

BLACKROCK ENHANCED CAPITAL & INCOME FUND, INC  
Form N-Q  
March 31, 2010

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: Anne F. Ackerley, 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: 10/31/2010

Date of reporting period: 01/31/2010

Item 1 Schedule of Investments

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## Schedule of Investments January 31, 2010 (Unaudited)

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

(Percentages shown are based on Net Assets)

| Common Stocks                                      | Shares    | Value         |
|--|-----------|---------------|
| <b>Aerospace &amp; Defense 5.7%</b>                |           |               |
| Honeywell International, Inc.                      | 333,600   | \$ 12,890,304 |
| Northrop Grumman Corp.                             | 203,200   | 11,501,120    |
| Raytheon Co.                                       | 210,200   | 11,020,786    |
|  |           | 35,412,210    |
| <b>Capital Markets 4.9%</b>                        |           |               |
| The Bank of New York Mellon Corp.                  | 344,300   | 10,015,687    |
| Invesco Ltd.                                       | 582,400   | 11,240,320    |
| Morgan Stanley                                     | 353,613   | 9,469,756     |
|  |           | 30,725,763    |
| <b>Chemicals 1.9%</b>                              |           |               |
| E.I. du Pont de Nemours & Co.                      | 353,100   | 11,514,591    |
| <b>Commercial Banks 1.4%</b>                       |           |               |
| Wells Fargo & Co.                                  | 316,600   | 9,000,938     |
| <b>Communications Equipment 1.1%</b>               |           |               |
| Nokia Oyj - ADR                                    | 503,900   | 6,898,391     |
| <b>Computers &amp; Peripherals 3.9%</b>            |           |               |
| Hewlett-Packard Co.                                | 250,992   | 11,814,193    |
| International Business Machines Corp.              | 101,253   | 12,392,355    |
|  |           | 24,206,548    |
| <b>Diversified Financial Services 5.1%</b>         |           |               |
| Bank of America Corp.                              | 424,000   | 6,436,320     |
| Citigroup, Inc.                                    | 1,835,400 | 6,093,528     |
| JPMorgan Chase & Co.                               | 500,439   | 19,487,095    |
|  |           | 32,016,943    |
| <b>Diversified Telecommunication Services 6.7%</b> |           |               |
| AT&T, Inc.   | 476,700   | 12,089,112    |
| Qwest Communications International, Inc.           | 3,531,401 | 14,867,198    |
| Verizon Communications, Inc.                       | 509,300   | 14,983,606    |
|  |           | 41,939,916    |
| <b>Electric Utilities 2.7%</b>                     |           |               |
| FPL Group, Inc.                                    | 151,144   | 7,369,781     |
| The Southern Co.                                   | 293,300   | 9,385,600     |
|  |           | 16,755,381    |

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|   |               |               |
|---|---------------|---------------|
| <b>Electrical Equipment</b> 1.0%            |               |               |
| Emerson Electric Co.                        | 155,900       | 6,476,086     |
| <b>Energy Equipment &amp; Services</b> 2.0% |               |               |
| Halliburton Co.                             | 434,089       | 12,679,740    |
| <b>Food &amp; Staples Retailing</b> 1.3%    |               |               |
| Walgreen Co.                                | 221,000       | 7,967,050     |
| <b>Food Products</b> 7.2%                   |               |               |
| General Mills, Inc.                         | 200,171       | 14,274,194    |
| Kraft Foods, Inc.                           | 594,200       | 16,435,572    |
| Unilever NV - ADR                           | 468,932       | 14,339,941    |
|   |               | 45,049,707    |
| <b>Household Products</b> 3.6%              |               |               |
| Clorox Co.                                  | 103,100       | 6,100,427     |
| <b>Common Stocks</b>                        | <b>Shares</b> | <b>Value</b>  |
| <b>Household Products (concluded)</b>       |               |               |
| Kimberly-Clark Corp.                        | 274,800       | \$ 16,320,372 |
|   |               | 22,420,799    |
| <b>Insurance</b> 7.1%                       |               |               |
| ACE Ltd.                                    | 202,000       | 9,952,540     |
| MetLife, Inc.                               | 275,225       | 9,720,947     |
| The Travelers Cos., Inc.                    | 484,530       | 24,551,135    |
|   |               | 44,224,622    |
| <b>Machinery</b> 1.9%                       |               |               |
| Deere & Co.                                 | 232,700       | 11,623,365    |
| <b>Media</b> 3.3%                           |               |               |
| Comcast Corp. Special, Class A              | 391,000       | 5,919,740     |
| Time Warner, Inc.                           | 538,272       | 14,775,566    |
|   |               | 20,695,306    |
| <b>Metals &amp; Mining</b> 1.5%             |               |               |
| Nucor Corp.                                 | 232,300       | 9,477,840     |
| <b>Multi-Utilities</b> 1.1%                 |               |               |
| Dominion Resources, Inc.                    | 181,700       | 6,806,482     |
| <b>Oil, Gas &amp; Consumable Fuels</b> 7.3% |               |               |
| Anadarko Petroleum Corp.                    | 83,700        | 5,338,386     |
| Chevron Corp.                               | 256,400       | 18,491,568    |
| Exxon Mobil Corp.                           | 247,100       | 15,920,653    |
| Peabody Energy Corp.                        | 129,500       | 5,454,540     |
|   |               | 45,205,147    |
| <b>Pharmaceuticals</b> 12.0%                |               |               |
| Bristol-Myers Squibb Co.                    | 812,600       | 19,794,936    |

