BLACKROCK ENHANCED CAPITAL & INCOME FUND, INC

Form N-Q March 27, 2012 UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM N-Q
QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY
Investment Company Act file number 811-21506
Name of Fund: BlackRock Enhanced Capital and Income Fund, Inc. (CII)
Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809
Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock Enhanced Capital and Income Fund, Inc., 55 East 52 <sup>nd</sup> Street, New York, NY 10055
Registrant's telephone number, including area code: (800) 882-0052, Option 4
Date of fiscal year end: 10/31/2012
Date of reporting period: 01/31/2012
Item 1 – Schedule of Investments

Schedule of Investments January 31, 2012 (Unaudited)

BlackRock Enhanced Capital and Income Fund, Inc. (CII) (Percentages shown are based on Net Assets)

Common Stocks	Shares		Value
Aerospace & Defense 4.9%			
Honeywell International, Inc. (a)	246,200	\$	14,289,448
Northrop Grumman Corp. (a)	143,700		8,341,785
Raytheon Co. (a)	171,000		8,206,290
			30,837,523
Capital Markets 3.0%			
Invesco Ltd. (a)	560,700		12,654,999
Morgan Stanley	326,513		6,089,467
			18,744,466
Chemicals 2.5%			
EI du Pont de Nemours & Co. (a)	308,300		15,689,387
Commercial Banks 1.2%			
Wells Fargo & Co. (a)	255,600		7,466,076
Communications Equipment 0.3%			
Nokia Oyj - ADR (a)	389,100		1,961,064
Diversified Financial Services 3.0%			
Citigroup, Inc. (a)	228,930		7,032,730
JPMorgan Chase & Co. (a)	326,500		12,178,450
			19,211,180
Diversified Telecommunication Services 7.4%			· · ·
AT&T, Inc. (a)	421,800		12,405,138
CenturyLink, Inc. (a)	489,800		18,137,294
Verizon Communications, Inc. (a)	436,200		16,427,292
	,		46,969,724
Electric Utilities 2.9%			- , , -
NextEra Energy, Inc. (a)	126,100		7,547,085
The Southern Co. (a)	232,700		10,601,812
The Southern Col (u)	202,700		18,148,897
Electrical Equipment 2.0%			10,110,057
Emerson Electric Co. (a)	241,400		12,403,132
Energy Equipment & Services 4.4%	211,100		12,103,132
Ensco Plc - ADR (a)	225,900		11,891,376
Halliburton Co. (a)	140,400		5,163,912
Noble Corp. (a)(b)	314,200		10,946,728
11001c Colp. (u)(v)	311,200		28,002,016
Food Products 7.5%			20,002,010
General Mills, Inc. (a)	300,000		11,949,000
Kraft Foods, Inc. (a)	533,000		20,413,900
Unilever NV - ADR (a)	441,900		14,737,365
omeret ive Tibic (a)	111,500		47,100,265
Health Care Equipment & Supplies 1.8%			47,100,203
Medtronic, Inc. (a)	295,600		11,401,292
Household Products 3.1%	273,000		11,401,272
Kimberly-Clark Corp. (a)	272,200		19,478,632
Industrial Conglomerates 2.4%	272,200		17,470,032
General Electric Co. (a)	626,800		11,727,428
Tyco International Ltd. (a)	64,100		3,265,895
1 yeo memanonai Ett. (a)	04,100		14,993,323
			1 1,773,323
Common Stocks	Shares		Value
Insurance 6.8%	2		
ACE Ltd. (a)	215,200	\$	14,977,920
MetLife, Inc. (a)	274,700	Ψ	9,705,151
The Travelers Cos., Inc. (a)	313,200		18,259,560
110 110 2000, 110 (u)	313,200		42,942,631
			72,772,031

IT Services 1.2%		
International Business Machines		
Corp. (a)	38,800	7,472,880
Media 5.6%		
Comcast Corp., Special Class A (a)	598,500	15,255,765
Time Warner, Inc. (a)	412,800	15,298,368
Walt Disney Co. (a)	127,200	4,948,080
		35,502,213
Metals & Mining 2.9%		
Freeport-McMoRan Copper &		
Gold, Inc., Class B (a)	84,000	3,881,640
Nucor Corp. (a)	323,000	14,370,270
		18,251,910
Multi-Utilities 2.0%		
Dominion Resources, Inc. (a)	195,200	9,767,808
Public Service Enterprise Group,		
Inc. (a)	92,900	2,818,586
		12,586,394
Oil, Gas & Consumable Fuels 7.2%		
Chevron Corp. (a)	183,000	18,863,640
Exxon Mobil Corp. (a)	184,800	15,475,152
Marathon Oil Corp. (a)	212,900	6,682,931
Marathon Petroleum Corp. (a)	109,700	4,192,734
		45,214,457
Pharmaceuticals 13.2%		
Bristol-Myers Squibb Co. (a)	646,200	20,833,488
Eli Lilly & Co. (a)	460,300	18,292,322
Johnson & Johnson (a)	130,400	8,594,664
Merck & Co., Inc. (a)	425,900	16,294,934
Pfizer, Inc. (a)	913,000	19,538,200
		83,553,608
Semiconductors & Semiconductor Equipment 9.4%		
Analog Devices, Inc. (a)	401,300	15,702,869
Intel Corp. (a)	624,600	16,501,932
LSI Corp. (a)(b)	1,101,400	8,337,598
Maxim Integrated Products, Inc.		
(a)	709,500	19,042,980
		59,585,379
Software 1.9%		
Microsoft Corp. (a)	406,500	12,003,945
Specialty Retail 3.7%		
Home Depot, Inc. (a)	310,300	13,774,217
Limited Brands, Inc. (a)	226,500	9,481,290
		23,255,507

BLACKROCK ENHANCED CAPITAL AND INCOME FUND, INC. JANUARY 31, 2012

Schedule of Investments (continued)

BlackRock Enhanced Capital and Income Fund, Inc. (CII)
(Percentages shown are based on Net Assets)

