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MUNIBOND INCOME FUND, INC.

Semi-Annual Report November 30, 1993

This report, including the financial information herein, is transmitted to the shareholders of MuniBond Income Fund, Inc. for their information. It is not a prospectus, circular or representation intended for use in the purchase of shares of the Fund or any securities mentioned in the report. Past performance results shown in this report should not be considered a representation of future performance.

MuniBond Income Fund, Inc.
Box 9011
Princeton, NJ
08543-9011

MUNIBOND INCOME FUND, INC.

Officers and Directors

Arthur Zeikel, President and Director
Walter Mintz, Director
Melvin R. Seiden, Director
Stephen B. Swensrud, Director
Harry Woolf, Director
Terry K. Glenn, Executive Vice President
Donald C. Burke, Vice President
Vincent R. Giordano, Vice President
Kenneth A. Jacob, Vice President
Gerald M. Richard, Treasurer
Mark B. Goldfus, Secretary

Custodian
The Bank of New York
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New York, New York 10286

Transfer Agent
The Bank of New York
101 Barclay Street
New York, New York 10286

NYSE Symbol
MBD

DEAR SHAREHOLDER

We are pleased to provide you with this first semi-annual report for MuniBond Income Fund, Inc. In this and future shareholder reports, we will highlight the Fund's performance, describe recent investment activities, and examine some of the important market developments that helped shape our investment strategy during the period under review.

MuniBond Income Fund, Inc. seeks to provide shareholders with as high a level of current income exempt from Federal income taxes as is consistent with its investment policies and prudent investment management. The Fund also seeks to achieve its investment objective by investing primarily in a portfolio of medium- to lower-grade or unrated municipal obligations, the interest on which is exempt from Federal income taxes.

Since inception (October 29, 1993) through November 30, 1993, MuniBond Income Fund, Inc.'s total investment return was -0.56%, based on a change in per share net asset value from $14.18 to $14.10.

The Environment
The US economy began to show some signs of improvement during the November quarter with little evidence of an appreciable increase in the rate of inflation. The industrial sector is demonstrating growing strength, yet capacity utilization is still well below the levels associated with rising inflation. Consumer spending has improved, but the labor market remains soft. Despite the areas of economic weakness that persist, concerns arose during the quarter that the rate of business activity might increase inflationary pressures.

Other developments during the November quarter had significant long-term implications for the US financial markets. Although Boris Yeltsin's swift and apparently decisive victory over his hard-line opponents in Russia created little immediate disruption in the world financial markets, the future of political and economic reform in the former Soviet Union is far from certain. Evidence of greater progress toward a free-market economy and democratic government in Russia would have more positive implications for the US financial markets over the longer term. The outline for proposed healthcare reform is also very important for the US economy. As the various healthcare reform proposals are debated, investors will focus on their potential effects on the Federal budget, the US economy and the quality of healthcare delivery in the United States. Finally, the ratification of the North American Free Trade Agreement by the US Congress was important not only for the prospect of expanding trade with Canada and Mexico, but also as a positive influence on the recently concluded round of negotiations on the General Agreement on Tariffs and Trade. Further economic integration and growth through trade liberalization would be positive for the capital markets in the United States and around the world.

The Municipal Market
The municipal bond market exhibited considerable volatility during the quarter ended November 30, 1993. From September through mid-October, municipal bond yields continued their earlier decline. By mid-October, yields on tax-exempt revenue bonds maturing in 30 years, as reflected by the Bond Buyer Revenue Bond Index, had declined an additional 15 basis points (0.15%) to another record low of 5.41%. However, the municipal bond market then reacted sympathetically to a nervous US Treasury bond market during the remainder of the quarter, and tax-exempt bond yields rose to end the quarter at 5.47%. Despite the increase in bond yields late in the quarter, it is important to note that tax-exempt bond yields have declined approximately 70 basis points since the beginning of 1993.