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|   |              |                    |
|---|--------------|--------------------|
| Eli Lilly & Co.                                     | 362,500      | 12,760,000         |
| Johnson & Johnson                                   | 151,400      | 9,517,004          |
| Merck & Co., Inc.                                   | 426,800      | 16,295,224         |
| Pfizer, Inc.  | 861,500      | 16,075,590         |
|   |              | 74,442,754         |
| <br>  |              |                    |
| <b>Semiconductors &amp; Semiconductor Equipment</b> | <b>10.4%</b> |                    |
| Analog Devices, Inc.                                | 490,900      | 13,234,664         |
| Intel Corp.   | 501,078      | 9,720,913          |
| LSI Corp. (a)                                       | 3,494,200    | 17,436,058         |
| Maxim Integrated Products, Inc.                     | 794,500      | 13,887,860         |
| Micron Technology, Inc. (a)                         | 1,170,500    | 10,206,760         |
|   |              | 64,486,255         |
| <br>  |              |                    |
| <b>Software</b>                                     | <b>0.9%</b>  |                    |
| Microsoft Corp.                                     | 189,514      | 5,340,504          |
| <br>  |              |                    |
| <b>Specialty Retail</b>                             | <b>2.6%</b>  |                    |
| Home Depot, Inc.                                    | 238,000      | 6,666,380          |
| Limited Brands, Inc.                                | 488,500      | 9,291,270          |
|   |              | 15,957,650         |
| <b>Total Common Stocks</b>                          | <b>96.6%</b> | <b>601,323,988</b> |

### Portfolio Abbreviation

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

ADR American Depositary Receipts

BlackRock Enhanced Capital and Income Fund, Inc. January 31, 2010 1

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## Schedule of Investments (continued)

