

SECURITIES AND EXCHANGE COMMISSION

FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

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MERRILL LYNCH ARIZONA MUNICIPAL BD FD OF MLMSMST

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MERRILL
LYNCH
ARIZONA
MUNICIPAL
BOND FUND

Semi-Annual Report January 31, 1994

This report is not authorized for use as an offer of sale or a solicitation of an offer to buy shares of the Fund unless accompanied or preceded by the Fund's current prospectus. Past performance results shown in this report should not be considered a representation of future performance. Investment return and principal value of shares will fluctuate so that shares, when redeemed, may be worth more or less than their original cost.

Merrill Lynch Arizona
Municipal Bond Fund
Merrill Lynch Multi-State
Municipal Series Trust
Box 9011
Princeton, New Jersey
08543-9011

TO OUR SHAREHOLDERS

As 1993 drew to a close, the US economy showed signs of strong improvement. The initial estimate for gross domestic product (GDP) growth in the final quarter of 1993 was +5.9% in real terms, the strongest quarterly performance since the fourth quarter of 1987. GDP growth was led by interest rate-sensitive sectors, such as housing, durable goods orders and business investment in capital equipment. Consumer confidence also improved after remaining lackluster throughout most of 1993. While the exceptionally robust rate of growth may not be sustainable in the first quarter of 1994 (especially considering the harsh winter weather experienced by virtually half of the country in January), this strong showing suggests that the US economy may at last be gaining momentum. This was supported by the December increase in the Index of Leading Economic Indicators, the fifth monthly rise in this indicator of future economic activity.

At the same time, the rate of inflation remains in check. Nevertheless, concerns arose late in 1993 that the rate of business activity might increase inflationary pressures, which were reflected in an upturn of longer-term interest rates. In January, Federal Reserve Board Chairman Alan Greenspan indicated in Congressional testimony that continued strong expansion of economic activity would lead the central bank to tighten monetary policy in an effort to contain inflation. On February 4, 1994, the central bank broke with tradition and publicly announced an increase in short-term interest rates. In the weeks ahead, investors will continue to gauge the pace of the economic expansion and watch for signs of an overheating economy that could prompt successive Federal Reserve Board actions to raise short-term interest rates.

The Municipal Market

Yields on tax-exempt securities generally declined over the three months ended January 31, 1994. Long-term revenue bond yields, as measured by the Bond Buyer Revenue Bond Index, declined an additional six basis points (0.06%) to end the quarter at 5.50%. US Treasury bond yields, however, rose approximately 25 basis points to end the period at approximately 6.20%. This outperformance by municipal securities is likely to be the dominant theme for much of 1994.

During the January quarter, taxable yields remained volatile in reaction to the inherent conflicts between the extremely strong economic recovery seen during the last quarter of 1993 and continued low inflationary pressures. Tax-exempt bond yields, however, reflected very positive technical factors. During the 12 months ended January 31, 1994, municipalities issued more than \$288 billion in securities, an increase of more than 21% versus one year ago. As we have discussed in earlier reports to shareholders, much of this increase has been the result of municipalities refinancing existing higher-couponed debt. At current yield levels, few of these issues remain to be refunded. This has led to estimates of municipal bond issuance declining to approximately \$175 billion for all of 1994. More than \$290

billion in long-term tax-exempt securities was issued in 1993.

In addition to this dramatic decline in issuance, investor demand is expected to increase in the coming year. Greater demand should be generated by a number of factors, with the recent increases in marginal Federal income tax rates the most important. Also, bond calls and early redemption are expected to increase significantly in the coming quarters and last into early 1995, at least. The combination of declining new-issue volume and increasing numbers of bonds redeemed prior to their stated maturities will eventually lead to a net decline in the number of bonds outstanding. In such a scenario, investor demand rises as bondholders are forced to continually purchase new municipal bonds to replace their previous holdings.

The outlook for the municipal bond market is very favorable. While the historic declines in yields seen over the last year are unlikely to be repeated, the strong technical framework within the tax-exempt market would support further modest declines in tax-exempt yields. At the very least, should interest rates rise in response to continued strong economic growth and a resurgence in inflationary pressures, we believe that municipal bond price deterioration will be minimal in comparison to taxable investment alternatives.

Portfolio Strategy

Merrill Lynch Arizona Municipal Bond Fund has experienced few structural changes over the past quarter. In anticipation of some interest rate volatility resulting from changing national economic conditions, we have maintained a cash equivalent reserve position of approximately 7%. This provided the Fund with the liquidity to take advantage of the recent new-issue market where a price concession could be achieved versus the more expensive secondary market.

