or 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)</p> <p>Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments)</p> <p>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 Note 1 of the Notes to Financial Statements.</p> <p>The following tables summarize the inputs used as of October 31, 2009 in determining the fair valuation of the Fund's investments:</p>	<p>Valuation Inputs</p> <p>Level 1</p> <p>Level 2</p> <p>Level 3</p> <p>Total</p>	<p>Other Financial Instruments¹</p> <table border="0"> <tr> <td style="text-align: right;">Assets</td> <td style="text-align: right;">Liabilities</td> </tr> <tr> <td style="text-align: right;">\$ 94,972</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">\$ (168,952)</td> </tr> <tr> <td style="text-align: right;">\$ 94,972</td> <td style="text-align: right;">\$ (168,952)</td> </tr> </table>	Assets	Liabilities	\$ 94,972			\$ (168,952)	\$ 94,972	\$ (168,952)										
Assets	Liabilities																			
\$ 94,972																				
	\$ (168,952)																			
\$ 94,972	\$ (168,952)																			
	<p>¹ Other financial instruments are financial futures contracts and swaps. Financial futures contracts and swaps are valued at the unrealized appreciation/depreciation on the instrument.</p> <p>The following is a reconciliation of investments for unobservable inputs (Level 3) used in determining fair value:</p>																			
	<table border="0"> <tr> <td style="text-align: right;">Investments in</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">Securities</td> </tr> <tr> <td></td> <td style="text-align: right;">Capital Trusts</td> </tr> </table>	Investments in			Securities		Capital Trusts													
Investments in																				
	Securities																			
	Capital Trusts																			
	<table border="0"> <tr> <td style="text-align: right;">Investments in</td> <td style="text-align: right;">Securities</td> <td style="text-align: right;">Assets</td> </tr> <tr> <td></td> <td>Accrued discounts/premiums</td> <td></td> </tr> <tr> <td></td> <td>Realized gain (loss)</td> <td></td> </tr> <tr> <td></td> <td>Change in unrealized appreciation/depreciation</td> <td></td> </tr> <tr> <td></td> <td>Net purchases (sales)</td> <td></td> </tr> <tr> <td></td> <td>Net transfers in/out Level 3</td> <td style="text-align: right;">\$ 576,450</td> </tr> </table>	Investments in	Securities	Assets		Accrued discounts/premiums			Realized gain (loss)			Change in unrealized appreciation/depreciation			Net purchases (sales)			Net transfers in/out Level 3	\$ 576,450	
Investments in	Securities	Assets																		
	Accrued discounts/premiums																			
	Realized gain (loss)																			
	Change in unrealized appreciation/depreciation																			
	Net purchases (sales)																			
	Net transfers in/out Level 3	\$ 576,450																		

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Level 1	Balance, as of October 31, 2009	\$ 576,450
Long-Term Investments:		
Preferred Stocks	\$ 19,302,737	
Trust Preferreds	5,152,040	
Short-Term Securities	33,286,296	
Total Level 1	57,741,073	
Level 2		
Long-Term Investments:		
Capital Trusts	31,533,600	
Corporate Bonds	14,390,086	
Preferred Stocks	9,331,917	
Trust Preferreds	85,988	
Total Level 2	55,341,591	
Level 3		
Long-Term Investments:		
Capital Trusts	576,450	
Total	\$ 113,659,114	

See Notes to Financial Statements.

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Schedule of Investments October 31, 2009

BlackRock Credit Allocation Income Trust II, Inc. (PSY)

(Percentages shown are based on Net Assets)

	Par (000)	Value	Capital Trusts	Par (000)	Value
Corporate Bonds					
Insurance 2.6%			Insurance (concluded)		
Oil Insurance Ltd., 7.56% (a)(b)(c)	\$ 5,000	\$ 3,531,000	Principal Life Insurance Co., 8.00%, 3/01/44 (a)	6,325	\$ 5,663,683
QBE Insurance Group Ltd., 9.75%, 3/14/14 (a)	5,967	6,816,396	Progressive Corp., 6.70%, 6/15/67 (c)(f)	2,000	1,751,894
Structured Asset Repackaged Trust, Series 2004-1, 0.78%, 4/21/11 (a)(c)	299	266,121	Reinsurance Group of America, 6.75%, 12/15/65 (c)	3,000	2,325,000
Total Corporate Bonds 2.6%		10,613,517	The Travelers Cos., Inc., 6.25%, 3/15/67 (c)	3,000	2,700,000
			ZFS Finance (USA) Trust IV, 5.88%, 5/09/32 (a)(c)	379	306,418
			ZFS Finance (USA) Trust V, 6.50%, 5/09/67 (a)(c)	4,312	3,492,720
Preferred Securities			Zenith National Insurance Capital Trust I, 8.55%, 8/01/28 (a)	3,750	3,581,250
					85,641,493
Capital Trusts					
			Multi-Utilities 3.8%		
Building Products 0.7%			Dominion Resources Capital Trust I, 7.83%, 12/01/27	10,000	10,022,080
C8 Capital SPV Ltd., 6.64% (a)(b)(c)	3,915	2,760,545	Dominion Resources, Inc., 7.50% (c)	5,449	5,340,020
Capital Markets 5.3%					15,362,100
Ameriprise Financial, Inc., 7.52%, 6/01/66 (c)	7,600	6,460,000			
Lehman Brothers Holdings Capital Trust V, 3.64% (b)(c)(d)(e)	6,400	640	Oil, Gas & Consumable Fuels 1.4%		
State Street Capital Trust III, 8.25% (b)(c)	2,920	2,945,200	Enterprise Products Operating LLC, 8.38%, 8/01/66 (c)	2,000	1,960,000
State Street Capital Trust IV, 1.30%, 6/01/67 (c)	18,235	12,233,953	TransCanada PipeLines Ltd., 6.35%, 5/15/67 (c)	4,000	3,723,180
		21,639,793			5,683,180
Commercial Banks 12.0%					
ABN AMRO North America Holding, Preferred			Road & Rail 0.9%		
Capital Repackaging Trust I, 6.52% (a)(b)(c)	12,035	8,544,850	BNSF Funding Trust I, 6.61%, 12/15/55 (c)	3,750	3,548,437
Bank One Capital III, 8.75%, 9/01/30	2,000	2,252,786	Total Capital Trusts 49.3%		201,733,947

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Bank of Ireland Capital Funding II, LP, 5.57% (a)(b)(c)	1,715	754,600			
Bank of Ireland Capital Funding III, LP, 6.11% (a)(b)(c)	2,951	1,298,440	Preferred Stocks		Shares
Barclays Bank Plc, 5.93% (a)(b)(c)	2,500	1,950,000	Capital Markets 0.0%		
First Empire Capital Trust II, 8.28%, 6/01/27	3,630	2,757,751	Deutsche Bank Contingent Capital Trust II, 6.55%	530	10,817
HSBC America Capital Trust I, 7.81%, 12/15/26 (a)	2,000	1,978,198			
HSBC Capital Funding LP/Jersey Channel Islands, 10.18% (a)(b)(c)(f)	4,835	5,753,650	Commercial Banks 8.3% Barclays Bank Plc, 8.13%	225,000	5,298,750
HSBC Finance Capital Trust IX, 5.91%, 11/30/35 (c)	7,300	5,767,000	First Tennessee Bank NA, 3.90% (a)(c)	4,650	2,332,266
Lloyds Banking Group Plc, 6.66%, 11/21/49 (a)(c)	5,000	3,250,000	HSBC USA, Inc.:		
National City Preferred Capital Trust I, 12.00% (b)(c)	1,100	1,258,983	Series D, 4.50% (c)(g)	131,700	2,763,066
NationsBank Capital Trust III, 0.83%, 1/15/27 (c)	13,470	8,627,037	Series H, 6.50%	120,000	2,436,000
SMFG Preferred Capital USD 3 Ltd., 9.50% (a)(b)(c)	3,550	3,848,910	Provident Financial Group, Inc., 7.75%	166,800	4,024,050
Santander Perpetual SA Unipersonal, 6.67%, 10/29/49 (a)(b)(c)	1,125	1,026,555	Royal Bank of Scotland Group Plc, Series M, 6.40%	15,000	155,100
SunTrust Preferred Capital I, 5.85% (b)(c)	307	200,318	SG Preferred Capital II, 6.30% (a)(c)	23,000	13,800,000
		49,269,078	Santander Finance Preferred SA Unipersonal, 6.80%	117,094	3,203,692
					34,012,924
Diversified Financial Services 3.7%			Diversified Financial Services 1.9%		
AgFirst Farm Credit Bank, 8.39%, 12/15/16 (c)	4,000	3,041,668	Cobank ACB, 7.00% (a)(b)	152,000	5,305,758
Farm Credit Bank of Texas, Series 1, 7.56% (b)(c)	2,500	1,753,875	ING Groep NV, 7.20%	140	2,451,769
ING Capital Funding Trust III, 8.44% (b)(c)	6,066	5,171,265			7,757,527
JPMorgan Chase Capital XXIII, 1.44%, 5/15/77 (c)	7,500	5,282,513	Electric Utilities 3.4% Alabama Power Co.:		
		15,249,321	5.83%	14,000	349,300
Electric Utilities 0.6% PPL Capital Funding, 6.70%, 3/30/67 (c)	3,000	2,580,000	6.50%	145,000	4,350,000
			Entergy Arkansas, Inc., 6.45%	114,400	2,420,281
Insurance 20.9% AON Corp., 8.21%, 1/01/27	2,500	2,475,000	Entergy Louisiana LLC, 6.95%	49,850	4,665,314
			Interstate Power & Light Co., Series B, 8.38%	80,000	2,220,000

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AXA SA, 6.38%					
(a)(b)(c)	13,470	11,415,825			
Ace Capital Trust II, 9.70%, 4/01/30	5,000	5,526,140			14,004,895
The Allstate Corp., 6.50%, 5/15/57					
(c)	12,775	10,922,625	Insurance 12.5%		
Chubb Corp., 6.38%, 3/29/67 (c)	2,000	1,815,000	Aspen Insurance Holdings Ltd., 7.40% (c)	194,000	3,938,200
Farmers Exchange Capital, 7.05%, 7/15/28 (a)	2,500	2,141,357	Axis Capital Holdings Ltd.:		
GE Global Insurance Holding Corp., 7.75%, 6/15/30	10,000	10,207,480	Series A, 7.25%	129,300	2,915,715
Genworth Financial, Inc., 6.15%, 11/15/66 (c)	3,000	2,010,000	Series B, 7.50% (c)	36,000	2,695,500
Liberty Mutual Group, Inc., 10.75%, 6/15/88 (a)(c)	2,925	3,071,250	Endurance Specialty Holdings Ltd., Series A, 7.75%	139,200	3,048,480
Lincoln National Corp., 7.00%, 5/17/66 (c)	3,350	2,747,000	MetLife, Inc., Series B, 6.50%	904,400	19,652,612
MetLife, Inc., 6.40%, 12/15/66	6,825	5,912,156	Prudential Plc, 6.50%	92,400	1,931,160
Nationwide Life Global Funding I, 6.75%, 5/15/67	7,000	5,305,545	RenaissanceRe Holding Ltd., Series D, 6.60%	435,000	8,965,350
Oil Casualty Insurance Ltd., 8.00%, 9/15/34 (a)	3,605	2,271,150	Zurich RegCaPS Funding Trust, 6.58% (a)(c)	9,800	7,699,125
					50,846,142

See Notes to Financial Statements.

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Schedule of Investments (continued)

**BlackRock Credit Allocation Income Trust II, Inc.
(PSY)**

(Percentages shown are based on Net Assets)

Preferred Stocks	Shares	Value	Short-Term Securities	Shares	Value
Multi-Utilities 0.9%			BlackRock Liquidity Funds, TempFund,		
Pacific Gas & Electric Co., Series A, 6.00%	140,000	\$ 3,738,000	Institutional Class, 0.18% (h)(i)	41,019,397	\$ 41,019,397
Real Estate Investment Trusts (REITs) 5.3%			Total Short-Term Securities		
BRE Properties, Inc., Series D, 6.75%	35,000	718,200	(Cost \$41,019,397) 10.0%		41,019,397
Developers Diversified Realty Corp., 8.00%	400,000	7,156,000	Total Investments (Cost \$524,066,199*) 107.5%		440,148,651
First Industrial Realty Trust, Inc., 6.24% (c)	2,390	1,058,322	Other Assets Less Liabilities 33.8%		138,235,005
Firststar Realty LLC, 8.88% (a)	4,000	3,412,500	Preferred Shares, at Redemption Value (41.3)%		(169,090,727)
Kimco Realty Corp., Series F, 6.65%	50,000	1,011,500			
Public Storage:			Net Assets Applicable to Common Shares		
Series F, 6.45%	40,000	850,000	100.0%		\$ 409,292,929
Series I, 7.25%	160,000	3,816,000	* The cost and unrealized appreciation (depreciation) of investments as of October 31, 2009, as computed for federal income tax purposes, were as follows:		
Series M, 6.63%	71,900	1,542,255			
Regency Centers Corp., Series D, 7.25%	100,000	2,175,000	Aggregate cost		\$ 525,840,523
		21,739,777	Gross unrealized appreciation		\$ 9,977,374
			Gross unrealized depreciation		(95,669,246)
Wireless Telecommunication Services 0.6%			Net unrealized depreciation		\$ (85,691,872)
Centaur Funding Corp., 9.08% (a)	2,423	2,431,329	(a) Security exempt from registration under Rule 144A of the Securities Act of 1933.		
Total Preferred Stocks 32.9%		134,541,411	These securities may be resold in transactions exempt from registration to qualified institutional investors.		
	Shares		(b) Security is perpetual in nature and has no stated maturity date.		
	(000)		(c) Variable rate security. Rate shown is as of report date.		
Trust Preferreds Communications Equipment 0.4%			(d) Non-income producing security.		
Corporate-Backed Trust Certificates, Motorola					

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Debtenture Backed Series 2002-14,			(e) Issuer filed for bankruptcy and/or is in default of interest payments.					
8.38%, 11/15/28	80	1,778,167	(f) All or a portion of security held as collateral in connection with open reverse repurchase agreements.					
Consumer Finance 3.6%								
Capital One Capital II, 7.50%, 6/15/66	668	14,799,807	(g) All or a portion of security has been pledged as collateral in connection with open financial futures contracts.					
Electric Utilities 2.3%								
Georgia Power Co., Series O, 1.48%, 4/15/33	50	1,229,393	(h) Investments in companies considered to be an affiliate of the Fund, for purposes of					
HECO Capital Trust III, 6.50%, 3/18/34	50	1,167,634	Section 2(a)(3) of the Investment Company Act of 1940, were as follows:					
National Rural Utilities Cooperative Finance Corp., 6.75%, 2/15/43	50	1,236,387					Net	
PPL Energy Supply LLC, 7.00%, 7/15/46	233	5,970,175	Affiliate				Activity	Income
		9,603,589	BlackRock Liquidity Funds, TempFund, Institutional Class				\$ 41,019,397	\$ 70,651
Gas Utilities 3.7%								
Southwest Gas Capital II, 7.70%, 9/15/43	605	14,940,766	BlackRock Liquidity Series, LLC Cash Sweep Series				\$(28,803,004)	\$ 80,088
Insurance 2.7%								
ABN AMRO North America Capital Funding Trust II, 2.87% (a)(b)(c)	11	477,570	(i) Represents the current yield as of report date.					
Lincoln National Capital VI, Series F, 6.75%, 9/11/52	200	4,061,735	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.					
W.R. Berkley Capital Trust II, 6.75%, 7/26/45	295	6,578,745	This definition may not apply for purposes of this report, which may combine industry sub-classifications for reporting ease.					
		11,118,050	Reverse repurchase agreements outstanding as of October 31, 2009 were as follows:					
Total Trust Preferreds 12.7%		52,240,379						
Total Preferred Securities 94.9%		388,515,737					Net	
Total Long-Term Investments							Closing	Face
(Cost \$483,046,802) 97.5%							Amount	Amount
			Barclays Bank Plc				\$ 9,516,732	\$ 9,510,590
			0.75%					
			10/16/09					
			11/16/09					
			Financial futures contracts purchased as of October 31, 2009 were as follows:					
							Expiration	Notional
							Date	Unrealized
			Contracts				Amount	Appreciation
			Issue					
			Date					

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30-Year
U.S.

