

TEMPLETON GLOBAL INCOME FUND
Form N-Q
January 26, 2007

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF
REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-05459

TEMPLETON GLOBAL INCOME FUND

(Exact name of registrant as specified in charter)

500 EAST BROWARD BLVD., SUITE 2100, FORT LAUDERDALE, FL 33394-3091

(Address of principal executive offices) (Zip code)

CRAIG S. TYLE, ONE FRANKLIN PARKWAY, SAN MATEO, CA 94403-1906

(Name and address of agent for service)

Registrant's telephone number, including area code: (954) 527-7500

Date of fiscal year end: 08/31

Date of reporting period: 11/30/06

ITEM 1. SCHEDULE OF INVESTMENTS.

Templeton Global Income Fund

QUARTERLY STATEMENT OF INVESTMENTS
NOVEMBER 30, 2006

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[LOGO] (R)
FRANKLIN TEMPLETON
INVESTMENTS

Franklin o TEMPLETON o Mutual Series

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Templeton Global Income Fund

STATEMENT OF INVESTMENTS, NOVEMBER 30, 2006 (UNAUDITED)

| | PRINCIPAL AMOUNT c | | |
|--|--------------------|---|-----|
| LONG TERM INVESTMENTS 94.2% | | | |
| BONDS 93.1% | | | |
| ARGENTINA 2.7% | | | |
| a,b Government of Argentina, FRN, 5.59%, 8/03/12 | 45,600,000 | | |
| AUSTRALIA 3.3% | | | |
| New South Wales Treasury Corp., | | | |
| 8.00%, 3/01/08 | 6,200,000 | | AUD |
| 6.00%, 5/01/12 | 10,200,000 | | AUD |
| Queensland Treasury Corp., | | | |
| 6.00%, 7/14/09 | 4,100,000 | | AUD |
| 6.00%, 8/14/13 | 29,100,000 | | AUD |
| BRAZIL 3.6% | | | |
| Nota Do Tesouro Nacional, | | | |
| 9.762%, 1/01/10 | 14,000 | i | BRL |
| 9.762%, 1/01/12 | 47,500 | i | BRL |
| 9.762%, 1/01/14 | 15,000 | i | BRL |
| Index Linked, 6.00%, 11/15/09 | 8,700 | i | BRL |
| Index Linked, 6.00%, 5/15/15 | 9,400 | i | BRL |
| CANADA 7.5% | | | |
| Government of Canada, 7.25%, 6/01/07 | 26,000,000 | | CAD |
| Province of Alberta, 5.00%, 12/16/08 | 28,530,000 | | CAD |
| Province of British Columbia, | | | |
| 5.25%, 12/01/06 | 7,815,000 | | CAD |
| 6.00%, 6/09/08 | 7,000,000 | | CAD |
| Province of Manitoba, 6.375%, 9/01/15 | 14,800,000 | | NZD |
| Province of Ontario, | | | |
| 6.125%, 9/12/07 | 8,255,000 | | CAD |
| 3.875%, 3/08/08 | 6,800,000 | | CAD |
| 6.25%, 6/16/15 | 8,460,000 | | NZD |
| GERMANY 4.5% | | | |
| KfW Bankengruppe, | | | |
| 8.25%, 9/20/07 | 1,509,000,000 | | ISK |
| a FRN, 0.23%, 8/08/11 | 3,800,000,000 | | JPY |

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INDONESIA 7.9%

Government of Indonesia,

| | | |
|------------------------|-----------------|-----|
| 11.00%, 10/15/14 | 55,000,000,000 | IDR |
| 9.50%, 6/15/15 | 33,050,000,000 | IDR |
| 10.75%, 5/15/16 | 82,245,000,000 | IDR |
| 11.50%, 9/15/19 | 23,000,000,000 | IDR |
| 11.00%, 11/15/20 | 359,100,000,000 | IDR |

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Templeton Global Income Fund

STATEMENT OF INVESTMENTS, NOVEMBER 30, 2006 (UNAUDITED) (CONTINUED)

PRINCIPAL AMOUNT c

LONG TERM INVESTMENTS (CONTINUED)

BONDS (CONTINUED)

INDONESIA (CONTINUED)