With credit yields at historically narrow spreads, credit quality remains a priority. Currently, 57.5% of the Fund's total assets are rated AA or Aa or better by Moody's Investors Service, Inc. or Standard & Poor's Corporation, respectively. It is our intention to use any significant pullbacks in bond prices to purchase additional performance-oriented positions since the technical supply/demand relationship should favor better municipal bond prices later in the year.

We appreciate your ongoing interest in Merrill Lynch Arizona Municipal Bond Fund, and we look forward to serving your investment needs and objectives in the months and years to come.

Sincerely,

(Arthur Zeikel)
Arthur Zeikel
President

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

March 3, 1994

OFFICERS AND TRUSTEES

Arthur Zeikel, President and Trustee
Kenneth S. Axelson, Trustee
Herbert I. London, Trustee
Robert R. Martin, Trustee
Joseph L. May, Trustee
Andre F. Perold, Trustee
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
Jerry Weiss, Secretary

Custodian
National Westminster Bank NJ
10 Exchange Place
Jersey City, New Jersey 07302

Transfer Agent
Financial Data Services, Inc.
4800 Deer Lake Drive East
Jacksonville, Florida 32246-6484

PERFORMANCE DATA

None of the past results shown should be considered a representation of future performance. Investment return and principal value of Class A and Class B Shares will fluctuate so that shares, when redeemed, may be worth more or less than their original cost.

<TABLE>

Performance Summary--Class A Shares

<CAPTION>

Period Covered <C>	Net Asset Value		Capital Gains	Dividends Paid* <C>	% Change** <C>
	Beginning <C>	Ending <C>	Distributed <C>		
11/29/91--12/31/91	\$10.00	\$10.24	--	\$0.052	+ 2.92%
1992	10.24	10.49	--	0.741	+10.02
1993	10.49	11.07	\$0.065	0.739	+13.48
1/1/94--1/31/94	11.07	11.18	--	0.034	+ 1.39
			-----	-----	
			Total \$0.065	Total \$1.566	

Cumulative total return as of 1/31/94: +30.27%**

<FN>

*Figures may include short-term capital gains distributions.

**Figures assume reinvestment of all dividends and capital gains distributions at net asset value on the payable date, and do not include sales charge; results would be lower if sales charge was included.

</TABLE>

<TABLE>

Performance Summary--Class B Shares

<CAPTION>

Period Covered <C>	Net Asset Value		Capital Gains	Dividends Paid* <C>	% Change** <C>
	Beginning <C>	Ending <C>	Distributed <C>		
11/29/91--12/31/91	\$10.00	\$10.24	--	\$0.047	+ 2.87%
1992	10.24	10.49	--	0.688	+ 9.46
1993	10.49	11.07	\$0.065	0.684	+12.91
1/1/94--1/31/94	11.07	11.18	--	0.030	+ 1.36
			-----	-----	
			Total \$0.065	Total \$1.449	

Cumulative total return as of 1/31/94: +28.86%**

<FN>

*Figures may include short-term capital gains distributions.

**Figures assume reinvestment of all dividends and capital gains distributions at net asset value on the payable date, and do not reflect deduction of any sales charge; results would be lower if sales charge was deducted.

</TABLE>

Average Annual Total Return

Class A Shares*	% Return Without Sales Charge	% Return With Sales Charge**
Year Ended 12/31/93	+13.48%	+ 8.94%
Inception (11/29/91) through 12/31/93	+12.74	+10.56

[FN]

*Maximum sales charge is 4%.

**Assuming maximum sales charge.

Class B Shares*	% Return Without CDSC	% Return With CDSC**
Year Ended 12/31/93	+12.91%	+ 8.91%
Inception (11/29/91) through 12/31/93	+12.17	+11.32

[FN]

*Maximum contingent deferred sales charge is 4% and is reduced to 0% after 4 years.

**Assuming payment of applicable contingent deferred sales charge.

PERFORMANCE DATA (concluded)

<TABLE>

Recent Performance Results*

<CAPTION>

	1/31/94	10/31/93	1/31/93	12 Month % Change	3 Month % Change
<S>	<C>	<C>	<C>	<C>	<C>
Class A Shares	\$11.18	\$11.28	\$10.56	+ 6.49%(1)	-0.31%(1)
Class B Shares	11.18	11.28	10.56	+ 6.49(1)	-0.31(1)
Class A Shares--Total Return				+13.80(2)	+2.42(3)
Class B Shares--Total Return				+13.23(4)	+2.29(5)
Class A Shares--Standardized 30-day Yield	4.21%				
Class B Shares--Standardized 30-day Yield	3.89%				

(FN)

*Investment results shown for the 3-month and 12-month periods are before the deduction of any sales charges.

(1)Percent change includes reinvestment of \$0.065 per share capital gains distributions.

