

MURPHY TERRY M
Form 4
February 21, 2006

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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

(Print or Type Responses)

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

(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)
02/17/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

Senior VP-Finance and CFO

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount (D) or Price (A)		
Common Stock	02/17/2006		M		5,000 A \$ 12.125	20,918.8675	D
Common Stock	02/17/2006		M		5,000 A \$ 17.3333	25,918.8675	D
Common Stock	02/17/2006		M		5,000 A \$ 21.3333	30,918.8675	D
Common Stock	02/17/2006		S		800 D \$ 61.55	30,118.8675	D
Common Stock	02/17/2006		S		100 D \$ 61.6	30,018.8675	D

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Common Stock	02/17/2006	S	200	D	\$ 61.65	29,818.8675	D
Common Stock	02/17/2006	S	200	D	\$ 61.71	29,618.8675	D
Common Stock	02/17/2006	S	400	D	\$ 61.72	29,218.8675	D
Common Stock	02/17/2006	S	500	D	\$ 61.75	28,718.8675	D
Common Stock	02/17/2006	S	200	D	\$ 61.77	28,518.8675	D
Common Stock	02/17/2006	S	500	D	\$ 61.8	28,018.8675	D
Common Stock	02/17/2006	S	2,200	D	\$ 61.81	25,818.8675	D
Common Stock	02/17/2006	S	400	D	\$ 61.82	25,418.8675	D
Common Stock	02/17/2006	S	700	D	\$ 61.83	24,718.8675	D
Common Stock	02/17/2006	S	800	D	\$ 61.84	23,918.8675	D
Common Stock	02/17/2006	S	600	D	\$ 61.85	23,318.8675	D
Common Stock	02/17/2006	S	200	D	\$ 61.87	23,118.8675	D
Common Stock	02/17/2006	S	100	D	\$ 61.88	23,018.8675	D
Common Stock	02/17/2006	S	7,100	D	\$ 61.9	15,918.8675	D

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

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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 (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)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. D

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(Instr. 3, 4,
and 5)

	Code	V	(A)	(D)	Date	Expiration	Title	Amount or Number of Shares
					Exercisable	Date		
Stock Options (Right to buy)								
Options (Right to buy)	\$ 12.125				02/17/2006			
					M ⁽¹⁾	5,000	10/26/2001 10/26/2010	Common Stock 5,000
Stock Options (Right to buy)	\$ 17.3333				02/17/2006			
					M ⁽¹⁾	5,000	10/23/2002 10/23/2011	Common Stock 5,000
Stock Options (Right to buy)	\$ 21.3333				02/17/2006			
					M ⁽¹⁾	5,000	12/04/2003 12/04/2012	Common Stock 5,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MURPHY TERRY M 1900 WEST LOOP SOUTH SUITE 1500 HOUSTON, TX 77027			Senior VP-Finance and CFO	

Signatures

John J. Mannion, Power of
Attorney
Date 02/21/2006

**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) Options exercised under the Quanex Corporation 1996 Employee Stock Option Plan.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.