Total Long-Term Investments	Shares	Value
(Cost \$650,773,988) 100.3%		\$ 632,775,901
Short-Term Securities		
BlackRock Liquidity Funds,		
TempFund, Institutional Class,	9 222 702	9 222 702
0.15%, (c)(d) Total Short-Term Securities	8,322,793	8,322,793
(Cost \$8,322,793) 1.3%		8,322,793
<b>Total Investments Before Options Written</b>		
(Cost \$659,096,781) 101.6%		641,098,694
Options Written	Contracts	
Exchange-Traded Call Options (1.3)%		
ACE, Ltd.: Strike Price \$67.50, Expires		
2/18/12	400	(125,000)
Strike Price \$70, Expires	100	(123,000)
2/18/12	740	(109,150)
Analog Devices, Inc.:		
Strike Price \$35, Expires 2/18/12	1 115	(470, 450)
Strike Price \$40, Expires	1,115	(479,450)
3/17/12	1,090	(103,550)
Bristol-Myers Squibb Co., Strike Price		
\$34.50, Expires 2/18/12	2,485	(5,572)
CenturyLink, Inc.: Strike Price \$36, Expires		
2/18/12	850	(136,000)
Strike Price \$37, Expires	55 0	(150,000)
2/18/12	850	(76,500)
Citigroup, Inc.:		
Strike Price \$29, Expires 2/18/12	300	(63,750)
Strike Price \$32, Expires	300	(03,730)
3/17/12	500	(59,500)
Comcast Corp., Special Class A:		
Strike Price \$23.25, Expires 2/03/12	1,050	(235,200)
Strike Price \$25.70, Expires	1,030	(233,200)
3/12/12	2,240	(140,024)
E.I. du Pont de Nemours & Co.:		
Strike Price \$46, Expires		(211.55.)
2/18/12 Strike Price \$50, Expires	430	(211,775)
3/17/12	1,265	(232,128)
Eli Lilly & Co.:	1,200	(202,120)
Strike Price \$40, Expires		
2/18/12	1,280	(55,040)
Strike Price \$40, Expires 4/21/12	1,250	(111,875)
1121112	1,230	(111,073)

Emerson Electric Co., Strike Price \$50, Expires 2/18/12

\$50, Expires 2/18/12 845 (164,775)

Options Written	Contracts	Value
Exchange-Traded Call Options (continued)		
Ensco Plc ADR, Strike Price		
\$52.50, Expires 3/17/12	790	\$ (189,600)
ExxonMobil Corp., Strike Price \$85, Expires 4/21/12	340	(68,170)
Freeport-McMoRan Copper & Gold,	340	(00,170)
Inc., Strike Price \$40, Expires		
2/18/12	460	(295,550)
General Electric Co.:		
Strike Price \$17.45, Expires		
2/18/12	1,045	(132,051)
Strike Price \$19, Expires	520	(20, 290)
3/17/12 Strike Price \$19, Expires	320	(20,280)
3/17/12	625	(94,375)
General Mills, Inc., Strike Price \$41,	020	(> 1,5 / 5)
Expires 2/18/12	460	(3,450)
Halliburton Co., Strike Price \$36,		
Expires 2/18/12	385	(62,178)
Home Depot, Inc., Strike Price \$45,	2 220	(244.7(0)
Expires 3/17/12 Honeywell International, Inc.:	2,320	(244,760)
Strike Price \$55, Expires		
2/18/12	720	(235,800)
Strike Price \$57.50, Expires	,20	(200,000)
3/17/12	1,120	(217,280)
Intel Corp., Strike Price \$27, Expires		
3/17/12	2,190	(94,170)
International Business Machines		
Corp., Strike Price \$195, Expires	210	(62.105)
3/17/12 Invesco Ltd., Strike Price \$22.50,	210	(63,105)
Expires 3/17/12	290	(26,100)
JPMorgan Chase & Co., Strike Price	_, _	(==,===)
\$38, Expires 3/17/12	1,140	(139,650)
Kraft Foods, Inc.:		
Strike Price \$37, Expires	<b></b>	(0.7.7.40)
2/18/12	680	(95,540)
Strike Price \$38, Expires 2/18/12	1,990	(119.405)
Limited Brands, Inc., Strike Price	1,990	(118,405)
\$40, Expires 2/18/12	1,700	(382,500)
LSI Corp.:	,	(= = ,= = =)
Strike Price \$6, Expires 2/18/12	1,200	(192,000)
Strike Price \$7, Expires 3/17/12	190	(14,250)
Strike Price \$8, Expires 3/17/12	2,180	(43,600)
Marathon Oil Corp., Strike Price \$33,	745	(40.927)
Expires 3/17/12 Marathon Petroleum Corp., Strike	745	(42,837)
Price \$40, Expires 3/17/12	385	(39,462)
Maxim Integrated Products, Inc.,	363	(37,402)
Strike Price \$28, Expires 3/17/12	3,900	(156,000)
Medtronic, Inc., Strike Price \$36,	,	,
Expires 2/18/12	1,625	(443,625)
Merck & Co., Inc., Strike Price \$39,		
Expires 3/17/12	1,140	(59,280)
MetLife, Inc., Strike Price \$38,	0.00	((0.0(0)
Expires 3/17/12	960	(60,960)

BLACKROCK ENHANCED CAPITAL AND INCOME FUND, INC.

JANUARY 31, 2012

2

## Schedule of Investments (continued)

# BlackRock Enhanced Capital and Income Fund, Inc. (CII) (Percentages shown are based on Net Assets)

Exchange-Traded Call Options (concluded) Microsoft Corp.: Strike Price \$26, Expires	
Strike Price \$26, Expires	
2/18/12 585 \$ (207,6)	675)
Strike Price \$19, Expires 3/17/12 1,140 (115,7	710)
Strike Price \$30, Expires 3/17/12 840 (39,4	480)
NextEra Energy, Inc., Strike Price \$60, Expires 2/18/12 445 (25,5)	587)
Noble Corp.:	
Strike Price \$33, Expires	
2/18/12 885 (187,1	178)
Strike Price \$35, Expires 3/17/12 840 (115,5)	500)
Nokia Oyj ADR:	
	797)
Strike Price \$6, Expires 4/21/12 682 (13,6	540)
Northrop Grumman Corp., Strike	105)
Price \$62.50, Expires 3/17/12 1,075 (13,4)	437)
Nucor Corp.:	
Strike Price \$43, Expires 3/17/12 1,005 (251,7	752)
3/17/12 1,005 (251,7 Strike Price \$43, Expires	133)
4/21/12 125 (37,6	587)
Pfizer, Inc.:	307)
Strike Price \$22, Expires	
	100)
Strike Price \$21, Expires 3/17/12 1,370 (60,9	
Raytheon Co., Strike Price \$47,	,
Expires 2/18/12 1,285 (173,4	475)
Southern Co., Strike Price \$45,	
Expires 2/18/12 880 (51,0	040)
Time Warner, Inc.:	
Strike Price \$34, Expires 2/18/12 870 (278,4	400)
Strike Price \$35, Expires	
2/18/12 870 (200,5	535)
Strike Price \$38, Expires 3/17/12 530 (34,9)	980)
Travelers Cos., Inc., Strike Price \$60, Expires 4/21/12 1,325 (142,4)	438)
Tyco International Ltd., Strike Price \$46, Expires 2/18/12 225 (111,3)	375)
Verizon Communications, Inc., Strike Price \$39, Expires 2/18/12  2,400 (16,8)	800)
Walt Disney Co., Strike Price \$40,	
Expires 2/18/12 700 (39,2	200)
Wells Fargo & Co., Strike Price \$31,	
Expires 3/17/12 900 (33,3	
(8,009,3)	319)