The pace of new municipal bond issuance slowed during the November quarter. More than $62 billion in tax-exempt securities were issued over the last three months, an increase of more than 5% versus the November 1992 quarter's issuance. In recent quarters, however, new bond issuance had been increasing at a rate of approximately 25%. Even this relative decline in supply was unable to provide any technical support for the municipal bond market as investors became extremely concerned that economic growth would dramatically accelerate during the last calendar quarter of 1993 and continue into early 1994. This projected growth and expected associated inflationary pressures combined to cause yields to rise significantly in late October and November.

A number of additional factors have been involved in the recent increase in tax-exempt bond yields. Individual investors have demonstrated only limited interest in the municipal bond market over the last month. This probably has been related to a combination of seasonal factors and the desire to avoid the tax liability resulting from the large capital gains expected to be declared by most bond funds this year. Also, many larger institutional investors have been reluctant participants in the markets in order not to jeopardize their already strong year-to-date performances. Consequently, recent interest rate volatility has been intensified by this decline in demand.

By early 1994, however, it is likely that demand will increase significantly. The proceeds from bond maturities, bond calls and coupon payments beginning in January will all need to be reinvested. The new higher marginal Federal tax rates will also go into effect in January. Given the ongoing attractive after-tax benefits municipal bonds provide, it is likely that both individual and institutional investors will return to the tax-exempt bond market. This increased demand should serve to stabilize the market in early 1994.

Portfolio Strategy
MuniBond Income Fund, Inc. began operations on October 29, 1993. The Fund initially focused on securities rated BBB and A by the rating agencies in order to quickly generate a tax-exempt income stream. We will add to the Fund higher-yielding municipal bond issues as they become available. Looking forward to 1994, we are constructive on the tax-exempt bond market given the fundamental attractiveness of municipal bonds. Consequently, we have viewed periods of interest rate volatility as opportunities to add attractively priced issues to the Fund.

We appreciate your investment in MuniBond Income Fund, Inc., and we look forward to assisting you with your financial needs in the months and years ahead.

Sincerely,

(Arthur Zeikel)
Arthur Zeikel
President

(Vincent R. Giordano)
Vincent R. Giordano
Vice President and Portfolio Manager

December 30, 1993

Portfolio
Abbreviations

To simplify the listings of MuniBond Income Fund, Inc.'s, portfolio holdings in the Schedule of Investments, we have abbreviated the names of some of the securities according to the list at right.

AMT   Alternative Minimum Tax (subject to)
GO   General Obligation Bonds
PCR   Pollution Control Revenue Bonds
UT   Unlimited Tax
VRDN   Variable Rate Demand Notes