Indonesia Recapital Bonds,

| | | |
|-------------------------|-----------------|-----|
| 13.15%, 3/15/10 | 21,330,000,000 | IDR |
| 15.425%, 9/15/10 | 4,800,000,000 | IDR |
| 13.15%, 1/15/12 | 33,200,000,000 | IDR |
| 14.25%, 6/15/13 | 84,050,000,000 | IDR |
| 14.275%, 12/15/13 | 126,836,000,000 | IDR |

IRAQ 1.1%

| | | |
|---|------------|--|
| d Government of Iraq, Reg S, 5.80%, 1/15/28 | 20,050,000 | |
|---|------------|--|

MALAYSIA 2.2%

Government of Malaysia,

| | | |
|------------------------|------------|-----|
| 6.90%, 3/15/07 | 3,000,000 | MYR |
| 8.60%, 12/01/07 | 14,085,000 | MYR |
| 3.135%, 12/17/07 | 2,925,000 | MYR |
| 4.305%, 2/27/09 | 75,200,000 | MYR |

MEXICO 1.0%

| | | |
|--|-----------|-------|
| Government of Mexico, 10.00%, 12/05/24 | 1,117,000 | j MXN |
|--|-----------|-------|

NEW ZEALAND 1.0%

| | | |
|--|------------|-----|
| Government of New Zealand, 6.00%, 11/15/11 | 18,273,000 | NZD |
|--|------------|-----|

NORWAY 4.5%

| | | |
|--|-------------|-----|
| Government of Norway, 6.75%, 1/15/07 | 332,407,000 | NOK |
|--|-------------|-----|

PERU 3.4%

Government of Peru,

| | | |
|--|------------|-----|
| 7.84%, 8/12/20 | 47,200,000 | PEN |
| Series 7, 8.60%, 8/12/17 | 61,545,000 | PEN |
| Peru Bond Soberano, 9.91%, 5/05/15 | 6,500,000 | PEN |

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| | | |
|---|------------|-----|
| PHILIPPINES 0.8% | | |
| d Government of the Philippines, Reg S, 9.125%, 2/22/10 | 6,570,000 | EUR |
| POLAND 8.0% | | |
| Government of Poland, | | |
| 8.50%, 5/12/07 | 68,700,000 | PLN |
| 5.75%, 6/24/08 | 43,900,000 | PLN |
| 6.00%, 5/24/09 | 65,250,000 | PLN |
| 5.75%, 9/23/22 | 90,500,000 | PLN |
| SINGAPORE 3.0% | | |
| Government of Singapore, 4.00%, 3/01/07 | 55,475,000 | SGD |

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Templeton Global Income Fund

STATEMENT OF INVESTMENTS, NOVEMBER 30, 2006 (UNAUDITED) (CONTINUED)

| | PRINCIPAL AMOUNT | c |
|--|------------------|-----|
| LONG TERM INVESTMENTS (CONTINUED) | | |
| BONDS (CONTINUED) | | |
| SLOVAK REPUBLIC 4.6% | | |
| Government of Slovakia, | | |
| 4.80%, 4/14/09 | 298,100,000 | SKK |
| 7.50%, 3/13/12 | 84,000,000 | SKK |
| 4.90%, 2/11/14 | 53,300,000 | SKK |
| 5.30%, 5/12/19 | 50,200,000 | SKK |
| e Strip, 1/14/07 | 989,000,000 | SKK |
| SOUTH KOREA 12.8% | | |
| Government of Korea, | | |
| 6.15%, 7/10/07 | 10,000,000,000 | KRW |
| 5.77%, 10/09/07 | 39,640,000,000 | KRW |
| 6.90%, 1/16/07 | 41,010,000,000 | KRW |
| 4.75%, 3/03/07 | 3,950,000,000 | KRW |
| 4.75%, 3/12/08 | 8,075,000,000 | KRW |
| 4.50%, 9/09/08 | 12,000,000,000 | KRW |
| 4.25%, 9/10/08 | 27,900,000,000 | KRW |
| SUPRANATIONAL f 3.6% | | |
| European Investment Bank, | | |
| 2.125%, 9/20/07 | 1,600,000,000 | JPY |
| a senior note, FRN, 0.33%, 9/21/11 | 2,000,000,000 | JPY |
| Inter-American Development Bank, | | |