Treasury Bonds December 2009 \$2,969,061 \$ 34,845

Credit default swaps on single-name issue buy protection outstanding as of October 31, 2009 were as follows:

Issuer	Pay		Expiration	Notional Amount (000)	Unrealized Depreciation
	Fixed Rate	Counter- party			
Nordstrom, Inc.	5.20%	Deutsche Bank AG	June 2014	\$ 2,000	\$ (337,904)

See Notes to Financial Statements.

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Schedule of Investments (concluded)

<p>Fair Value Measurements Various inputs are used in determining the fair value of investments, which are as follows:</p> <p>Level 1 price quotations in active markets/exchanges for identical assets and liabilities</p> <p>Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or 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)</p> <p>Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments)</p> <p>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 Note 1 of the Notes to Financial Statements.</p>	<p>The following tables summarize the inputs used as of October 31, 2009 in determining the fair valuation of the Fund's investments:</p> <p>Valuation Inputs</p> <p>Level 1 Long-Term Investments:</p> <p>Preferred Stocks \$ 84,696,966</p> <p>Trust Preferreds 51,762,809</p> <p>Short-Term Securities 41,019,397</p> <p>Total Level 1 177,479,172</p> <p>Level 2 Long-Term Investments:</p> <p>Capital Trusts 199,462,797</p> <p>Corporate Bonds 10,347,396</p> <p>Preferred Stocks 36,044,445</p> <p>Trust Preferreds 477,570</p> <p>Total Level 2 246,332,208</p> <p>Level 3 Long-Term Investments:</p> <p>Capital Trusts 2,271,150</p> <p>Corporate Bonds 266,121</p> <p>Preferred Stocks 13,800,000</p> <p>Total Level 3 16,337,271</p> <p>Total 440,148,651</p> <p>Valuation Inputs</p>	<p>Investments in Securities Assets</p> <p>\$</p> <p>Other Financial Instruments¹</p>
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	Assets	Liabilities
Level 1	\$ 34,845	
Level 2		\$ (337,904)
Level 3		
Total	\$ 34,845	\$ (337,904)

¹ Other financial instruments are financial futures contracts and swaps. Financial futures contracts and swaps are valued at the unrealized appreciation/

depreciation on the instrument.

The following is a reconciliation of investments for unobservable inputs (Level 3) used in determining fair value:

	Investments in Securities			Total
	Capital Trusts	Corporate Bonds	Preferred Stocks	
Balance, as of October 31, 2008				
Accrued discounts/premiums				
Realized gain (loss)				
Change in unrealized appreciation/depreciation				
Net purchases (sales)				\$
Net transfers in/out of Level 3	\$ 2,271,150	\$ 266,121	13,800,000	\$ 16,337,271
Balance, as of October 31, 2009	\$ 2,271,150	\$ 266,121	13,800,000	\$ 16,337,271

See Notes to Financial Statements.

Schedule of Investments October 31, 2009

BlackRock Credit Allocation Income Trust III (BPP)

(Percentages shown are based on Net Assets)

	Par (000)	Value	Capital Trusts	Par (000)	Value
Corporate Bonds					
Commercial Banks 0.5%			Insurance 12.2%		
RESPARCS Funding LP I, 8.00%					\$
(a)(b)(c)	\$ 4,000	\$ 1,000,000	AXA SA, 6.38% (a)(d)(e)	\$ 7,150	6,059,625
Containers & Packaging 0.1%			The Allstate Corp., 6.50%, 5/15/57 (e)	6,350	5,429,250
Impress Holdings BV, 3.41%, 9/15/13			Chubb Corp., 6.38%, 3/29/67 (e)(h)	900	816,750
(d)(e)	240	228,300	Genworth Financial, Inc., 6.15%, 11/15/66 (e)	1,475	988,250
Hotels, Restaurants & Leisure 0.0%			Liberty Mutual Group, Inc., 10.75%, 6/15/88 (d)(e)	900	945,000
Greektown Holdings, LLC, 10.75%, 12/01/13			Lincoln National Corp., 7.00%, 5/17/66 (e)	900	738,000
(b)(c)(d)	362	72,400	MetLife, Inc., 6.40%, 12/15/66	900	779,625
Insurance 5.2%			Nationwide Life Global Funding I, 6.75%, 5/15/67	900	682,141
Kingsway America, Inc., 7.50%, 2/01/14	9,000	7,200,000	Progressive Corp., 6.70%, 6/15/67 (e)	900	788,352
QBE Insurance Group Ltd., 9.75%, 3/14/14 (d)	2,975	3,398,488	Reinsurance Group of America, 6.75%, 12/15/65 (e)	1,300	1,007,500
			The Travelers Cos., Inc., 6.25%, 3/15/67 (e)(h)	900	810,000
Machinery 0.2%			White Mountains Re Group Ltd., 7.51% (a)(d)(e)	2,600	2,147,808
AGY Holding Corp., 11.00%, 11/15/14	460	374,900	ZFS Finance (USA) Trust IV, 5.88%, 5/09/32 (d)(e)	190	153,613
			ZFS Finance (USA) Trust V, 6.50%, 5/09/67 (d)(e)	2,209	1,789,290
Media 1.7%			Zenith National Insurance Capital Trust I, 8.55%, 8/01/28 (d)	1,800	1,719,000
CMP Susquehanna Corp., 4.75%, 5/15/14 (d)	9	180			
Comcast Holdings Corp., 2.00%, 11/15/29 (f)	110	3,089,285			
Local Insight Regatta Hldgs, Inc., 11.00%, 12/01/17	700	343,000			24,854,204
		3,432,465	Multi-Utilities 0.4%		
			Puget Sound Energy, Inc., Series A, 6.97%, 6/01/67 (e)	925	809,301
Oil, Gas & Consumable Fuels 0.0%			Oil, Gas & Consumable Fuels 0.4%		
EXCO Resources, Inc., 7.25%, 1/15/11	75	74,625	TransCanada PipeLines Ltd., 6.35%, 5/15/67 (e)	900	837,716
Paper & Forest Products 0.5%					

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International Paper Co., 8.70%, 6/15/38	900	1,037,019	Total Capital Trusts 31.9%		65,062,367
Professional Services 0.1%					
FTI Consulting, Inc., 7.75%, 10/01/16	100	100,500			
Specialty Retail 0.0%			Preferred Stocks		Shares
Lazy Days R.V. Center, Inc., 11.75%, 5/15/12 (b)(c)	1,182	11,820			
			Capital Markets 0.0%		
			Lehman Brothers Holdings Inc., Series D, 5.67% (b)(c)	31,100	9,641
Total Corporate Bonds 8.3%		16,930,517			
			Commercial Banks 8.6%		
			Banesto Holdings, Ltd. Series A, 10.50% (d)	30,000	669,375
Preferred Securities			Barclays Bank Plc, 8.13%	100,000	2,355,000
			First Republic Preferred Capital Corp., 7.25%	117,045	2,130,219
Capital Trusts			HSBC USA, Inc., Series H, 6.50%	330,000	6,699,000
			Royal Bank of Scotland Group Plc, Series M, 6.40%	10,000	103,400
			Santander Finance Preferred SA		
Building Products 0.7%			Unipersonal 6.80%	38,500	1,053,360
			Union Planter Preferred Funding Corp., 7.75% (d)	60	4,550,625
C8 Capital SPV Ltd., 6.64% (a)(d)(e)	1,945	1,371,458			17,560,979
Capital Markets 3.9%					
State Street Capital Trust III, 8.25% (a)(e)	1,385	1,396,952			
			Diversified Financial Services 2.3%		
State Street Capital Trust IV, 1.30%, 6/01/67 (e)	9,675	6,491,006	ING Groep NV, 7.20%	70	1,225,885
			7,887,958 JPMorgan Chase & Co., Series E, 6.15%	75,000	3,531,750
					4,757,635
Commercial Banks 9.4%					
Bank of Ireland Capital Funding II, LP, 5.57% (a)(d)(e)	854	375,760	Electric Utilities 0.7%		
Bank of Ireland Capital Funding III, LP, 6.11% (a)(d)(e)	1,471	647,240	Alabama Power Co., 6.50%	50,000	1,500,000
Barclays Bank Plc, 5.93% (a)(d)(e)	890	694,200			
CBA Capital Trust I, 5.81% (a)(d)	5,000	4,550,000	Insurance 15.9%		
FCB/NC Capital Trust I, 8.05%, 3/01/28	1,100	936,369	Arch Capital Group Ltd., Series A, 8.00%	117,414	2,841,419
			Aspen Insurance Holdings Ltd., 7.40% (e)	115,000	2,334,500
Lloyds TSB Bank Plc, 6.90% (a)	4,399	3,343,240			
			Endurance Specialty Holdings Ltd., Series A, 7.75%	172,400	3,775,560
NBP Capital Trust III, 7.38% (a)	2,000	1,485,000			
			MetLife, Inc., Series B, 6.50%	314,500	6,834,085
National City Preferred Capital Trust I, 12.00% (a)(e)	600	686,718	PartnerRe Ltd., Series C, 6.75%	209,400	4,634,022
SMFG Preferred Capital USD 3 Ltd., 9.50% (a)(d)(e)	1,725	1,870,245	Prudential Plc, 6.50%	62,000	1,295,800

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Santander Perpetual SA Unipersonal, 6.67%(a)(d)(e)	625	570,308	Prudential Plc, 6.50% (a)	6,000	4,875,000
SunTrust Preferred Capital I, 5.85% (a)(e)	303	197,708	RenaissanceRe Holding Ltd., Series D, 6.60%	210,000	4,328,100
Wells Fargo Capital XIII Series GMTN, 7.70% (a)(e)	1,700	1,581,000	Zurich RegCaPS Funding Trust, 6.58% (d)(e)	2,000	1,571,250
Westpac Capital Trust IV, 5.26% (a)(d)(e)	3,000	2,367,210			
					32,489,736
		19,304,998			
			Media 0.0%		
Diversified Financial Services 4.5%			CMP Susquehanna Radio Holdings Corp., 0.00% (b)(d)(e)	2,052	
JPMorgan Chase Capital XXI, Series U, 1.23%, 2/02/37 (e)(g)	7,125	4,862,898			
			Real Estate Investment Trusts (REITs) 2.3%		
JPMorgan Chase Capital XXIII, 1.44%, 5/15/77 (e)	6,190	4,359,834	BRE Properties, Inc., Series D, 6.75%	20,000	410,400
		9,222,732	Public Storage: Series F, 6.45%	20,000	425,000
Electric Utilities 0.4%			Series M, 6.63%	35,000	750,750
PPL Capital Funding, 6.70%, 3/30/67 (e)	900	774,000	SunTrust Real Estate Investment Trust, 9.00% (d)	30	3,027,189
					4,613,339
See Notes to Financial Statements.			Total Preferred Stocks 29.8%		60,931,330

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Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust III (BPP) (Percentages shown are based on Net Assets)

	Shares		Short-Term		
Trust Preferreds	(000)	Value	Securities	Shares	Value
Capital Markets					
1.2%					
Structured Asset Trust Unit			BlackRock Liquidity Funds, TempFund,		
Repackagings:			Institutional Class, 0.18% (j)(k)	51,450,797	\$ 51,450,797
Credit Suisse First Boston (USA), Inc., Debenture			Total Short-Term		
Backed, Series 2003-13, 6.25%, 7/15/32	11	\$ 250,671	Securities		
Goldman Sachs Group, Inc., Debenture Backed,			(Cost \$51,450,797) 25.2%		51,450,797
Series 2003-06, 6.00%, 2/15/33	103	2,179,215	Total Investments (Cost \$256,459,826*) 109.6%		223,807,066
			Other Assets Less Liabilities 24.9%		50,753,074
		2,429,886	Preferred Shares, at Redemption Value (34.5%)		(70,426,884)
			Net Assets Applicable to Common Shares		
			100.0%		\$ 204,133,256
Commercial					
Banks 2.0%					
Mizuho Capital Investment 1 Ltd., 6.69% (a)(d)(e)	5,000	4,170,930	* The cost and unrealized appreciation (depreciation) of investments as of October 31, 2009, as computed for federal income tax purposes, were as follows: Aggregate cost \$ 257,997,371		
Diversified Financial Services					
0.1%					
PPLUS Trust Certificates, Series VAL-1 Class A,			Gross unrealized appreciation		\$ 3,697,471
7.25%, 4/15/32	11	263,407	Gross unrealized depreciation		(37,887,776)
Food Products					
1.2%					
Corporate-Backed Trust Certificates, Kraft Foods, Inc., Debenture Backed, Series 2003-11,			Net unrealized depreciation		\$ (34,190,305)
5.88%, 11/01/31	100	2,417,000	(a) Security is perpetual in nature and has no stated maturity date.		
Insurance 1.1%					
Everest Re Capital Trust, 6.20%, 3/29/34	30	597,330	(b) Non-income producing security.		
Financial Security Assurance Holdings Ltd.,			(c) Issuer filed for bankruptcy and/or is in default of interest payments.		
5.60%, 7/15/03	15	193,235	(d) Security exempt from registration under Rule 144A of the Securities Act of 1933.		
The Phoenix Cos., Inc., 7.45%, 1/15/32	79	1,423,286	These securities may be resold in transactions exempt from registration to qualified institutional investors.		
		2,213,851			

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			(e) Variable rate security. Rate shown is as of report date.		
Media 6.0%					
Comcast Corp.:			(f) Convertible security.		
7.00%, 9/15/55	50	1,210,942	(g) All or a portion of security held as collateral in connection with open financial futures contracts.		
6.63%, 5/15/56	470	10,786,500	(h) All or a portion of security held as collateral in connection with open reverse repurchase agreements.		
Corporate-Backed Trust Certificates, News America Debenture Backed, Series 2002-9,					
8.13%, 12/01/45	7	169,606	(i) Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date.		
		12,167,048	(j) 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:		
Oil, Gas & Consumable Fuels 1.8%					
Nexen, Inc., 7.35%, 11/01/43	155	3,623,900			
Wireless Telecommunication Services 0.7%					
Structured Repackaged Asset-Backed Trust Securities, Sprint Capital Corp., Debenture Backed, Series 2004-2, 6.50%, 11/15/28					
	103	1,526,233	BlackRock Liquidity Funds, TempFund, Institutional Class	Net	
Total Trust Preferreds 14.1%		28,812,555		Activity	Income
Total Preferred Securities 75.8%		154,805,952	(k) 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. Reverse repurchase agreements outstanding as of October 31, 2009 were as follows:		
Warrants (i)	Shares				
Media 0.0%					
CMP Susquehanna Radio Holdings Corp. (expires 3/26/19)					
(d)	2,345				
Total Warrants 0.0%					
				Net	Face
				Interest	Trade
				Maturity	Closing
				Amount	Amount
			Counterparty		
			Barclays Bank		
			Plc	0.75%	10/16/09
					11/02/09
				\$13,239,375	\$13,234,688

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

Investment Companies			Contracts	Issue	Expiration Date	Notional Value	Unrealized Appreciation
Ultra Short Real Estate Proshares	60,000	619,800					
Total Investment Companies				30-Year			
0.3%		619,800	14	U.S.			
					Treasury Bond December 2009	\$ 1,662,675	\$ 19,513

Total Long Term Investments

(Cost \$205,009,029) 84.4% 172,356,269 Credit default swaps on single-name issue buy protection outstanding as of October 31, 2009 were as follows:

Issuer	Pay Fixed Rate	Counter-party	Expiration	Notional Amount (000)	Unrealized Depreciation
Nordstrom, Inc.	5.20%	Deutsche Bank AG	June 2014	\$1,000	\$ (168,952)

See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock Credit Allocation Income Trust III (BPP)

<p>Fair Value Measurements Various inputs are used in determining the fair value of investments, which are as follows:</p> <p>Level 1 price quotations in active markets/exchanges for identical assets and liabilities</p> <p>Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or 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)</p> <p>Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments)</p> <p>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 Note 1 of the Notes to Financial Statements.</p>	<p>The following tables summarize the inputs used as of October 31, 2009 in determining the fair valuation of the Fund's investments:</p>	<p>Investments in Securities Assets</p>
	Valuation Inputs	
	Level 1	
	Long-Term Investments:	
	Preferred Stocks	\$ 46,237,891
	Trust Preferreds	24,448,090
	Investment Companies	619,800
	Short-Term Securities	51,450,797
	Total Level 1	122,756,578
	Level 2	
	Long-Term Investments:	
	Corporate Bonds	16,918,517
	Capital Trusts	65,062,367
	Preferred Stocks	11,666,250
	Trust Preferreds	4,364,165
	Total Level 2	98,011,299
	Level 3	
	Long-Term Investments:	
	Corporate Bonds	12,000
	Preferred Stocks	3,027,189
	Total Level 3	3,039,189
	Total	\$ 223,807,066
	Valuation Inputs	Other Financial Instruments¹
		Assets Liabilities

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Level 1	\$ 19,513	
Level 2		\$ (168,952)
Level 3		
Total	\$ 19,513	\$ (168,952)

¹ Other financial instruments are financial futures contracts and swaps.