<TABLE>
SCHEDULE OF INVESTMENTS (in Thousands)
<CAPTION>

STATE	S&P Ratings	Moody's Ratings	Face Amount	Issue	Value (Note 1a)
<S>	<S>	<S>	<C>	<S>	<C>
Alaska--4.7%	A+	Aa1	$ 4,500	Alaska State Housing Finance Corporation Revenue Bonds (Insured Mortgage Program), First Series, 5.75% due 12/01/2023	$ 4,412
Arizona--9.0%	NR	Aa	4,500	Arizona Educational Loan Marketing Corporation, Educational Loan Revenue Bonds, VRDN, Senior Series B, 2.65% due 12/01/2002 (a)	4,500
	BBB	Baa2	4,000	Navajo County, Arizona, Pollution Control Corporation, Revenue Refunding Bonds (Arizona Public Service Company), Series A, 5.875% due 8/15/2028	3,956
California--25.6%				California Health Facilities Financing Authority Revenue Bonds, VRDN, Series B (a):	
	A1+	VMG1	3,600	(Saint Joseph Health System), 1.80% due 7/01/2009	3,600
	A1+	VMG1	4,500	(Sutter Health), 1.90% due 3/01/2020	4,500
	A	A1	4,000	California Pollution Control Financing Authority, PCR (Pacific Gas and Electric Company), AMT, Series B, 5.85% due 12/01/2023	3,955
	SP-1	MIGI++	7,500	California State, Revenue Anticipation Warrants, 2.20% due 12/23/1993	7,498
	AAA	VMG1	4,500	Los Angeles County, California, Transportation Commission, Sales Tax Revenue Refunding Bonds, VRDN, Series A, 2.20% due 7/01/2012 (a) (b)	4,500
Colorado--5.2%	BBB	Baa1	5,000	Denver, Colorado, City and County Airport Revenue Bonds, AMT, Series C, 6.125% due 11/15/2025	4,887
Illinois--25.8%	AAA	NR	2,000	Illinois Development Financing Authority, Environmental Facilities Revenue Bonds (Citizens Utilities Company Project), AMT, 5.90% due 11/15/2028	2,003
				Illinois Development Financing Authority, PCR (Illinois Power Company), VRDN, AMT (a):	
	A1+	NR	1,000	Series B, 2.35% due 3/01/2017	1,000
	A1+	NR	6,000	Series C, 2.35% due 3/01/2017	6,000
				Illinois Educational Facilities Authority Revenue Bonds (Wesleyan University):	
	A	A1	1,000	5.625% due 9/01/2018	976
	A	A1	4,000	5.70% due 9/01/2023	3,901
				Illinois Health Facilities Authority, Revenue Refunding Bonds:	
	A	A	1,730	(Edward Hospital), Series A, 6% due 2/15/2019	1,708
	A-	A	4,500	(Illinois Masonic Medical Center), 5.50% due 10/01/2019	4,080
	A+	A1	2,000	Illinois Housing Development Authority, Housing Development Revenue Bonds, Series A, 6% due 7/01/2018	2,001
	A+	Aa	2,500	Illinois Housing Development Authority, Residential Mortgage Revenue Refunding Bonds, AMT, Series A, 5.90% due 2/01/2024	2,500
Iowa--7.5%	B+	NR	1,000	Des Moines County, Iowa, Industrial Development, Revenue Refunding Bonds (U.S. Gypsum Company Project), 7.20% due 11/01/2007	1,000
	A-	NR	3,595	Iowa Financing Authority, Hospital Facility, Revenue Refunding Bonds (Allen Memorial Hospital), Series B, 5.875% due 2/15/2013	3,564
	BBB+	NR	2,500	Ottumwa, Iowa, Hospital Facility Revenue Refunding and Improvement Bonds (Ottumwa Regional Health), 6% due 10/01/2010	2,438
Massachusetts--4.8%	A-1	VMG1	4,500	Massachusetts State Industrial Finance Agency Revenue Bonds (New England Deaconess Project), VRDN, Series B, 2.25% due 4/01/2023 (a)	4,500
Michigan--4.2%	BBB	Baa1	4,000	Dickinson County, Michigan, Economic Development Corporation, PCR, Refunding (Champion International Corporation Project), 5.85% due 10/01/2018	3,933