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| | | |
|---|---------------|-----|
| 9.00%, 1/04/07 | 560,000,000 | ISK |
| 6.00%, 12/15/17 | 6,000,000 | NZD |
| | | |
| SWEDEN 8.2% | | |
| Government of Sweden, | | |
| 8.00%, 8/15/07 | 554,665,000 | SEK |
| 6.50%, 5/05/08 | 100,400,000 | SEK |
| | | |
| THAILAND 6.0% | | |
| Bank of Thailand Bond, 3.25%, 5/19/07 | | |
| | 407,690,000 | THB |
| Government of Thailand, | | |
| 8.00%, 12/08/06 | 1,453,680,000 | THB |
| 5.60%, 7/07/07 | 499,730,000 | THB |
| 4.125%, 2/12/08 | 178,700,000 | THB |
| 8.50%, 12/08/08 | 31,000,000 | THB |
| | | |
| UNITED STATES 3.4% | | |
| Federal National Mortgage Association, | | |
| 2.125%, 10/09/07 | 4,020,000,000 | JPY |
| 1.75%, 3/26/08 | 660,000,000 | JPY |
| | | |
| TOTAL BONDS (COST \$1,011,930,432) | | |

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Templeton Global Income Fund

STATEMENT OF INVESTMENTS, NOVEMBER 30, 2006 (UNAUDITED) (CONTINUED)

| | | PRINCIPAL AMOUNT ^c |
|--|-------------|-------------------------------|
| ----- | | |
| LONG TERM INVESTMENTS (CONTINUED) | | |
| WARRANTS (COST \$9,600,575) 1.1% | | |
| ARGENTINA | | |
| g Government of Argentina, wts., 12/15/35 | 63,200,000 | |
| g Government of Argentina, wts., 12/15/35 | 30,370,000 | EUR |
| | | |
| TOTAL LONG TERM INVESTMENTS (COST \$1,021,531,007) | | |
| | | |
| SHORT TERM INVESTMENTS 3.3% | | |
| GOVERNMENT AND AGENCY SECURITIES 3.3% | | |
| EGYPT 2.4% | | |
| e Egypt Treasury Bills, 12/05/06 - 11/20/07 | 172,300,000 | EGP |

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| | | |
|--|-------------|-----|
| SWEDEN 0.4% | | |
| e Swedish Treasury Bill, 12/19/07 | 31,580,000 | SEK |
| | | |
| THAILAND 0.5% | | |
| e Thailand Treasury Bills, 4/05/07 - 5/03/07 | 235,640,000 | THB |
| | | |
| TOTAL SHORT TERM INVESTMENTS (COST \$38,676,357) | | |
| | | |
| TOTAL INVESTMENTS (COST \$1,060,207,364) 97.5% | | |
| NET UNREALIZED LOSS ON FORWARD EXCHANGE CONTRACTS (0.0)% h | | |
| OTHER ASSETS, LESS LIABILITIES 2.5% | | |
| | | |
| NET ASSETS 100.0% | | |

6 | Quarterly Statement of Investments

Templeton Global Income Fund

STATEMENT OF INVESTMENTS, NOVEMBER 30, 2006 (UNAUDITED) (CONTINUED)

CURRENCY ABBREVIATIONS

AUD - Australian Dollar
 BRL - Brazil Real
 CAD - Canadian Dollar
 EGP - Egyptian Pound
 EUR - Euro
 IDR - Indonesian Rupiah
 ISK - Iceland Krona
 JPY - Japanese Yen
 KRW - South Korean Won
 MXN - Mexican Peso
 MYR - Malaysian Ringgit
 NOK - Norwegian Krone
 NZD - New Zealand Dollar
 PEN - Peruvian Nuevo Sol
 PLN - Polish Zloty
 SEK - Swedish Krona
 SGD - Singapore Dollar
 SKK - Slovak Koruna
 THB - Thailand Baht

SELECTED PORTFOLIO ABBREVIATION

FRN - Floating Rate Note

- a The coupon rate shown represents the rate at period end.
- b The principal amount is stated in original face, and scheduled paydowns are reflected in the market price on ex-date.
- c The principal amount is stated in U.S. dollars unless otherwise indicated.
- d Security was purchased pursuant to Regulation S under the Securities Act of 1933, which exempts from registration securities offered and sold outside of the United States. Such a security cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from

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registration. These securities have been deemed liquid under guidelines approved by the Fund's Board of Trustees. At November 30, 2006, the aggregate value of these securities was \$22,985,556, representing 1.91% of net assets.

