

SECURITIES AND EXCHANGE COMMISSION

FORM S-3

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

QUANEX CORPORATION
 (Exact name of registrant as specified in its charter)

DELAWARE
 (State or other jurisdiction of incorporation or organization)

38-1872178
 (I.R.S. Employer Identification No.)

1900 WEST LOOP SOUTH, SUITE 1500
 HOUSTON, TEXAS 77027
 (713) 961-4600
 (Address, including zip code, and telephone number, including area code, of
 registrant's principal executive offices)

WAYNE M. ROSE
 QUANEX CORPORATION
 1900 WEST LOOP SOUTH, SUITE 1500
 HOUSTON, TEXAS 77027
 (713) 961-4600
 (Name, address, including zip code, and telephone number, including area code,
 of agent for service)

Copies to:

MICHAEL W. CONLON
 FULBRIGHT & JAWORSKI L.L.P.
 1301 MCKINNEY, SUITE 5100
 HOUSTON, TEXAS 77010-3095
 (713) 651-5151

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: From
 time to time after this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered
 pursuant to dividend or interest reinvestment plans, please check the following
 box. []

If any of the securities being registered on this Form are to be
 offered on a delayed or continuous basis pursuant to Rule 415 under the
 Securities Act of 1933, other than securities offered only in connection with
 dividend or interest reinvestment plans, check the following box. [x]

If this Form is filed to register additional securities for an
 offering pursuant to Rule 462(b) under the Securities Act, please check the
 following box and list the Securities Act registration statement number of the
 earlier effective registration statement for the same offering. []____

If this Form is a post-effective amendment filed pursuant to Rule
 462(c) under the Securities Act, check the following box and list the
 Securities Act registration statement number of the earlier effective
 registration statement for the same offering. []____

If delivery of the prospectus is expected to be made pursuant to Rule
 434, please check the following box. []

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER SHARE(1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE (1)	AMOUNT OF REGISTRATION FEE
Common Stock, \$.50 par value	200,000 Shares (2)	\$33.25	\$6,650,000	\$2,016
Rights to purchase shares of Series A Junior Participating Preferred Stock	200,000 (2)			

- (1) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(c) of the Securities Act of 1933 and based upon the average of the high and low sale prices of the Common Stock as reported by the New York Stock Exchange on September 25, 1997.
- (2) Includes an indeterminable number of shares of Common Stock and accompanying Rights issuable as a result of stock splits or similar transactions.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION

STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF
THE SECURITIES ACT OF 1933, AS AMENDED, OR UNTIL THIS REGISTRATION STATEMENT
SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID
SECTION 8(a), MAY DETERMINE.

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INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

SUBJECT TO COMPLETION, DATED SEPTEMBER 29, 1997

PROSPECTUS

200,000 SHARES

QUANEX CORPORATION

COMMON STOCK

This Prospectus relates to the resale, from time to time, of up to 200,000 shares (the "Shares") of common stock, \$.50 par value (the "Common Stock"), of Quanex Corporation, a Delaware corporation (the "Company"), by NBD Bank, as trustee (the "Trustee") of the Quanex Corporation Deferred Compensation Trust (the "Trust") created in connection with the Quanex Corporation Deferred Compensation Plan (the "Plan"). The Shares have been and will be from time to time contributed and issued by the Company to the Trust to fund, through a "rabbi trust" arrangement, the Company's obligations under the Plan. The Shares will be sold by the Trustee for the account of the Trust to fund, when due, certain obligations under the Plan. See "The Plan".

The Shares may be offered and sold by the Trustee from time to time directly or through broker-dealers. The Shares may be sold in one or more transactions at a fixed price or prices, which may be changed, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at prices determined on a negotiated or competitive bid basis. See "Plan of Distribution". The Company will not directly receive any portion of the proceeds of the sale of the Shares offered hereby and will bear all expenses incident to their registration. However, the proceeds will be used to fund obligations of the Company under the Plan.

The Common Stock is traded on the New York Stock Exchange (the "NYSE") under the symbol "NX". On September 26, 1997, the last reported sales price for the Common Stock as reported on the NYSE was \$33 7/16 per share.

The Shares have not been registered for sale under the securities laws of any state or jurisdiction as of the date of this Prospectus. Brokers or dealers effecting transactions in the Shares should confirm the existence of any exemption from registration or the registration thereof under the securities laws of the states in which such transactions occur.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is September , 1997.