Over-Le-Counter Call Options (0.2)%         Control Call Strict Price \$30.0.2.         Sapines 2015/12, Broker Morgan         Same 2015/12, Broker Morgan Stanley & Co., Broker         Credit Suisses Securities (USA) LLC         20,000         (0,233)         (0,221	Options Written	Contracts	Value
ATAET, Inc., Strike Price \$30.42, Expires 2017-12, Broker Morgan   \$16,000   \$1,00			
Expires 2/15/12, Broker Morgan   Bristol-Myers Squibb Co., Strike Price   Strike Price Squibb Co., Strike Price   Strike Pri	• • • •		
State   Stat			
Bristol-Myers Squibb Co., Strike Price		316,000	\$ (7.835)
\$35.25, Expires 305/12, Broker Centil Suises Securities (USA) LLC Century Link, Inc., Sirike Price \$37.55, Expires 3060/12, Broker Morgan Sturley & Co., Inc. Chevron Copp., Sirike Price \$107.50, Expires 3019/13, Broker UBS Dominion Resources, Inc. Strike Price \$5107.50, Expires 3019/13, Broker UBS Dominion Resources, Inc. Strike Price \$5107.50, Expires Strike Price \$5107.50, Expires 3019/12, Broker Goldman Sachs & Co. Strike Price \$51.22, Expires 2719/12, Broker Goldman Sachs & Co. Strike Price \$51.22, Expires 2729/12, Broker Goldman Sachs & Co. Strike Price \$51.22, Expires 2729/12, Broker Goldman Sachs & Co. Strike Price \$51.22, Expires 2729/12, Broker Goldman Sachs & Co. Strike Price \$51.22, Expires 2729/12, Broker Goldman Sachs & Co. Strike Price \$51.22, Expires 2729/12, Broker Goldman Sachs & Co. Strike Price \$40.20, Expires 2729/12, Broker Goldman Scurlites, Inc. General Mills, Inc.: Strike Price \$40.55, Expires 2723/12 Broker Morgan Sturley & Co., Inc. Strike Price \$40.70, Expires 301/12 Broker Morgan Sturley & Co., Inc. Strike Price \$40.70, Expires 301/12 Broker Morgan Sturley & Co., Inc. Strike Price \$40.70, Expires 301/12 Broker Morgan Sturley & Co., Inc. Strike Price \$40.70, Expires 313/12 Broker Morgan Sturley & Co., Inc. Strike Price \$40.70, Expires 313/12 Broker Morgan Sturley & Co., Inc. Strike Price \$40.70, Expires 313/12 Broker Morgan Sturley & Co., Inc. Strike Price \$30.00, Expires 213/12 Broker Morgan Sturley & Co., Inc. Strike Price \$30.00, Expires 213/12 Broker Morgan Sturley & Co., Inc. Strike Price \$30.00, Expires 313/12 Broker Morgan Sturley & Co., Inc. Strike Price \$30.00, Expires 313/12 Broker Goldman Sachs & Co., Inc. Strike Price \$40.00, Expires 313/12 Broker Goldman Sachs & Co., Inc. Strike Price \$40.00, Expires 313/12 Broker Goldman Sachs & Co., Inc. Strike Price \$40.00, Expires 313/12, Broker Goldman Sachs & Co., Inc., Strike Price 33.96, Expires \$203/12, Broker Credit Suisse Securities (USA) LLC Strike Price \$5.00, Expires 313/12, Broker Goldman Sachs & Co., Inc., Strike Price \$5.		210,000	ψ (7,000)
Credit Suisse Securities (USA) LLC         236,000         (3,233)           Century-Link, Inc., Strike Price         375,55, Expires 306/12, Broker         197,000         (96,221)           Chevron Corp., Strike Price S107.50,         Expires 3715/15, Broker UBS         100,000         (91,888)           Dominion Resources, Inc.:         Strike Price S06.69, Expires         375, Expires Goldman         10,500         (2,815)           Strike Price S51.22, Expires         2729/12, Broker Goldman         10,500         (29,321)           Exxonaboli Corp., Strike Price S51.22, Expires         2729/12, Broker Goldman         67,700         (29,321)           Exxonaboli Corp., Strike Price S51.22, Expires         2729/12, Broker Goldman         67,700         (29,321)           Exxonaboli Corp., Strike Price S51.25, Expires         2729/12, Broker Goldman         67,700         (30,001)           General Mills, Inc.:         5         5         5         5           Strike Price S40.55, Expires         2223/12 Broker Morgan         223/12 Broker Morgan         (52,276)           Straley & Co., Inc.         85,000         (14,858)           Stanley & Co., Inc.         38,500         (75,262)           Invesco Ltd.:         38,500         (75,262)           Invesco Ltd.:         38,500         (14,858)			
Century Link, Inc., Strike Price \$37.55, Expires \$300/12, Broker   197,000   06,221)		236,000	(3.233)
537.5.5. Expires 300/12, Broker         197,000         (96,221)           Morgan Stanley & Co., Inc.         197,000         (96,288)           Chevron Corp., Strike Price \$107.50         100,000         (91,888)           Expires 371.371.3. Broker UBS         100,000         (28,185)           Domition Resources, Inc.:         Strike Price \$50.09, Expires         10,500         (2,815)           Strike Price \$51.22, Expires         229712, Broker Goldman         7,500         (29,221)           Sachs & Co.         97,500         (29,221)           ExxonMobil Corp., Strike Price         88.53, Expires 323712, Broker         80,000         (20,221)           Deutsche Bank Securities, Inc.         67,700         (30,001)         (20,001)	·	230,000	(3,233)
Morgan Stanley & Co., Inc.         197,000         96,221)           Chevron Corp., Strike Price \$107.50,         100,000         91,888)           Expires \$13.13, Broker UBS         100,000         (91,888)           Dominion Resources, Inc.:         ************************************			
Chevron Corp., Srrike Price \$107.50,   50,000		107 000	(06.221)
Expires 3/13/13, Broker UBS   100,000 (91,888)   100,000 (91,889)   100,000 (91,889)   100,000 (91,890)		197,000	(90,221)
Dominion Resources, In.::   Strike Price \$50.69, Expires		100,000	(01 999)