- e The security is traded on a discount basis with no stated coupon rate.
- f A supranational organization is an entity formed by two or more central governments through international treaties.
- g Warrants are linked to the Argentine Republic Gross Domestic Product (GDP) and do not pay principal over life of security or at expiration. Warrants entitle the holder to receive only variable income payments, subject to certain conditions, which are based on growth of the Argentine GDP and the principal or "notional" value of these GDP linked warrants.
- h Rounds to less than 0.1% of net assets.
- i Principal is stated in 100 Real units.
- j Principal is stated in 100 Peso units.

Quarterly Statement of Investments | See Notes to Statement of Investments. | 7

Templeton Global Income Fund

NOTES TO STATEMENT OF INVESTMENTS (UNAUDITED)

Templeton Global Income Fund (the Fund) is registered under the Investment Company Act of 1940 as a non-diversified, closed-end investment company.

1. INCOME TAXES

At November 30, 2006, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

| | | | |
|--|----|-----------------|-------|
| Cost of investments | | \$1,085,242,560 | |
| | | ----- | |
| Unrealized appreciation | \$ | 91,161,189 | |
| Unrealized depreciation | | (4,394,452) | |
| | | ----- | |
| Net unrealized appreciation (depreciation) | \$ | 86,766,737 | ===== |

2. FORWARD EXCHANGE CONTRACTS

At November 30, 2006, the Fund had the following forward exchange contracts outstanding:

| CONTRACTS TO BUY | | CONTRACT AMOUNT a | | SETTLEMENT DATE | UNREALIZED GAIN (LOSS) |
|------------------|----------------------|----------------------|-----|--------------------|---------------------------|
| 2,950,000,000 | Korean Won | 4,130,154 | NZD | 12/06/06 | \$ 350,351 |
| 117,100,000 | Thailand Baht | 4,104,092 | NZD | 12/06/06 | 456,017 |
| 7,000,000 | Brazilian Real | 2,941,794 | | 1/04/07 | 270,111 |

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| | | | | | |
|---------------|----------------------|------------|-----|---------|--------------|
| 7,434,000 | Brazilian Real | 2,950,000 | | 2/28/07 | 428,170 |
| 5,394,000 | Romania Leu | 1,450,000 | EUR | 3/28/07 | 133,498 |
| 21,335,300 | Romania Leu | 5,800,000 | EUR | 4/23/07 | 415,751 |
| 1,350,000,000 | Japanese Yen | 11,677,322 | | 7/17/07 | 330,573 |
| | | | | | \$ 2,384,471 |

| CONTRACTS TO SELL | | CONTRACT AMOUNT a | | SETTLEMENT DATE | UNREALIZED GAIN (LOSS) |
|---|--------------------|----------------------|-----|--------------------|---------------------------|
| 52,217,395 | Mexican Peso | 2,562,829,758 | CLP | 8/16/07 | \$ 166,320 |
| 36,225,716 | Mexican Peso | 1,767,670,025 | CLP | 8/20/07 | 96,479 |
| 29,507,162 | Mexican Peso | 1,414,986,459 | CLP | 9/12/07 | 34,446 |
| 11,063,812 | Mexican Peso | 527,411,931 | CLP | 9/14/07 | 7,068 |
| | | | | | 304,313 |
| UNREALIZED GAIN ON FORWARD EXCHANGE CONTRACTS | | | | | \$ 2,688,784 |

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Templeton Global Income Fund

NOTES TO STATEMENT OF INVESTMENTS (UNAUDITED) (CONTINUED)