(2)Percent change includes reinvestment of \$0.738 per share ordinary income dividends and \$0.065 per share capital gains distributions.

(3)Percent change includes reinvestment of \$0.303 per share ordinary income dividends and \$0.065 per share capital gains distributions.

(4)Percent change includes reinvestment of \$0.682 per share ordinary income dividends and \$0.065 per share capital gains distributions.

(5)Percent change includes reinvestment of \$0.288 per share ordinary income dividends and \$0.065 per share capital gains distributions.

</TABLE>

PORTFOLIO ABBREVIATIONS

To simplify the listings of Merrill Lynch Arizona Municipal Bond Fund's portfolio holdings in the Schedule of Investments, we have abbreviated the names of many of the securities according to the list at right.

AMT	Alternative Minimum Tax (subject to)
COP	Certificates of Participation
GO	General Obligation Bonds
IDA	Industrial Development Authority
PCR	Pollution Control Revenue Bonds
RIB	Residual Income Bonds
STRIPES	Short-Term Rate Inverse Payment Exempt Securities
UT	Unlimited Tax
VRDN	Variable Rate Demand Notes
YCN	Yield Curve Notes

<TABLE>

SCHEDULE OF INVESTMENTS

(in Thousands)

<CAPTION>

S&P Ratings	Moody's Ratings	Face Amount	Issue	Value (Note 1a)
Arizona--89.1%				
<S>	<S>	<C>	<S>	<C>
			Apache County, Arizona, Public Finance Corporation, COP:	
A	A	\$1,425	5.50% due 5/01/2007	\$ 1,447
A	A	500	5.50% due 5/01/2010	500
			Arizona Educational Loan Marketing Corporation, Educational Loan Revenue Bonds, AMT, Series B:	
NR	A	2,000	7% due 3/01/2002	2,272
NR	A	1,600	7% due 3/01/2003	1,836
NR	A	1,100	7% due 3/01/2005	1,244
NR	A	750	Arizona Educational Loan Marketing Corporation, Educational Loan Revenue Bonds, AMT, Sub-Series, 6.625% due 9/01/2005	836
AAA	Aaa	1,750	Arizona Health Facilities Authority, Hospital Systems Revenue Bonds (Samaritan Health Services), 6.25% due 12/01/2006 (d)	1,927
NR	Ba	2,415	Arizona Health Facilities Authority, Hospital Systems Revenue Refunding Bonds (Saint Luke's Health Systems), 7.25% due 11/01/2014	2,582
AAA	Aaa	245	Arizona Health Facilities Authority Revenue Bonds (Yavapai Community Hospital), Series B, 7.25% due 10/01/2013 (b)	282
A+	A	850	Arizona State University, COP (Towers Project), 7.05% due 7/01/2010	958
AA	A1	2,750	Arizona State University, Revenue Refunding Bonds, Series A, 5.50% due 7/01/2019	2,844
AA	Aa	1,000	Arizona Transportation Board, Highway Revenue Bonds, Sub-Series B, 6.50% due 7/01/2011 (e)	1,161
AA+	Aa	2,000	Arizona Wastewater Management Authority, Wastewater Treatment Financial Assistance Revenue Bonds, 6.80% due 7/01/2011	2,301
AAA	Aaa	700	Avondale, Arizona, Municipal Development Corporation, Municipal Facilities Revenue Bonds, 6.625% due 7/01/2011 (d)	784
AA-	A1	1,945	Central Arizona Water Conservation District, Contract Revenue Bonds	

(Central Arizona Project), Series B, 6.50% due 11/01/2011

2,174

AAA	NR	2,100	Coconino County, Arizona, IDA (Individual Development Revenue Citizens Utilities Company Project), AMT, 5.80% due 11/15/2028	2,182
			Coconino and Yavapai Counties, Arizona, Joint Unified School District No. 9 Revenue Bonds (Sedona Oak Creek), Series A, UT:	
A-	Baa1	200	6.70% due 7/01/2006	220
A-	Baa1	250	6.75% due 7/01/2007	275
AAA	Aaa	3,520	Gilbert, Arizona, Water & Sewer Revenue Refunding Bonds, 6.50% due 7/01/2022 (b)	4,000
A	A3	4,000	Greenlee County, Arizona, IDA, PCR, Refunding (Phelps Dodge Corporation Project), 5.45% due 6/01/2009	4,075
AAA	Aaa	2,000	Maricopa County, Arizona, IDA, Health Facilities Revenue Bonds (Saint Joseph's Care Center Project), Series A, 7.75% due 7/01/2020 (d)	2,390
A1+	VMIG1	1,700	Maricopa County, Arizona, IDA, Hospital Facility Revenue Bonds (Samaritan Health Service Hospital), VRDN, 2% due 12/01/2008 (d) (f)	1,700
AAA	Aaa	2,800	Maricopa County, Arizona, IDA, Hospital Facilities Revenue Refunding Bonds: (John C. Lincoln Hospital), 7.50% due 12/01/2013 (c)	3,333
AAA	Aaa	750	(Samaritan Health Services), Series A, 7% due 12/01/2013 (d)	871
BB	Ba2	1,000	Maricopa County, Arizona, Pollution Control Corporation, PCR, Refunding (Public Service Company--Palo Verde), 6.375% due 8/15/2023	1,026