Strike Price \$50.69, Expires         10,500         (2,815)           Stachs & Co.         10,500         (2,815)           Strike Price \$51.22, Expires         279/12, Broker Goldman         (29,321)           Sachs & Co.         97,500         (29,321)           ExxomMobil Corp., Strike Price         \$88.53, Expires 3/23/12, Broker         (30,001)           Deutsche Bank Securities, Inc.         67,700         (30,001)           General Mills, Inc.:         Strike Price \$40,55, Expires         22/23/12 Broker Morgan         (25,276)           Strike Price \$40,55, Expires         29,400         (25,276)           Strike Price \$40,70, Expires         94,000         (25,276)           Strike Price \$40,70, Expires         85,000         (14,858)           Stanley & Co., Inc.         85,000         (14,858)           Hallibutron Co., Strike Price \$36,12,         85,000         (14,858)           Stanley & Co., Inc.         38,500         (75,262)           Invesco Ltd.:         72,000         (185,040)           Strike Price \$20,00, Expires         213/12 Broker Morgan         213/12 Broker Morgan           Stanley & Co., Inc.         95,500         (123,713)           Johnson & Johnson, Strike Price         85,50, Expires 31/31/2, Broker         80,00         (16,		100,000	(71,000)
21312, Broker Goldman			
Sachs & Co.         10,500         (2,815)           Strike Price \$51,22, Expires         2729/12, Broker Goldman         (29,321)           Sachs & Co.         97,500         (29,321)           ExxomMobil Corp., Strike Price         \$88,53, Expires 3/23/12, Broker         (20,000)           S88,53, Expires 3/23/12, Broker         (57,700         (30,001)           General Mills, Inc.:         50,000         (25,276)           Strike Price \$40,55, Expires         2272/12 Broker Morgan         50,000         (25,276)           Strike Price \$40,70, Expires         30/1/12 Broker Morgan         (25,276)           Stanley & Co., Inc.         85,000         (14,858)           Halliburton Co., Strike Price \$36,12,         85,000         (14,858)           Stanley & Co., Inc.         38,500         (75,262)           Invesco Ltd.:         38,500         (75,262)           Invesco Ltd.:         72,000         (185,040)           Strike Price \$20,00, Expires         21/3/12 Broker Morgan         50,000         (185,040)           Strike Price \$21,46, Expires         22/3/12 Broker Morgan         50,000         (123,713)           Johnson & Johnson, Strike Price         95,500         (123,713)           Johnson & Strike Price \$31,31/12, Broker         98,000	·		
Strike Price \$51,22, Expires   2729/12, Broker Goldman   2729/12, Broker Goldman   2729/12, Broker Goldman   2729/12, Broker Goldman   2729/12, Broker   2729/12, Broker Morgan		10.500	(2.915)
22912, Broker Goldman		10,300	(2,813)
Sachs & Co.         97,500         (29,321)           ExxonMobil Corp., Strike Price         S88.33, Expires 3/23/12, Broker         67,700         (30,001)           Deutsche Bank Securities, Inc.         67,700         (30,001)         General Mills, Inc.:         870         (30,001)         General Mills, Inc.:         870         C9,001         C95,276         Strike Price \$40.70, Expires         2223/12 Broker Morgan         85,000         (14,858)         Strike Price \$40.70, Expires         85,000         (14,858)         Halliburton Co., Strike Price \$36.12, Expires 30/51/2, Broker Morgan         85,000         (75,262)         Strike Price \$20.00, Expires 40.70, Expires 30/51/2, Broker Morgan         85,000         (75,262)         Strike Price \$20.00, Expires 20.00, E			
ExxonMobil Corp., Strike Price S88.53, Expires 3/23/12, Broker Deutsche Bank Securities, Inc. (67.700 (30,001) General Mills, Inc.:		07.500	(20.221)
588.53, Expires 3/23/12, Broker         67,700         30,001           Deutsche Bank Securities, Inc.         67,700         30,001           General Mills, Inc.:         1           Strike Price \$40.05, Expires         2         25,276           Stanley & Co., Inc.         94,000         (25,276)           Strike Price \$40.70, Expires         30/1/12 Broker Morgan         1           Stanley & Co., Inc.         85,000         (14,858)           Hallibutron Co., Strike Price \$36.12, Expires 30/512, Broker Morgan         38,500         (75,262)           Stanley & Co., Inc.         38,500         (75,262)           Invesco Ltd.:         38,500         (75,262)           Invesco Ltd.:         38,500         (75,262)           Strike Price \$20.00, Expires         21/31/2 Broker Morgan         2           Stanley & Co., Inc.         72,000         (185,040)           Strike Price \$21.46, Expires         22/31/2 Broker Morgan         2           Stanley & Co., Inc.         95,500         (123,713)           Johnson & Johnson, Strike Price         95,500         (123,713)           Johnson & Johnson, Strike Price         98,000         (116,646)           Kimberly-Clark Corp., Strike Price         98,000         (33,476)		97,300	(29,321)
Deutsche Bank Securities, Inc.   G7,700   G30,001			
General Mills, Inc.:   Strike Price \$40.55, Expires   2723/12 Broker Morgan   Stanley & Co., Inc.   94,000   (25,276)   Strike Price \$40.70, Expires   Stolley & Co., Inc.   94,000   (14,858)   Stanley & Co., Inc.   85,000   (14,858)   Halliburton Co., Strike Price \$36.12,   Expires 3705/12, Broker Morgan   Stanley & Co., Inc.   38,500   (75,262)   Invesco Ltd.:   Strike Price \$20.00, Expires   2713/12 Broker Morgan   Stanley & Co., Inc.   72,000   (185,040)   Strike Price \$20.00, Expires   2713/12 Broker Morgan   Stanley & Co., Inc.   72,000   (185,040)   Strike Price \$21.46, Expires   2723/12 Broker Morgan   Stanley & Co., Inc.   95,500   (123,713)   Johnson & Johnson, Strike Price   S5.50, Expires 3/13/12, Broker   Deutsche Bank Securities, Inc.   98,000   (116,646)   Kimberly-Clark Corp., Strike Price   S74, Expires 3/13/12, Broker   Credit Suisse Securities (USA) LLC   150,000   (33,476)   Kraft Foods, Inc., Strike Price   S37.78, Expires 2/23/12, Broker   Credit Suisse Securities (USA) LLC   133,000   (96,800)   LSI Corp., Strike Price   S37.78, Expires 2/23/12, Broker   Credit Suisse Securities (USA) LLC   133,000   (96,800)   LSI Corp., Strike Price \$33,4, Expires   2713/12, Broker Goldman Sachs   248,500   (305,920)   Merck & Co., Inc., Strike Price   S35.96, Expires 2/03/12, Broker   (276,941)   Prizer, Inc., Strike Price \$35.96, Expires 2/03/12, Broker   (276,941)   Prizer, Inc., Strike Price \$21.59, Expires 2/03/12, Broker   (276,941)   Prizer, Inc., Strike Price \$21.59, Expires 2/03/12, Broker   (276,941)   Prizer, Inc., Strike Price \$21.59, Expires 2/03/12, Broker   (276,941)   Prizer, Inc., Strike Price \$21.59, Expires 2/03/12, Broker   (276,941)   Prizer, Inc., Strike Price \$21.59, Expires 2/03/12, Broker   (276,941)   Prizer, Inc., Strike Price \$21.59, Expires 2/03/12, Broker   (276,941)   Prizer, Inc., Strike Price \$21.59, Expires 2/03/12, Broker   (276,941)   Prizer, Inc., Strike Price \$21.59, Expires 2/03/12, Broker   (276,941)   Prizer, Inc., Strike Price \$21.59, Expires 2/03/12, Broker		67.700	(20,001)