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

| Preferred Securities   | Shares      | Value       |
|--|-------------|-------------|
| Preferred Stocks   |             |             |
| Diversified Financial Services 0.3%  |             |             |
| Bank of America Corp., 10.00% (b)  | 108,000 \$  | 1,630,800   |
| Total Preferred Securities 0.3%  |             | 1,630,800   |
| Total Long-Term Investments<br>(Cost \$670,148,903) 96.9%                    | 602,954,788 |             |
| Short-Term Securities  |             |             |
| BlackRock Liquidity Funds,<br>TempFund, Institutional Class,<br>0.10% (c)(d) | 18,267,129  | 18,267,129  |
| Total Short-Term Securities<br>(Cost \$18,267,129) 2.9%                      |             | 18,267,129  |
| Total Investments Before Options Written<br>(Cost \$688,416,032*) 99.8%      |             | 621,221,917 |
| Options Written  | Contracts   |             |
| Exchange-Traded Call Options Written (0.4)%                                  |             |             |
| ACE Ltd., Strike Price \$50, Expires<br>2/20/10                              | 610         | (51,850)    |
| ACE Ltd., Strike Price \$55, Expires<br>2/20/10                              | 100         | (1,000)     |
| AT&T Inc., Strike Price \$28, Expires<br>2/20/10                             | 380         | (1,140)     |
| Analog Devices, Inc., Strike Price<br>\$32.50, Expires 2/20/10               | 97          | (485)       |
| Bank of America Corp., Strike Price<br>\$16, Expires 2/20/10                 | 650         | (13,325)    |
| Bank of America Corp., Strike Price<br>\$17, Expires 2/20/10                 | 500         | (2,750)     |
| Bank of America Corp., Strike Price<br>\$16, Expires 3/20/10                 | 500         | (24,500)    |
| Bank of America Corp., Strike Price<br>\$17, Expires 3/20/10                 | 350         | (7,700)     |
| The Bank of New York Mellon Corp.,<br>Strike Price \$28, Expires 2/20/10     | 1,450       | (221,125)   |
| The Bank of New York Mellon Corp.,<br>Strike Price \$31, Expires 3/20/10     | 175         | (9,625)     |

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|  |           |            |
|--|-----------|------------|
| Bristol-Myers Squibb Co. , Strike Price<br>\$26, Expires 2/20/10       | 1,390     | (9,035)    |
| Bristol-Myers Squibb Co. , Strike Price<br>\$26, Expires 3/20/10       | 260       | (7,670)    |
| Citigroup, Inc., Strike Price \$4,<br>Expires 3/20/10                  | 2,500     | (8,750)    |
| Comcast Corp., Special, Class A,<br>Strike Price \$16, Expires 3/20/10 | 1,250     | (50,000)   |
| Comcast Corp., Special, Class A,<br>Strike Price \$17, Expires 4/17/10 | 100       | (2,250)    |
| Options Written  | Contracts | Value      |
| <a href="#">Exchange-Traded Call Options Written (continued)</a>       |           |            |
| Dominion Resources, Inc., Strike<br>Price \$40, Expires 2/20/10        | 1,210     | \$ (6,050) |
| Eli Lilly & Co., Strike Price \$37,<br>Expires 2/20/10                 | 795       | (11,925)   |
| Eli Lilly & Co., Strike Price \$37,<br>Expires 3/20/10                 | 150       | (6,375)    |
| Emerson Electric Co., Strike Price<br>\$43, Expires 2/20/10            | 345       | (13,800)   |
| Emerson Electric Co., Strike Price<br>\$45, Expires 2/20/10            | 19        | (190)      |
| Emerson Electric Co., Strike Price<br>\$44, Expires 3/20/10            | 50        | (2,500)    |
| Emerson Electric Co., Strike Price<br>\$45, Expires 3/20/10            | 100       | (3,000)    |
| General Mills, Inc., Strike Price \$70,<br>Expires 2/20/10             | 770       | (148,225)  |
| General Mills, Inc., Strike Price<br>\$72.50, Expires 3/20/10          | 730       | (94,900)   |
| Halliburton Co., Strike Price \$36,<br>Expires 3/20/10                 | 1,300     | (12,350)   |
| Home Depot, Inc., Strike Price \$30,<br>Expires 2/20/10                | 1,750     | (10,500)   |
| Honeywell International, Inc. , Strike<br>Price \$42, Expires 2/20/10  | 200       | (1,500)    |
| Honeywell International, Inc., Strike<br>Price \$43, Expires 3/20/10   | 650       | (13,000)   |
| Intel Corp., Strike Price \$21, Expires<br>2/20/10                     | 1,375     | (12,375)   |