Financial futures contracts and swaps are valued at the unrealized

appreciation/depreciation on the instrument.

The following is a reconciliation of investments for unobservable inputs (Level 3) used in determining fair value:

	Investments in Securities		Total
	Corporate Bonds	Preferred Stocks	
Balance, as of October 31, 2008			
Accrued discounts/premiums			
Realized gain (loss)			
Change in unrealized appreciation/depreciation			
Net purchases (sales)			
Net transfers in/out of Level 3	\$ 12,000	\$ 3,027,189	\$ 3,039,189
Balance, as of October 31, 2009	\$ 12,000	\$ 3,027,189	\$ 3,039,189

See Notes to Financial Statements.

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Schedule of Investments October 31, 2009

BlackRock Credit Allocation Income Trust IV (BTZ)

(Percentages shown are based on Net Assets)

Common Stocks	Shares	Value	Common Stocks	Shares	Value
Aerospace & Defense 0.1%			Diversified Financial Services 0.3%		
Honeywell International, Inc.	1,800	\$ 64,602	Bank of America Corp.	36,800	\$ 536,544
Lockheed Martin Corp.	3,800	261,402	JPMorgan Chase & Co.	21,100	881,347
Northrop Grumman Corp.	5,200	260,676	NYSE Euronext	9,100	235,235
United Technologies Corp.	1,800	110,610			1,653,126
			Diversified Telecommunication Services 0.3%		
			AT&T Inc.	38,887	998,229
Air Freight & Logistics 0.1%			CenturyTel, Inc.	4,339	140,844
United Parcel Service, Inc. Class B	8,800	472,384			
Auto Components 0.0%			Verizon Communications, Inc.	20,900	618,431
Johnson Controls, Inc.	3,700	88,504			1,757,504
			Electric Utilities 0.1%		
Beverages 0.2%			American Electric Power Co., Inc.	2,200	66,484
The Coca-Cola Co.	14,300	762,333	Duke Energy Corp.	20,200	319,564
PepsiCo, Inc.	5,800	351,190	FirstEnergy Corp.	1,300	56,264
		1,113,523	Progress Energy, Inc.	5,400	202,662
			The Southern Co.	8,700	271,353
Biotechnology 0.2%					
Amgen, Inc. (a)	6,900	370,737			
Biogen Idec, Inc. (a)	2,500	105,325			916,327
Celgene Corp. (a)	3,500	178,675	Electrical Equipment 0.1%		
Genzyme Corp. (a)	1,700	86,020	Emerson Electric Co.	10,900	411,475
Gilead Sciences, Inc. (a)	7,100	302,105	Rockwell Automation, Inc.	5,400	221,130
		1,042,862			632,605
Capital Markets 0.1%			Electronic Equipment, Instruments & Components 0.0%		
Federated Investors, Inc. Class B	6,700	175,875	Corning, Inc.	8,600	125,646
The Goldman Sachs Group, Inc.	1,360	231,431	Tyco Electronics Ltd.	5,200	110,500
Morgan Stanley	3,000	96,360			236,146
		503,666			
Chemicals 0.2%			Energy Equipment & Services 0.1%		
Air Products & Chemicals, Inc.	900	69,417	National Oilwell Varco, Inc. (a)	5,600	229,544
E.I. du Pont de Nemours & Co.	14,800	470,936	Schlumberger Ltd.	5,500	342,100
Monsanto Co.	2,900	194,822	Smith International, Inc.	5,418	150,241
PPG Industries, Inc.	3,900	220,077			721,885
		955,252	Food & Staples Retailing 0.2%		

Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust IV (BTZ)

(Percentages shown are based on Net Assets)

Common Stocks	Shares	Value	Common Stocks	Shares	Value
Household Durables 0.2%			Multiline Retail 0.1%		
Black & Decker Corp.	5,700	\$ 269,154	Macy's, Inc.	18,400	\$ 323,288
Fortune Brands, Inc.	6,400	249,280	Oil, Gas & Consumable Fuels 0.9%		
KB Home	15,100	214,118	Anadarko Petroleum Corp.	5,000	304,650
Whirlpool Corp.	5,800	415,222	Apache Corp.	1,800	169,416
		1,147,774	Chevron Corp.	13,400	1,025,636
Household Products 0.2%			ConocoPhillips	13,000	652,340
Clorox Co.	4,200	248,766	Exxon Mobil Corp.	27,800	1,992,426
The Procter & Gamble Co.	17,400	1,009,200	Hess Corp.	3,700	202,538
			Massey Energy Co.	5,400	157,086
			Occidental Petroleum Corp.	1,700	128,996
IT Services 0.1%			Peabody Energy Corp.	5,500	217,745
Automatic Data Processing, Inc.	6,700	266,660	Southwestern Energy Co. (a)	5,500	239,690
Cognizant Technology Solutions Corp. (a)	3,400	131,410	Spectra Energy Corp.	14,700	281,064
MasterCard, Inc. Class A	409	89,579	XTO Energy, Inc.	6,900	286,764
Paychex, Inc.	9,700	275,577			5,658,351
		763,226	Paper & Forest Products 0.1%		
Industrial Conglomerates 0.2%			MeadWestvaco Corp.	15,300	349,299
3M Co.	6,900	507,633	Weyerhaeuser Co.	5,600	203,504
General Electric Co.	43,400	618,884			552,803
Textron, Inc.	23,400	416,052			
			Pharmaceuticals 0.6%		
		1,542,569	Abbott Laboratories	10,400	525,928
Insurance 0.3%			Bristol-Myers Squibb Co.	17,800	388,040
Aflac, Inc.	10,600	439,794	Eli Lilly & Co.	9,900	336,699
The Allstate Corp.	8,700	257,259	Johnson & Johnson	17,900	1,056,995
Cincinnati Financial Corp.	8,500	215,560	Merck & Co., Inc.	16,000	494,880
Lincoln National Corp.	13,000	309,790	Pfizer, Inc. (b)	31,504	536,513
MetLife, Inc.	10,600	360,718	Schering-Plough Corp.	13,000	366,600
Principal Financial Group, Inc.	9,200	230,368			3,705,655
			Real Estate Investment Trusts (REITs) 0.1%		
		1,813,489	AvalonBay Communities, Inc.	4,200	288,876
Internet & Catalog Retail 0.0%			Boston Properties, Inc.	4,300	261,311
Amazon.com, Inc. (a)	810	96,236	Public Storage	1,200	88,320
Internet Software & Services 0.2%			Vornado Realty Trust	4,978	296,490
eBay, Inc. (a)	14,300	318,461			

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Google, Inc. Class A (a)	1,160	621,899			934,997
Yahoo! Inc. (a)	9,600	152,640	Road & Rail 0.0%		
		1,093,000	Norfolk Southern Corp.	5,900	275,058
Leisure Equipment & Products 0.0%			Semiconductors & Semiconductor Equipment 0.2%		
Mattel, Inc.	11,600	219,588	Applied Materials, Inc.	5,200	63,440
Life Sciences Tools & Services 0.0%			Intel Corp.	40,700	777,777
Thermo Fisher Scientific, Inc. (a)	2,600	117,000	Linear Technology Corp.	7,900	204,452
			Microchip Technology, Inc.	8,900	213,244
Machinery 0.1%			National Semiconductor Corp.	9,500	122,930
Caterpillar, Inc.	8,500	468,010	Texas Instruments, Inc.	9,300	218,085
Cummins, Inc.	4,200	180,852			
Deere & Co.	2,800	127,540			1,599,928
		776,402	Software 0.3%		
			Autodesk, Inc. (a)	7,700	191,961
Media 0.0%			Microsoft Corp.	46,100	1,278,353
Comcast Corp. Class A	6,900	100,050	Oracle Corp. (b)	21,000	443,100
The DIRECTV Group, Inc. (a)	6,400	168,320			
					1,913,414
		268,370	Specialty Retail 0.2%		
Metals & Mining 0.1%			Home Depot, Inc.	18,100	454,129
Alcoa, Inc. (b)	24,500	304,290	Limited Brands, Inc.	16,100	283,360
Nucor Corp.	5,400	215,190	Staples, Inc.	12,300	266,910
		519,480			1,004,399
Multi-Utilities 0.2%			Textiles, Apparel & Luxury Goods 0.0%		
Consolidated Edison, Inc.	5,400	219,672	VF Corp.	2,900	206,016
Dominion Resources, Inc.	2,200	74,998			
Integrus Energy Group, Inc.	5,500	190,300	Thriffs & Mortgage Finance 0.0%		
Public Service Enterprise Group, Inc.	7,900	235,420	Hudson City Bancorp, Inc.	19,000	249,660
TECO Energy, Inc.	8,900	127,626			
Xcel Energy, Inc.	10,400	196,144			
		1,044,160			

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust IV (BTZ)

(Percentages shown are based on Net Assets)

Common Stocks	Shares	Value	Capital Trusts	Par (000)	Value
Tobacco 0.2%			Commercial Banks (concluded)		
Altria Group, Inc. (b)	20,500	\$ 371,255	Commonwealth Bank of Australia, 6.02% (d)(e)(g)	\$ 20,000	16,400,000
Philip Morris International, Inc.	16,600	786,176	HSBC Capital Funding LP/Jersey Channel Islands, 10.18% (d)(e)(g)	7,000	8,330,000
		1,157,431	Lloyds Banking Group Plc, 6.66% (d)(e)(g)	10,000	6,500,000
			SMFG Preferred Capital USD 1 Ltd., 6.08% (d)(e)(g)	10,000	8,637,700
Total Common Stocks 8.2%		53,634,533	SMFG Preferred Capital USD 3 Ltd., 9.50% (d)(e)(g)	3,850	4,174,170
			Santander Perpetual SA Unipersonal, 6.67% (d)(e)(g)	1,300	1,186,241
			Shinsei Finance II (Cayman) Ltd., 7.16% (d)(e)(g)	1,005	588,240
	Par (000)		Standard Chartered Bank, 7.014% (d)(e)(g)	5,000	4,550,000
Corporate Bonds			Wells Fargo & Co. Series K, 7.98% (d)(e)	12,985	12,157,206
Capital Markets 0.0%			Wells Fargo Capital XIII Series GMTN, 7.70% (d)(e)	3,900	3,627,000
Lehman Brothers Holdings, Inc. (a)(c):				3,900	3,627,000
3.95%, 11/10/09	\$ 105	16,537			96,798,182
4.38%, 11/30/10	325	51,187	Diversified Financial Services 3.6%		
		67,724	JPMorgan Chase Capital XXI Series U, 1.23%, 2/02/37 (d)	12,875	8,787,342
Computers & Peripherals 0.8%			JPMorgan Chase Capital XXIII, 1.44%, 5/15/77 (d)(f)	20,695	14,576,213
International Business Machines Corp.,					23,363,555
8.00%, 10/15/38	4,000	5,461,952			
Diversified Financial Services 1.2%			Electric Utilities 0.5%		
ING Groep NV, 5.78% (d)(e)(f)	10,000	7,300,000	PPL Capital Funding, 6.70%, 3/30/67 (d)	3,900	3,354,000
Stan IV Ltd., 2.74%, 7/20/11 (d)	283	240,550	Insurance 9.7%		
		7,540,550	AXA SA, 6.46% (d)(e)(g)	12,000	9,885,000
Insurance 0.9%			The Allstate Corp., 6.50%, 5/15/57 (d)	8,675	7,417,125
QBE Insurance Group Ltd., 9.75%, 3/14/14 (g)	4,973	5,680,902	Chubb Corp., 6.38%, 3/29/67 (d)(f)	4,000	3,630,000
			Liberty Mutual Group, Inc., 10.75%, 6/15/88 (d)(g)	4,000	4,200,000
Metals & Mining 0.0%			Lincoln National Corp., 7.00%, 5/17/66 (d)	4,255	3,489,100
Aleris International, Inc., 10.00%, 12/15/16 (a)(c)	5,000	43,750	MetLife, Inc., 6.40%, 12/15/66	4,550	3,941,437
			Nationwide Life Global Funding I, 6.75%, 5/15/67	4,000	3,031,740
Multi-Utilities 1.5%			Progressive Corp., 6.70%, 6/15/67 (d)(f)	4,000	3,503,788
Dominion Resources, Inc., 8.88%, 1/15/19	8,000	10,098,472			

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			Reinsurance Group of America, 6.75%, 12/15/65 (d)(f)	15,000	11,625,000
Paper & Forest Products	0.6%				
International Paper Co., 8.70%, 6/15/38					
(b)	3,100	3,571,953	Swiss Re Capital I LP, 6.854% (d)(e)(g)	3,000	2,310,000
			The Travelers Cos., Inc., 6.25%, 3/15/67 (d)(f)	4,000	3,600,000
			White Mountains Re Group Ltd., 7.506% (d)(e)(g)	4,400	3,634,752
Total Corporate Bonds	5.0%	32,465,303	ZFS Finance (USA) Trust IV, 5.88%, 5/09/32 (d)(g)	599	484,286
			ZFS Finance (USA) Trust V, 6.50%, 5/09/67 (d)(g)	3,331	2,698,110
					63,450,338

**Investment
Companies**

Shares

			Multi-Utilities	0.2%	
			Puget Sound Energy, Inc. Series A, 6.97%, 6/01/67 (d)	1,575	1,377,999
UltraShort Real Estate ProShares	150,000	1,549,500			
Total Investment Companies	0.2%	1,549,500	Oil, Gas & Consumable Fuels	1.2%	
			Enterprise Products Operating LLC, 8.38%, 8/01/66 (d)	4,500	4,410,000
			TransCanada PipeLines Ltd., 6.35%, 5/15/67 (d)(f)	4,000	3,723,180
Preferred Securities					8,133,180

Real Estate Investment Trusts (REITs)
1.6%

			Sovereign Real Estate Investment Corp., 12.00% (g)	10,000	10,500,000
--	--	--	---	--------	------------

Capital Trusts

Par

(000)

Building Products
0.9%

Total Capital Trusts **35.5%**

232,306,446

C8 Capital SPV Ltd., 6.64% (d)(e)(g)	\$ 3,160	2,228,179
C10 Capital SPV Ltd., 6.72% (d)(e)(g)	5,000	3,542,750
		5,770,929

Capital Markets **3.0%**

Preferred Stocks

Shares

Credit Suisse Guernsey Ltd., 5.86% (d)(e)	1,050	866,250	Commercial Banks	4.8%	
State Street Capital Trust III, 8.25% (d)(e)	1,740	1,755,016	HSBC USA, Inc. Series H, 6.50%	977,766	19,848,650
State Street Capital Trust IV, 1.30%, 6/01/67 (d)	25,245	16,936,997	Royal Bank of Scotland Group Plc Series M, 6.40%	15,000	155,100
		19,558,263	Santander Finance Preferred SA Unipersonal, 10.50%	419,881	11,487,944

Commercial Banks

14.8%

BB&T Capital Trust IV, 6.82%, 6/12/77 (d)(f)	15,300	13,559,625	Diversified Financial Services	2.0%	
Bank of Ireland Capital Funding II, LP, 5.57% (d)(e)(g)	1,422	625,680	Cobank ACB, 7.00% (g)	150,000	5,235,945
Bank of Ireland Capital Funding III, LP, 6.11% (d)(e)(g)	9,153	4,027,320	ING Groep NV: 6.13%	200,000	3,130,000