Strike Price \$40.55, Expires       27.3712 Broker Morgan       25.276         Strike Price \$40.70, Expires       3701/12 Broker Morgan       85.000       (14.858)         Stanley & Co., Inc.       85.000       (14.858)         Halliburton Co., Strike Price \$36.12,       85.000       (75.262)         Expires 3/05/12, Broker Morgan       38.500       (75.262)         Invesco Ltd.:       38.500       (75.262)         Strike Price \$20.00, Expires       72.000       (185.040)         Strike Price \$21.46, Expires       72.000       (185.040)         Strike Price \$21.46, Expires       72.000       (185.040)         Strike Price \$21.46, Expires       95.500       (123,713)         Johnson & Johnson, Strike Price       95.500       (123,713)         Johnson & Johnson, Strike Price       98,000       (16,646)         Kimberly-Clark Corp., Strike Price       98,000       (16,646)         Kimberly-Clark Corp., Strike Price       74, Expires 3/13/12, Broker       150,000       (33,476)         Credit Suisse Securities (USA) LLC       150,000       (33,476)       (76,800)       (16,646)         Kraft Foods, Inc., Strike Price       337.78, Expires 2723/12, Broker       133,000       (96,800)       (96,800)       (213,172)       (276,941)       (276,9	·	67,700	(30,001)
223/12 Broker Morgan   94,000 (25,276)     Stanley & Co., Inc.   94,000 (25,276)     Strike Price \$40,70, Expires     3/01/12 Broker Morgan   85,000 (14,858)     Stanley & Co., Inc.   85,000 (14,858)     Stanley & Co., Inc.   85,000 (14,858)     Stanley & Co., Inc.   85,000 (15,262)     Invesco Ltd.:   72,000 (185,040)     Stanley & Co., Inc.   72,000 (185,040)     Strike Price \$20,00, Expires   72,000 (185,040)     Strike Price \$21,46, Expires   72,000 (185,040)     Strike Price \$1,46, Expires   72,000 (183,040)     Strike Price \$1,46, Expires   72,000 (183,040)     Strike Price \$1,46, Expires   72,000 (183,040)     Strike Price \$1,40, Expires			
Stanley & Co., Inc.       94,000       (25,276)         Strike Price \$40,70, Expires       3         3/01/12 Broker Morgan       85,000       (14,858)         Stanley & Co., Inc.       85,000       (14,858)         Hallibutron Co., Strike Price \$36,12,       2         Expires 3/05/12, Broker Morgan       38,500       (75,262)         Stanley & Co., Inc.       38,500       (75,262)         Invesco Ltd.:       3       3       (75,262)         Strike Price \$20.00, Expires       72,000       (185,040)       (185,040)         Stanley & Co., Inc.       72,000       (185,040)       (185,040)         Strike Price \$21.46, Expires       95,500       (123,713)			
Strike Price \$40.70, Expires       3/01/12 Broker Morgan         Stanley & Co., Inc.       85,000       (14,858)         Halliburton Co., Strike Price \$36.12,       Expires 3/05/12, Broker Morgan       38,500       (75,262)         Invesco Ltd.:       Trives Sco., Inc.       38,500       (75,262)         Invesco Ltd.:       Trives Sco., Inc.       38,500       (185,040)         Strike Price \$20,00, Expires       2/13/12 Broker Morgan       Trives Sco., Inc.       72,000       (185,040)         Strike Price \$21.46, Expires       2/23/12 Broker Morgan       Trives Sco., Inc.       72,000       (185,040)         Strike Price \$21.28, Expires \$1/31/12, Broker       95,500       (123,713)         Johnson & Johnson, Strike Price       865.50, Expires 3/13/12, Broker       89,000       (16,646)         Kimberly-Clark Corp., Strike Price       874, Expires 3/13/12, Broker         Credit Suisse Securities (USA) LLC       150,000       (33,476)         Kraft Foods, Inc., Strike Price \$6.34, Expires \$2/31/2, Broker       273/12, Broker Goldman Sachs       8       20,000       (30,59,20)       (20,59,40)	<u> </u>	04.000	(05.07.6)
301/12 Broker Morgan   Stanley & Co., Inc.   S5,000 (14,858)   Stanley & Co., Inc.   S5,000 (14,858)   Stanley & Co., Inc.   S5,000 (75,262)   Stanley & Co., Inc.   S8,500 (75,262)   Stanley & Co., Inc.   Strike Price \$20,00, Expires 2/13/12 Broker Morgan   Stanley & Co., Inc.   Strike Price \$20,00, Expires 2/13/12 Broker Morgan   Stanley & Co., Inc.   S1,000 (185,040)   Strike Price \$21,46, Expires 2/23/12 Broker Morgan   S1,000 (123,713)   S1	•	94,000	(25,276)
Stanley & Co., Inc.       85,000       (14,858)         Hallibutton Co., Strike Price \$36.12,			
Halliburton Co., Strike Price \$36.12, Expires 3/05/12, Broker Morgan  Stanley & Co., Inc.  Strike Price \$20.00, Expires 2/13/12 Broker Morgan  Stanley & Co., Inc.  Strike Price \$20.00, Expires 2/13/12 Broker Morgan  Stanley & Co., Inc.  Strike Price \$21.46, Expires 2/23/12 Broker Morgan  Stanley & Co., Inc.  Strike Price \$21.46, Expires 2/23/12 Broker Morgan  Stanley & Co., Inc.  Strike Price \$21.46, Expires 2/23/12 Broker Morgan  Stanley & Co., Inc.  Strike Price \$65.50, Expires 3/13/12, Broker  Deutsche Bank Securities, Inc.  Credit Suisse Securities (USA) LLC  Kraft Foods, Inc., Strike Price \$37.4, Expires 3/13/12, Broker  Credit Suisse Securities (USA) LLC  LSI Corp., Strike Price \$37.78, Expires 2/23/12, Broker  Credit Suisse Securities (USA) LLC  LSI Corp., Strike Price \$4.50, LC, Strike Price \$4.50, LC, Strike Price \$5.50, Expires 2/23/12, Broker  Credit Suisse Securities (USA) LLC  LSI Corp., Strike Price \$6.34, Expires 2/13/12, Broker Goldman Sachs  & Co.  & Co.  Merck & Co., Inc., Strike Price \$35.96, Expires 2/03/12, Broker  Deutsche Bank Securities, Inc.  Prizer, Inc., Strike Price \$21.59, Expires 3/27/12, Broker Morgan		05.000	(14.050)