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|  |       |           |
|--|-------|-----------|
| International Business Machines Corp., Strike Price \$130, Expires 2/20/10 | 510   | (14,280)  |
| International Business Machines Corp., Strike Price \$135, Expires 3/20/10 | 50    | (1,925)   |
| Invesco Ltd., Strike Price \$25, Expires 2/20/10                           | 300   | (3,000)   |
| Invesco Ltd., Strike Price \$22.50, Expires 4/17/10                        | 295   | (9,587)   |
| JPMorgan Chase & Co., Strike Price \$43, Expires 2/20/10                   | 875   | (14,875)  |
| JPMorgan Chase & Co., Strike Price \$44, Expires 3/20/10                   | 630   | (26,460)  |
| JPMorgan Chase & Co., Strike Price \$45, Expires 3/20/10                   | 250   | (7,250)   |
| Johnson & Johnson, Strike Price \$65, Expires 2/20/10                      | 235   | (4,817)   |
| Kraft Foods, Inc., Strike Price \$28, Expires 2/20/10                      | 1,680 | (92,400)  |
| Kraft Foods, Inc., Strike Price \$27, Expires 3/20/10                      | 1,770 | (247,800) |
| Kraft Foods, Inc., Strike Price \$28, Expires 3/20/10                      | 1,000 | (85,000)  |
| Limited Brands, Inc., Strike Price \$20, Expires 3/20/10                   | 287   | (18,655)  |
| Maxim Integrated Products, Inc., Strike Price \$17.50, Expires 3/20/10     | 400   | (30,000)  |
| Merck & Co., Inc., Strike Price \$38, Expires 2/20/10                      | 385   | (47,355)  |

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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      |
|--|-----------|------------|
| <b>Exchange-Traded Call Options Written (concluded)</b>        |           |            |
| Merck & Co., Inc., Strike Price \$40,<br>Expires 2/20/10       | 35        | \$ (1,488) |
| Merck & Co., Inc., Strike Price \$41,<br>Expires 2/20/10       | 1,950     | (43,875)   |
| MetLife, Inc., Strike Price \$39,<br>Expires 3/20/10           | 830       | (53,950)   |
| Micron Technology, Inc., Strike Price<br>\$10, Expires 2/20/10 | 600       | (4,500)    |
| Micron Technology, Inc., Strike Price<br>\$11, Expires 2/20/10 | 600       | (3,000)    |
| Micron Technology, Inc., Strike Price<br>\$11, Expires 3/20/10 | 3,000     | (22,500)   |
| Microsoft Corp., Strike Price \$31,<br>Expires 2/20/10         | 390       | (3,315)    |
| Microsoft Corp., Strike Price \$32,<br>Expires 2/20/10         | 100       | (350)      |
| Morgan Stanley, Strike Price \$31,<br>Expires 2/20/10          | 1,250     | (8,125)    |
| Nokia Oyj ADR, Strike Price \$13,<br>Expires 2/20/10           | 1,000     | (85,000)   |
| Nokia Oyj ADR, Strike Price \$14,<br>Expires 2/20/10           | 750       | (19,875)   |
| Nucor Corp., Strike Price \$45,<br>Expires 2/20/10             | 150       | (3,375)    |
| Nucor Corp., Strike Price \$48,<br>Expires 2/20/10             | 665       | (6,650)    |
| Peabody Energy Corp., Strike Price<br>\$50, Expires 2/20/10    | 450       | (6,750)    |
| Pfizer, Inc., Strike Price \$19, Expires<br>3/20/10            | 2,555     | (136,693)  |
| Pfizer, Inc., Strike Price \$20, Expires<br>3/20/10            | 1,350     | (31,725)   |
| Raytheon Co., Strike Price \$55,<br>Expires 2/20/10            | 300       | (4,500)    |
| Time Warner, Inc., Strike Price \$30,                          |           |            |