</TABLE>

<TABLE>

SCHEDULE OF INVESTMENTS (continued)

(in Thousands)

<CAPTION>					Value
S&P Ratings	Moody's Ratings	Face Amount	Issue		(Note 1a)
Arizona (continued)					
<S>	<S>	<C>	<S>		<C>
AA	A1	\$1,900	Maricopa County, Arizona, School District No. 3 (Tempe Elementary Projects of 1991), Series C, UT, 6% due 7/01/2011	\$	2,074
AAA	Aaa	500	Maricopa County, Arizona, Unified School District No. 11-Peoria, Revenue Refunding Bonds, 6.40% due 7/01/2010 (d)		555
AAA	Aaa	2,000	Mesa, Arizona, IDA, Health Care Facilities Revenue Bonds (Western Health Network), Series A-1, 7.625% due 1/01/2019 (a)		2,316
AAA	Aaa	2,325	Mohave County, Arizona, Unified High School District No. 30-Mohave Revenue Bonds, Series B, UT, 6.70% due 7/01/2011 (b) (e)		2,725
			Navajo County, Arizona, Pollution Control Corporation, Revenue Refunding Bonds (Arizona Public Service Corporation), Series A:		
AAA	Aaa	1,000	5.50% due 8/15/2028 (h)		1,026
BBB	Baa2	5,000	5.875% due 8/15/2028		5,044
			Peoria, Arizona, Improvement District, Special Assessment Bonds:		
BBB	NR	430	7.20% due 1/01/2010		478
BBB	NR	510	7.20% due 1/01/2013		562
			Peoria, Arizona, Improvement District, Special Assessment Bonds (North Valley Power Center No. 8801):		
BBB	NR	200	7.30% due 1/01/2009		228
BBB	NR	395	7.30% due 1/01/2011		448
AAA	Aaa	1,000	Peoria, Arizona, Municipal Development Authority, Municipal Facilities Revenue Refunding Bonds, 5.20% due 7/01/2013 (d)		1,008
			Peoria, Arizona, Municipal Development Authority, Municipal Facilities Utility Revenue Bonds (e):		
BBB+	NR	150	7.05% due 7/01/2002		176
BBB+	NR	155	7.10% due 7/01/2003		182
AAA	Aaa	1,000	Peoria, Arizona, Water and Sewer Revenue Refunding Bonds, 6.625% due 7/01/2006 (b)		1,122
AA+	Aa	2,000	Phoenix, Arizona, Civic Improvement Corporation, Excise Tax Revenue Bonds (Senior Lien--New City Hall Project), 5.10% due 7/01/2018		1,975
A	A1	4,000	Phoenix, Arizona, Civic Improvement Corporation, Wastewater Systems Lease, Revenue Refunding Bonds, 4.75% due 7/01/2023		3,663
AA+	Aa	1,860	Phoenix, Arizona, GO, Refunding, AMT, UT, 6.375% due 7/01/2013		2,078
A1+	VMIG1	1,200	Phoenix, Arizona, Revenue Bonds, Series 1, AMT, VRDN, 2.30% due 6/01/2016 (f)		1,200
AA	NR	2,000	Phoenix, Arizona, Street and Highway User Revenue Bonds, Senior Lien, 6.25% due 7/01/2011		2,355

AAA	Aaa	1,750	Pima County, Arizona, Sewer Revenue Refunding Bonds, 6.75% due 7/01/2015 (b)	1,986
AAA	Aaa	1,065	Pima County, Arizona, Unified School District No. 1-Tucson Revenue Bonds, Series D, UT, 5.90% due 7/01/2005 (b)	1,174
AA	P1	3,000	Pinal County, Arizona, IDA, PCR (Magna-Copper-Newmont Mining Corporation), VRDN, 2.05% due 12/01/2009 (f)	3,000
BBB-	NR	750	Prescott Valley, Arizona, Improvement District, Special Assessment Sewer Collection System, Roadway Repair Revenue Bonds, 7.90% due 1/01/2012	860

