

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

1. Name and Address of Reporting Person* BAYLES MICHAEL R (Last) (First) (Middle) 1900 WEST LOOP SOUTH SUITE 1500 (Street) HOUSTON TX 77027 (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol QUANEX CORP [NX]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) Senior VP-Building Prod. Group
	3. Date of Earliest Transaction (Month/Day/Year) 12/14/2006	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person

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)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	12/14/2006		M		10,350	A	\$17.6	33,606.1516	D	
Common Stock	12/14/2006		M		10,875	A	\$26.3111	44,481.1516	D	
Common Stock	12/14/2006		S		1,200	D	\$35.5	43,281.1516	D	
Common Stock	12/14/2006		S		2,200	D	\$35.51	41,081.1516	D	
Common Stock	12/14/2006		S		200	D	\$35.52	40,881.1516	D	
Common Stock	12/14/2006		S		100	D	\$35.53	40,781.1516	D	
Common Stock	12/14/2006		S		4,000	D	\$35.55	36,781.1516	D	
Common Stock	12/14/2006		S		100	D	\$35.58	36,681.1516	D	
Common Stock	12/14/2006		S		200	D	\$35.6	36,481.1516	D	
Common Stock	12/14/2006		S		200	D	\$35.61	36,281.1516	D	
Common Stock	12/14/2006		S		500	D	\$35.62	35,781.1516	D	
Common Stock	12/14/2006		S		1,300	D	\$35.63	34,481.1516	D	
Common Stock	12/14/2006		S		1,000	D	\$35.64	33,481.1516	D	
Common Stock	12/14/2006		S		200	D	\$35.65	33,281.1516	D	
Common Stock	12/14/2006		S		8,481	D	\$35.65	24,800.1516	D	
Common Stock	12/14/2006		S		200	D	\$35.66	24,600.1516	D	
Common Stock	12/14/2006		S		119	D	\$35.73	24,481.1516	D	
Common Stock	12/14/2006		S		800	D	\$35.75	23,681.1516	D	
Common Stock	12/14/2006		S		500	D	\$35.76	23,181.1516	D	
Common Stock	12/14/2006		S		200	D	\$35.77	22,981.1516	D	
Common Stock	12/14/2006		S		500	D	\$35.78	22,481.1516	D	
Common Stock	12/14/2006		S		300	D	\$35.79	22,181.1516	D	
Common Stock	12/14/2006		S		100	D	\$35.8	22,081.1516	D	
Common Stock	12/14/2006		S		100	D	\$35.82	21,981.1516	D	
Common Stock	12/14/2006		S		700	D	\$35.84	21,281.1516	D	
Common Stock	12/14/2006		S		1,008	D	\$35.88	20,273.1516	D	
Common Stock	12/14/2006		S		6,225	D	\$36	14,048.1516	D	
Common Stock	12/14/2006		S		600	D	\$36.01	13,448.1516	D	

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	3. Transaction Date (Month/Day/Year)	4. Deemed Execution Date, if any (Month/Day/Year)	5. Transaction Code (Instr. 8)	6. Number of Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	7. Date Exercisable and Expiration Date (Month/Day/Year)	8. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	9. Price of Derivative Security (Instr. 5)	10. Number of Derivative Securities Beneficially Owned	11. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	12. Nature of Indirect Beneficial Ownership (Instr. 4)
Stock Options (Right to buy)	\$17.6	12/14/2006		M	10,350	12/03/2004 ⁽¹⁾ Date Exercisable	12/03/2013 Expiration Date	Common Stock	10,350		D
Stock Options (Right to buy)	\$26.3111	12/14/2006		M	10,875	12/01/2005 ⁽¹⁾ Date Exercisable	12/01/2014 Expiration Date	Common Stock	10,875		D

Explanation of Responses:

1. The option becomes exercisable in one third increments annually beginning one year from date of grant.

John J. Mannion, Power of Attorney

12/14/2006

** Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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 Number.