TABLE OF CONTENTS

AVAILABLE INFORMATION.....	2
INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE.....	3
PRIVATE SECURITIES LITIGATION REFORM ACT.....	3
THE COMPANY.....	4
THE PLAN.....	4
PLAN OF DISTRIBUTION.....	5
LEGAL MATTERS.....	5
EXPERTS.....	5

NO DEALER, SALESMAN OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THE PROSPECTUS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY, THE TRUSTEE OR ANY UNDERWRITERS. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF ANY OFFER TO BUY ANY OF THE SHARES BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED, OR IN WHICH THE PERSON MAKING THE OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO, OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. UNDER NO CIRCUMSTANCES SHALL THE DELIVERY OF THIS PROSPECTUS OR ANY SALE MADE PURSUANT TO THIS PROSPECTUS CREATE ANY IMPLICATION THAT INFORMATION CONTAINED IN THIS PROSPECTUS IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF THIS PROSPECTUS.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and, in accordance therewith, files reports, proxy statements and other information with the Commission. Such reports, proxy statements and other information filed by the Company with the Commission can be inspected at the Public Reference Section of the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and the Regional Offices of the Commission at Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511, and 7 World Trade Center, New York, New York 10048. Copies of such material can also be obtained from the Public Reference Section of the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. The Commission maintains an Internet Website at <http://www.sec.gov> that contains reports, proxy and information statements and other information regarding registrants that file electronically with the Commission. Such reports, proxy and information statements and other information concerning the Company can also be inspected and copied at the offices of the NYSE, 20 Broad Street, New York, New York 10005, on which the Common Stock is listed.

The Company has filed with the Securities and Exchange Commission (the "Commission") a Registration Statement on Form S-3 under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the Common Stock offered hereby. This Prospectus, which constitutes a part of the Registration Statement, does not contain all of the information set forth in the Registration Statement, certain items of which are contained in exhibits to the Registration Statement as permitted by the rules and regulations of the Commission. For further information with respect to the Company and the Common Stock offered hereby, reference is made to the Registration Statement, including the exhibits thereto, which may be inspected without charge at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 and at the Regional Offices of the Commission, and copies of which may be obtained from the Commission at prescribed rates. Statements made in this Prospectus concerning the contents of any document referred to herein are not necessarily complete. With respect to each such document filed with the Commission as an exhibit to the Registration Statement, reference is made to the exhibit for a more complete description of the matter involved, and each such statement shall be deemed qualified in its entirety by such reference.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents are incorporated herein by reference:

- (a) The Company's Annual Report on Form 10-K for the year ended October 31, 1996;
- (b) The Company's Quarterly Report on Form 10-Q for the quarter ended January 31, 1997;
- (c) The Company's Quarterly Report on Form 10-Q for the quarter ended April 30, 1997, as amended by Amendment No. 1 to the Company's Form 10-Q on Form 10-Q/A;
- (d) The Company's Quarterly Report on Form 10-Q for the quarter ended July 31, 1997;
- (e) The Company's Current Report on Form 8-K dated May 5, 1997;
- (f) The description of the Company's common stock, \$.50 par value (the "Common Stock"), contained in the Prospectus dated January 12, 1981, included in the Company's Registration Statement (Registration No. 2-70313) and filed with the Commission pursuant to Rule 424(b) of the Securities Act; and
- (g) The description of the rights to purchase Series A Junior Participating Preferred Stock (the "Rights") set forth in the Amended and Restated Certificate of Designation, Preferences and Rights, filed as Exhibit 1 to Amendment No. 1 to the Company's Form 8-A dated April 28, 1989.

All documents filed by the Company with the Commission pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this Prospectus and prior to the termination of the offering of the Common Stock pursuant hereto shall be deemed to be incorporated by reference in this Prospectus and to be a part hereof from the date of the filing of such documents. Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference in this Prospectus shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained in this Prospectus or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Company undertakes to provide without charge to each person to whom a copy of this Prospectus has been delivered, upon the written or oral request of any such person, a copy of any or all of the documents incorporated by reference herein, other than the exhibits to such documents, unless such exhibits are specifically incorporated by reference into the information that this Prospectus incorporates. Written or oral requests for such copies should be directed to the Company at 1900 West Loop South, Suite 1500, Houston, Texas 77027, Attention: Secretary (Telephone number: (713) 961-4600).

