

BLACKROCK ENHANCED CAPITAL & INCOME FUND, INC.

Form N-Q

March 26, 2013

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: 10/31/2013

Date of reporting period: 01/31/2013

Item 1 Schedule of Investments

Schedule of Investments January 31, 2013

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

(Unaudited)

(Percentages shown are based on Net Assets)

Common Stocks	Shares	Value
<b>Aerospace &amp; Defense 2.6%</b>		
Northrop Grumman Corp.	133,000	\$ 8,650,320
Raytheon Co. (a)	148,200	7,807,176
		16,457,496
<b>Automobiles 0.7%</b>		
Ford Motor Co. (a)	348,000	4,506,600
<b>Beverages 1.2%</b>		
PepsiCo, Inc. (a)	107,100	7,802,235
<b>Capital Markets 1.9%</b>		
Invesco Ltd.	437,000	11,908,250
<b>Chemicals 4.3%</b>		
CF Industries Holdings, Inc. (a)	117,500	26,927,475
<b>Commercial Banks 4.0%</b>		
U.S. Bancorp	190,700	6,312,170
Wells Fargo & Co. (a)	540,600	18,829,098
		25,141,268
<b>Computers &amp; Peripherals 2.8%</b>		
Apple, Inc. (a)	39,600	18,030,276
<b>Diversified Financial Services 4.3%</b>		
Citigroup, Inc. (a)	186,330	7,855,673
JPMorgan Chase & Co. (a)	416,700	19,605,735
		27,461,408
<b>Diversified Telecommunication Services 4.8%</b>		
AT&T Inc.	365,100	12,701,829
CenturyLink, Inc. (a)	444,000	17,959,800
		30,661,629
<b>Electric Utilities 2.9%</b>		
NextEra Energy, Inc.	119,900	8,638,795
The Southern Co.	221,900	9,814,637
		18,453,432
<b>Energy Equipment &amp; Services 3.9%</b>		
EnSCO Plc, Class A (a)	153,000	9,726,210
Halliburton Co.	132,600	5,394,168
Noble Corp. (a)	240,800	9,752,400

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		24,872,778
<b>Food Products 3.7%</b>		
Archer-Daniels-Midland Co. (a)	223,000	6,362,190
Unilever NV	416,100	16,843,728
		23,205,918
<b>Health Care Equipment &amp; Supplies 1.9%</b>		
Medtronic, Inc.	256,000	11,929,600
<b>Health Care Providers &amp; Services 0.7%</b>		
Express Scripts Holding Co. (a)(b)	84,000	4,487,280
<b>Household Products 3.6%</b>		
Kimberly-Clark Corp.	174,900	15,655,299
The Procter & Gamble Co. (a)	92,200	6,929,752
		22,585,051
<b>Common Stocks</b>	<b>Shares</b>	<b>Value</b>
<b>Industrial Conglomerates 3.0%</b>		
General Electric Co. (a)	840,100	\$ 18,717,428
<b>Insurance 4.7%</b>		
Aflac, Inc.	32,200	1,708,532
American International Group, Inc. (a)(b)	88,700	3,355,521
Berkshire Hathaway, Inc., Class B (a)(b)	50,600	4,904,658
Hartford Financial Services Group, Inc. (a)	168,700	4,183,760
MetLife, Inc. (a)	214,300	8,001,962
Prudential Financial, Inc. (a)	49,000	2,836,120
The Travelers Cos., Inc.	62,500	4,903,750
		29,894,303
<b>Internet Software &amp; Services 7.3%</b>		
Google, Inc., Class A (a)(b)	39,900	30,152,031
Yahoo!, Inc. (a)(b)	829,900	16,290,937
		46,442,968
<b>IT Services 0.5%</b>		
Saic, Inc. (a)	265,000	3,206,500
<b>Media 4.8%</b>		
Comcast Corp., Special Class A (a)	289,300	10,625,989
Time Warner, Inc. (a)	270,100	13,645,452
The Walt Disney Co.	113,600	6,120,768
		30,392,209
<b>Metals &amp; Mining 1.0%</b>		
Freeport-McMoRan Copper & Gold, Inc. (a)	184,700	6,510,675
<b>Multi-Utilities 2.0%</b>		
Dominion Resources, Inc.	185,900	10,059,049
Public Service Enterprise Group, Inc.	88,000	2,743,840
		12,802,889
<b>Oil, Gas &amp; Consumable Fuels 13.0%</b>		