</TABLE>

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

<CAPTION>					Value
S&P Ratings	Moody's Ratings	Face Amount	Issue		(Note 1a)
Arizona (concluded)					
<S>	<S>	<C>	<S>		<C>
			Salt River Project, Arizona, Agricultural Improvement and Power District, Electric System Revenue Bonds, Series A:		
AA	Aa	\$2,000	6.50% due 1/01/2022	\$	2,201
AA	Aaa	2,000	7.30% due 1/01/2030 (e)		2,377
AA	Aa	2,000	Salt River Project, Arizona, Agricultural Improvement and Power District, Electric System Revenue Bonds, STRIPES, 6.97% due 1/01/2011 (g)		1,998
BBB	NR	1,600	Sedona, Arizona, Sewer Revenue Refunding Bonds, 7% due 7/01/2012		1,819
AAA	Aaa	500	Tucson, Arizona, Airport Authority Revenue Bonds, AMT, Series B, 7.25% due 6/01/2020 (d)		577
AAA	Aaa	1,900	Tucson, Arizona, Refunding Bonds, 5.40%* due 7/01/2013 (b)		665
A+	NR	2,650	Tucson, Arizona, Water Revenue Bonds, Series D, 6.75% due 7/01/2019 (e)		3,125
A+	A1	1,250	Tucson, Arizona, Water Revenue Refunding Bonds: 6.50% due 7/01/2016		1,391
A+	A1	1,400	Series A, 5.75% due 7/01/2018		1,468
AAA	Aaa	750	University of Arizona, Medical Center Corporation, Hospital Revenue Bonds, 7% due 7/01/2001 (d) (e)		896
AA	NR	500	University of Arizona Revenue Bonds (e): Series A, 7% due 6/01/2015		588
AA	NR	1,920	Series B, 6.90% due 6/01/2016		2,249
Puerto Rico--9.9%					
BBB	Baa	3,305	Puerto Rico Commonwealth Aqueduct and Sewer Authority Revenue Bonds, Series A, 7% due 7/01/2019		3,666
A	Baa1	2,000	Puerto Rico Commonwealth Highway and Transportation Authority, Highway Revenue Refunding Bonds, Series V, 5.75% due 7/01/2018		2,050
AAA	Aaa	2,000	Puerto Rico Commonwealth YCN, 9.132% due 7/01/2020 (c) (g)		2,292
AAA	Aaa	1,900	Puerto Rico Electric Power Authority, Power Revenue Bonds, RIB, 9.428% due 7/01/2023 (c) (g)		2,204
A-	Baa1	720	Puerto Rico Electric Power Authority, Power Revenue Bonds, Series N, 7.125% due 7/01/2014		817
Total Investments (Cost--\$101,322)--99.0%					109,838
Other Assets Less Liabilities--1.0%					1,069
Net Assets--100.0%					\$110,907
					=====

<FN>

*Represents approximate yield to maturity.

(a)BIG Insured.

(b)FGIC Insured.

(c)FSA Insured.

(d)MBIA Insured.

(e)Prerefunded.

(f)The interest rate is subject to change periodically based on prevailing market rates. The interest rates shown are those in effect at January 31, 1994.

(g)The interest rate is subject to change periodically and inversely to the prevailing market rate. The interest rate shown is the rate in effect at January 31, 1994.

(h)AMBAC Insured.

See Notes to Financial Statements.

</TABLE>

FINANCIAL INFORMATION

<TABLE>

<CAPTION>

Statement of Assets and Liabilities as of January 31, 1994

<S>	<S>	<C>	<C>
Assets:	Investments, at value (identified cost--\$101,321,702) (Note 1a)		\$109,838,191
	Cash		73,404
	Receivables:		
	Securities sold	\$ 1,957,392	
	Interest	978,079	
	Beneficial interest sold	455,817	3,391,288

	Deferred organization expenses (Note 1e)		49,666
	Prepaid expenses and other assets (Note 1e)		22,055

	Total assets		113,374,604

Liabilities:	Payables:		
	Securities purchased	1,919,411	
	Beneficial interest redeemed	314,552	
	Dividends to shareholders (Note 1f)	100,102	
	Distributor (Note 2)	34,632	
	Investment adviser (Note 2)	25,852	2,394,549

	Accrued expenses and other liabilities		73,510

	Total liabilities		2,468,059

Net Assets:	Net assets		\$110,906,545
			=====
Net Assets	Class A Shares of beneficial interest, \$.10 par value,		
Consist of:	unlimited number of shares authorized		\$ 198,966
	Class B Shares of beneficial interest, \$.10 par value,		
	unlimited number of shares authorized		793,198
	Paid-in capital in excess of par		101,069,552
	Undistributed realized capital gains--net		328,340
	Unrealized appreciation on investments--net		8,516,489

	Net assets		\$110,906,545
			=====
Net Asset Value:	Class A--Based on net assets of \$22,241,174 and		
	1,989,662 shares of beneficial interest outstanding		\$ 11.18
			=====
	Class B--Based on net assets of \$88,665,371 and		
	7,931,979 shares of beneficial interest outstanding		\$ 11.18
			=====
	See Notes to Financial Statements.		