Mississippi--2.9%	NR	P1	2,700	Jackson County, Mississippi, PCR, Refunding (Chevron U.S.A. Incorporated Project), VRDN, 1.80% due 12/01/2016 (a)	2,700
New Jersey--4.9%	NR	VMG1	4,600	New Jersey State Turnpike Authority, Turnpike Revenue Refunding Bonds, VRDN, Series D, 2.20% due 1/01/2018 (a) (b)	4,600
New York--5.1%	A-	Baa1	4,250	New York City, New York, GO, Refunding, Series D, UT, 5.75% due 8/15/2009	4,151
	A1+	VMG1	500	New York City, New York, GO, VRDN, Series D, 1.90% due 2/01/2021 (a)	500
	A1+	NR	100	New York City, New York, Industrial Development Agency, Civic Facility Revenue Bonds (Various National Audubon Society), VRDN, 1.85% due 12/01/2014 (a)	100
Ohio--4.8%	BBB	Baa2	4,500	Ohio State Air Quality Development Authority, PCR, Refunding (Ohio-Edison), Series A, 5.95% due 5/15/2029	4,500
Pennsylvania--4.8%	A1+	AAA	4,500	Sayre, Pennsylvania, Health Care Facilities Authority Revenue Bonds (Veterans Hospital Administration, Pennsylvania Capital Financing Project), VRDN, Series J, 2.20% due 12/01/2020 (a) (c)	4,500
Texas--13.8%	A1+	P1	4,500	Gulf Coast Waste Disposal Authority, Texas, PCR, Refunding (Exxon Project), AMT, VRDN, 1.85% due 10/01/2024 (a)	4,500
	A1+	NR	4,500	Houston, Texas, Health Facilities Development Corporation, Hospital Revenue Bonds (Methodist Hospital Project), VRDN, 1.90% due 12/01/2014 (a)	4,500
	BBB	Baa2	4,000	Sabine River Authority, Texas, PCR, Refunding (Texas Utilities Electric Company Project), 5.85% due 5/01/2022	3,929
Vermont--1.0%	BBB	NR	1,000	Swanton Village, Vermont, Electric System Revenue Bonds, 6.70% due 12/01/2023	995
	Total Investments (Cost--$116,941)--124.1%				116,387
	Liabilities in Excess of Other Assets--(24.1%)				(22,574)

	Net Assets--100.0%				$93,813
					=======

<FN>
(a) The interest rate is subject to change periodically based upon the prevailing market rate. The interest rate shown is the rate in effect at November 30, 1993.
(b) FGIC Insured.
(c) AMBAC Insured.
++ Highest short-term rating by Moody's Investors Service, Inc.
See Notes to Financial Statements.
</TABLE>

<TABLE>
STATEMENT OF ASSETS, LIABILITIES AND CAPITAL
<CAPTION>

	As of November 30, 1993		
<S>	<S>	<C>	<C>
Assets:	Investments, at value (identified cost--$116,941,179) (Note 1a)		$116,386,702
	Cash		53,157
	Receivables:		
	Interest	$ 676,285	
	Investment advisor (Note 2)	20,658	696,943
	Deferred organization expenses (Note 1e)	---------	73,051
	Prepaid expenses and other assets		9,749

	Total assets		117,219,602

Liabilities:	Payables for securities purchased		23,144,677
	Accrued expenses and other liabilities		262,395

	Total liabilities		23,407,072
Net Assets:	Net assets		$ 93,812,530
			============
Capital:	Common Stock, par value $.10 per share; 200,000,000 shares authorized; 6,654,055 shares issued and outstanding		$ 665,406
	Paid-in capital in excess of par		93,448,624
	Undistributed investment income--net		252,977
	Unrealized depreciation on investments--net		(554,477)
	Total capital--Equivalent to $14.10 net asset value per share of Common Stock (market price--$14.75) (Note 4)		------------
			$ 93,812,530
			============

See Notes to Financial Statements.
</TABLE>

<TABLE>
STATEMENT OF OPERATIONS
<CAPTION>

	For the Period October 29, 1993++ to November 30, 1993		
<S>	<S>	<C>	<C>
Investment Income (Note 1d):	Interest and amortization of premium and discount		$ 252,977

Expenses:	Investment advisory fees (Note 2)	$ 45,977	
	Accounting services (Note 2)	4,183	
	Professional fees	3,836	
	Directors' fees and expenses	2,582	
	Printing and shareholder reports	2,332	
	Transfer agent fees (Note 2)	1,674	
	Amortization of organization expenses (Note 1e)	1,496	
	Listing fees	1,405	
	Custodian fees	1,105	
	Insurance	768	
	Other	1,277	
	Total expenses before reimbursement	66,635	
	Reimbursement of expenses (Note 2)	(66,635)	
	Total expenses after reimbursement		--
	Investment income--net		252,977
Unrealized Loss on Investments--Net (Notes 1d & 3):	Unrealized depreciation on investments--net		(554,477)
	Net Decrease in Net Assets Resulting from Operations		$ (301,500)

