

Diamond Jeremy
Form 5
January 13, 2009

FORM 5

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0362
Expires: January 31, 2005
Estimated average burden hours per response... 1.0

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Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person *
Diamond Jeremy

2. Issuer Name and Ticker or Trading Symbol
ANNALY CAPITAL
MANAGEMENT INC [NLY]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
12/31/2008

___ Director ___ 10% Owner
__X__ Officer (give title below) ___ Other (specify below)
Managing Director

C/O ANNALY CAPITAL
MANAGEMENT, INC., 1211
AVENUE OF THE AMERICAS
SUITE 2902

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting

(check applicable line)

NEW YORK, NY 10036

__X__ Form Filed by One Reporting Person
___ Form Filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	(A) or (D)	Price	5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common Stock	12/31/2008	12/31/2008	A	A	A	A	42,066	D	A
Common Stock	12/31/2008	12/31/2008	A	A	A	A	179	I	By Wife
Common Stock	12/31/2008	12/31/2008	A	A	A	A	65	I	Jeremy Diamond

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Common Stock	Â	Â	Â	Â	Â	Â	300	I	C/F Eleanor L. Diamond Jeremy Diamond C/F Benjamin L. Diamond
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 2270
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)		
					(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Option to purchase Common Stock ⁽¹⁾	\$ 17.97	Â	Â	Â	Â	Â	08/04/2004	08/04/2013	C/S	20,000	Â
Option to purchase Common Stock ⁽¹⁾	\$ 17.39	Â	Â	Â	Â	Â	04/19/2005	04/19/2014	C/S	20,000	Â
Option to purchase Common Stock ⁽¹⁾	\$ 17.07	Â	Â	Â	Â	Â	07/07/2006	07/07/2015	C/S	30,000	Â
Option to purchase Common Stock ⁽¹⁾	\$ 11.72	Â	Â	Â	Â	Â	02/13/2007	02/13/2016	C/S	31,617	Â
Option to purchase	\$ 15.7	Â	Â	Â	Â	Â	05/17/2008	05/17/2017	C/S	40,000	Â

