

QUANEX CORP
Form 4

December 14, 2006

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 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

OMB APPROVAL

OMB
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(Print or Type Responses)

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]

3. Date of Earliest Transaction
(Month/Day/Year)
12/14/2006

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

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

Senior VP-Building Prod. Group

6. Individual or Joint/Group Filing(Check
Applicable Line)
__X__ 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
Common Stock	12/14/2006		M		10,875	A	\$ 26.3111
							44,481.1516
Common Stock	12/14/2006		S		1,200	D	\$ 35.5
							43,281.1516
Common Stock	12/14/2006		S		2,200	D	\$ 35.51
							41,081.1516
Common Stock	12/14/2006		S		200	D	\$ 35.52
							40,881.1516

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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
	12/14/2006	S	1,008	D	\$ 35.88	20,273.1516	D

Common
Stock

Common Stock	12/14/2006	S	6,225	D	\$ 36	14,048.1516	D
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Common Stock	12/14/2006	S	600	D	\$ 36.01	13,448.1516	D
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Stock Options (Right to buy)	\$ 17.6	12/14/2006		M	10,350	12/03/2004 ⁽¹⁾ 12/03/2013	Common Stock 10,350
Stock Options (Right to buy)	\$ 26.3111	12/14/2006		M	10,875	12/01/2005 ⁽¹⁾ 12/01/2014	Common Stock 10,875

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
BAYLES MICHAEL R 1900 WEST LOOP SOUTH SUITE 1500 HOUSTON, TX 77027	Senior VP-Building Prod. Group

Signatures

John J. Mannion, Power of
Attorney

12/14/2006

__Signature of Reporting Person

Date

Explanation of Responses:

* 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).

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

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

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