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|  |           |             |
|--|-----------|-------------|
| Expires 2/20/10  | 1,350     | (23,625)    |
| Time Warner, Inc., Strike Price \$31,<br>Expires 2/20/10   | 1,350     | (10,125)    |
| Time Warner, Inc., Strike Price \$30,<br>Expires 3/20/10   | 250       | (11,875)    |
| The Travelers Cos., Inc., Strike Price<br>\$50, Expires 2/20/10  | 725       | (101,500)   |
| The Travelers Cos., Inc., Strike Price<br>\$50, Expires 3/20/10  | 1,000     | (197,500)   |
| Verizon Communications, Inc., Strike<br>Price \$34, Expires 2/20/10  | 1,600     | (2,400)     |
| Verizon Communications, Inc., Strike<br>Price \$30, Expires 3/20/10  | 1,200     | (81,600)    |
| Walgreen Co., Strike Price \$38,<br>Expires 2/20/10  | 700       | (8,750)     |
| Walgreen Co., Strike Price \$37,<br>Expires 3/20/10  | 100       | (7,000)     |
| Wells Fargo & Co., Strike Price \$28,<br>Expires 2/20/10   | 350       | (48,650)    |
| Wells Fargo & Co., Strike Price \$29,<br>Expires 3/20/10   | 1,400     | (188,300)   |
|  |           | (2,468,295) |
| Options Written  | Contracts | Value       |
| <u>Over-the-Counter Call Options Written</u> (0.3)%  |           |             |
| AT&T, Inc., Strike Price \$27.85,<br>Expires 2/03/10, Broker Credit<br>Suisse International                        | 1,960     | \$ (10)     |
| AT&T, Inc. , Strike Price \$27.55,<br>Expires 3/05/10, Broker Morgan<br>Stanley Capital Services, Inc.             | 270       | (2,024)     |
| Analog Devices, Inc., Strike Price<br>\$28.06, Expires 3/01/10, Broker<br>Morgan Stanley Capital Services,<br>Inc. | 1,620     | (152,118)   |
| Anadarko Petroleum Corp., Strike<br>Price \$67.47, Expires 3/26/10,<br>Broker Credit Suisse International          | 460       | (98,976)    |
| Bristol-Myers Squibb Co., Strike Price<br>\$26.28, Expires 2/04/10, Broker<br>Citibank NA                          | 1,075     | (29)        |

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|  |       |           |
|--|-------|-----------|
| Bristol-Myers Squibb Co., Strike Price<br>\$26.01, Expires 2/25/10, Broker<br>Morgan Stanley Capital Services,<br>Inc. | 1,745 | (11,636)  |
| Chevron Corp., Strike Price \$78.13,<br>Expires 2/08/10, Broker<br>Citibank NA   | 750   | (1,162)   |
| Chevron Corp., Strike Price \$79.25,<br>Expires 2/18/10, Broker Deutsche<br>Bank AG                                    | 1,170 | (6,499)   |
| Citigroup, Inc., Strike Price \$3.65,<br>Expires 2/05/10, Broker Credit<br>Suisse International                        | 5,500 | (4,263)   |
| Clorox Co., Strike Price \$62.53,<br>Expires 2/04/10, Broker Morgan<br>Stanley Capital Services, Inc.                  | 370   | (465)     |
| Clorox Co., Strike Price \$62.27,<br>Expires 3/26/10, Broker Morgan<br>Stanley Capital Services, Inc.                  | 400   | (20,915)  |
| Deere & Co., Strike Price \$56.06,<br>Expires 2/26/10, Broker Credit<br>Suisse International                           | 1,430 | (87,330)  |
| Deere & Co., Strike Price \$56,<br>Expires 3/08/10, Broker UBS AG  | 320   | (22,630)  |
| E.I. Du Pont De Nemours & Co. ,<br>Strike Price \$33, Expires 2/16/10,<br>Broker UBS AG                                | 2,650 | (163,208) |
| Eli Lilly & Co., Strike Price \$37.97,<br>Expires 3/05/10, Broker UBS AG   | 1,050 | (15,923)  |
| Exxon Mobil Corp., Strike Price<br>\$69.71, Expires 3/05/10, Broker<br>Deutsche Bank AG                                | 1,850 | (47,712)  |
| FPL Group, Inc., Strike Price \$51.21,<br>Expires 2/18/10, Broker UBS AG   | 920   | (10,885)  |
| FPL Group, Inc., Strike Price \$53.82,<br>Expires 2/26/10, Broker Morgan<br>Stanley Capital Services, Inc.             | 214   | (2,795)   |
| Halliburton Co., Strike Price \$30.93,<br>Expires 2/26/10, Broker Morgan<br>Stanley Capital Services, Inc.             | 1,100 | (61,290)  |
| Hewlett-Packard Co., Strike Price  |       |           |

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\$52, Expires 2/19/10, Broker

Jeffries & Co.

