

QUANEX CORP
Form 4
December 23, 2004

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

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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

(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)
12/22/2004

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)
Vice President & 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 (A) or (D) Price			
Common Stock	12/22/2004		M	4,000 A \$ 21.125	14,525.555	D	
Common Stock	12/22/2004		M	3,000 A \$ 39.6	17,525.555	D	
Common Stock	12/22/2004		S	200 D \$ 70.03	17,325.555	D	
Common Stock	12/22/2004		S	6,800 D \$ 69.25	10,525.555	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			6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
					Acquired (A)	or Disposed of (D)	(Instr. 3, 4, and 5)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Options (Right to buy)	\$ 18.1875							10/27/2000	10/26/2010	Common Stock	25,000
Stock Options (Right to buy)	\$ 21.125	12/22/2004		M ⁽¹⁾	4,000			10/21/2000	10/20/2009	Common Stock	4,000
Stock Options (Right to buy)	\$ 26							10/24/2002	10/23/2011	Common Stock	25,000
Stock Options (Right to buy)	\$ 32							12/05/2003	12/04/2012	Common Stock	25,000
Stock Options (Right to buy)	\$ 39.6	12/22/2004		M ⁽¹⁾	3,000			12/04/2004	12/03/2013	Common Stock	3,000
Stock Options (Right to buy)	\$ 59.2							12/01/2005	12/01/2014	Common Stock	14,100
Phantom Stock Units	\$ 0							09/30/2004	08/08/1988	Common Stock	12,162.8

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MURPHY TERRY M 1900 WEST LOOP SOUTH SUITE 1500 HOUSTON, TX 77027			Vice President & CFO	

Signatures

Terry M Murphy	12/23/2004
**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.