</TABLE>

FINANCIAL INFORMATION (continued)

<TABLE>

Statement of Operations

<CAPTION>

<S>	<S>		For the Six Months Ended January 31, 1994
			<C>
Investment Income (Note 1d):	Interest and amortization of premium and discount earned		\$ 2,972,511
Expenses:	Investment advisory fees (Note 2)		288,571
	Distribution fees--Class B (Note 2)		213,432
	Professional fees		28,989
	Printing and shareholder reports		25,366
	Accounting services (Note 2)		23,420
	Transfer agent fees--Class B (Note 2)		17,197
	Custodian fees		8,230
	Amortization of organization expenses (Note 1e)		7,445
	Registration fees (Note 1e)		6,489
	Pricing fees		4,508
	Transfer agent fees--Class A (Note 2)		3,393
	Trustees' fees and expenses		2,346
	Other		1,928

	Total expenses before reimbursement		631,314
	Reimbursement of expenses (Note 2)		(132,119)

Total expenses after reimbursement			499,195

Investment income--net		2,473,316
Realized & Unrealized Gain on Investments--Net	Realized gain on investments--net	1,300,236
	Change in unrealized appreciation on investments--net	2,333,230
(Notes 1d & 3):	Net Increase in Net Assets Resulting from Operations	\$ 6,106,782

See Notes to Financial Statements.

</TABLE>

FINANCIAL INFORMATION (continued)

<TABLE>
Statements of Changes in Net Assets
<CAPTION>

		For the Six Months Ended January 31, 1994	For the Year Ended July 31, 1993
Increase (Decrease) in Net Assets:			
<S>	<S>	<C>	<C>
Operations:	Investment income--net	\$ 2,473,316	\$ 4,423,726
	Realized gain on investments--net	1,300,236	1,488,701
	Change in unrealized appreciation on investments--net	2,333,230	2,011,436
	Net increase in net assets resulting from operations	6,106,782	7,923,863
Dividends & Distributions to Shareholders (Note 1f):	Investment income--net:		
	Class A	(501,271)	(901,362)
	Class B	(1,972,045)	(3,522,364)
	Realized gain on investments--net:		
	Class A	(387,547)	(182,088)
	Class B	(1,714,015)	(744,535)
	Net decrease in net assets resulting from dividends and distributions to shareholders	(4,574,878)	(5,350,349)
Beneficial Interest Transactions (Note 4):	Net increase in net assets derived from beneficial interest transactions	10,308,701	22,046,923
Net Assets:	Total increase in net assets	11,840,605	24,620,437
	Beginning of period	99,065,940	74,445,503
	End of period	\$110,906,545	\$ 99,065,940

See Notes to Financial Statements.

</TABLE>

FINANCIAL INFORMATION (continued)

<TABLE>
Financial Highlights
<CAPTION>

		Class A		
		For the Six Months Ended January 31, 1994	For the Year Ended July 31, 1993	For the Period Nov. 29, 1991++ to July 31, 1992
The following per share data and ratios have been derived from information provided in the financial statements.				
Increase (Decrease) in Net Asset Value:				
<S>	<S>	<C>	<C>	<C>
Per Share Operating Performance:	Net asset value, beginning of period	\$ 11.01	\$ 10.74	\$ 10.00
	Investment income--net	.29	.60	.41
	Realized and unrealized gain on investments--net	.39	.39	.74
	Total from investment operations	.68	.99	1.15
	Less dividends and distributions:			
	Investment income--net	(.29)	(.60)	(.41)
	Realized gain on investments--net	(.22)	(.12)	--
	Total dividends and distributions	(.51)	(.72)	(.41)
	Net asset value, end of period	\$ 11.18	\$ 11.01	\$ 10.74
Total Investment Return:**	Based on net asset value per share	6.27%+++	9.63%	11.82%+++
Ratios to	Expenses, net of reimbursement	.54%*	.41%	.22%*

Average		=====	=====	=====
Net Assets:	Expenses	.79%*	.81%	.98%*
	Investment income--net	5.12%*	5.57%	5.99%*
Supplemental	Net assets, end of period (in thousands)	\$ 22,241	\$ 17,988	\$14,564
Data:	Portfolio turnover	33.26%	73.48%	66.50%

<FN>

++Commencement of Operations.

+++Aggregate total investment return.

*Annualized.

**Total investment returns exclude the effects of sales loads.

See Notes to Financial Statements.