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(4,906)

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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       |
|---|-----------|-------------|
| <b>Over-the-Counter Call Options Written</b>  |           |             |
| <b>(continued)</b>  |           |             |
| Hewlett-Packard Co., Strike Price<br>\$52.75, Expires 3/19/10, Broker<br>Jeffries & Co.                                     | 460       | \$ (20,833) |
| Honeywell International, Inc., Strike<br>Price \$39.59, Expires 2/19/10,<br>Broker Morgan Stanley Capital<br>Services, Inc. | 1,000     | (47,184)    |
| Intel Corp., Strike Price \$21.05,<br>Expires 3/26/10, Broker Goldman<br>Sachs Bank USA                                     | 1,390     | (40,359)    |
| Invesco Ltd., Strike Price \$23.44,<br>Expires 2/11/10, Broker Morgan<br>Stanley Capital Services, Inc.                     | 1,440     | (86)        |
| Johnson & Johnson, Strike Price<br>\$65, Expires 2/16/10, Broker<br>Deutsche Bank AG  | 310       | (6,355)     |
| Johnson & Johnson, Strike Price<br>\$65.44, Expires 2/26/10, Broker<br>UBS AG   | 589       | (11,196)    |
| Kimberly-Clark Corp., Strike Price<br>\$60.50, Expires 3/12/10, Broker<br>Citibank NA                                       | 430       | (35,439)    |
| Kimberly-Clark Corp., Strike Price<br>\$63.29, Expires 3/26/10, Broker<br>Credit Suisse International                       | 950       | (28,805)    |
| LSI Corp., Strike Price \$6.12, Expires<br>2/05/10, Broker Morgan Stanley<br>Capital Services, Inc.                         | 9,600     | (10)        |
| LSI Corp., Strike Price \$5.91, Expires<br>3/05/10, Broker Morgan Stanley<br>Capital Services, Inc.                         | 2,500     | (7,665)     |
| Limited Brands Inc., Strike Price<br>\$20.29, Expires 3/04/10, Broker<br>JPMorgan Chase Bank NA                             | 2,435     | (82,878)    |

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|   |           |           |
|---|-----------|-----------|
| Maxim Integrated Products, Inc.,<br>Strike Price \$20.25, Expires<br>2/12/10, Broker Jeffries & Co.                           | 375       | (357)     |
| Maxim Integrated Products, Inc.,<br>Strike Price \$20.65, Expires<br>2/26/10, Broker Morgan Stanley<br>Capital Services, Inc. | 355       | (1,338)   |
| Maxim Integrated Products, Inc.,<br>Strike Price \$20.91, Expires<br>2/26/10, Broker Morgan Stanley<br>Capital Services, Inc. | 1,240     | (3,502)   |
| Maxim Integrated Products, Inc.,<br>Strike Price \$20.29, Expires<br>3/12/10, Broker Morgan Stanley<br>Capital Services, Inc. | 2,000     | (24,382)  |
| Microsoft Corp., Strike Price \$31.26,<br>Expires 3/08/10, Broker Goldman<br>Sachs Bank USA                                   | 940       | (15,692)  |
| Options Written   | Contracts | Value     |
| <a href="#">Over-the-Counter Call Options Written<br/>(concluded)</a>   |           |           |
| Northrop Grumman Corp., Strike<br>Price \$56.13, Expires 2/26/10,<br>Broker Credit Suisse International                       | 157 \$    | (26,534)  |
| Northrop Grumman Corp., Strike<br>Price \$57.37, Expires 2/26/10,<br>Broker Morgan Stanley Capital<br>Services, Inc.          | 1,367     | (153,047) |
| Pfizer, Inc., Strike Price \$18.50,<br>Expires 2/19/10, Broker UBS AG   | 2,555     | (138,803) |
| Qwest Communications<br>International, Inc., Strike Price<br>\$4.60, Expires 2/25/10, Broker<br>Credit Suisse International   | 6,760     | (104,516) |
| Qwest Communications<br>International, Inc., Strike Price<br>\$4.72, Expires 3/09/10, Broker<br>UBS AG                        | 6,330     | (111,756) |
| Qwest Communications<br>International, Inc., Strike Price   |           |           |