2. FORWARD EXCHANGE CONTRACTS (CONTINUED)

| CONTRACTS TO BUY | | CONTRACT AMOUNT a | | SETTLEMENT DATE | UNREALIZED GAIN (LOSS) |
|------------------|--------------------|----------------------|-----|--------------------|---------------------------|
| 1,937,371,200 | Japanese Yen | 17,700,000 | | 2/09/07 | \$ (800,427) |
| 1,280,000,000 | Japanese Yen | 11,949,216 | | 2/13/07 | (778,447) |
| 228,082,050 | Japanese Yen | 2,135,000 | | 2/22/07 | (142,320) |
| 543,250,000 | Japanese Yen | 5,000,000 | | 3/05/07 | (247,355) |
| 225,000,000 | Indian Rupee | 7,995,736 | NZD | 3/21/07 | (421,133) |
| 128,800,000 | Japanese Yen | 1,150,000 | | 4/19/07 | (16,765) |
| 345,000,000 | Japanese Yen | 3,077,060 | | 6/27/07 | (15,656) |
| 223,340,000 | Japanese Yen | 2,000,000 | | 9/04/07 | (1,999) |
| 407,775,000 | Indian Rupee | 13,626,865 | NZD | 10/29/07 | (141,579) |
| 285,000,000 | Indian Rupee | 9,773,663 | NZD | 10/30/07 | (265,774) |
| | | | | | \$ (2,831,455) |

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| CONTRACTS TO SELL | CONTRACT AMOUNT a | SETTLEMENT DATE | UNREALIZED GAIN (LOSS) |
|------------------------------------|-------------------|--|------------------------|
| 117,100,000 Thailand Baht | 4,710,378 NZD | 12/06/06 | \$ (41,413) |
| 2,470,410 Euro | 348,994,821 JPY | 3/06/07 | (232,317) |
| 16,563,648 New Zealand Dollar | 495,418,717 INR | 7/27/07 | (200,132) |
| | | | ----- |
| | | | (473,862) |
| | | | ----- |
| | | UNREALIZED LOSS ON FORWARD EXCHANGE CONTRACTS | (3,305,317) |
| | | | ----- |
| | | NET UNREALIZED GAIN (LOSS) ON FORWARD EXCHANGE CONTRACTS . | \$ (616,533) |
| | | | ===== |

a In U.S. Dollar unless otherwise indicated.

CURRENCY ABBREVIATIONS

CLP - Chilean Peso
 EUR - Euro
 JPY - Japanese Yen
 INR - Indian Rupee
 NZD - New Zealand Dollar

For information on the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to the Fund's most recent semiannual or annual shareholder report.

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ITEM 2. CONTROLS AND PROCEDURES.

(a) EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES. The Registrant maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Registrant's filings under the Securities Exchange Act of 1934 and the Investment Company Act of 1940 is recorded, processed, summarized and reported within the periods specified in the rules and forms of the Securities and Exchange Commission. Such information is accumulated and communicated to the Registrant's management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. The Registrant's management, including the principal executive officer and the principal financial officer, recognizes that any set of controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Within 90 days prior to the filing date of this Quarterly Schedule of Portfolio Holdings on Form N-Q, the Registrant had carried out an evaluation, under the supervision and with the participation of the Registrant's management, including the Registrant's principal executive officer and the Registrant's principal

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financial officer, of the effectiveness of the design and operation of the Registrant's disclosure controls and procedures. Based on such evaluation, the Registrant's principal executive officer and principal financial officer concluded that the Registrant's disclosure controls and procedures are effective.

(b) CHANGES IN INTERNAL CONTROLS. There have been no significant changes in the Registrant's internal controls or in other factors that could significantly affect the internal controls subsequent to the date of their evaluation in connection with the preparation of this Quarterly Schedule of Portfolio Holdings on Form N-Q.

ITEM 3. EXHIBITS.

(a) Certifications pursuant to Section 30a-2 of the Investment Company Act of 1940 of Jimmy D. Gambill, Chief Executive Officer - Finance and Administration, and Galen G. Vetter, Chief Financial Officer.

SIGNATURES

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.

TEMPLETON GLOBAL INCOME FUND

By /s/JIMMY D. GAMBILL

Jimmy D. Gambill
Chief Executive Officer -
Finance and Administration
Date January 25, 2007

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/JIMMY D. GAMBILL

Jimmy D. Gambill
Chief Executive Officer -
Finance and Administration
Date January 25, 2007

By /s/GALEN G. VETTER

Galen G. Vetter
Chief Financial Officer
Date January 25, 2007