PRIVATE SECURITIES LITIGATION REFORM ACT

Certain forward looking information incorporated by reference or contained herein is being provided in accordance with the provisions of the Private Securities Litigation Reform Act. Such information is subject to certain assumptions and beliefs based on current information known to the Company and is subject to factors that could result in actual results differing materially from those anticipated in the forward looking statements contained in this report. Such factors include domestic and international economic activity, prevailing prices of steel and aluminum scrap and other raw material costs, interest rates, the continuation of countervailing import duties on certain of the Company's competitors, construction delays, market conditions for the Company's customers, any material changes in purchases by the principal customers of the Company, environmental regulations and changes in estimates of costs for known environmental remediation projects and situations, world-wide political stability and economic growth, the Company's successful implementation of its internal operating plans, performance issues with key customers, suppliers and subcontractors, and regulatory changes and legal proceedings. Accordingly, there can be no assurance that the forward-looking statements contained herein will occur or that objectives will be achieved.

THE COMPANY

Quanex Corporation is a technological leader in the manufacture of value-added metal products made from carbon and alloy steel and aluminum. The Company's products include engineered hot rolled carbon and alloy steel bars, cold finished steel bars, seamless and welded steel tubing, aluminum sheet and fabricated products. Quanex's products involve various high quality specialized metal products designed for specific markets and provide greater than average profit margins. The markets served by the Company include the industrial machinery and capital equipment industries, the transportation industry (including auto and truck), energy processing and the home building and remodeling industries.

Since the mid-1980's Quanex has refocused its strategy from being a manufacturer principally of steel products with a heavy dependence on energy markets to a diversified, value-added specialized metals products company serving a broad range of markets. The Company's future growth strategy is focused on the continued penetration of higher margin markets for its various products, the continued expansion of its aluminum products manufacturing operations, rapid expansion of formed value-added products, and niche acquisitions. The Company's August 1996 acquisition of the assets of Piper Impact, Inc., a manufacturer of custom designed, impact extruded aluminum and steel parts for the transportation industry, is reflective of this strategy. Quanex also has implemented programs to increase capacity utilization by selectively producing certain commodity grade products at some of its facilities.

The Company has invested significantly in technologically advanced continuous manufacturing processes to meet demanding quality specifications and to achieve cost efficiencies. In its MacSteel operations, rotary centrifugal continuous casters are used in an in-line manufacturing process to produce bearing grade and aircraft quality, seam-free, specialty engineered carbon and alloy steel bars that enable Quanex to participate in higher margin markets.

The Company was organized in 1927 as a Michigan corporation under the name of Michigan Seamless Tube Company. The Company reincorporated in Delaware in 1968 under the same name and changed its name to Quanex Corporation in 1977. The Company's executive offices are located at 1900 West Loop South, Suite 1500, Houston Texas 77027. References made to the "Company" or "Quanex" include Quanex Corporation and its subsidiaries unless the context otherwise requires.

THE PLAN

The Shares are offered hereby for the account of the Trust to fund the Company's obligations pursuant to the terms of the Plan. The Company authorized the issuance of up to 200,000 shares of Common Stock to be contributed to the Trust from time to time pursuant to the terms of the Plan. The Plan, which was originally established in October 1981, was amended and restated on October 12, 1995, to allow officers and directors of the Company to defer a portion of their incentive bonuses and director fees, respectively, in accounts denominated in shares of the Company's Common Stock. The Plan is administered by a committee whose members are appointed by the Board of Directors of the Company. The Trust was formed effective as of August 1, 1996, to allow the Company to fund certain of its obligations under the Plan by delivering Common Stock to the Trustee. While it is not obligated to do so, the Company has, from time to time, delivered shares of Common Stock to the Trust concurrently with the accrual of an equivalent number of shares to a Plan participant's account denominated in shares of Common Stock.

Pursuant to the terms of the Plan, Common Stock denominated accounts may be converted into cash or cash accounts under certain circumstances. When a Common Stock denominated account is so converted, the Trustee may resale the Common Stock in accordance with the terms of this Prospectus and the Trust to provide funds for such account.

As of September 25, 1997, the Trust held 38,595 shares of Common Stock, representing approximately 0.3% of the total outstanding shares of Common Stock. Because all or a portion of the Shares held by the Trust may be offered for resale from time to time pursuant to this Prospectus, no estimate can be given as to the number of shares of Common Stock that will be held by the Trust upon termination of any such sales.