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|   |       |                |
|---|-------|----------------|
| \$4.72, Expires 3/16/10, Broker<br>UBS AG   | 6,330 | (128,721)      |
| Raytheon Co., Strike Price \$53.44,<br>Expires 2/04/10, Broker Morgan<br>Stanley Capital Services, Inc.         | 475   | (6,641)        |
| Raytheon Co., Strike Price \$53.89,<br>Expires 3/11/10, Broker Morgan<br>Stanley Capital Services, Inc.         | 800   | (60,198)       |
| The Southern Co., Strike Price<br>\$33.78, Expires 2/26/10, Broker<br>Goldman Sachs Bank USA                    | 1,925 | (30,138)       |
| The Southern Co., Strike Price<br>\$33.94, Expires 3/05/10, Broker<br>Citibank NA                               | 275   | (1,179)        |
| Unilever NV - ADR, Strike Price<br>\$32.82, Expires 2/11/10, Broker<br>Morgan Stanley Capital Services,<br>Inc. | 1,090 | (20,383)       |
|   |       | (1,822,773)    |
| Total Options Written<br>(Premiums Received \$9,771,311) (0.7)%   |       | (4,291,068)    |
| Total Investments, Net of Options Written 99.1%   |       | 616,930,849    |
| Other Assets Less Liabilities 0.9%  |       | 5,308,724      |
| Net Assets 100.0%   |       | \$ 622,239,573 |

\* The cost and unrealized appreciation (depreciation) of investments as of

January 31, 2010, as computed for federal income tax purposes, were as

follows:

|                               |                 |
|-------------------------------|-----------------|
| Aggregate cost                | \$ 713,932,535  |
| Gross unrealized appreciation | \$ 2,733,317    |
| Gross unrealized depreciation | (95,443,935)    |
| Net unrealized depreciation   | \$ (92,710,618) |

(a) Non-income producing security.

(b) Convertible security.

**Schedule of Investments** (concluded) BlackRock Enhanced Capital and Income Fund, Inc. (CII)

(c) 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<br>Activity  | Income |
|---|------------------|--------|
| BlackRock Liquidity Funds,<br>TempFund, Institutional Class | \$ (6,300,326)\$ | 7,949  |

(d) 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.

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

The following table summarizes the inputs used as of January 31, 2010 in determining the fair valuation of the Fund's investments:

| Valuation Inputs | Investments in<br>Securities |
|------------------|------------------------------|
|------------------|------------------------------|

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|                                    |                       | Assets         |
|------------------------------------|-----------------------|----------------|
| Level 1                            |                       |                |
| Long-Term Investments <sup>1</sup> |                       | \$ 601,323,988 |
| Short-Term Securities              |                       | 18,267,129     |
| Total Level 1                      |                       | 619,591,117    |
| Level 2                            |                       |                |
|                                    | Long-Term Investments |                |
|                                    | Preferred Stocks      | 1,630,800      |
| Level 3                            |                       | -              |
| Total                              |                       | \$ 621,221,917 |

<sup>1</sup>See above Schedule of Investments for values in each security type excluding the security types in Level 2 within the table.

|                  |  | Other Financial<br>Instruments <sup>2</sup><br>Liabilities |
|------------------|--|--|
| Valuation Inputs |  |  |
| Level 1          |  | \$ (2,468,295)   |
| Level 2          |  | (1,822,773)  |
| Level 3          |  | -  |
| Total            |  | \$ (4,291,068)   |

<sup>2</sup> Other financial instruments are options, which are shown at market value.

BlackRock Enhanced Capital and Income Fund, Inc. January 31, 2010 5

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Item 2 Controls and Procedures

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

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

Anne F. Ackerley

Chief Executive Officer of

BlackRock Enhanced Capital and Income Fund, Inc.

Date: March 19, 2010

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/ Anne F. Ackerley

Anne F. Ackerley

Chief Executive Officer (principal executive officer) of

BlackRock Enhanced Capital and Income Fund, Inc.

Date: March 19, 2010

By: /s/ Neal J. Andrews

Neal J. Andrews

Chief Financial Officer (principal financial officer) of

BlackRock Enhanced Capital and Income Fund, Inc.

Date: March 19, 2010

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