<FN>
++Commencement of Operations.
See Notes to Financial Statements.
</TABLE>

<TABLE>
STATEMENT OF CHANGES IN NET ASSETS
<CAPTION>

<S>	Increase (Decrease) in Net Assets: <S>	For the Period October 29, 1993++ to November 30, 1993 <C>
Operations:	Investment income--net	$ 252,977
	Unrealized depreciation on investments--net	(554,477)
	Net decrease in net assets resulting from operations	(301,500)
Common Stock Transactions (Note 4):	Net increase in net assets derived from Common Stock transactions	94,014,025
Net Assets:	Total increase in net assets	93,712,525
	Beginning of period	100,005
	End of period*	$ 93,812,530

<FN>
*Undistributed investment income--net $ 252,977

++Commencement of Operations.
See Notes to Financial Statements.
</TABLE>

<TABLE>
FINANCIAL HIGHLIGHTS
<CAPTION>

<S>	The following per share data and ratios have been derived from information provided in the financial statements. Increase (Decrease) in Net Asset Value: <S>	For the Period October 29, 1993++ to November 30, 1993 <C>
Per Share Operating Performance:	Net asset value, beginning of period	$ 14.18
	Investment income--net	.04
	Realized and unrealized loss on investments--net	(.09)
	Total from investment operations	(.05)
	Capital charge resulting from issuance of Common Stock	(.03)
	Net asset value, end of period	$ 14.10
	Market price per share, end of period	$ 14.75
Total Investment Return:**	Based on net asset value per share	(0.56%)+++
	Based on market price per share	(1.67%)+++

Ratios to Average Net Assets:	Expenses, net of reimbursement	--
	Expenses	.80%*
	Investment income--net	3.05%*
Supplemental Data:	Net assets, end of period (in thousands)	$ 93,813
	Portfolio turnover	--

<FN>
++ Commencement of Operations.
+++ Aggregate total investment return.
* Annualized.
** Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, result in substantially different returns. Total investment returns exclude the effects of sales loads.

See Notes to Financial Statements.

</TABLE>

NOTES TO FINANCIAL STATEMENTS

1. Significant Accounting Policies:
MuniBond Income Fund, Inc. (the "Fund") is registered under the Investment Company Act of 1940 as a non-diversified closed-end, investment management company. Prior to commencement of operations on October 29, 1993, the Fund had no operations other than those relating to organizational matters and the sale of 7,055 shares of Common Stock on October 15, 1993 to Fund Asset Management, Inc. ("FAMI") for $100,005. The Fund determines and makes available for publication the net asset value of its Common Stock on a weekly basis. The Fund's Common Stock is listed on the New York Stock Exchange under the symbol MBD. The following is a summary of significant accounting policies followed by the Fund.

(a) Valuation of investments--Municipal bonds are traded primarily in the over-the-counter markets and are valued at the last available bid price in the over-the-counter market or on the basis of yield equivalents as obtained by the Fund's pricing service from one or more dealers that make markets in the securities. Financial futures contracts, which are traded on exchanges, are valued at their closing prices as of the close of such exchanges. Options, which are traded on exchanges, are valued at their last sale price as of the close of such exchanges or, lacking any sales at the last available bid price. Short-term investments with a remaining maturity of sixty days or less are valued at amortized cost, which approximates market value. Securities and assets for which market quotations are not readily available are valued at fair value as determined in good faith by or under the direction of the Board of Directors of the Fund.

(b) Financial futures contracts--The Fund may purchase or sell interest rate futures contracts and options on such futures contracts for the purpose of hedging the market risk on existing securities or the intended purchase of securities. Futures contracts are contracts for delayed delivery of securities at a specific future date and at a specific price or yield. Upon entering into a contract, the Fund deposits and maintains as collateral such initial margin as required by the exchange on which the transaction is effected. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as variation margin and are recorded by the Fund as unrealized gains or losses. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

(c) Income taxes--It is the Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no Federal income tax provision is required.