Expires 3/05/12, Broker Morgan Stanley & Co., Inc. Invesco Ld.: Strike Price \$20.00, Expires 2/13/12 Broker Morgan Stanley & Co., Inc. Strike Price \$20.00, Expires 2/13/12 Broker Morgan Stanley & Co., Inc. Strike Price \$21.46, Expires 2/23/12 Broker Morgan Stanley & Co., Inc. Strike Price \$21.46, Expires 2/23/12 Broker Morgan Stanley & Co., Inc. Strike Price \$21.46, Expires 2/23/12 Broker Morgan Stanley & Co., Inc. Strike Price \$31.31/12, Broker Sec. Sec. Sec. Sec. Sec. Sec. Sec. Sec.		85,000	(14,858)
Stanley & Co., Inc.   38,500 (75,262)     Invesco Ltd.:			
Invesco Ltd.:   Strike Price \$20.00, Expires   2/13/12 Broker Morgan   Stanley & Co., Inc.   Strike Price \$21.46, Expires   2/23/12 Broker Morgan   Stanley & Co., Inc.   Strike Price \$21.46, Expires   2/23/12 Broker Morgan   Stanley & Co., Inc.   Strike Price \$21.46, Expires   2/23/12 Broker Morgan   Stanley & Co., Inc.   Strike Price \$20.00, Inc.   Strike Price \$31.3/12, Broker   Credit Suisse Securities (USA) LLC   Strike Price \$37.78, Expires 2/23/12, Broker   Credit Suisse Securities (USA) LLC   Strike Price \$6.34, Expires 2/23/12, Broker   Credit Suisse Securities (USA) LLC   Strike Price \$6.34, Expires 2/23/12, Broker     Credit Suisse Securities (USA) LLC   Strike Price \$6.34, Expires 2/23/12, Broker     Credit Suisse Securities (USA) LLC   Strike Price \$6.34, Expires 2/23/12, Broker     Credit Suisse Securities (USA) LLC     Strike Price \$6.34, Expires 2/23/12, Broker     Strike Price \$6.34, Expires 2/2	•	20.500	(75.262)
Strike Price \$20.00, Expires         2/13/12 Broker Morgan       72,000       (185,040)         Strike Price \$21.46, Expires       2/23/12 Broker Morgan         Stanley & Co., Inc.       95,500       (123,713)         Johnson & Johnson, Strike Price       565.50, Expires 3/13/12, Broker       8,000       (116,646)         Deutsche Bank Securities, Inc.       98,000       (116,646)         Kimberly-Clark Corp., Strike Price       \$74, Expires 3/13/12, Broker       150,000       (33,476)         Credit Suisse Securities (USA) LLC       150,000       (33,476)         Kraft Foods, Inc., Strike Price       \$37.78, Expires 2/23/12, Broker       (26,800)         Credit Suisse Securities (USA) LLC       133,000       (96,800)         LSI Corp., Strike Price \$6.34, Expires 2/13/12, Broker       248,500       (305,920)         Merck & Co., Inc., Strike Price \$31,59, Expires 2/03/12, Broker       248,500       (305,920)         Merck & Co., Inc., Strike Price \$21.59, Expires 3/27/12, Broker Morgan       120,200       (276,941)		38,500	(75,262)
2/13/12 Broker Morgan   Stanley & Co., Inc.   72,000 (185,040)			
Stanley & Co., Inc.       72,000       (185,040)         Strike Price \$21,46, Expires       2/23/12 Broker Morgan         Stanley & Co., Inc.       95,500       (123,713)         Johnson & Johnson, Strike Price       \$65.50, Expires 3/13/12, Broker         Deutsche Bank Securities, Inc.       98,000       (116,646)         Kimberly-Clark Corp., Strike Price       \$74, Expires 3/13/12, Broker         Credit Suisse Securities (USA) LLC       150,000       (33,476)         Kraft Foods, Inc., Strike Price       \$37.78, Expires 2/23/12, Broker         Credit Suisse Securities (USA) LLC       133,000       (96,800)         LSI Corp., Strike Price \$6.34, Expires 2/13/12, Broker Goldman Sachs       248,500       (305,920)         & Co.       248,500       (305,920)         Merck & Co., Inc., Strike Price       \$35.96, Expires 2/03/12, Broker       120,200       (276,941)         Pfizer, Inc., Strike Price \$21.59,       Expires 3/27/12, Broker Morgan       120,200       (276,941)			
Strike Price \$21.46, Expires 2/23/12 Broker Morgan Stanley & Co., Inc. 95,500 (123,713) Johnson & Johnson, Strike Price \$65.50, Expires 3/13/12, Broker Deutsche Bank Securities, Inc. 98,000 (116,646) Kimberly-Clark Corp., Strike Price \$74, Expires 3/13/12, Broker Credit Suisse Securities (USA) LLC 150,000 (33,476) Kraft Foods, Inc., Strike Price \$37.78, Expires 2/23/12, Broker Credit Suisse Securities (USA) LLC 133,000 (96,800) LSI Corp., Strike Price \$6.34, Expires 2/13/12, Broker Credit Suisse Securities (USA) LLC 133,000 (96,800) LSI Corp., Strike Price \$6.34, Expires 2/13/12, Broker Goldman Sachs & Co. 248,500 (305,920) Merck & Co., Inc., Strike Price \$35.96, Expires 2/03/12, Broker Deutsche Bank Securities, Inc. 120,200 (276,941) Pfizer, Inc., Strike Price \$21.59, Expires 3/27/12, Broker Morgan		<b>72</b> 000	(105.040)
Stanley & Co., Inc.   95,500 (123,713)	•	/2,000	(185,040)
Stanley & Co., Inc.       95,500       (123,713)         Johnson & Johnson, Strike Price       \$65.50, Expires 3/13/12, Broker       \$8,000       (116,646)         Deutsche Bank Securities, Inc.       98,000       (116,646)         Kimberly-Clark Corp., Strike Price       \$74, Expires 3/13/12, Broker       \$150,000       (33,476)         Credit Suisse Securities (USA) LLC       150,000       (33,476)         Kraft Foods, Inc., Strike Price       \$37.78, Expires 2/23/12, Broker       \$9,800       \$1,800         Credit Suisse Securities (USA) LLC       133,000       \$96,800       \$1,800         LSI Corp., Strike Price \$6.34, Expires       \$2,800       \$35,900       \$35,920         Merck & Co., Inc., Strike Price       \$35.96, Expires 2/03/12, Broker       \$248,500       \$35,920         Merck & Co., Inc., Strike Price \$31.59, Expires 2/03/12, Broker       \$120,200       \$276,941         Pfizer, Inc., Strike Price \$21.59, Expires 3/27/12, Broker Morgan       \$120,200       \$35,941			
