

BLACKROCK CREDIT ALLOCATION INCOME TRUST II

Form N-Q

April 01, 2011

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 811-21286

Name of Fund: BlackRock Credit Allocation Income Trust II, Inc. (PSY)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock Credit Allocation Income Trust II, Inc., 55 East 52nd Street, New York, NY 10055

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 10/31/2011

Date of reporting period: 01/31/2011

Item 1 Schedule of Investments

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Schedule of Investments January 31, 2011 (Unaudited)

BlackRock Credit Allocation Income Trust II, Inc. (PSY)
(Percentages shown are based on Net Assets)

Corporate Bonds	Par (000)	Value
Aerospace & Defense 4.0%		
BE Aerospace, Inc., 8.50%, 7/01/18	\$ 2,500	\$ 2,725,000
Bombardier, Inc., 7.75%, 3/15/20 (a)	3,205	3,509,475
Goodrich Corp., 3.60%, 2/01/21	5,850	5,492,892
United Technologies Corp., 5.70%, 4/15/40 (b)	6,250	6,578,394
		18,305,761
Airlines 0.9%		
American Airlines Pass-Through Trust, Series 2011-1, Class A, 5.25%, 7/31/22	1,410	1,413,525
Continental Airlines Pass-Through Certificates, Series 2009-2, Class B, 9.25%, 5/10/17	1,544	1,690,159
Delta Air Lines, Inc., Series 02G1, 6.72%, 7/02/24	1,146	1,169,217
		4,272,901
Auto Components 0.8%		
Dana Holding Corp.: 6.50%, 2/15/19	460	468,050
6.75%, 2/15/21	310	314,650
Icahn Enterprises LP: 7.75%, 1/15/16	880	907,500
8.00%, 1/15/18	2,000	2,055,000
		3,745,200
Beverages 0.4%		
Constellation Brands, Inc., 7.25%, 5/15/17	1,970	2,107,900
Building Products 0.1%		
Building Materials Corp. of America, 7.00%, 2/15/20 (a)	525	551,250
Capital Markets 2.1%		
Ameriprise Financial, Inc., 5.30%, 3/15/20	3,250	3,423,921
Morgan Stanley, 5.75%, 1/25/21 (b)	4,450	4,497,495
UBS AG, 2.25%, 1/28/14	1,627	1,631,787
		9,553,203

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Chemicals 0.3%		
CF Industries, Inc., 7.13%, 5/01/20	1,125	1,250,156
Commercial Banks 3.2%		
City National Corp., 5.25%, 9/15/20	2,350	2,327,165
Comerica, Inc., 3.00%, 9/16/15	2,300	2,291,479
Discover Bank, 8.70%, 11/18/19	1,200	1,436,884
Fifth Third Bancorp, 3.63%, 1/25/16	2,775	2,796,187
Corporate Bonds	Par (000)	Value
Commercial Banks (concluded)		
Lloyds TSB Bank Plc, 4.88%, 1/21/16	\$ 2,025	\$ 2,026,731
Regions Financial Corp., 4.88%, 4/26/13	1,475	1,452,875
SVB Financial Group, 5.38%, 9/15/20	2,300	2,273,545
		<u>14,604,866</u>
Commercial Services & Supplies 5.2%		
Aviation Capital Group, 7.13%, 10/15/20 (a)	9,300	9,523,715
Browning-Ferris Industries, Inc., 7.40%, 9/15/35	3,742	4,451,895
Casella Waste Systems, Inc., 7.75%, 2/15/19 (a)(c)	621	634,973
Clean Harbors, Inc., 7.63%, 8/15/16	1,314	1,392,840
Corrections Corp. of America, 7.75%, 6/01/17	3,375	3,687,187
Waste Management, Inc., 6.13%, 11/30/39	4,000	4,250,628
		<u>23,941,238</u>
Communications Equipment 0.9%		
Brocade Communications Systems, Inc., 6.88%, 1/15/20	2,965	3,157,725
CC Holdings GS V LLC, 7.75%, 5/01/17 (a)	935	1,028,500
		<u>4,186,225</u>
Construction Materials 0.2%		
Inversiones CMPC SA, 4.75%, 1/19/18 (a)	825	812,745
Consumer Finance 5.9%		
American Express Credit Corp., 2.75%, 9/15/15	5,850	5,744,337
Capital One Bank USA NA, 8.80%, 7/15/19	3,325	4,127,170

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Inmarsat Finance Plc, 7.38%, 12/01/17 (a)	2,135	2,268,437
SLM Corp., 6.25%, 1/25/16	15,000	15,028,230
		27,168,174