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Barclays Bank Plc,

(d)(e)(g):

5.93%	4,000	3,120,000	7.05%	5,800	99,470
6.86%	11,500	9,315,000	7.20%	213,000	3,730,192
			7.38%	40,000	703,193
					12,898,800

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust IV (BTZ)

(Percentages shown are based on Net Assets)

Preferred Stocks	Shares	Value	Short-Term Securities	Shares	Value
Diversified Telecommunication Services 0.1%			BlackRock Liquidity Funds, TempFund,		
				267,832,781	
AT&T, Inc., 6.38%	30,000	\$ 778,580	Institutional Class, 0.18% (h)(i)	\$	267,832,781
			Total Short-Term Securities		
Electric Utilities 4.4%			(Cost \$267,832,781) 40.9%		267,832,781
Alabama Power Co., 6.50%	100,000	3,000,000			
			Total Investments Before Outstanding Options Written		
Entergy Louisiana LLC, 6.95%	40,000	3,743,482			
Interstate Power & Light Co. Series B, 8.38%	785,000	21,783,750	(Cost \$905,234,626*) 125.7%		823,053,616
		28,527,232			
Insurance 9.1%					
Aegon NV, 6.50%	400,000	6,496,000			
Arch Capital Group Ltd.:			Options Written	Contracts	
			Exchange-Traded Call Options Written		
Series A, 8.00%	100,000	2,420,000			
Series B, 7.88%	160,000	3,788,800	S&P 500 Listed Option:		
Aspen Insurance Holdings Ltd., 7.40% (d)	655,000	13,296,500	expiring 11/21/09 at USD 1,090	234	(113,490)
Axis Capital Holdings Ltd. Series B, 7.50% (d)	180,000	13,477,500	expiring 11/21/09 at USD 1,095	21	(7,770)
Endurance Specialty Holdings Ltd. Series A, 7.75%	369,000	8,081,100	expiring 11/21/09 at USD 1,110	145	(44,950)
PartnerRe Ltd. Series C, 6.75%	265,600	5,877,728			
RenaissanceRe Holding Ltd. Series D, 6.60%	285,000	5,873,850	Total Options Written		
			(Premiums Received \$828,039) (0.0%)		(166,210)
		59,311,478			
			Total Investments 125.7%		822,887,406
Real Estate Investment Trusts (REITs) 0.4%			Other Assets Less Liabilities 9.6%		63,155,825
BRE Properties, Inc. Series D, 6.75%	30,000	615,600	Preferred Shares, at Redemption Value (35.3%)		(231,044,104)
iStar Financial, Inc. Series I, 7.50%	55,000	385,000			
			Net Assets Applicable to Common Shares 100.0%		\$ 654,999,127
Public Storage:			* The cost and unrealized appreciation (depreciation) of investments as of October 31,		
Series F, 6.45%	30,000	637,500	2009, as computed for federal income tax purposes, were as follows:		
Series M, 6.63%	55,000	1,179,750	Aggregate		
		2,817,850	cost		\$ 918,380,664
			Gross unrealized appreciation		\$ 26,032,998

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Wireless Telecommunication

Services 1.5%

Centaur Funding Corp., 9.08% (g)	10,000	10,034,375	Gross unrealized depreciation	(121,360,046)
Total Preferred Stocks 22.3%		145,860,009	Net unrealized depreciation	\$ (95,327,048)

			(a) Non-income producing security.	
	Shares		(b) All or a portion of the security has been pledged as collateral in connection with open financial futures contracts.	
Trust Preferreds	(000)		(c) Issuer filed for bankruptcy and/or is in default of interest payments.	

Capital Markets 0.0%

Credit Suisse Guernsey Ltd., 7.90% (e)	10	244,950	(d) Variable rate security. Rate shown is as of report date.	
			(e) Security is perpetual in nature and has no stated maturity date.	

Commercial Banks 3.4%

Kazkommerts Finance 2 BV, 9.20% (d)(e)	500	315,000	(f) All or a portion of the security has been pledged as collateral for open reverse repurchase agreements.	
Mizuho Capital Investment 1 Ltd., 6.686% (d)(e)(g)	21,000	17,517,906	(g) Security exempt from registration under Rule 144A of the Securities Act of 1933.	
National City Preferred Trust I, 12% (d)(e)	3,713	4,249,640		
		22,082,546	These securities may be resold in transactions exempt from registration to qualified institutional investors.	

Electric Utilities 1.1%

PPL Energy Supply LLC, 7.00%, 7/15/46	288	7,366,797	(h) 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:	
---------------------------------------	-----	-----------	---	--

Insurance 1.9%

AON Corp., 8.21%, 1/01/27	4,000	3,960,000			
Ace Capital Trust II, 9.70%, 4/01/30 (f)	4,000	4,420,912		Net	
W.R. Berkley Capital Trust II, 6.75%, 7/26/45	171	3,807,443	Affiliate	Activity	Income
		12,188,355	BlackRock Liquidity Funds, TempFund,		
			Institutional Class	\$267,832,781	\$ 479,886

Media 6.8%

Comcast Corp., 6.63%, 5/15/56	1,950	44,717,395	(i) Represents the current yield as of report date.	
-------------------------------	-------	------------	---	--

Oil, Gas & Consumable Fuels 0.4%

Nexen, Inc., 7.35%, 11/01/43	120	2,805,001	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.	
Total Trust Preferreds 13.6%		89,405,044	This definition may not apply for purposes of this report, which may combine industry sub-classifications for reporting ease.	
Total Preferred Securities 71.4%		467,571,499		
Total Long-Term Investments				

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(Cost \$637,401,845) 84.8% 555,220,835

Reverse repurchase agreements outstanding as of October 31, 2009 were as follows:

	Interest	Trade	Maturity	Net Closing	Face
Counterparty	Rate	Date	Date	Amount	Amount
Barclays					
Bank Plc	0.75%	10/16/09	11/16/09	\$61,616,136	\$61,576,368

See Notes to Financial Statements.

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Schedule of Investments (concluded)

BlackRock Credit Allocation Income Trust IV (BTZ)

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

Contracts	Issue	Expiration Date	Notional Value	Unrealized Appreciation (Depreciation)	Valuation Inputs	Other Financial Instruments ¹	
						Assets	Liabilities
	10-Year US Treasury Bond	December 2009	\$49,119,100	\$ 934,090	Level 1	\$ 982,873	\$ (311,644)
422	US Treasury Bond	December 2009			Level 2		(675,809)
35	US Treasury Bond	December 2009	\$ 4,156,686	48,783	Level 3		
	S&P EMINI	December 2009	\$ 8,461,085	(145,434)	Total	\$ 982,873	\$ (987,453)
Total				\$ 837,439			

¹ Other financial instruments are financial futures contracts, swaps and options. Financial futures contracts and swaps are valued at the unrealized appreciation/depreciation on the instrument and options are shown at market value.

Credit default swaps on single-name issue buy protection outstanding as of

October 31, 2009 were as follows:

The following is a reconciliation of investments for unobservable inputs (Level 3) used in determining fair value:

Issuer	Pay Rate	Counter-party	Expiration	Notional Amount (000)	Unrealized Depreciation	Investments in Securities Corporate Bonds
Nordstrom, Inc.	5.20%	Deutsche Bank AG	June 2014	\$4,000	\$ (675,809)	

Balance, as of October 31, 2008 \$ 268,850

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 assets and liabilities	Accrued discounts/premiums	
	Realized gain (loss)	
	Change in unrealized appreciation/depreciation ²	(28,300)
	Net purchases (sales)	
	Net transfers in/out of Level 3	

Level 2 other observable inputs (including, but not limited to: quoted prices for

similar assets or liabilities in markets that are active, quoted prices for

identical **Balance, as of October 31, 2009** \$ 240,550

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or similar assets or liabilities in markets that are not active, inputs other than

² Included in the related net change in unrealized appreciation/depreciation in

quoted prices that are observable for the assets or liabilities (such as interest

rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and

the Statements of Operations.

default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the

circumstances, to the extent observable inputs are not available (including the

Fund's own assumptions 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 Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of October 31, 2009 in determining the fair valuation of the Fund's investments:

Valuation Inputs	Investments in
	Securities Assets
Level 1	
Long-Term Investments:	
Common Stocks	\$53,634,533
Investment Companies	1,549,500
Preferred Stocks	113,368,707
Trust Preferreds	58,941,586
Short-Term Securities	267,832,781
Total Level 1	495,327,107
Level 2	
Corporate Bonds	32,224,753
Capital Trusts	232,306,446
Preferred Stocks	32,491,302
Trust Preferreds	30,463,458

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Total Level	
2	327,485,959
Level 3	
Corporate Bonds	240,550
Total	\$ 823,053,616

See Notes to Financial Statements.

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Schedule of Investments October 31, 2009

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

(Percentages shown are based on Net Assets)

Common Stocks	Shares	Value	Common Stocks	Shares	Value
Aerospace & Defense 5.2%			Machinery 1.5%		
Honeywell International, Inc.	337,600	\$ 12,116,464	Deere & Co.	207,286	\$ 9,441,877
Northrop Grumman Corp.	192,800	9,665,064	Media 5.3%		
Raytheon Co.	226,000	10,233,280	Time Warner, Inc.	538,272	16,212,753
			Viacom, Inc. Class B (a)	418,424	11,544,318
			Walt Disney Co.	189,947	5,198,849
Capital Markets 5.9%					32,955,920
The Bank of New York Mellon Corp.	483,198	12,882,059			
Invesco Ltd.	584,300	12,357,945	Metals & Mining 1.4%		
Morgan Stanley	353,613	11,358,050	Nucor Corp.	218,800	8,719,180
		36,598,054	Multi-Utilities 1.4%		
			Dominion Resources, Inc.	256,500	8,744,085
Chemicals 1.8%			Oil, Gas & Consumable Fuels 8.1%		
E.I. du Pont de Nemours & Co.	353,100	11,235,642	Anadarko Petroleum Corp.	84,117	5,125,249
Commercial Banks 1.4%			Chevron Corp.	256,400	19,624,856
Wells Fargo & Co.	316,600	8,712,832	Exxon Mobil Corp.	247,100	17,709,657
Communications Equipment 1.0%			Peabody Energy Corp.	199,100	7,882,369
Nokia Oyj ADR	503,900	6,354,179			50,342,131
Computers & Peripherals 4.5%			Pharmaceuticals 10.8%		
Hewlett-Packard Co.	286,092	13,577,926	Bristol-Myers Squibb Co.	859,200	18,730,560
International Business Machines Corp.	117,353	14,153,945	Eli Lilly & Co.	263,500	8,961,635
		27,731,871	Johnson & Johnson	143,454	8,470,959
			Pfizer, Inc.	681,599	11,607,622
Diversified Financial Services 3.4%			Schering-Plough Corp.	676,900	19,088,580
JPMorgan Chase & Co.	501,939	20,965,992			66,859,356
Diversified Telecommunication Services 6.3%					
AT&T Inc.	459,400	11,792,798	Semiconductors & Semiconductor Equipment 10.0%		
Qwest Communications International Inc.	3,573,701	12,829,587	Analog Devices, Inc.	500,100	12,817,563
Verizon Communications, Inc.	494,300	14,626,337	Intel Corp.	501,078	9,575,601
			LSI Corp. (a)	3,895,920	19,947,110
Electric Utilities 2.5%			Maxim Integrated Products, Inc.	655,500	10,927,185
FPL Group, Inc.	152,044	7,465,360	Micron Technology, Inc. (a)	1,233,100	8,372,749
The Southern Co.	261,029	8,141,495			61,640,208
		15,606,855			
Electrical Equipment 0.9%			Software 1.0%		
Emerson Electric Co.	143,000	5,398,250	Microsoft Corp.	215,414	5,973,430
Energy Equipment & Services 2.1%			Specialty Retail 1.0%		

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Halliburton Co.	441,089	12,884,210	Home Depot, Inc.	242,200	6,076,798
Food & Staples Retailing 1.1%			Total Long-Term Investments		
Walgreen Co.	180,400	6,824,532	(Cost \$664,851,097)	97.7%	604,104,432
Food Products 7.3%					
General Mills, Inc.	209,371	13,801,736			
Kraft Foods, Inc.	594,200	16,352,384			
Unilever NV ADR	481,632	14,877,612	Short-Term Securities		
		45,031,732	Money Market Funds 4.0%		
Health Care Equipment & Supplies 1.3%			BlackRock Liquidity Funds, TempFund,		
Covidien Plc	193,800	8,162,856	Institutional Class, 0.18% (b)(c)	24,567,455	24,567,455
Household Products 3.4%				Par	
Clorox Co.	54,557	3,231,411		(000)	
Kimberly-Clark Corp.	287,700	17,595,732	Time Deposits 0.0%		
		20,827,143	Brown Brothers Harriman & Co., 0.03%, 11/02/09	\$ 217	217,283
Industrial Conglomerates 1.3%			Total Short-Term Securities		
Tyco International Ltd.	230,500	7,733,275	(Cost \$24,784,738)	4.0%	24,784,738
Insurance 7.8%			Total Investments Before Outstanding Options Written		
ACE Ltd.	185,500	9,527,280	(Cost \$689,635,835*)	101.7%	628,889,170
MetLife, Inc.	257,825	8,773,785			
Prudential Financial, Inc.	118,300	5,350,709			
The Travelers Cos., Inc.	489,430	24,368,720			
		48,020,494			

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

(Percentages shown are based on Net Assets)

Options Written	Contracts	Value	Options Written	Contracts	Value
Exchange-Traded Call Options Written			Exchange-Traded Call Options Written (concluded)		
ACE Ltd.:			Raytheon Co.:		
expiring 11/21/09 at USD 55	100	\$ (2,000)	expiring 11/21/09 at USD 46	900	\$ (72,000)
expiring 12/19/09 at USD 55	550	(39,875)	expiring 12/19/09 at USD 48	395	(25,675)
AT&T Inc., expiring 1/16/10 at USD 27	250	(13,500)	Schering-Plough Corp.:		
Anadarko Petroleum Corp.:			expiring 12/19/09 at USD 29	2,300	(109,250)
expiring 11/21/09 at USD 60	425	(148,750)	expiring 12/19/09 at USD 30	1,425	(32,063)
expiring 12/19/09 at USD 70	40	(5,000)	Time Warner, Inc.:		
Analog Devices, Inc., expiring 12/19/09 at USD 30	100	(1,750)	expiring 12/19/09 at USD 32	2,700	(209,250)
The Bank of New York Mellon Corp.:			expiring 1/16/10 at USD 33	250	(20,000)
expiring 12/19/09 at USD 30	1,500	(75,000)	The Travelers Cos., Inc.:		
expiring 12/19/09 at USD 31	190	(5,700)	expiring 11/21/09 at USD 50	1,000	(137,500)
Bristol-Myers Squibb Co.:			expiring 12/19/09 at USD 50	465	(95,325)
expiring 11/21/09 at USD 23	430	(5,375)	expiring 12/19/09 at USD 55	250	(11,250)
expiring 12/19/09 at USD 23	2,470	(75,335)	Tyco International Ltd., expiring 12/19/09 at USD 36	820	(45,100)
Clorox Co., expiring 1/16/10 at USD 60	410	(79,950)	Unilever NV ADR, expiring 12/19/09 at USD 30	1,700	(289,000)
Covidien Plc, expiring 11/21/09 at USD 42.50	100	(12,750)	Verizon Communications, Inc.:		
Deere & Co., expiring 12/19/09 at USD 49	1,550	(251,875)	expiring 11/21/09 at USD 29	1,250	(126,250)
Dominion Resources, Inc.,			expiring 12/19/09 at USD 30	1,250	(95,624)
expiring 11/21/09 at USD 35	630	(15,750)	expiring 12/19/09 at USD 31	250	(9,750)
expiring 1/16/10 at USD 35	400	(27,000)	Viacom, Inc. Class B:		
Eli Lilly & Co.:			expiring 11/21/09 at USD 30	1,060	(31,800)
expiring 11/21/09 at USD 35	130	(3,250)	expiring 12/19/09 at USD 30	1,035	(72,450)
expiring 12/19/09 at USD 35	800	(44,000)	Walgreen Co., expiring 12/19/09 at USD 41	630	(20,474)
Emerson Electric Co.:			Walt Disney Co., expiring 12/19/09 at USD 31	400	(10,000)
expiring 11/21/09 at USD 41	210	(3,675)	Total Exchange-Traded Call Options Written		(4,359,940)
expiring 12/19/09 at USD 41	290	(13,050)	Over-the-Counter Call Options Written		
Exxon Mobil Corp., expiring 11/21/09 at USD 75	1,850	(70,300)	AT&T Inc.:		
FPL Group, Inc., expiring 11/21/09 at USD 55	470	(3,525)	expiring 12/15/09 at USD 26.60, Broker UBS AG	2,000	(73,008)
General Mills, Inc.:			expiring 12/18/09 at USD 27, Broker Morgan		