Johnson & Johnson, Strike Price \$65.50, Expires 3/13/12, Broker  Deutsche Bank Securities, Inc.  Kimberly-Clark Corp., Strike Price \$74, Expires 3/13/12, Broker  Credit Suisse Securities (USA) LLC  Kraft Foods, Inc., Strike Price \$37.78, Expires 2/23/12, Broker  Credit Suisse Securities (USA) LLC  LSI Corp., Strike Price \$6.34, Expires 2/13/12, Broker Goldman Sachs & Co.  Merck & Co., Inc., Strike Price \$35.96, Expires 2/03/12, Broker  Deutsche Bank Securities, Inc.  Pfizer, Inc., Strike Price \$21.59, Expires 3/27/12, Broker Morgan		05.500	(100.710)
\$65.50, Expires 3/13/12, Broker  Deutsche Bank Securities, Inc.  Kimberly-Clark Corp., Strike Price \$74, Expires 3/13/12, Broker  Credit Suisse Securities (USA) LLC  Kraft Foods, Inc., Strike Price \$37.78, Expires 2/23/12, Broker  Credit Suisse Securities (USA) LLC  LSI Corp., Strike Price \$6.34, Expires 2/13/12, Broker Goldman Sachs  & Co.  Merck & Co., Inc., Strike Price \$35.96, Expires 2/03/12, Broker  Deutsche Bank Securities, Inc.  Pfizer, Inc., Strike Price \$21.59, Expires 3/27/12, Broker Morgan	·	95,500	(123,/13)
Deutsche Bank Securities, Inc. 98,000 (116,646) Kimberly-Clark Corp., Strike Price \$74, Expires 3/13/12, Broker Credit Suisse Securities (USA) LLC 150,000 (33,476) Kraft Foods, Inc., Strike Price \$37.78, Expires 2/23/12, Broker Credit Suisse Securities (USA) LLC 133,000 (96,800) LSI Corp., Strike Price \$6.34, Expires 2/13/12, Broker Goldman Sachs & Co. 248,500 (305,920) Merck & Co., Inc., Strike Price \$35.96, Expires 2/03/12, Broker Deutsche Bank Securities, Inc. 120,200 (276,941) Pfizer, Inc., Strike Price \$21.59, Expires 3/27/12, Broker Morgan	, ,		
Kimberly-Clark Corp., Strike Price \$74, Expires 3/13/12, Broker Credit Suisse Securities (USA) LLC Kraft Foods, Inc., Strike Price \$37.78, Expires 2/23/12, Broker Credit Suisse Securities (USA) LLC \$133,000 (96,800) LSI Corp., Strike Price \$6.34, Expires 2/13/12, Broker Goldman Sachs & Co.  Merck & Co., Inc., Strike Price \$35.96, Expires 2/03/12, Broker Deutsche Bank Securities, Inc. Pfizer, Inc., Strike Price \$21.59, Expires 3/27/12, Broker Morgan		00.000	(116.646)
\$74, Expires 3/13/12, Broker Credit Suisse Securities (USA) LLC Kraft Foods, Inc., Strike Price \$37.78, Expires 2/23/12, Broker Credit Suisse Securities (USA) LLC LSI Corp., Strike Price \$6.34, Expires 2/13/12, Broker Goldman Sachs & Co. Merck & Co., Inc., Strike Price \$35.96, Expires 2/03/12, Broker Deutsche Bank Securities, Inc. Pfizer, Inc., Strike Price \$21.59, Expires 3/27/12, Broker Morgan  \$ 150,000 (33,476)  \$ (33,476) \$ (33,476) \$ (33,476) \$ (96,800)  \$ (96,800) \$ (248,500 (305,920)  \$ (276,941) \$ (276,941) \$ (276,941)	•	98,000	(116,646)
Credit Suisse Securities (USA) LLC       150,000       (33,476)         Kraft Foods, Inc., Strike Price       \$37.78, Expires 2/23/12, Broker         Credit Suisse Securities (USA) LLC       133,000       (96,800)         LSI Corp., Strike Price \$6.34, Expires         2/13/12, Broker Goldman Sachs       248,500       (305,920)         Merck & Co., Inc., Strike Price       \$35.96, Expires 2/03/12, Broker         Deutsche Bank Securities, Inc.       120,200       (276,941)         Pfizer, Inc., Strike Price \$21.59,         Expires 3/27/12, Broker Morgan			
Kraft Foods, Inc., Strike Price \$37.78, Expires 2/23/12, Broker Credit Suisse Securities (USA) LLC LSI Corp., Strike Price \$6.34, Expires 2/13/12, Broker Goldman Sachs & Co. Merck & Co., Inc., Strike Price \$35.96, Expires 2/03/12, Broker Deutsche Bank Securities, Inc. Pfizer, Inc., Strike Price \$21.59, Expires 3/27/12, Broker Morgan	•	150,000	(22.476)
\$37.78, Expires 2/23/12, Broker Credit Suisse Securities (USA) LLC LSI Corp., Strike Price \$6.34, Expires 2/13/12, Broker Goldman Sachs & Co. Merck & Co., Inc., Strike Price \$35.96, Expires 2/03/12, Broker Deutsche Bank Securities, Inc. Pfizer, Inc., Strike Price \$21.59, Expires 3/27/12, Broker Morgan		150,000	(33,476)
Credit Suisse Securities (USA) LLC       133,000       (96,800)         LSI Corp., Strike Price \$6.34, Expires       2/13/12, Broker Goldman Sachs         & Co.       248,500       (305,920)         Merck & Co., Inc., Strike Price       \$35.96, Expires 2/03/12, Broker         Deutsche Bank Securities, Inc.       120,200       (276,941)         Pfizer, Inc., Strike Price \$21.59,         Expires 3/27/12, Broker Morgan			
LSI Corp., Strike Price \$6.34, Expires  2/13/12, Broker Goldman Sachs  & Co. 248,500 (305,920)  Merck & Co., Inc., Strike Price  \$35.96, Expires 2/03/12, Broker  Deutsche Bank Securities, Inc. 120,200 (276,941)  Pfizer, Inc., Strike Price \$21.59,  Expires 3/27/12, Broker Morgan		122 000	(0(,000)
2/13/12, Broker Goldman Sachs & Co. 248,500 (305,920)  Merck & Co., Inc., Strike Price \$35.96, Expires 2/03/12, Broker  Deutsche Bank Securities, Inc. 120,200 (276,941)  Pfizer, Inc., Strike Price \$21.59,  Expires 3/27/12, Broker Morgan	•	133,000	(90,800)
& Co. 248,500 (305,920)  Merck & Co., Inc., Strike Price \$35.96, Expires 2/03/12, Broker  Deutsche Bank Securities, Inc. 120,200 (276,941)  Pfizer, Inc., Strike Price \$21.59,  Expires 3/27/12, Broker Morgan	•		
Merck & Co., Inc., Strike Price \$35.96, Expires 2/03/12, Broker  Deutsche Bank Securities, Inc.  Pfizer, Inc., Strike Price \$21.59,  Expires 3/27/12, Broker Morgan	,	249.500	(205.020)
\$35.96, Expires 2/03/12, Broker  Deutsche Bank Securities, Inc.  Pfizer, Inc., Strike Price \$21.59,  Expires 3/27/12, Broker Morgan		248,500	(303,920)
Deutsche Bank Securities, Inc. 120,200 (276,941) Pfizer, Inc., Strike Price \$21.59, Expires 3/27/12, Broker Morgan			
Pfizer, Inc., Strike Price \$21.59, Expires 3/27/12, Broker Morgan		120,200	(07( 041)
Expires 3/27/12, Broker Morgan		120,200	(2/6,941)
Stanley & Co., Inc. $(68,671)$	•	225 000	((0 (71)
	Statilety & Co., file.	223,000	(08,071)