</TABLE>

FINANCIAL INFORMATION (concluded)

<TABLE>

Financial Highlights (concluded)

<CAPTION>

		For the	Class B	For the
		Six Months	For the	Period
		Ended	Year	Nov. 29,
		January 31,	Ended	1991++ to
		1994	July 31,	July 31,
		<C>	1993	1992
		<C>	<C>	<C>
The following per share data and ratios have been derived from information provided in the financial statements.				
Increase (Decrease) in Net Asset Value:	Asset Value:			
<S>	<S>			
Per Share	Net asset value, beginning of period	\$ 11.01	\$ 10.74	\$ 10.00
Operating		-----	-----	-----
Performance:	Investment income--net	.26	.54	.38
	Realized and unrealized gain on investments--net	.39	.39	.74
		-----	-----	-----
	Total from investment operations	.65	.93	1.12
		-----	-----	-----
	Less dividends and distributions:			
	Investment income--net	(.26)	(.54)	(.38)
	Realized gain on investments--net	(.22)	(.12)	--
		-----	-----	-----
	Total dividends and distributions	(.48)	(.66)	(.38)
		-----	-----	-----
	Net asset value, end of period	\$ 11.18	\$ 11.01	\$ 10.74
		=====	=====	=====
Total Investment Return:**	Based on net asset value per share	6.00%+++	9.08%	11.45%+++
		=====	=====	=====
Ratios to Average Net Assets:	Expenses, excluding distribution fees and net of reimbursement	.55%*	.42%	.24%*
		=====	=====	=====
	Expenses, net of reimbursement	1.05%*	.92%	.74%*
		=====	=====	=====
	Expenses	1.30%*	1.32%	1.47%*
		=====	=====	=====
	Investment income--net	4.62%*	5.06%	5.48%*
		=====	=====	=====
Supplemental	Net assets, end of period (in thousands).	\$ 88,665	\$ 81,078	\$ 59,881
Data:	Portfolio turnover	33.26%	73.48%	66.50%
		=====	=====	=====

<FN>

++Commencement of Operations.

+++Aggregate total investment return.

*Annualized.

**Total investment returns exclude the effects of sales loads.

See Notes to Financial Statements.

</TABLE>

NOTES TO FINANCIAL STATEMENTS

1. Significant Accounting Policies:

Merrill Lynch Arizona Municipal Bond Fund (the "Fund") is part of Merrill Lynch Multi-State Municipal Series Trust (the "Trust"). The Fund is registered under the Investment Company Act of 1940 as a diversified, open-end management investment company. The Fund offers both Class A and Class B Shares. Class A Shares are sold with a front-end sales charge. Class B Shares may be subject to a contingent deferred sales charge. Both classes of shares have

identical voting, dividend, liquidation and other rights and the same terms and conditions, except that Class B Shares bear certain expenses related to the distribution of such shares and have exclusive voting rights with respect to matters relating to such distribution expenditures. The following is a summary of significant accounting policies followed by the Fund.

(a) Valuation of investments--Municipal bonds and other portfolio securities in which the Fund invests are traded primarily in the over-the-counter municipal bond and money 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 from one or more dealers that make markets in the securities. Financial futures contracts and options thereon, which are traded on exchanges, are valued at their settlement 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. 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 Trustees of the Trust, including valuations furnished by a pricing service retained by the Trust, which may utilize a matrix system for valuations. The procedures of the pricing service and its valuations are reviewed by the officers of the Trust under the general supervision of the Trustees.

(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 expenses and prepaid registration fees--Deferred organization expenses are charged to expense on a straight-line basis over a five-year period. Prepaid registration fees are charged to expense as the related shares are issued.

NOTES TO FINANCIAL STATEMENTS (concluded)

(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.

2. Investment Advisory Agreement and Transactions with Affiliates:

The Fund has entered into an Investment Advisory Agreement with Fund Asset Management, L.P. ("FAM"). Effective January 1, 1994, the investment advisory business of FAM was reorganized from a corporation to a limited partnership. Both prior to and after the reorganization, ultimate control of FAM was vested with Merrill Lynch & Co., Inc. ("ML & Co."). The general partner of FAM is Princeton Services, Inc., an indirect wholly-owned subsidiary of ML & Co. The limited partners are ML & Co. and Merrill Lynch Investment Management, Inc. ("MLIM"), which is also an indirect wholly-owned subsidiary of ML & Co. The Fund has also entered into Distribution Agreements and a Distribution Plan with Merrill Lynch Funds Distributor, Inc. ("MLFD" or "Distributor"), a wholly-owned subsidiary of MLIM.