PLAN OF DISTRIBUTION

The Shares may be sold pursuant to the methods described below from time to time by or for the account of the Trust on the NYSE or otherwise in one or more transactions at a fixed price or prices, which may be changed, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at prices determined on a negotiated or competitive bid basis. The Shares may be sold by any one or more of the following methods: (a) a block trade (which may involve crosses) in which the broker or dealer so engaged will attempt to sell the securities as agent but may position and resell a portion of the block as principal to facilitate the transaction; (b) purchases by a broker or dealer as principal; (c) ordinary brokerage transactions and transactions in which the broker solicits purchasers; and (d) privately negotiated transactions. The Trustee may effect such transactions by selling Shares through broker-dealers, and such broker-dealers may receive compensation in the form of commissions from the Trustee (which commissions will not exceed those customary in the types of transactions involved). The Trustee and any broker-dealers that participate in the distribution of the Shares may be deemed to be "underwriters" within the meaning of the Securities Act in connection with such sales, and any profit on the sale of Shares by it and any fees and commissions received by any such broker-dealers may be deemed to be underwriting discounts and commissions.

At the time a particular offering of Common Stock is made hereunder, to the extent required by law, a Prospectus Supplement will be distributed which will set forth the amount of Common Stock being offered and the terms of the offering, including the purchase price, the name or names of any dealers or agents, the purchase price paid for Common Stock purchased from the Trust and any items constituting compensation from the Trust.

The Company will not directly receive any portion of the proceeds of the sale of the Shares offered hereby and will bear all expenses in connection with the registration and qualification of the Shares. However, the proceeds will be used to fund the obligations of the Company under the Plan.

LEGAL MATTERS

In connection with the Common Stock offered hereby, the validity of the Shares being offered will be passed upon for the Company by Fulbright & Jaworski L.L.P., Houston, Texas.

EXPERTS

The Company's consolidated financial statements as of October 31, 1996 and 1995, and for each of the three years in the period ended October 31, 1996, incorporated by reference into this Prospectus and the Registration Statement have been audited by Deloitte & Touche LLP, independent public accountants, as indicated in their report with respect thereto, and are incorporated by reference herein in reliance upon the authority of said firm as experts in accounting and auditing in giving said report.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The estimated expenses in connection with this offering are:

Securities and Exchange Commission Registration Fee	\$ 2,010
Legal Fees and Expenses	10,000
Accounting Fees and Expenses	5,000
Blue Sky Fees and Expenses (including legal fees)	1,000
Miscellaneous	1,990

TOTAL	\$ 20,000
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ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the General Corporation Law of the State of Delaware provides that a corporation has the power to indemnify a director, officer, employee or agent of the corporation and certain other persons serving at the request of the corporation in related capacities against amounts paid and expenses incurred in connection with an action or proceeding to which he is, or is threatened to be made, a party by reason of such position, if such person shall have acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and, in any criminal proceeding, if such person had no reasonable cause to believe his conduct was unlawful; provided that, in the case of actions brought by or in the right of the corporation, no indemnification shall be made with respect to any matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the adjudicating court determines that such indemnification is proper under the circumstances.

The Company's Restated Certificate of Incorporation eliminates the personal monetary liability of a director to the Company and its stockholders for breach of his fiduciary duty of care as a director to the extent currently allowed under the Delaware General Corporation Law. Article XVII of the Company's Restated Certificate of Incorporation provides that a director of the Company shall not be personally liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Company or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) based on the payment of an improper dividend or an improper repurchase of the Company's stock under Section 174 of the General Corporation Law of the State of Delaware, or (iv) for any transaction from which the director derived an improper personal benefit.

The Amended and Restated Bylaws of the Company provide that, under certain circumstances, the Company is required to indemnify any person who was, is, or is threatened to be made a party in any action, suit or proceeding because such person is or was a director or officer of the Company. The Company's Amended and Restated Bylaws were amended in February 1987 to provide for indemnification by the Company of its officers and directors to the fullest extent authorized by the General Corporation Law of the State of Delaware. This right to indemnification under the Company's Amended and Restated Bylaws is a contract right, and requires the Company to provide for the payment of expenses in advance of the final disposition of any suit or proceeding brought against the director or officer of the Company in his official capacity as such, provided that such director or officer delivers to the Company an undertaking to repay any amounts advanced if it is ultimately determined that such director or officer is not entitled to indemnification. The Company also maintains a directors' and officers' liability insurance policy.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling the Company pursuant to the foregoing provisions, or otherwise, the Company has been informed that in the opinion of the Commission, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

ITEM 16. EXHIBITS.