BLACKROCK ENHANCED CAPITAL AND INCOME FUND, INC.

JANUARY 31, 2012

3

Schedule of Investments (continued)

BlackRock Enhanced Capital and Income Fund, Inc. (CII)
(Percentages shown are based on Net Assets)

	Contracts		Value
Options Written			
Over-the-Counter Call Options (concluded)			
Public Service Enterprise Group, Inc.,			
Strike Price \$30.80, Expires			
3/23/12, Broker Deutsche Bank			
Securities, Inc.	51,000	\$	(23,256)
Southern Co., Strike Price \$45.41,			
Expires 4/10/12, Broker Goldman			
Sachs & Co.	86,000		(53,621)
Travelers Cos., Inc., Strike Price			
\$60.59, Expires 3/05/12, Broker			
Bank of America NA	40,000		(11,627)
Unilever NV - ADR:			
Strike Price \$34.75, Expires			
2/13/12, Broker Morgan			
Stanley & Co., Inc.	55,000		(6,527)
Strike Price \$33.20, Expires			
3/26/12, Broker Morgan			
Stanley & Co., Inc.	100,000		(88,291)
			(1,767,239)
Total Options Written			
(Premiums Received \$8,591,620) (1.5)%			(9,776,558)
Total Investments, Net of Outstanding Options Written			(21 222 126
100.1%			631,322,136
Liabilities in Excess of Other Assets (0.1)%		¢	(395,756)
Net Assets 100.0%		\$	630,926,380

<sup>\*</sup> As of January 31, 2012, gross unrealized appreciation and gross unrealized depreciation based on cost for federal income tax purposes were as follows:

Tax cost	\$ 705,645,966
Gross unrealized appreciation	\$ 11,603,569
Gross unrealized depreciation	(76,150,841)
Net unrealized depreciation	\$ (64,547,272)

- (a) All or a portion of security has been pledged/segregated as collateral in connection with outstanding options written.
- (b) Non-income producing security.
- (c) Investments in companies considered to be an affiliate of the Fund during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

	Shares	Shares		
	Held at		Held at	
	October 31,	Net	January 31,	
Affiliate	2011	Activity	2012	Income

BlackRock Liquidity Funds, TempFund,

Institutional Class 2,617,964 5,704,829 8,322,793 3,850

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

#### **Portfolio Abbreviation**

#### **ADR** American Depositary Receipts

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 rating group indexes, and/or as defined by Fund management. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

Fair Value Measurements - Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are categorized into a disclosure hierarchy consisting of three broad levels for financial reporting purposes as follows:

unadjusted 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 circumstances, to the extent observable inputs are not available (including the Fund s own assumptions used in determining the fair value of investments and derivative financial instruments)

BLACKROCK ENHANCED CAPITAL AND INCOME FUND, INC.

JANUARY 31, 2012

4

#### Schedule of Investments (concluded)

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

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instruments and does not necessarily correspond to the Fund s perceived risk of investing in those securities. For information about the Fund s policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to the Fund s most recent financial statements as contained in its annual report.

The following tables summarize the inputs used as of January 31, 2012 in determining the fair valuation of the Fund s investments and derivative financial instruments:

Valuation Inputs	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments <sup>1</sup>	\$ 632,775,901			\$ 632,775,901
Short-Term Securities	8,322,793			8,322,793
Total	\$ 641,098,694			\$ 641,098,694

See above Schedule of Investments for values in each industry.

v aiuation				
Inputs	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments <sup>2</sup>				
Liabilities:				
Equity Contracts	\$ (7,402,097)	\$ (2,374,461)		\$ (9,776,558)

Derivative financial instruments are options, which are shown at value.

BLACKROCK ENHANCED CAPITAL AND INCOME FUND, INC.

JANUARY 31, 2012

#### Item 2 - Controls and Procedures

- 2(a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.
- 2(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

#### Item 3 - Exhibits

Certifications - Attached hereto

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

BlackRock Enhanced Capital and Income Fund, Inc.

By: /s/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock Enhanced Capital and Income Fund, Inc.

Date: March 23, 2012

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

By: /s/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock Enhanced Capital and Income Fund, Inc.

Date: March 23, 2012

By: /s/ Neal J. Andrews
Neal J. Andrews
Chief Financial Officer (principal financial officer) of
BlackRock Enhanced Capital and Income Fund, Inc.

Date: March 23, 2012