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expiring 11/21/09 at USD 65	515	(90,125)	Stanley Capital Services, Inc.	270	(6,589)
expiring 12/19/09 at USD 65	815	(207,825)	Analog Devices, Inc., expiring 11/30/09 at USD 28.39,		
Halliburton Co., expiring 11/21/09 at USD 32	2,400	(74,400)	Broker Citibank NA	1,650	(27,042)
Hewlett-Packard Co.:			Bristol-Myers Squibb Co., expiring 11/13/09		
expiring 12/19/09 at USD 48	790	(144,175)	at USD 23.20, Broker Credit Suisse International	1,825	(6,209)
expiring 12/19/09 at USD 50	285	(28,500)	Chevron Corp.:		
expiring 1/16/10 at USD 50	600	(85,500)	expiring 11/30/09 at USD 79.18, Broker UBS AG	1,170	(134,217)
Home Depot, Inc., expiring 12/19/09 at USD 28	1,815	(43,560)	expiring 12/23/09 at USD 79.45, Broker UBS AG	750	(125,320)
Honeywell International, Inc.,			Covidien Plc, expiring 11/13/09 at USD 42.39,		
expiring 12/19/09 at USD 39	1,000	(45,000)	Broker Credit Suisse International	580	(41,089)
expiring 12/19/09 at USD 40	160	(4,800)	Dominion Resources, Inc., expiring 12/11/09		
Intel Corp., expiring 12/19/09 at USD 21	2,750	(63,250)	at USD 35.48, Broker UBS AG	900	(22,723)
International Business Machines Corp.,			E.I. du Pont de Nemours & Co., expiring 12/23/09		
expiring 12/19/09 at USD 125	645	(153,188)	at USD 34.87, Broker UBS AG	2,655	(148,622)
Invesco Ltd., expiring 12/19/09 at USD 25	280	(7,700)	FPL Group, Inc., expiring 11/17/09 at USD 55.96,		
JPMorgan Chase & Co., expiring 12/19/09 at USD 48	2,000	(125,000)	Broker Credit Suisse International	450	(438)
Kimberly-Clark Corp.:			General Mills, Inc., expiring 11/20/09 at USD 65.50,		
expiring 11/21/09 at USD 60	710	(136,675)	Broker UBS AG	240	(30,762)
expiring 11/24/09 at USD 59	730	(182,418)	Honeywell International, Inc., expiring 11/20/09		
expiring 1/16/10 at USD 65	100	(6,000)	at USD 38.50, Broker Credit Suisse International	640	(10,045)
Kraft Foods, Inc., expiring 12/19/09 at USD 28	1,485	(111,375)	Invesco Ltd., expiring 1/06/10 at USD 22.68,		
Maxim Integrated Products, Inc., expiring 11/21/09			Broker Morgan Stanley Capital Services, Inc.	1,470	(132,869)
at USD 20	300	(3,000)	Johnson & Johnson:		
MetLife, Inc., expiring 11/21/09 at USD 39	900	(24,750)	expiring 12/15/09 at USD 60.96, Broker Morgan		
Microsoft Corp., expiring 12/19/09 at USD 27	535	(78,378)	Stanley Capital Services, Inc.	245	(11,574)
Micron Technology, Inc., expiring 12/19/09 at USD 9	3,700	(27,750)	expiring 12/23/09 at USD 61.98, Broker Credit		
Morgan Stanley, expiring 12/19/09 at USD 35	1,240	(127,100)	Suisse International	585	(25,053)
Nokia Oyj ADR:				245	(15,384)

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expiring 1/04/10 at USD 62, Broker

Bank of America

Kraft Foods, Inc., expiring 12/07/09 at USD

expiring 11/21/09 at USD 14	750	(5,625)	26.85,		
expiring 12/19/09 at USD 14	1,000	(27,500)	Broker Goldman Sachs Bank USA	1,770	(193,797)
Nucor Corp., expiring 11/21/09 at USD 48	650	(6,500)			
Peabody Energy Corp., expiring 11/21/09 at USD 42	700	(70,000)			
Pfizer, Inc., expiring 12/19/09 at USD 18	5,110	(153,300)			
Prudential Financial, Inc.:					
expiring 11/21/09 at USD 55	355	(8,875)			
expiring 12/19/09 at USD 55	100	(7,500)			

See Notes to Financial Statements.

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

Schedule of Investments (concluded)

(Percentages shown are based on Net Assets)

Options Written	Contracts	Value	
Over-the-Counter Call Options Written (concluded)			Fair Value Measurements Various inputs are used in determining the fair value of
LSI Corp.:			investments, which are as follows:
expiring 11/13/09 at USD 5.63, Broker Morgan			Level 1 price quotations in active markets/exchanges for identical assets
Stanley Capital Services, Inc.	2,000	\$ (7,826)	
			and liabilities
expiring 12/23/09 at USD 5.93, Broker Morgan			Level 2 other observable inputs (including, but not limited to: quoted prices
Stanley Capital Services, Inc.	9,600	(94,118)	for similar assets or liabilities in markets that are active, quoted prices for identical or 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)
expiring 1/08/10 at USD 5.56, Broker Morgan			
Stanley Capital Services, Inc.	2,000	(49,728)	
Maxim Integrated Products, Inc.:			Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments)
expiring 12/23/09 at USD 19.06, Broker Morgan			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 Note 1 of the Notes to Financial Statements.
Stanley Capital Services, Inc.	1,292	(16,127)	
expiring 1/08/10 at USD 19.25, Broker Morgan			
Stanley Capital Services, Inc.	2,000	(41,582)	
Microsoft Corp., expiring 11/06/09 at USD 25, Broker Deutsche Bank AG	1,080	(294,840)	
Northrop Grumman Corp., expiring 12/23/09 at USD 51.94, Broker Citibank NA	1,445	(166,533)	
Qwest Communications International Inc., expiring 1/06/10 at USD 3.66, Broker Credit			

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The following tables summarize the inputs used as of October 31, 2009 in determining the fair valuation of the Fund's investments:

Suisse International	12,500	(217,713)		
The Southern Co., expiring 12/23/09 at USD 32.76,				
Broker Citibank NA	1,950	(56,560)		
Walt Disney Co., expiring 11/09/09 at USD 28.50,				
Broker Morgan Stanley Capital Services, Inc.	640	(14,400)	Valuation Inputs	Investments in Securities Assets
Wells Fargo & Co.,				
expiring 11/20/09 at USD 30.75, Broker Deutsche Bank AG	1,390	(31,570)	Level 1	
expiring 12/23/09 at USD 31.50,			Long-Term Investments ¹	\$604,104,432
Broker Credit			Short-Term Securities	24,567,455
Suisse International	350	(21,468)	Total Level 1	628,671,887
Total Over-the-Counter Call Options Written		(2,017,206)	Level 2 Short-Term Securities	217,283
Total Options Written (Premiums Received \$9,193,459) (1.0)%		(6,377,146)	Level 3	
Total Investments, Net of Outstanding Options Written 100.7%		622,512,024	Total	\$628,889,170
Liabilities in Excess of Other Assets (0.7)%		(4,050,310)		
Net Assets 100.0%		\$618,461,714		

See above Schedule of Investments for values in each industry.

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

		Valuation Inputs	Other Financial Instruments²
Aggregate cost	\$ 715,152,338	Level 1	Liabilities
Gross unrealized appreciation	\$ 6,130,287	Level 2	\$ (4,359,940)
Gross unrealized depreciation	(92,393,455)	Level 3	(2,017,206)
Net unrealized depreciation	\$ (86,263,168)	Total	\$ (6,377,146)

Other financial instruments are options, which are shown at market value.

(a) Non-income producing security.

(b) 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:

Affiliate	Net Activity	Income
BlackRock Liquidity Funds, TempFund,		

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Institutional Class	\$24,567,455	\$ 25,743
BlackRock Liquidity Series, LLC		
Cash Sweep Series	\$(2,450,990)	\$117,920

(c) 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.

See Notes to Financial Statements.

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Schedule of Investments October 31, 2009

BlackRock Floating Rate Income Trust (BGT)

(Percentages shown are based on Net Assets)

					Par	
	Shares	Value	Corporate Bonds		(000)	Value
Common Stocks						
Chemicals 0.0%			Energy Equipment & Services 0.0%			
British Vita Holding Co. (a)(b)	166	\$ 977	Compagnie Generale de Geophysique-Veritas:			
Commercial Services & Supplies 0.0%			7.50%, 5/15/15	USD	70	\$ 69,475
Sirva (b)	554	5,540	7.75%, 5/15/17		50	49,500
Construction & Engineering 0.0%						118,975
USI United Subcontractors (b)	7,639	99,305	Food & Staples Retailing 0.1%			
Metals & Mining 0.0%			Duane Reade, Inc., 11.75%, 8/01/15 (a)		240	255,600
Euramax International (b)	1,135	12,203	Food Products 0.2%			
Paper & Forest Products 0.1%			Smithfield Foods, Inc., 10.00%, 7/15/14 (a)		700	735,000
Ainsworth Lumber Co. Ltd. (b)	55,855	90,850	Health Care Equipment & Supplies 0.2%			
Ainsworth Lumber Co. Ltd. (a)(b)	62,685	102,419	DJO Finance LLC, 10.88%, 11/15/14		635	661,987
Total Common Stocks 0.1%		311,294	Health Care Providers & Services 0.4%			
			DaVita, Inc., 6.63%, 3/15/13		1,070	1,053,950
			Tenet Healthcare Corp. (a):			
			9.00%, 5/01/15		95	100,462
			10.00%, 5/01/18		35	38,587
			Par			
Corporate Bonds						1,192,999
Air Freight & Logistics 0.0%			Hotels, Restaurants & Leisure 0.1%			
Park-Ohio Industries, Inc., 8.38%, 11/15/14	USD 125	98,125	American Real Estate Partners LP, 7.13%, 2/15/13		140	137,550
Auto Components 0.0%			Greektown Holdings, LLC, 10.75%, 12/01/13 (a)(b)(d)		122	24,400
Delphi International Holdings Unsecured, 12.00%, 10/06/14	39	37,992	Household Durables 0.5%			
The Goodyear Tire & Rubber Co., 5.01%, 12/01/09 (c)	60	60,000	Beazer Homes USA, Inc., 12.00%, 10/15/17 (a)		1,500	1,575,000
Lear Corp., 8.75%, 12/01/16 (b)(d)	30	20,400	Berkline/BenchCraft, LLC, 4.50%, 11/03/12 (b)(d)(e)		400	
		118,392				1,575,000

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Building Products

0.0%				IT Services 0.2%		
CPG International I, Inc., 10.50%, 7/01/13	90	76,500		SunGard Data Systems, Inc., 4.88%, 1/15/14	763	686,700

Capital Markets

0.6%				Independent Power Producers & Energy Traders 1.6%		
E*Trade Financial Corp. (a): 12.50%, 11/30/17 (e)	138	153,180		AES Ironwood LLC, 8.86%, 11/30/25	82	78,071
3.34%, 8/31/19 (f)(g)	439	629,416		Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (a)	2,580	2,618,700
Marsico Parent Co., LLC, 10.63%, 1/15/16 (a)	1,501	915,610		NRG Energy, Inc., 7.25%, 2/01/14	2,200	2,183,500
Marsico Parent Holdco, LLC, 12.50%, 7/15/16 (a)(e)	645	145,226				4,880,271
Marsico Parent Superholdco, LLC, 14.50%, 1/15/18 (a)(e)	445	100,213		Machinery 0.1%		

				Sunstate Equipment Co. LLC, 10.50%, 4/01/13 (a)	210	161,700
				Synventive Molding Solutions Sub-Series A, 14.00%, 1/14/11 (e)	986	246,504

Chemicals 0.3%

American Pacific Corp., 9.00%, 2/01/15	125	116,250				408,204
Ames True Temper, Inc., 4.28%, 1/15/12 (c)	1,100	968,000				

Media 1.0%

				Affinion Group, Inc., 10.13%, 10/15/13	50	51,250
--	--	--	--	--	----	--------

Commercial Banks

4.1%				CSC Holdings, Inc., 8.50%, 4/15/14 (a)	550	580,937
SNS Bank NV Series EMTN, 2.88%, 1/30/12	EUR	8,500	12,711,922	Charter Communications Holdings II, LLC (b)(d):		

Commercial Services & Supplies

0.3%				10.25%, 9/15/10	260	314,600
DI Finance Series B, 9.50%, 2/15/13	USD	307	313,140	Series B, 10.25%, 9/15/10	45	54,225
The Geo Group, Inc., 7.75%, 10/15/17 (a)		675	685,125	Charter Communications Operating, LLC, 10.00%, 4/30/12 (a)(b)(d)	210	213,150
				998,265 EchoStar DBS Corp.:		

Containers & Packaging 0.1%

Berry Plastics Corp., 4.17%, 9/15/14 (c)	300	236,250		7.00%, 10/01/13	158	158,000
Impress Holdings BV, 3.41%, 9/15/13 (a)(c)	150	142,687		7.13%, 2/01/16	230	230,000
				Local Insight Regatta Holdings, Inc., 11.00%, 12/01/17	770	377,300
				378,937 Nielsen Finance LLC, 10.00%, 8/01/14	400	412,000
				Rainbow National Services LLC, 8.75%, 9/01/12 (a)	750	761,250

Diversified Financial Services

0.1%

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FCE Bank Plc, 7.13%, 1/16/12	EUR	200	282,556			3,152,712
Diversified Telecommunication Services 1.8%				Metals & Mining 0.2%		
PAETEC Holding Corp., 8.88%, 6/30/17 (a)	USD	700	693,000	Foundation PA Coal Co., 7.25%, 8/01/14	505	506,894
Qwest Corp., 8.38%, 5/01/16 (a)		1,840	1,899,800	Oil, Gas & Consumable Fuels 5.4%		
Telefonica Emisiones SAU, 5.43%, 2/03/14	EUR	2,000	3,164,192	Gazprom OAO, 9.63%, 3/01/13	11,530	12,770,628
			5,756,992	Repsol International Finance BV, 6.50%, 3/27/14	EUR 1,500	2,444,048
				SandRidge Energy, Inc., 3.91%, 4/01/14 (c)	USD 1,400	1,239,308
				Whiting Petroleum Corp., 7.25%, 5/01/13	300	300,375
						16,754,359

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Floating Rate Income Trust (BGT)

(Percentages shown are based on Net Assets)