(d) Security transactions and investment income--Security transactions are recorded on the dates the transactions are entered into (the trade dates). Interest income is recognized on the accrual basis. Original issue discounts and market premiums are amortized into interest income. Realized gains and losses on security transactions are determined on the identified cost basis.

(e) Deferred organization and offering expenses and prepaid registration fees--Deferred organization expenses are charged to expense on a straight-line basis over a five-year period beginning with the commencement of operations of the Fund. Direct expenses relating to the public offering of the Fund's shares of Common Stock were charged to capital at the time of issuance of the shares.

(f) Dividends and distributions--Dividends from net investment income are declared daily and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates.

(g) Non-income producing investments--Written and purchased options are non-income producing investments.

NOTES TO FINANCIAL STATEMENTS (concluded)

2. Investment Advisory Agreement and Transactions with Affiliates:
The Fund has entered into an Investment Advisory Agreement with Merrill Lynch Asset Management ("MLAM"). MLAM is the name under which Merrill Lynch Investment Management, Inc. ("MLIM") does business. MLIM is an indirect wholly-owned subsidiary of Merrill Lynch & Co., Inc.

MLAM is responsible for the management of the Fund's portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of the Fund.

For such services, the Fund pays a monthly fee of 0.55% based upon the average daily value of the Fund's net assets. From October 29, 1993 to November 30, 1993, FAMI earned fees of $45,977, all of which was voluntarily waived. In addition, FAMI voluntarily elected to reimburse the Fund $20,658 in additional expenses.

Financial Data Services, Inc. ("FDS"), an indirect wholly-owned subsidiary of Merrill Lynch & Co., Inc., is the Fund's transfer agent.

Accounting services are provided to the Fund by MLAM at cost.

Certain officers and/or directors of the Fund are officers and/or directors of MLIM, MLFD, FDS, MLPF&S, and/or Merrill Lynch & Co., Inc.

3. Investments:
Purchases of investments, excluding short-term securities, for the period October 29, 1993 to November 30, 1993 were $60,446,222.

Net unrealized gains (losses) as of November 30, 1993 were as follows:

	Unrealized Gains (Losses)
Long-term investments	$ (558,002)
Short-term investments	3,525
Total	$ (554,477)

As of November 30, 1993, net unrealized depreciation for Federal income tax purposes aggregated $554,477, of which $16,442 related to appreciated securities and $570,919 related to depreciated securities. The aggregate cost of investments at November 30, 1993 for Federal income tax purposes was $116,941,179.

4. Common Stock Transactions:
At November 30, 1993, the Fund had one class of shares of Common Stock, par value $.10 per share, of which 200,000,000 shares were authorized. For the period October 29, 1993 to November 30, 1993, 6,647,000 shares were sold. At November 30, 1993, total paid-in capital amounted to $94,114,030.

<TABLE>
PER SHARE INFORMATION
<CAPTION>
Per Share Selected
Quarterly
Financial Data*

	Net Investment Income	Realized Gains (Losses)	Unrealized Losses	Dividends/Distributions Net Investment Income	Dividends/Distributions Capital Gains
For the Period					
<S>	<C>	<C>	<C>	<C>	<C>

October 29, 1993++ to November 30, 1993	$ 0.04	$ --	$ (.09)	$ --	$ --

<CAPTION>

<S>	<C>	<C>	<C>	<C>	<C>
	Net Asset Value		Market Price**		
For the Period	High	Low	High	Low	Volume***
October 29, 1993++ to November 30, 1993	$14.18	$14.05	$14.875	$14.75	161

<FN>

++Commencement of Operations.

*Calculations are based upon shares of Common Stock outstanding at the end of the period.

**As reported in the consolidated transaction reporting system.

***In thousands.

</TABLE>