

Hammonds Paul A  
 Form 4  
 December 07, 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 \*  
 Hammonds Paul A

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  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 12/06/2006

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 Vice Pres.-Corp. Development

HOUSTON, TX 77027  
 (City) (State) (Zip)

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

**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 Ownership (Instr. 4)
				(A) or (D)	Code V Amount (D) Price		

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

**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 control number.**

SEC 1474 (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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount Underlying Security (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)		Date Exercisable	Expiration Date	Title	Amount Number Shares
			Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code V				
Phantom Stock Units <sup>(1)</sup>	\$ 0 <sup>(2)</sup>	12/06/2006	A	1,081.491	<sup>(3)</sup>	<sup>(3)</sup>	Common Stock	1,081.491
Phantom Stock Units <sup>(4)</sup>	\$ 0 <sup>(2)</sup>	12/06/2006	A	216.298	<sup>(3)</sup>	<sup>(3)</sup>	Common Stock	216.298
Stock Options (Right to buy)	\$ 13.3555				03/10/2004	03/10/2013	Common Stock	3,000
Stock Options (Right to buy)	\$ 17.6				12/03/2004	12/03/2013	Common Stock	4,500
Stock Options (Right to buy)	\$ 26.3111				12/01/2005	12/01/2014	Common Stock	11,000
Stock Options (Right to buy)	\$ 37.47				12/05/2007	12/05/2016	Common Stock	4,100
Stock Options (Right to buy)	\$ 40.9467				12/01/2006	12/01/2015	Common Stock	3,700

**Reporting Owners**

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Hammonds Paul A 1900 WEST LOOP SOUTH SUITE 1500 HOUSTON, TX 77027			Vice Pres.-Corp. Development	

**Signatures**

John J. Mannion, Power of Attorney  
12/07/2006