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Chevron Corp.	157,300	18,113,095
Exxon Mobil Corp. (a)	176,000	15,834,720
HollyFrontier Corp. (a)	175,700	9,175,054
Marathon Oil Corp. (a)	184,500	6,201,045
Marathon Petroleum Corp.	85,400	6,337,534
Suncor Energy, Inc.	788,800	26,834,976
		82,496,424
<b>Pharmaceuticals 10.1%</b>		
Eli Lilly & Co.	132,600	7,119,294
Johnson & Johnson (a)	182,600	13,497,792
Merck & Co., Inc.	468,800	20,275,600
Pfizer, Inc. (a)	855,100	23,327,128
		64,219,814
<b>Real Estate Investment Trusts (REITs) 1.2%</b>		
Annaly Capital Management, Inc. (a)	516,300	7,677,381
<b>Semiconductors &amp; Semiconductor Equipment 3.1%</b>		
QUALCOMM, Inc.	293,900	19,406,217
<b>Specialty Retail 1.0%</b>		
Limited Brands, Inc.	134,600	6,463,492

**Portfolio Abbreviations**

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

**ADR** American Depositary Receipt      **USD** US Dollar

JANUARY 31, 2013

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## Schedule of Investments (continued)

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

Common Stocks	Shares	Value
Wireless Telecommunication Services 4.3%		
Vodafone Group Plc - ADR	1,004,000	\$ 27,429,280
<b>Total Long-Term Investments</b>		
(Cost \$582,404,988) 99.3%		630,090,276
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<b>Short-Term Securities</b>		
BlackRock Liquidity Funds, TempFund, Institutional Class, 0.10% (c)(d)	19,217,352	19,217,352
<b>Total Short-Term Securities</b>		
(Cost \$19,217,352) 3.0%		19,217,352
		<b>Value</b>
<b>Total Investments Before Options Written</b>		
(Cost \$601,622,340*) 102.3%		\$ 649,307,628
<hr/>		
<b>Options Written</b>		
(Premiums Received \$7,205,346) (1.8)%		(11,497,875)
<b>Total Investments Net of Options</b>		
Written 100.5%		637,809,753
Liabilities in Excess of Other Assets (0.5)%		(3,260,907)
<b>Net Assets 100.0%</b>		<b>\$ 634,548,846</b>

## Notes to Schedule of Investments

\* As of January 31, 2013, gross unrealized appreciation and gross unrealized depreciation based on cost for federal income tax purposes were as follows:

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Tax cost	\$ 688,756,342
Gross unrealized appreciation	\$ 53,574,781
Gross unrealized depreciation	(93,023,495)
Net unrealized depreciation	\$ (39,448,714)

- (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) Represents the current yield as of report date.  
 (d) Investments in issuers considered to be an affiliate of the Trust during the period ended January 31, 2013, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliate	Shares Held at October 31, 2012		Shares Held at January 31, 2013		Realized Income Gain
	Shares	Net Activity	Shares	Income	
BlackRock Liquidity Funds, TempFund, Institutional Class	23,189,440	(3,972,088)	19,217,352	\$ 10,848	\$347

Exchange-Traded options written as of January 31, 2013 were as follows:

Description	Put/	Strike	Expiration		Market
	Call	Price	Date	Contracts	Value
Comcast Corp., Special Class A	Call	USD 35.75	2/06/13	560	\$ (57,091)
Ford Motor Co.	Call	USD 14.50	2/16/13	110	(37)
Marathon Oil Corp.	Call	USD 32.75	2/16/13	510	(61,836)
Annaly Capital Management, Inc.	Call	USD 15	2/18/13	1,800	(21,600)
Archer-Daniels-Midland Co.	Call	USD 29	2/18/13	1,225	(43,488)
Berkshire Hathaway, Inc., Class B	Call	USD 95	2/18/13	280	(64,540)
Express Scripts Holding Co.	Call	USD 57.50	2/18/13	460	(4,140)
Freeport-McMoRan Copper & Gold, Inc.	Call	USD 36	2/18/13	1,015	(37,048)
General Electric Co.	Call	USD 22	2/18/13	529	(24,070)
Google, Inc., Class A	Call	USD 730	2/18/13	135	(386,775)
Google, Inc., Class A	Call	USD			