	Par (000)	Value	Floating Rate Loan Interests (c)	Par (000)	Value
Corporate Bonds					
Paper & Forest Products 2.4%			Beverages (concluded)		
Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (a)(e)	USD 482	\$ 275,858	Le-Nature s, Inc., Tranche B Term Loan, 9.50%, 3/01/11 (b)(d)	1,000	
NewPage Corp.:			Orangina SA: Term Loan B2, 2.61%, 12/31/13	USD \$	390,000
6.53%, 5/01/12 (c)	1,500	960,000			
11.38%, 12/31/14 (a)	5,470	5,456,325	Term Loan C2, 3.61%, 12/31/14	EUR 559	801,916
Verso Paper Holdings LLC Series B, 4.03%, 8/01/14 (c)	1,215	795,825		534	765,047
		7,488,008			4,443,353
Pharmaceuticals 0.5%			Building Products 1.9%		
Angiotech Pharmaceuticals, Inc., 4.11%, 12/01/13 (c)	1,750	1,452,500	Building Materials Corp. of America, Term Loan		
Real Estate Investment Trusts (REITs) 1.4%			Advance, 3.00%, 2/22/14	USD 2,679	2,460,208
Rouse Co. LP, 5.38%, 11/26/13 (b)(d)	4,835	4,254,800	Custom Building Products, Inc., Loan (Second Lien), 10.75%, 4/20/12	1,500	1,421,250
Specialty Retail 0.1%			Goodman Global Holdings Term Loan B, 6.25%, 2/13/14	900	900,675
General Nutrition Centers, Inc., 5.18%, 3/15/14 (c)(e)	500	446,250	Momentive Performance Materials (Blitz 06-103 GMBH), Tranche B-1 Term Loan, 2.50%, 12/04/13	1,218	1,007,952
Lazy Days R.V. Center, Inc., 11.75%, 5/15/12 (b)(d)	375	3,750	United Subcontractors, Inc., First Lien Term Loan, 1.79%, 6/30/15	179	152,293
Textiles, Apparel & Luxury Goods 0.6%					5,942,378
Levi Strauss & Co., 8.63%, 4/01/13	EUR 1,300	1,894,012			
Tobacco 1.4%			Capital Markets 0.4%		
Imperial Tobacco Finance Plc, 4.38%, 11/22/13	1,500	2,238,020	Marsico Parent Co., LLC, Term Loan, 5.00% 5.06%, 12/15/14	458	309,239
Reynolds American, Inc., 7.63%, 6/01/16	USD 2,000	2,154,312	Nuveen Investments, Inc., First Lien Term Loan, 3.28%, 11/13/14	1,174	1,009,334
Wireless Telecommunication Services 1.3%					
Cricket Communications, Inc., 7.75%, 5/15/16 (a)	3,000	2,992,500			
iPCS, Inc., 2.41%, 5/01/13 (c)	1,155	1,010,625			1,318,573
		4,003,125	Chemicals 8.0%		
				1,071	1,085,440

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				Ashland Inc., Term B Borrowing, 7.65%, 5/13/14				
Total Corporate Bonds	25.0%	78,475,012		Brenntag AG, Second Lien Term Loan, 4.25%, 7/17/15	1,000		937,500	
				Brenntag Holding GmbH & Co. KG: Acquisition Facility 1, 2.25% 2.99%, 1/20/14	384		363,650	
Floating Rate Loan Interests (c)				Acquisition Facility 2, 3.21%, 1/20/14	EUR	443	616,722	
Aerospace & Defense	1.1%			Facility B2, 2.25%, 1/20/14	USD	1,572	1,489,371	
Avio SpA, Dollar Mezzanine Term Loan, 4.24%, 12/13/16		1,062	806,784	Facility B6A and B6B, 3.02%, 1/20/14	EUR	489	689,643	
Hawker Beechcraft Acquisition Co. LLC: Credit Linked Deposit, 0.18%, 3/26/14				Cognis GmbH: Facility A, 2.77%, 11/17/13		803	1,068,996	
Term Loan, 2.24% 2.28%, 3/26/14		2,750	2,158,412	Facility B (French), 2.77%, 11/16/13		197	261,795	
IAP Worldwide Services, Inc., Term Loan (First-Lien), 9.25%, 12/30/12 (e)		232	193,722	ElectricInvest Holding Co. Ltd. (Viridian Group Plc), Junior Term Facility: 4.93%, 12/20/12 5.01%, 12/21/12		1,787	2,025,325	
			3,286,635	Huish Detergents Inc.: Loan (Second Lien), 4.50%, 10/26/14	USD	750	710,625	
Airlines	0.3%			Tranche B Term Loan, 2.00%, 4/26/14		1,725	1,650,055	
US Airways Group, Inc., Loan, 2.78%, 3/21/14		1,460	965,425	Ineos US Finance LLC, Term A4 Facility, 7.00%, 12/14/12		1,236	1,091,535	
Auto Components	2.7%			Matrix Acquisition Corp. (MacDermid, Inc.), Tranche C				
Allison Transmission, Inc., Term Loan, 3.00% 3.04%, 8/07/14		5,778	5,166,397	Term Loan, 2.64%, 12/15/13	EUR	1,616	1,839,021	
Dana Holding Corp., Term Advance, 7.25%, 1/31/15		2,874	2,532,390	Nalco Co., Term Loan, 6.50%, 5/13/16	USD	1,891	1,918,858	
Dayco Products LLC (Mark IV Industries, Inc.): Replacement Term B Loan, 8.75%, 6/21/11 (b)(d)		853	382,583	PQ Corp. (fka Niagara Acquisition, Inc.): Loan (Second Lien), 6.75%, 7/30/15		2,250	1,839,375	
US Lien Term Loan, 8.50%, 5/01/10		101	100,806	Term Loan (First Lien), 3.50% 3.54%, 7/30/14		2,716	2,411,475	
US Term Loan, 8.50%, 6/01/11		20	10,081	Rockwood Specialties Group, Inc., Tranche H Term Loan, 6.00%, 5/15/14		1,229	1,241,848	
GPX International Tire Corp. (b)(d): Amendment Fee, 12.00%, 4/11/12		12	3,454	Solutia Inc., Loan, 7.25%, 2/28/14		1,472	1,492,343	
Tranche B Term Loan, 10.25%, 3/30/12		640	192,052					
			8,387,763				25,008,356	

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Automobiles 0.5%

Ford Motor Co., Term Loan, 3.25%
3.29%, 12/15/13

1,690 1,502,202

Commercial Services & Supplies 3.1%

Aramark Corp.:

Facility Letter of Credit, 0.29%,
1/26/14

155 141,829

U.S. Term Loan, 2.12% 2.16%,
1/26/14

2,359 2,161,562

Beverages 1.4%

Culligan International Co., Loan
(Second Lien),

Casella Waste Systems, Inc., Term B
Loan,

5.19%, 4/24/13

EUR 1,000 533,473

7.00%, 4/08/14

1,097 1,102,736

Inbev NV Bridge Loan, 1.43%, 7/15/11

USD 1,000 986,250

Inbev NV/SA, Bridge Loan, 1.72%,
7/15/13

1,000 966,667

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Floating Rate Income Trust (BGT)

(Percentages shown are based on Net Assets)

		Par (000)	Value			Par (000)	Value
Floating Rate Loan Interests (c)				Floating Rate Loan Interests (c)			
Commercial Services & Supplies				Diversified Telecommunication			
(concluded)				Services 3.8%			
EnviroSolutions Real Property Holdings, Inc., Initial				BCM Ireland Holdings Ltd. (Eircom):			
Term Loan, 11.00%, 7/07/12 (e)	USD	2,030	\$ 1,502,171	Facility B, 2.30%, 8/14/14	EUR	500	\$ 641,441
John Maneely Co., Term Loan,				Facility C, 2.55%, 8/14/15		500	641,441
3.50% 3.53%, 12/09/13		1,380	1,259,076	Cavtel Holdings, LLC, Term Loan,			
SIRVA Worldwide, Inc., Loan (Second Lien),				10.50%, 12/31/12	USD	1,162	865,414
12.00%, 5/12/15		133	13,339	Hawaiian Telcom Communications, Inc., Tranche C			
Synagro Technologies, Inc., Term Loan (First Lien),				Term Loan, 4.75%, 5/30/14		1,223	868,143
2.24%, 4/02/14		1,971	1,584,205	Integra Telecom Holdings, Inc., Term Loan (First Lien),			
West Corp. Incremental Term Loan B-3, 7.25%, 11/08/13		1,995	1,998,661	10.50%, 8/31/13		1,870	1,829,318
			9,763,579	Nordic Telephone Co. Holdings APS:			
				Facility B2 Swiss, 1.93%, 11/29/13	EUR	885	1,238,990
				Facility C2 Swiss, 2.56%, 11/29/14		1,058	1,480,351
				PAETEC Holding Corp.:			
				Incremental Term Loan, 2.74%, 2/28/13	USD	132	124,349
Computers & Peripherals 0.3%				Replacement Term Loan, 2.74%, 2/28/13		310	292,941
Intergraph Corp.:				Wind Telecomunicazioni SpA:			
Initial Term Loan (First Lien), 2.37%, 5/29/14		350	333,795	A1 Term Loan Facility, 2.90%			
Second-Lien Term Loan, 6.24% 6.37%, 11/28/14		750	718,125	2.93%, 9/22/12	EUR	848	1,180,221
				B1 Term Loan Facility, 3.69%, 9/22/13		1,000	1,404,009
				C1 Term Loan Facility, 4.68%, 9/22/14		1,000	1,404,009
Construction & Engineering 0.7%							
Airport Development and Investment Ltd. (BAA) Facility							11,970,627
(Second Lien), 4.56%, 4/07/11	GBP	566	843,498	Electric Utilities 0.3%			
Brand Energy & Infrastructure Services, Inc. (FR Brand				Astoria Generating Co. Acquisitions, LLC, Term B Facility,			
Acquisition Corp.):				2.04% 2.05%, 2/23/13	USD	378	362,655
Loan (Second Lien), 6.31% 6.44%, 2/07/15	USD	1,000	791,250	TPF Generation Holdings, LLC:			
Synthetic Letter of Credit Term Loan (First Lien),				Synthetic Letter of Credit Deposit (First Lien),			

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0.31%, 2/07/14	500	449,375	0.18%, 12/15/13	151	143,016	
			Synthetic Revolving Deposit, 0.19%,			
		2,084,123	12/15/11	47	44,832	
			Term Loan (First Lien), 2.24%,			
			12/15/13	409	388,847	
Containers & Packaging 1.9%						
Atlantis Plastic Films, Inc., Term Loan (Second Lien),					939,350	
12.25%, 3/22/12 (b)(d)	500		Electrical Equipment 0.4%			
Graham Packaging Co., L.P.:			Electrical Components International Holdings Co. (ECI),			
B Term Loan, 2.50% 2.56%, 10/07/11	232	225,705	Term Loan (Second Lien), 11.50%, 5/01/14	500	25,000	
C Term Loan, 6.75%, 4/05/14	828	826,876	Generac Acquisition Corp., Term Loan (First Lien),			
OI European Group BV, Tranche D Term Loan,			2.78%, 11/10/13	1,464	1,315,114	
1.93%, 6/14/13	EUR	1,915	2,672,599			
Smurfit Kappa Acquisitions (JSG):					1,340,114	
C1 Term Loan Facility, 4.05% 4.46%, 12/01/14	724	1,017,226	Electronic Equipment, Instruments			
Term B1, 3.80% 4.73%, 12/02/13	724	1,017,446	& Components 1.2%			
Smurfit-Stone Container Canada, Inc.:			Flextronics International Ltd.:			
Tranche C, 2.50%, 11/01/11	USD	26	25,153	A Closing Date Loan, 2.49% 2.54%, 10/01/14	2,666	2,459,646
Tranche C-1 Term Loan, 2.50%, 11/01/11	8	7,605	10/01/14	Delay Draw Term Loan, 2.53%, 10/01/14	766	706,795
Smurfit-Stone Container Enterprises, Inc.:				Matinvest 2 SAS (Deutsche Connector), Second Lien,		
Deposit Funded Facility, 4.50%, 11/01/10	12	11,754	4.97%, 12/22/15	500	235,000	
Tranche B, 2.50%, 11/01/11	14	13,376	6.25%, 4/12/15	500	426,250	
U.S. Term Loan Debtor in Possession,			Tinnerman Palnut Engineered Products, LLC, Loan			
10.00%, 1/28/10	145	145,108	(Second Lien), 13.00%, 11/01/11 (b)(d)	2,407	24,068	
Smurfit-Stone Container, Revolving Credit:					3,851,759	
2.75% 4.50%, 11/01/09	60	58,913				
2.75% 5.00%, 11/01/09	20	19,540	Energy Equipment & Services 0.9%			
			Dresser, Inc., Term Loan (Second Lien), 6.00%, 5/04/15	1,500	1,348,125	
		6,041,301	MEG Energy Corp., Initial Term Loan, 2.29%, 4/03/13	483	454,756	
			Trinidad USA Partnership LLLP, Term Facility,			
Distributors 0.2%						
Keystone Automotive Operations, Inc., Loan,			2.74%, 5/01/11	1,019	876,748	
3.75% 5.75%, 1/12/12	1,026	608,109			2,679,629	

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Diversified Consumer Services 2.5%

Coinmach Laundry Corp, Delay Draw Term Loan, 3.25% 3.43%, 11/14/14	497	424,528
Coinmach Service Corp., Term Loan B, 3.43%, 11/14/14	2,539	2,094,394
Education Management Corp, Term Loan C, 2.06%, 6/01/13	1,197	1,118,950
Laureate Education New Incremental Term Loan, 7.00%, 12/31/14	4,250	4,234,063
Professional Service Industries, Inc., Term Loan (First Lien), 3.00%, 10/31/12	620	310,223

See Notes to Financial Statements.

Food & Staples Retailing 2.8%

AB Acquisitions UK Topco 2 Ltd. (fka Alliance Boots), Facility B1, 3.52%, 7/09/15	GBP	2,500	3,596,399
Birds Eye Iglo Group Ltd. (Liberator Midco Ltd.), Mezzanine Credit Facility, 8.51%, 11/03/16		411	626,759
DSW Holdings, Inc., Term Loan, 4.29%, 3/02/12	USD	1,000	861,667
McJunkin Corp., Term Loan, 3.49%, 1/31/14		497	481,060
Pierre Foods Term Loan B, 8.50%, 9/23/14		817	821,085
Rite Aid Corp., Tranche 4 Term Loan, 9.50%, 6/10/15		1,000	1,030,417

Schedule of Investments (continued)

BlackRock Floating Rate Income Trust (BGT)

(Percentages shown are based on Net Assets)

			Par						Par		
Floating Rate Loan Interests (c)			(000)	Value	Floating Rate Loan Interests (c)			(000)	Value		
Food & Staples Retailing					Hotels, Restaurants & Leisure						
(concluded)					(concluded)						
Roundy's Supermarkets, Inc., Tranche B Term Loan,					Penn National Gaming, Inc., Term Loan B,						
								2,497			
3.01%	3.04%, 11/03/11	USD	501	\$ 492,229	1.99%	2.21%, 10/03/12	USD	\$	2,404,745		
WM. Bolthouse Farms, Inc., Term Loan (First Lien),					QCE, LLC (Quiznos), Term Loan (First Lien),						
	2.56%, 12/16/12		843	819,272		2.56%, 5/05/13		997	797,107		
				8,728,888					7,841,788		
Food Products 1.6%					Household Durables 1.7%						
Dole Food Co., Inc.:					American Residential Services LLC, Term Loan						
	Credit-Linked Deposit, 0.28%, 4/12/13		192	193,556	(Second Lien), 10.00%, 4/17/15			2,051	1,927,183		
	Tranche B Term Loan, 8.00%, 4/12/13		335	338,055	Berkline/Benchcraft, LLC., Term Loan,						
FSB Holdings, Inc. (Fresh Start Bakeries), Term Loan					6.58%, 11/03/11 (b)(d)			107	5,373		
	(Second Lien), 6.00%, 3/29/14		500	415,000	Jarden Corp., Term Loan B3, 2.78%, 1/24/12			952	930,272		
Solveist, Ltd. (Dole), Tranche C Term Loan,					Simmons Bedding Co., Tranche D Term Loan,						
	8.00%, 4/12/13		1,205	1,214,151	10.50%, 12/19/11			1,500	1,477,500		
Wm. Wrigley Jr. Co., Tranche B Term Loan,					Yankee Candle Co., Inc., Term Loan,						
	6.50%, 9/30/14		2,924	2,956,946	2.25%, 2/06/14			1,047	974,582		
				5,117,708	Household Products 0.2%						
Health Care Equipment & Supplies 1.8%					VI-JON, Inc. (VJCS Acquisition, Inc.), Tranche B						
Bausch & Lomb Incorporated:					Term Loan, 2.25%, 4/24/14			674	630,379		
	Delayed Draw Term Loan, 3.50% 3.53%, 4/24/15		93	88,814	IT Services 4.1%						
Parent Term Loan, 3.53%, 4/24/15					Amadeus IT Group SA/Amadeus Verwaltungs GmbH:						
Biomet, Inc., Euro Term Loan,					Term B3 Facility, 2.44%, 6/30/13			EUR	615	833,122	
	3.39%	3.71%, 3/25/15	EUR	2,521	3,523,547	Term B4 Facility, 2.44%, 6/30/13			489	663,217	
DJO Finance LLC (ReAble Therapeutics Fin LLC),					Term C3 Facility, 2.94%, 6/30/14			615	833,122		
	Term Loan, 3.24%	3.28%, 5/20/14	USD	1,485	1,426,110	Term C4 Facility, 2.94%, 6/30/14			489	663,217	
Hologic, Inc., Tranche B Term Loan,					Audio Visual Services Group, Inc., Loan (Second Lien),						
	3.50%, 3/31/13		270	263,940	6.79%, 2/28/14			USD	1,059	105,867	
				5,668,140							