FAM 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 based upon the average daily value of the Fund's net assets at the following annual rates: 0.55% of the Fund's average daily net assets not exceeding \$500 million; 0.525% of average daily net assets in excess of \$500 million but not exceeding \$1 billion; and 0.50% of average daily net assets in excess of \$1 billion. The Investment Advisory Agreement obligates FAM to reimburse the Fund to the extent the Fund's expenses (excluding interest, taxes, distribution fees, brokerage fees and commissions, and extraordinary items) exceed 2.5% of the Fund's first \$30 million of average daily net assets, 2.0% of the next \$70 million of average daily net assets and 1.5% of the average daily net assets in excess thereof. FAM's obligation to reimburse the Fund is limited to the amount of the management fee. No fee payment will be made during any fiscal year which will cause such expenses to exceed expense limitation at the time of such payment. For the six months ended January 31, 1994, FAM had management fees of \$288,571, of which \$132,119 was waived.

Pursuant to a distribution plan (the "Distribution Plan") adopted by the Fund under Rule 12b-1 under the Investment Company Act of 1940, the Fund pays the Distributor ongoing account maintenance and distribution fees relating to Class B Shares which are accrued daily and paid monthly at the annual rates of 0.25% and 0.25%, respectively, of the average daily net assets of the Class B Shares of the Fund. This fee is to compensate the Distributor for services provided and the expenses borne by the Distributor under the Distribution Agreement. As authorized by the Plan, the Distributor has entered into an agreement with Merrill Lynch, Pierce, Fenner & Smith Inc. ("MLPF&S"), an affiliate of FAM, which provides for the compensation of MLPF&S for providing distribution-related services to the Fund.

For the six months ended January 31, 1994, MLFD earned underwriting discounts of \$4,149, and MLPF&S earned dealer concessions of \$56,104 on sales of the Fund's Class A Shares.

MLPF&S also received contingent deferred sales charges of \$62,249 for the sale of Class B Shares during the period.

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

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

Certain officers and/or trustees of the Fund are officers and/or directors of FAM, MLIM, MLFD, FDS, MLPF&S and/or ML & Co.

3. Investments:

Purchases and sales of investments, excluding short-term securities, for the six months ended January 31, 1994 were \$43,637,359 and \$32,082,047, respectively.

Net realized and unrealized gains (losses) as of January 31, 1994 were as follows:

	Realized Gains (Losses)	Unrealized Gains
Long-term investments	\$1,386,080	\$7,922,489
Short-term investments	--	594,000
Financial futures contracts	(85,844)	--
	-----	-----
Total	\$1,300,236	\$8,516,489
	=====	=====

As of January 31, 1994, net unrealized appreciation for Federal income tax purposes aggregated \$8,516,489, of which \$8,529,371 related to appreciated securities and \$12,882 related to depreciated securities. The aggregate cost of investments at January 31, 1994 for Federal income tax purposes was \$101,321,702.

4. Beneficial Interest Transactions:

Net increase in net assets derived from beneficial interest transactions was \$10,308,701 and \$22,046,923 for the six months ended January 31, 1994 and the year ended July 31, 1993, respectively.

Transactions in shares of beneficial interest for Class A and Class B Shares were as follows:

Class A Shares for the Six Months Ended January 31, 1994	Shares	Dollar Amount
Shares sold	395,098	\$ 4,397,173
Shares issued to shareholders in reinvestment of dividends and distributions	39,981	444,829
	-----	-----
Total issued	435,079	4,842,002
Shares redeemed	(79,021)	(886,356)
	-----	-----
Net increase	356,058	\$ 3,955,646
	=====	=====

Class A Shares for the Year Ended July 31,1993	Shares	Dollar Amount
Shares sold	584,723	\$ 6,243,131
Shares issued to shareholders in reinvestment of dividends and distributions	48,118	511,965
	-----	-----
Total issued	632,841	6,755,096
Shares redeemed	(354,895)	(3,778,384)
	-----	-----
Net increase	277,946	\$ 2,976,712
	=====	=====

Class B Shares for the Six Months Ended January 31, 1994	Shares	Dollar Amount
Shares sold	885,179	\$ 9,895,169
Shares issued to shareholders in reinvestment of dividends and distributions	143,542	1,596,303
	-----	-----
Total issued	1,028,721	11,491,472
Shares redeemed	(459,831)	(5,138,417)
	-----	-----
Net increase	568,890	\$ 6,353,055
	=====	=====

Class B Shares for the Year Ended July 31,1993	Shares	Dollar Amount
Shares sold	2,432,048	\$25,974,673
Shares issued to shareholders in reinvestment of dividends and distributions	163,371	1,737,881
	-----	-----
Total issued	2,595,419	27,712,554
Shares redeemed	(806,190)	(8,642,343)
	-----	-----
Net increase	1,789,229	\$19,070,211
	=====	=====