SEC Form	4
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FORM 4

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

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934

			or Se	ction 30(n) of the In	vestmer	it Con	npany Act of 1	940					
1. Name and DAVIS S	Address of Reporting <u>USAN F</u>		2. Issuer Name and Ticker or Trading Symbol <u>QUANEX CORP</u> [nx]						5. Relationship of Reporting Person(s) to Issuer (Check all applicable) X Director 10% Owner				
(Last)	(First)	3. Date 09/24	e of Earliest Transad /2006	ction (M	onth/D	0ay/Year)		Officer (give title below)		(specify			
(Street)				nendment, Date of	Original	Filed	(Month/Day/Ye	6. Indi Line) X	,				
(City)	(State)	(Zip)								Form filed by Mo Person	e than One Rep	orting	
		Table I - Noi	n-Derivative S	ecurities Acq	uired,	Dis	posed of, o	or Ben	eficially	Owned			
1. Title of Security (Instr. 3)			2. Transaction Date (Month/Day/Year)	Execution Date,		ction Instr. V	5) (A) or			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)	

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

(13), (11), (
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. Transa Code (8)		5. Numb of Derivati Securiti Acquire (A) or Dispose of (D) (II 3, 4 and	ve es ed ed nstr.	6. Date Exercisable and Expiration Date (Month/Day/Year)		and 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	Amount or Number of Shares				
Phantom Stock Units ⁽¹⁾	\$0 ⁽²⁾	09/24/2006		Α		41.528		(3)	(3)	Common Stock	41.528	\$30.1	17,159.694	D	
Phantom Stock Units ⁽⁴⁾	\$0 ⁽²⁾	09/24/2006		A		8.306		(3)	(3)	Common Stock	8.306	\$30.1	17,168	D	

Explanation of Responses:

1. Units that are credited to the participant's account under the Quanex Corporation Deferred Compensation Plan as a result of the participant's deferral of income or fees, as the case may be.

2. Conversion price is 1 for 1.

3. All units credited under the deferred Compensation Plan are 100% vested at all times; provided, however, that if a partcipant received 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. Disbributions under the Deferred Compensation Plan are made beginning on a specific date selected by the participant or upon a participant's death, disability or termination of employment.

4. Represents units credited to a partcipant's account under the Deferred Compensation Plan as a result of the company's 20% matching award of the participant's deferral of income or fees, as the case may be.



09/26/2006

** 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.

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