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Health Care Providers & Services

				Ceridian Corp, US Term Loan,				
CCS Medical, Inc. (Chronic Care):		3.24%	3.28%, 11/09/14		1,977	1,753,567		
Loan Debtor in Possession,								
11.00%, 11/16/09	31	30,309	First Data Corp.:					
Term Loan (First Lien), 4.35%,								
9/30/12 (b)(d)	675	328,500	Initial Tranche B-1 Term Loan,					
CCS Medical Return of Capital, 0.00%,								
9/30/11 (b)(d)	475	231,167	2.99% 3.04%, 9/24/14		2,454	2,106,768		
CHS/Community Health Systems, Inc.:			Initial Tranche B-2 Term Loan,					
Delayed Draw Term Loan, 2.49%,								
7/25/14	229	213,335	3.03% 3.04%, 9/24/14		1,590	1,361,812		
Funded Term Loan, 2.49% 2.62%,								
7/25/14	4,491	4,181,777	Initial Tranche B-3 Term Loan,					
Fresenius SE:			3.03% 3.04%, 9/24/14		975	834,104		
Tranche B1 Term Loan, 6.75%,								
9/26/14	968	973,779	RedPrairie Corp.:					
Tranche B2 Term Loan, 6.75%,								
9/26/14	521	524,586	Loan (Second Lien), 6.97%, 1/20/13		1,250	1,081,250		
HCA Inc., Tranche A-1 Term Loan,								
1.78%, 11/17/12	3,084	2,869,645	Term Loan B, 3.44% 5.25%, 7/20/12		861	826,320		
HealthSouth Corp., Tranche 1 Term			SunGard Data Systems Inc (Solar Capital					
Loan-Assignment			Corp.),					
2.54% 2.55%, 3/10/13	798	757,573	Incremental Term Loan, 6.75%, 2/28/14		1,694	1,706,074		
HealthSouth Corp., Tranche 2 Term								
Loan-Assignment							12,768,440	
Independent Power Producers & Energy								
Traders 2.4%								
4.04% 4.05%, 3/15/14	657	632,965	Dynegy Holdings Inc.:					
Surgical Care Affiliates, LLC, Term			Term Letter of Credit Facility Term					
Loan,			Loan,					
2.28%, 12/29/14	392	357,114						
Vanguard Health Holding Co. II, LLC								
(Vanguard			4.00%, 4/02/13		1,110	1,063,811		
Health System, Inc.), Replacement								
Term Loan,			Tranche B Term Loan, 4.00%,					
2.49%, 9/23/11	1,637	1,594,878	4/02/13		90	85,856		
			Texas Competitive Electric Holdings Co.,					
			LLC (TXU):					
		12,695,628	Initial Tranche B-1 Term Loan,					
			3.74% 3.78%, 10/10/14		2,477	1,918,853		
Hotels, Restaurants & Leisure 2.5%								
BLB Worldwide Holdings, Inc.								
(Wembley, Inc.) (b)(d):			Initial Tranche B-2 Term Loan,					
First Priority Term Loan, 4.75%,								
7/18/11	2,418	1,426,744	3.74% 3.78%, 10/10/14		3,261	2,520,589		
Second Priority Term Loan, 7.06%,								
7/18/12	1,500	67,500	Initial Tranche B-3 Term Loan,					
Golden Nugget, Inc.:			3.74% 3.78%, 10/10/14		2,485	1,903,001		

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Additional Term Advance (First Lien),							7,492,110
2.25% 2.29%, 6/30/14	271	185,651	Insurance 0.5%				
Second Lien Term Loan, 3.50%, 12/31/14	500	200,000		Alliant Holdings I, Inc. Term Loan, 3.28%, 8/21/14	980		908,950
Term Advance (First Lien), 2.25%, 6/30/14	476	326,114		Conseco, Inc, Term Loan, 6.50%, 10/10/13	728		651,745
Green Valley Ranch Gaming, LLC, Loan (Second Lien), 3.55%, 8/16/14	1,500	367,500					1,560,695
Harrah s Operating Co., Inc., Term B-3 Loan,				Internet & Catalog Retail 0.3%			
3.28%, 1/28/15	726	576,991		FTD Group, Inc., Base Prime, 6.75%, 8/26/14	688		686,239
Harrah s Operating Term B-4 Loan, 9.50%, 10/31/16	1,500	1,462,709		Oriental Trading Co., Inc., Loan (Second Lien),			
OSI Restaurant Partners, LLC, Pre-Funded RC Loan,				6.24%, 1/31/14	500		110,000
0.12% 2.56%, 6/14/13	32	26,727					796,239
See Notes to Financial Statements.							

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Schedule of Investments (continued)

BlackRock Floating Rate Income Trust (BGT)

(Percentages shown are based on Net Assets)

	Par					Par			
	(000)	Value				(000)	Value		
Floating Rate Loan Interests (c)					Floating Rate Loan Interests (c)				
Leisure Equipment & Products 0.3%					Media (concluded)				
24 Hour Fitness Worldwide, Inc., Tranche B Term Loan, 2.75% 2.79%, 6/08/12	USD	965 \$	894,234	2.29%, 4/07/14	Insight Midwest Holdings, LLC, B Term Loan, 2.18%, 6/01/12	USD	700	\$ 663,500	
Life Sciences Tools & Services 0.8%					Kabel Deutschland GMBH, A Facility-Assignment, 2.18%, 6/01/12	EUR	4,000	5,605,645	
Life Technologies Corp., Term B Facility, 5.25%, 11/23/15		2,378	2,385,424	Lamar Media Corp.: Series B Incremental Loan, 5.50%, 9/28/12		USD	2,875	2,851,569	
Machinery 1.7%					Term Loan, 5.50%, 9/30/12 Lavena Holding 3 GmbH (Prosiebensat.1 Media AG): Facility B, 3.53%, 6/28/15	EUR	641	635,871	
Accuride Term Loan, 6.00%, 1/31/12 Blount, Inc., Term Loan B, 2.00% 3.25%, 8/09/10	GBP	1,150	1,139,579	Facility C, 3.78%, 6/30/16		EUR	337	323,548	
LN Acquisition Corp. (Lincoln Industrial): Delayed Draw Term Loan (First Lien), 2.79%, 7/11/14	USD	533	506,600	Liberty Cablevision of Puerto Rico, Ltd., Initial Term Facility, 2.25%, 6/17/14		USD	674	647,096	
Initial U.S. Term Loan (First Lien), 2.79%, 7/11/14		254	220,823	Local TV Finance, LLC, Term Loan, 2.25%, 5/07/13		USD	1,466	1,238,981	
NACCO Materials Handling Group, Inc., Loan, 2.24% 3.41%, 3/21/13		659	573,043	MCC Iowa LLC (Mediacom Broadband Group), Tranche E Term Loan, 6.50%, 1/03/16			739	590,317	
Oshkosh Truck Corp., Term B Loan, 6.29% 6.33%, 12/06/13		484	372,488	MCNA Cable Holdings LLC (OneLink Communications), Loan, 7.23%, 3/01/13 (e)			597	598,470	
Standard Steel, LLC: Delayed Draw Term Loan, 8.25%, 7/02/12		2,115	2,108,175	Mediacom Illinois, LLC (fka Mediacom Communications, LLC), Tranche D Term Loan, 5.50%, 3/31/17			1,933	773,361	
Initial Term Loan, 9.00%, 7/02/12		74	63,030	Mediannuaire Holding (Pages Jaunes): Term Loan B2, 3.03%, 1/11/15		EUR	438	457,955	
		368	312,724	Term Loan C, 3.53%, 1/11/16			905	947,420	
			5,296,462						
Marine 1.1%									
Delphi Acquisition Holding I B.V. (fka Dockwise):									

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Facility B1, 2.28%, 1/12/15	688	649,708	Term Loan D, 5.03%, 1/11/17	500	448,853
			Metro-Goldwyn-Mayer Inc., Tranche B		
Facility B2, 2.28%, 1/12/15	470	443,100	Term Loan,		
Facility C1, 3.16%, 1/11/16	577	544,590	20.50%, 4/09/12	USD 1,905	1,082,186
Facility C2, 3.16%, 1/11/16	470	443,100	Mission Broadcasting, Inc., Term B Loan,		
Facility D1, 4.78%, 1/11/16	650	513,500	5.00%, 10/01/12	1,099	923,069
			Multicultural Radio Broadcasting, Inc.,		
Facility D2, 4.78%, 1/11/16	1,000	790,000	Term Loan,		
			2.99%, 12/04/13	313	219,100
		3,383,998	NTL Inc.:		
Media 25.9%			C Facility, 3.58%, 7/17/13	GBP 3,875	5,848,420
Acosta, Inc., 2006 Term Loan, 2.50%, 7/28/13	1,185	1,120,156	Term Loan B1, 2.89%, 9/03/12	434	684,184
Affinion Group Holdings, Inc. Loan, 8.27%, 3/01/12 (e)	1,021	903,991	Term Loan B2, 2.89%, 9/03/12	508	799,702
Amsterdamse Beheer En Consultingmaatschappij BV (Casema) Casema:			NVT Networks LLC, Exit Term Loan, 13.00%, 10/01/12	USD 160	160,050
			Newsday, LLC:		
B1 Term Loan Facility, 2.93%, 11/02/14	EUR 625	873,332	Fixed Rate Term Loan, 10.50%, 8/01/13	1,500	1,570,001
C Term Loan Facility, 3.43%, 11/02/15	625	873,332	Floating Rate Term Loan, 6.53%, 8/01/13	1,250	1,231,250
Atlantic Broadband Finance, LLC, Tranche B-2-A			Nexstar Broadcasting, Inc, Term B Loan,		
Term Loan, 2.54%, 9/01/11	USD 69	68,033	5.00% 6.25%, 10/01/12	1,039	976,204
Atlantic Broadband Tranche B-2-B Term Loan,			Nielson Finance LLC, Dollar Term Loan:		
6.75%, 6/01/13	1,866	1,848,493	Class A, 2.24%, 8/09/13	1,178	1,093,676
Bresnan Communications, LLC, Term Loan			Class B, 3.99%, 5/01/16	2,292	2,145,880
(Second Lien), 4.75%, 3/29/14	250	235,625	Penton Media, Inc.:		
Catalina Marketing Corp., Initial Term Loan,			Institutional Loan (Second Lien), 5.28%, 1/29/10	1,000	210,000
			Term Loan (First Lien), 2.53% 2.62%, 11/30/09	1,097	744,047
3.00%, 10/01/14	1,345	1,276,398	Puerto Rico Cable Acquisition Co. Inc. (D/B/A		
Cengage Learning Acquisitions, Inc. (Thomson Learning),			Choice TV), Term Loan (Second Lien), 7.75%, 2/15/12	692	564,231
Tranche 1 Incremental Term Loan, 7.50%, 7/03/14	5,411	5,151,017	Quebecor Media, Facility B, 2.28%, 1/17/13	722	682,172
Cequel Communications, LLC, Term Loan,					
2.24% 4.25%, 11/05/13	4,850	4,619,926	Springer:		
Charter Communications Operating, LLC, New Term Loan,			Term Loan B, 3.14%, 9/16/11	EUR 910	1,247,398
6.25%, 3/06/14	1,299	1,177,279	Term Loan C, 3.52%, 9/17/12	1,188	1,627,908

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Charter Communications, Incremental Term Loan, 9.25%, 3/25/14	2,996	3,021,893	Sunshine Acquisition Ltd. (aka HIT Entertainment), Term Facility, 2.73%, 3/20/12	USD	1,998	1,735,807
FoxCo Acquisition Sub, LLC, Term Loan, 7.50%, 7/14/15	2,391	2,166,610	TWCC Holding Corp., Term Loan, 7.25%, 9/14/15		1,736	1,757,846
HIT Entertainment, Inc., Term Loan (Second Lien), 5.98%, 2/26/13	1,000	532,500	Telecommunications Management, LLC: Multi-Draw Term Loan, 3.49%, 6/30/13		232	171,473
HMH Publishing Co. Ltd.:			Term Loan, 3.49%, 6/30/13		919	680,153
Mezzanine, 17.50%, 11/14/14 Tranche A Term Loan, 5.28%, 6/12/14	1,063	292,405	UPC Financing Partnership, Facility U, 4.44%, 12/31/17	EUR	3,767	5,085,895
Hanley-Wood, LLC (FSC Acquisition), Term Loan, 2.49% 2.53%, 3/08/14	2,212	922,069	World Color USA Corp. (fka Quebecor World Inc.), 9.00%, 7/23/12	USD	1,622	1,622,066
Hargray Acquisition Co./DPC Acquisition LLC/HCP Acquisition LLC: Loan (Second Lien), 5.97%, 1/29/15	500	312,500	Yell Group Plc, Term Loan B1, 3.28%, 10/27/12		2,500	1,760,715
Term Loan (First Lien), 2.72%, 6/27/14	368	343,708				80,896,838
Harland Clarke Holdings Corp. (fka Clarke American Corp.), Tranche B Term Loan, 2.74% 2.78%, 6/30/14	1,459	1,218,041				

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Floating Rate Income Trust (BGT)

(Percentages shown are based on Net Assets)

	Par (000)	Value		Par (000)	Value
Floating Rate Loan Interests (c)			Floating Rate Loan Interests (c)		
Metals & Mining 0.6%			Software 0.2%		
Essar Steel Algoma Inc. (fka Algoma Steel Inc.),			Bankruptcy Management Solutions, Inc.:		
Term Loan, 8.00%, 6/20/13	USD 1,934	\$ 1,813,014	Loan (Second Lien), 6.49%, 7/31/13	USD 485	\$ 97,909
Multi-Utilities 0.6%			Term Loan (First Lien), 4.25%, 7/31/12	945	567,149
FirstLight Power Resources, Inc. (fka NE Energy, Inc.):					665,058
Synthetic Letter of Credit, 0.16%, 11/01/13	159	145,457	Specialty Retail 0.6%		
Term Advance (Second Lien), 4.81%, 5/01/14	750	609,375	Adesa, Inc. (KAR Holdings, Inc.), Initial Term Loan,		
Term B Advance (First Lien), 2.81%, 11/01/13	1,230	1,128,922	2.50%, 10/21/13	500	477,500
Mach Gen, LLC Synthetic Letter of Credit Loan			General Nutrition Centers, Inc., Term Loan,		
(First Lien), 0.03%, 2/22/13	69	63,696	2.50% 2.54%, 9/16/13	261	240,795
		1,947,450	Orchard Supply Hardware, Term Loan B,		
Multiline Retail 1.8%			2.70%, 12/21/10	1,500	1,276,350
Dollar General Corp.:					1,994,645
Tranche B-1 Term Loan, 2.99% 3.03%, 7/07/14	1,247	1,190,066	Trading Companies & Distributors 0.4%		
Tranche B-2 Term Loan, 2.99%, 7/07/14	499	473,685	Beacon Sales Acquisition, Inc., Term B Loan,		
Hema BV Term Loan B (Euro), 5.43%, 1/01/17	EUR 3,800	3,914,585	2.24% 2.29%, 9/30/13	1,188	1,110,373
		5,578,336	Wireless Telecommunication Services 1.5%		
Oil, Gas & Consumable Fuels 1.9%			Digicel International Finance Ltd., Tranche A,		
Big West Oil, LLC:			2.81%, 3/30/12	1,938	1,855,193
Delayed Advance Loan, 4.50%, 5/15/14	USD 920	878,365	MetroPCS Wireless, Inc., Tranche B Term Loan,		
Initial Advance Loan, 4.50%, 5/15/14	732	698,602	2.50% 2.75%, 11/03/13	1,605	1,505,191
Coffeyville Resources, LLC Tranche D Term Loan,			Ntelos Inc., Term B Advance, 5.75%, 8/07/15	1,250	1,253,125
8.50%, 12/30/13	1,037	1,036,440			4,613,509
Drummond Co., Inc., Term Advance, 1.49%, 2/14/11	950	921,500			
					298,940,865

