

OMB APPROVAL	
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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

1. Name and Address of Reporting Person* <u>MURPHY TERRY M</u> (Last) (First) (Middle) <u>1900 WEST LOOP SOUTH</u> <u>SUITE 1500</u> (Street) <u>HOUSTON TX 77027</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>QUANEX CORP [NX]</u>	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) <u>Senior VP-Finance and CFO</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>01/17/2006</u>	
	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	01/17/2006		M		15,000	A	\$12.125	30,918.8675	D	
Common Stock	01/17/2006		M		15,000	A	\$17.3333	45,918.8675	D	
Common Stock	01/17/2006		S		6,100	D	\$59.61	39,818.8675	D	
Common Stock	01/17/2006		S		2,400	D	\$59.63	37,418.8675	D	
Common Stock	01/17/2006		S		1,000	D	\$59.64	36,418.8675	D	
Common Stock	01/17/2006		S		2,800	D	\$59.65	33,618.8675	D	
Common Stock	01/17/2006		S		1,100	D	\$59.66	32,518.8675	D	
Common Stock	01/17/2006		S		4,900	D	\$59.67	27,618.8675	D	
Common Stock	01/17/2006		S		1,000	D	\$59.68	26,618.8675	D	
Common Stock	01/17/2006		S		2,600	D	\$59.69	24,018.8675	D	
Common Stock	01/17/2006		S		200	D	\$59.7	23,818.8675	D	
Common Stock	01/17/2006		S		600	D	\$59.71	23,218.8675	D	
Common Stock	01/17/2006		S		800	D	\$59.72	22,418.8675	D	
Common Stock	01/17/2006		S		1,000	D	\$59.73	21,418.8675	D	
Common Stock	01/17/2006		S		1,000	D	\$59.74	20,418.8675	D	
Common Stock	01/17/2006		S		100	D	\$59.75	20,318.8675	D	
Common Stock	01/17/2006		S		700	D	\$59.77	19,618.8675	D	
Common Stock	01/17/2006		S		100	D	\$59.78	19,518.8675	D	
Common Stock	01/17/2006		S		300	D	\$59.81	19,218.8675	D	
Common Stock	01/17/2006		S		100	D	\$59.82	19,118.8675	D	
Common Stock	01/17/2006		S		100	D	\$60.02	19,018.8675	D	
Common Stock	01/17/2006		S		600	D	\$60.05	18,418.8675	D	
Common Stock	01/17/2006		S		500	D	\$60.08	17,918.8675	D	
Common Stock	01/17/2006		S		100	D	\$60.17	17,818.8675	D	
Common Stock	01/17/2006		S		200	D	\$60.18	17,618.8675	D	
Common Stock	01/17/2006		S		1,700	D	\$62	15,918.8675	D	

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

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