

**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	
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<b>1. Name and Address of Reporting Person*</b> <u>DELANEY KEVIN P</u>  (Last) (First) (Middle) <u>1900 WEST LOOP SOUTH</u> <u>SUITE 1500</u>  (Street) <u>HOUSTON TX 77027</u>  (City) (State) (Zip)	<b>2. Issuer Name and Ticker or Trading Symbol</b> <u>QUANEX CORP [ NX ]</u>	<b>5. Relationship of Reporting Person(s) to Issuer</b> (Check all applicable)  Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Senior VP-Corporate Secretary</u>
	<b>3. Date of Earliest Transaction (Month/Day/Year)</b> <u>09/29/2006</u>	
<b>4. If Amendment, Date of Original Filed (Month/Day/Year)</b>		

**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	09/29/2006	10/02/2006	J <sup>(1)</sup>		1.427	A	\$30.6736	16,526.7485	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 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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Phantom Stock Units <sup>(2)</sup>	\$0 <sup>(3)</sup>	09/29/2006		A		36.31		(4)	(4)	Common Stock	36.31	\$30.35	7,907.91	D	
Stock Options (Right to buy)	\$13.4222							(5)	07/23/2013	Common Stock	9,000		9,000	D	
Stock Options (Right to buy)	\$17.6							12/04/2004	12/03/2013	Common Stock	10,650		10,650	D	
Stock Options (Right to buy)	\$26.3111							12/01/2005	12/01/2014	Common Stock	18,675		18,675	D	
Stock Options (Right to buy)	\$40.9467							12/01/2006	12/01/2015	Common Stock	13,500		13,500	D	

**Explanation of Responses:**

- Acquired through Quanex Dividend Reinvestment Plan.
- Units that are credited to the participant's account under the Quanex Corporation Deferred Compensation Plan as a result of Dividend Reinvestment.
- Conversion price is 1-for-1.
- All units credited under the Deferred Compensation Plan are 100% vested at all times; provided, however, that if a participant receives a benefit from the Deferred Compensation Plan for any reason other than death, disability or retirement within three years after a deferral is credited to a participant's account, any matching awards made by the Company with respect to such deferral will be forfeited. Distributions under the Deferred Compensation Plan are made beginning on a specified date selected by the participant or upon a participant's death, disability, or termination of employment.
- The option becomes exercisable in one third increments annually beginning one year from date of grant.

John J. Mannion, Power of Attorney 10/02/2006

\*\* 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.