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Niska Gas Storage Canada ULC, Canadian Term Loan B, 2.00%, 5/12/13	450	428,733	Total Floating Rate Loan Interests 95.7%			
Niska Gas Storage US, LLC: US Term B Loan, 2.00%, 5/12/13	47	45,047				
Wild Goose Acquisition Draw-US Term B, 2.00%, 5/12/13	32	30,514	Foreign Government Obligations			
Vulcan Energy Term Loan B, 5.50%, 9/30/15	1,750	1,760,938	10.25%, 6/17/13	475	585,200	
		5,800,139	Colombia Government International Bond, 3.84%, 3/17/13 (c)(h)	1,200	1,230,000	
Paper & Forest Products 1.0%			Mexican Bonos Series M, 9.00%, 12/22/11	MXN 13,520	1,100,441	
Georgia-Pacific LLC, Term B Loan, 2.28% 2.46%, 12/22/12	3,263	3,136,698	Republic of Venezuela, 1.28%, 4/20/11 (c)(h)	USD 4,000	3,440,000	
Verso Paper Finance Holdings LLC, Loan, 6.73% 7.48%, 2/01/13 (e)	360	120,629	South Africa Government International Bond, 7.38%, 4/25/12	2,400	2,634,000	
		3,257,327	Turkey Government International Bond, 7.00%, 9/26/16	2,735	3,022,175	
			Uruguay Government International Bond, 6.88%, 1/19/16	EUR 950	1,460,979	
Personal Products 0.4%			Total Foreign Government Obligations 4.3%			
American Safety Razor Co., LLC, Loan (Second Lien), 6.54%, 1/30/14	1,525	1,212,375			13,472,795	
Pharmaceuticals 2.3%						
Catalent Pharma Solutions, Inc. (fka Cardinal Health 409, Inc.), Euro Term Loan, 2.68%, 4/15/14	EUR 2,444	3,164,780				Beneficial Interest
Warner Chilcott: Delay Draw Term Loan, 3.78%, 4/12/10	USD 524	524,673	Other Interests (i) (000)			
Term Loan A1, 5.50%, 10/14/14	1,390	1,391,134	Auto Components 0.6%			
Term Loan B1, 5.75%, 3/30/15	695	695,567	Delphi Debtor in Possession Hold Co. LLP Class B			
Term Loan B2, 5.75%, 4/30/15	1,529	1,530,248	Membership Interests	USD 268	1,963,437	
		7,306,402	Diversified Financial Services 0.1%			
Professional Services 0.3%			JG Wentworth LLC Preferred Equity Interests			
				515	434,273	

Schedule of Investments (continued)

BlackRock Floating Rate Income Trust (BGT)

(Percentages shown are based on Net Assets)

Preferred Securities

Preferred Stocks

	Shares	Value	(f) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
--	---------------	--------------	---

Capital Markets

0.0%

Marsico Parent Superholdco, LLC, 16.75% (a)	100 \$	22,500	(g) Convertible security.
---	--------	--------	---------------------------

Total Preferred Securities

0.0%	22,500	(h) Restricted securities as to resale, representing 1.5% of net assets were as follows:
------	--------	--

Acquisition

			Date	Cost	Value
Warrants (j)					
			Issue		
			Colombia Government International Bond,		
			3.84%, 3/17/13	2/15/06	\$ 1,277,303
			Republic of Venezuela,		\$ 1,230,000
			1.28%, 4/20/11	10/26/04	3,860,186
			Total		\$ 5,137,489
					\$ 4,670,000

Chemicals

0.0%

British Vita Holding Co. (non expiring) (a)	166	
---	-----	--

Machinery

0.0%

Synventive Molding Solutions (expires 1/15/13)	2	
--	---	--

Media 0.0%

Cumulus Media Warrants (expires 12/31/19)	2,315	2,176	(i) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
New Vision Holdings LLC (expires 9/30/14)	22,447	224	(j) Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date.
Total Warrants		2,400	
0.0%		2,400	

Total Long-Term Investments

(Cost \$433,669,495)	125.9%	393,951,147
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(k) 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:

			Net	
			Activity	Income
Affiliate				
BlackRock Liquidity Funds, TempFund,				

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**Short-Term
Securities**

BlackRock Liquidity Funds, TempFund,		Institutional Class		\$ 9,320,934	\$ 16,254
Institutional Class, 0.18%					
(k)(l)	9,320,934	9,320,934			

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

**Total
Short-Term
Securities**

**(Cost
\$9,320,934)**

3.0% 9,320,934 For Fund compliance purposes, the Fund 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.

Options

Purchased

Contracts

**Over-the-Counter Call
Options**

Foreign currency exchange contracts as of October 31, 2009 were as follows:

Marsico Parent
Superholdco LLC, expiring
12/21/19

at USD 942.86, Broker
Goldman Sachs Group,
Inc.

Total Options Purchased

(Cost \$25,422) 0.0%

**Total Investments (Cost
\$443,015,851*) 128.9%**

**Liabilities in Excess of
Other Assets (10.1)%**

**Preferred Shares, at
Redemption Value**

(18.8)%

Net Assets Applicable to

Common Shares 100.0%

* The cost and unrealized appreciation (depreciation) of
investments as of October 31,

2009, as computed for federal
income tax purposes, were as follows:

Aggregate
cost

\$ 443,044,301

Gross unrealized
appreciation

\$ 12,539,776

Currency	Currency	Settlement	Unrealized
Purchased	Sold	Counterparty	Date Depreciation
		Citibank	
EUR 248,000	USD 365,155	NA	11/03/09 \$ (186)
		Citibank	
USD 70,188,421	EUR 48,087,500	NA	11/18/09 (576,271)
		Citibank	
USD 268,195	GBP 5,811,500	NA	1/27/10 (65,153)
		Citibank	
USD 38,130	MXN 14,000,000	NA	1/27/10 (9,353)
Total			\$ (650,963)

Credit default swaps on single-name issue buy protection outstanding as of

October 31, 2009 were as follows:

Pay

Notional

Fixed

Counter-

Amount

Unrealized

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Gross unrealized depreciation	(52,305,886)	Issuer	Rate	party	Expiration	(000)	Appreciation
Net unrealized depreciation	\$ (39,766,110)	Ford Motor Co.	5.00%	Deutsche Bank AG	September 2014	USD 275	\$ 4,930

(a) Security exempt from registration under Rule 144A of the Securities Act of 1933.

These securities may be resold in transactions exempt from registration to qualified

institutional investors.

Credit default swaps on single-name issues sold protection outstanding as of October 31, 2009 were as follows:

(b) Non-income producing security.

(c) Variable rate security. Rate shown is as of report date.

Receive	Counter-	Credit	Notional	Unrealized
Fixed			Amount	

(d) Issuer filed for bankruptcy and/or is in default of interest payments.

Issuer	Rate	party	Expiration	Rating¹	(000)²	Depreciation
---------------	-------------	--------------	-------------------	---------------------------	--------------------------	---------------------

(e) Represents a payment-in-kind security which may pay interest/dividends in

additional par/shares.

BAA						
Ferrovial						
Junior						
Term		Deutsche				
Loan	2.00%	Bank AG	March 2012	NR	GPB 1,800 \$	(388,694)

¹ Using Standard & Poor's rating of the issuer.

² The maximum potential amount the Fund may pay should a negative credit event take place as defined under the terms of the agreement.

See Notes to Financial Statements.

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Schedule of Investments (concluded)

BlackRock Floating Rate Income Tru

Credit default swaps on index issue buy protection outstanding as of October 31, 2009 were as follows:

Issuer	Pay		Expiration	Notional Amount (000)	Unrealized Depreciation
	Fixed Rate	Counter-party			
LCDX North America Index Series 12	5.00%	International Credit Suisse	June 2014	USD 465	\$ (65,282)

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 assets and liabilities
- Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or 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

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

Valuation	Inputs	
Level 1		
	Long-Term Investments:	
	Common Stocks	
	Short-Term Securities	
Total Level 1		
Level 2		
	Long-Term Investments:	
	Common Stocks	
	Corporate Bonds	7
	Floating Rate Loan Interests	21
	Foreign Government Obligations	1
	Preferred Securities	
	Warrants	
Total Level 2		30
Level 3		
	Long-Term Investments:	
	Common Stocks	
	Corporate Bonds	
	Floating Rate Loan Interests	8

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circumstances, to the extent observable inputs are not available (including the

Fund's own assumptions 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 Note 1 of the Notes to Financial Statements.

Other Interests	
Warrants	
Total Level 3	8
Total	40

Valuation	Other Financial
Inputs	Instruments
	Assets
Level 1	
Level 2	\$ 11,040
Level 3	1,531
Total	\$ 12,571

1 Other financial instruments are swaps, foreign currency unfunded loan commitments and options. Swaps, foreign contracts and unfunded loan commitments are valued at the ciation/depreciation on the instrument and options are shown

The following is a reconciliation of investments for unobservable inputs (Level 3) used in determining fair value:

	Investments in Securities				
	Common Stocks	Corporate Bonds	Floating Rate Loan Interests	Other Interests	Warrants
Balance, as of October 31, 2008			\$120,800,878	\$ 318	12
Accrued discounts/premiums			103,138		
Realized gain (loss)			(20,210,121)		(20)
Change in unrealized appreciation/depreciation ²			34,906,002	(2,383,496)	(8,051)
Net purchases (sales)			(44,870,950)	2,383,369	8,051
Net transfers in/out of Level 3	\$ 112,485	\$ 288,246	(6,301,874)	2,726,090	224
Balance as of October 31, 2009	\$ 112,485	\$ 288,246	\$ 84,427,073	\$ 2,726,281	224

² Included in the related net change in unrealized appreciation/depreciation on the Statements of Operations.

	Investments in Other Financial Instruments	
	Assets	Liabilities
Balance, as of October 31, 2008		\$ (543,254)
Accrued discounts/premiums		
Realized gain (loss)		
Change in unrealized appreciation/depreciation		154,560
Net purchases (sales)		
Net transfers in/out of Level 3	\$ 1,531	(72,480)
Balance, as of October 31, 2009	\$ 1,531	\$ (461,174)

See Notes to Financial Statements.

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Statements of Assets and Liabilities

	BlackRock Credit Allocation Income Trust I, Inc. (PSW)	BlackRock Credit Allocation Income Trust II, Inc. (PSY)	BlackRock Credit Allocation Income Trust III (BPP)	BlackRock Credit Allocation Income Trust IV (BTZ)	BlackRock Enhanced Capital and Income Fund, Inc. (CII)	BlackRock Floating Rate Income Trust (BGT)
October 31, 2009						
Assets						
						\$
Investments at value unaffiliated ¹	\$ 80,372,818	\$ 399,129,254	\$ 172,356,269	\$ 555,220,835	\$ 604,321,715	393,957,257
Investments at value affiliated ²	33,286,296	41,019,397	51,450,797	267,832,781	24,567,455	9,320,934
Unrealized appreciation on swaps						4,930
Cash			702	320		179,334
Cash collateral pledged for options written					1,228,905	
Cash collateral for swaps				600,000		600,000
Swap premiums paid						102,776
Foreign currency at value ³	424		529	49	7,407	9,337,968
Investments sold receivable	38,531,774	141,858,976	62,124,877	117,670,917	18,280,263	6,625,542
Interest receivable	1,232,806	6,597,165	2,228,881	7,302,689		3,131,832
Dividends receivable	129,555	133,293	58,707	832,499	1,348,426	
Margin variation receivable	26,000	36,719	20,563	197,020		
Income receivable affiliated		204	256	304		341
Swaps receivable						6,893
Principal paydown receivable						2,934
Other assets		52,733	55,181	81,418		124,654
Prepaid expenses	54,878	86,085	41,606	119,075	55,894	127,541
Total assets	153,634,551	588,913,826	288,338,368	949,857,907	649,810,065	423,522,936
Liabilities						
Unrealized depreciation on swaps	168,952	337,904	168,952	675,809		453,976
Unrealized depreciation on unfunded loan commitments						70,949
Unrealized depreciation on foreign currency exchange contracts						650,963
Loan payable						14,000,000

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Options written at value ⁴				166,210	6,377,146	
Reverse repurchase agreements	4,972,041	9,510,590	13,234,688	61,576,368		
Investments purchased payable	12,023,936				24,384,912	35,248,237
Investment advisory fees payable	71,449	303,207	159,933	522,028	469,580	206,219
Income dividends payable Common Shares	36,588	196,712	69,120	550,627		51,113
Swaps payable	6,067	12,133	6,067	24,267		4,317
Interest payable	1,761	3,368	4,687	21,808		40,826
Other affiliates payable	728	3,172	1,636	5,428	3,882	2,224
Officers and Directors fees payable	181	53,660	56,606	82,674	1,287	78,876
Other accrued expenses payable	45,591	109,424	76,539	189,457	111,544	185,052
Other liabilities						845,950
Total liabilities	17,327,294	10,530,170	13,778,228	63,814,676	31,348,351	51,838,702
Preferred Shares at Redemption Value						
\$25,000 per share liquidation preference, plus						
unpaid dividends ^{5,6,7}	40,258,949	169,090,727	70,426,884	231,044,104		58,812,035
Net Assets Applicable to Common Shareholders	\$ 96,048,308	\$ 409,292,929	\$ 204,133,256	\$ 654,999,127	\$ 618,461,714	\$ 312,872,199
Net Assets Applicable to Common Shareholders Consist of						
Paid-in capital ^{8,9,10}	\$ 237,664,112	\$ 942,700,922	\$ 423,649,824	\$ 1,138,011,175	\$ 808,123,162	427,560,397
Undistributed (distributions in excess of) net investment income	636,666	2,088,988	952,028	1,348,832		(397,610)
Accumulated net realized loss	(128,402,541)	(451,276,374)	(187,666,466)	(403,003,336)	(131,729,362)	(73,097,284)
Net unrealized appreciation/depreciation	(13,849,929)	(84,220,607)	(32,802,130)	(81,357,544)	(57,932,086)	(41,193,304)
Net Assets Applicable to Common Shareholders	\$ 96,048,308	\$ 409,292,929	\$ 204,133,256	\$ 654,999,127	\$ 618,461,714	\$ 312,872,199
Net asset value per Common Share	\$ 9.31	\$ 10.03	\$ 11.05	\$ 12.64	\$ 14.40	\$ 13.29
1 Investments at cost unaffiliated						
	\$ 94,148,823	\$ 483,046,802	\$ 205,009,029	\$ 637,401,845	\$ 665,068,380	433,694,917
2 Investments at cost affiliated						
	\$ 33,286,296	\$ 41,019,397	\$ 51,450,797	\$ 267,832,781	\$ 24,567,455	\$ 9,320,934
3 Foreign currency at cost						
	\$ 368		\$ 459	\$ 43	\$ 9,142	\$ 9,386,817
4 Premiums received						
				\$ 828,039	\$ 9,193,459	
5 Preferred Shares par value per share						
	\$ 0.10	\$ 0.10	\$ 0.001	\$ 0.001		\$ 0.001

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⁶ Preferred Shares outstanding	1,610	6,761	2,817	9,240		2,352
⁷ Preferred Shares authorized	5,460	22,000	unlimited	unlimited		unlimited
⁸ Common Shares par value per share	\$ 0.10	\$ 0.10	\$ 0.001	\$ 0.001	\$ 0.10	\$ 0.001
⁹ Common Shares outstanding	10,311,941	40,807,418	18,467,785	51,828,157	42,953,312	23,545,239
¹⁰ Common Shares authorized	199,994,540	199,978,000	unlimited	unlimited	200 million	unlimited

See Notes to Financial Statements.

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REPORT

OCTOBER 31, 2009

Statements of Operations

BlackRock Credit Allocation Income Trust I, Inc.	BlackRock Credit Allocation Income Trust II, Inc.	BlackRock Credit Allocation Income Trust III	BlackRock Credit Allocation Income Trust IV	BlackRock Enhanced Capital and Income Fund, Inc.	BlackRock Floating Rate Income Trust
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Year Ended October 31, 2009