Containers & Packaging 1.3%

Ball Corp.:		
7.13%, 9/01/16	1,750	1,903,125
6.75%, 9/15/20	2,210	2,331,550
Crown Americas LLC, 6.25%, 2/01/21 (a)	825	831,187
Owens-Brockway Glass Container, Inc., 6.75%, 12/01/14	570	585,675
Rock-Tenn Co., 9.25%, 3/15/16	325	356,688
		6,008,225

Portfolio Abbreviations

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

GO General Obligation Bonds
 RB Revenue Bonds

Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust II, Inc. (PSY)
(Percentages shown are based on Net Assets)

Corporate Bonds	Par (000)	Value
Diversified Financial Services 2.5%		
Ally Financial, Inc., 8.30%, 2/12/15	\$ 2,500	\$ 2,825,000
Citigroup, Inc., 4.59%, 12/15/15	975	1,018,118
Moody's Corp., 6.06%, 9/07/17	6,000	6,069,318
Reynolds Group Issuer, Inc. (a)(c): 6.88%, 2/15/21	660	665,775
8.25%, 2/15/21	815	822,131
		11,400,342
Diversified Telecommunication Services 4.1%		
AT&T Inc., 6.30%, 1/15/38 (b)	4,000	4,123,844
Frontier Communications Corp., 8.50%, 4/15/20	3,100	3,495,250
Qwest Corp., 8.38%, 5/01/16	2,795	3,347,013
Verizon Communications, Inc., 7.35%, 4/01/39 (b)	4,025	4,793,038
Windstream Corp.: 8.63%, 8/01/16	1,000	1,060,000
7.88%, 11/01/17	1,900	2,035,375
		18,854,520
Electric Utilities 1.6%		
Progress Energy, Inc., 7.00%, 10/30/31	4,000	4,587,492
Southern California Edison Co., 5.50%, 3/15/40	2,850	2,880,922
		7,468,414
Electronic Equipment, Instruments & Components 0.2%		
Jabil Circuit, Inc., 8.25%, 3/15/18	800	916,000
Energy Equipment & Services 0.9%		
Halliburton Co., 7.45%, 9/15/39 (b)	3,220	4,048,113
Food & Staples Retailing 3.4%		
CVS Caremark Corp., 6.30%, 6/01/62 (d)	6,600	6,360,750
Wal-Mart Stores, Inc. (b): 5.25%, 9/01/35	2,500	2,461,170
6.20%, 4/15/38	6,250	6,891,275

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		15,713,195
Food Products 1.0%		
Kraft Foods, Inc.:		
6.50%, 8/11/17	1,665	1,933,971
6.13%, 8/23/18	1,660	1,884,415
Smithfield Foods, Inc., 10.00%, 7/15/14	700	823,375
		4,641,761
Gas Utilities 1.1%		
Nisource Finance Corp., 6.13%, 3/01/22		
	4,000	4,414,876
Targa Resources Partners LP, 6.88%, 2/01/21 (a)(c)	495	495,000
		4,909,876
Health Care Equipment & Supplies 1.5%		
Boston Scientific Corp., 7.38%, 1/15/40		
	2,935	3,135,525
Fresenius US Finance II, Inc., 9.00%, 7/15/15 (a)	2,250	2,584,688
Corporate Bonds	Par (000)	Value
Health Care Equipment & Supplies (concluded)		
Medtronic, Inc.:		
6.50%, 3/15/39	\$ 650	\$ 744,475
5.55%, 3/15/40	412	425,302
		6,889,990
Health Care Providers & Services 3.5%		
Aetna, Inc., 6.75%, 12/15/37		
	3,400	3,818,557
Aviv Healthcare Properties LP, 7.75%, 2/15/19 (a)(c)	460	472,650
HCA, Inc.:		
8.50%, 4/15/19	1,800	2,007,000
7.25%, 9/15/20	2,550	2,728,500
Tenet Healthcare Corp.:		
10.00%, 5/01/18	1,530	1,795,838
8.88%, 7/01/19	1,125	1,288,125
UnitedHealth Group, Inc., 6.88%, 2/15/38 (b)	3,400	3,880,430
		15,991,100
Household Durables 0.3%		
Cemex Espana Luxembourg, 9.25%, 5/12/20 (a)		
	1,462	1,489,412
IT Services 0.1%		
First Data Corp., 8.25%, 1/15/21 (a)		
	475	457,188

**Independent Power Producers &
Energy Traders 0.3%**

Energy Future Intermediate
Holding Co. LLC, 10.00%,
12/01/20

1,475

1,564,392

Insurance 6.6%