

MURPHY TERRY M  
Form 4  
January 18, 2006

**FORM 4**

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

OMB APPROVAL

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**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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
MURPHY TERRY M

2. Issuer Name and Ticker or Trading Symbol  
QUANEX CORP [NX]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
1900 WEST LOOP SOUTH, SUITE 1500

3. Date of Earliest Transaction (Month/Day/Year)  
01/17/2006

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)

Senior VP-Finance and CFO

(Street)  
HOUSTON, TX 77027

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**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	(D)	Price
Common Stock	01/17/2006		M		15,000	A	\$ 12.125
Common Stock	01/17/2006		M		15,000	A	\$ 17.3333
Common Stock	01/17/2006		S		6,100	D	\$ 59.61
Common Stock	01/17/2006		S		2,400	D	\$ 59.63
Common Stock	01/17/2006		S		1,000	D	\$ 59.64

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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
	01/17/2006	S	1,700	D	\$ 62	15,918.8675	D

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Common  
Stock

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

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**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
Phantom Stock Units	\$ 0					(1)	(1)	Common Stock	26,504.
Stock Options (Right to buy)	\$ 21.3333					12/04/2003	12/04/2012	Common Stock	17,50
Stock Options (Right to buy)	\$ 26.4					12/03/2004	12/03/2013	Common Stock	6,750
Stock Options (Right to buy)	\$ 39.4667					12/01/2005	12/01/2014	Common Stock	14,10
Stock Options (Right to buy)	\$ 12.125	01/17/2006		M(2)	15,000	10/26/2001	10/26/2010	Common Stock	15,00
Stock Options (Right to buy)	\$ 17.3333	01/17/2006		M(2)	15,000	10/23/2002	10/23/2011	Common Stock	15,00