- 4.1 -- Restated Certificate of Incorporation of the Company, as amended on February 27, 1997, as filed as Exhibit 4.1 to the Company's Registration Statement on Form S-8, Registration No. 333-22977 and incorporated herein by reference.
- 4.2 -- Amended and Restated Bylaws of the Company, as amended through December 12, 1996, filed as Exhibit 3.2 to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1996, and incorporated herein by reference.
- 4.3 -- Form of the Company's Common Stock certificate, filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 30, 1987, and incorporated herein by reference.
- 4.4 -- Amended and Restated Rights Agreement between the Company and Manufacturers Hanover Trust Company, as Rights Agent, filed as Exhibit 1 to Amendment No. 1 to the Company's Form 8-A dated April 28, 1989, and incorporated herein by reference.
- 4.5 -- Amended and Restated Certificate of Designation, Preferences and Rights of the Company's Series A Junior Participating Preferred Stock, filed as Exhibit 1 to Amendment No. 1 to the Company's Form 8-A dated April 28, 1989, and incorporated herein by reference.
- 4.5 -- Form of Indenture relating to the Company's 6.88% Cumulative Subordinated Debentures due 2007 between the Company and Chemical Bank, as Trustee, filed as Exhibit 19.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 30, 1992, and incorporated herein by reference.
- 4.6 -- \$250,000,000 Revolving Credit and Term Loan Agreement dated as of July 23, 1996, among the Company, Comerica Bank, as Agent, and Harris Trust and Savings Bank and Wells Fargo Bank (Texas), N.A., as Co-Agents, filed as Exhibit 4.1 to the Company's Report on Form 8-K, dated August 9, 1996, and incorporated herein by reference.
- 4.7 -- Quanex Corporation Deferred Compensation Plan, as amended and restated, filed as Exhibit 10.6 to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1995, and incorporated herein by reference.
- *4.8 -- Quanex Corporation Deferred Compensation Trust.
- *5.1 -- Opinion of Fulbright & Jaworski L.L.P.
- *23.1 -- Consent of Fulbright & Jaworski L.L.P. (included in Exhibit 5.1).
- *23.2 -- Consent of Deloitte & Touche LLP.
- *24.1 -- Powers of Attorney from certain members of the Board of Directors of the Company (contained on page II-5 and II-6 hereof).

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* Filed herewith.

As permitted by Item 601(b)(4)(iii)(A) of Regulation S-K, the Company has not filed with this Registration Statement certain instruments defining the rights of holders of long-term debt of the Company and its subsidiaries because the total amount of securities authorized under any of such instruments does not exceed 10% of the total assets of the Company and its subsidiaries on a consolidated basis. The Company agrees to furnish a copy of any such agreement to the Commission upon request.

ITEM 17. UNDERTAKINGS.

The undersigned Company hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment hereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement. Notwithstanding the foregoing, any

increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement;

Provided, however, that paragraphs (i) and (ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Company pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in this Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

The undersigned Company hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Company's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Company pursuant to the Securities Act or otherwise, the Company has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Company of expenses incurred or paid by a director, officer or controlling person of the Company in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Company will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Houston, State of Texas, on September 26, 1997.

QUANEX CORPORATION

By: /s/ Vernon E. Oechsle

 Vernon E. Oechsle
 Director, President and
 Chief Executive Officer
 (Principal Executive Officer)

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Robert C. Snyder, Vernon E. Oechsle and Wayne M. Rose, and each of them, either one of whom may act without joinder of the other, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any or all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or the substitute or substitutes of any or all of them, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature -----	Title -----	Date -----
/s/ Robert C. Snyder ----- Robert C. Snyder	Director and Chairman of the Board	September 26, 1997
/s/ Vernon E. Oechsle ----- Vernon E. Oechsle	Director, President and Chief Executive Officer (Principal Executive Officer)	September 26, 1997
/s/ James H. Davis ----- James H. Davis	Executive Vice President and Chief Operating Officer (Principal Operating Officer)	September 26, 1997

----- /s/ Carl E. Pfeiffer ----- Carl E. Pfeiffer	Director	September 26, 1997
----- /s/ Gerald B. Haeckel ----- Gerald B. Haeckel	Director	September 26, 1997
----- /s/ John D. O'Connell ----- John D. O'Connell	Director	September 26, 1997
----- /s/ Donald G. Barger, Jr. ----- Donald G. Barger, Jr.	Director	September 26, 1997
----- /s/ Vincent R. Scorsone ----- Vincent R. Scorsone	Director	September 26, 1997
----- /s/ Michael J. Sebastian ----- Michael J. Sebastian	Director	September 26, 1997
----- /s/ Wayne M. Rose ----- Wayne M. Rose	Vice President-Finance and Chief Financial Officer (Principal Financial Officer)	September 26, 1997
----- /s/ Viren M. Parikh ----- Viren M. Parikh	Controller (Principal Accounting Officer)	September 26, 1997

INDEX TO EXHIBITS

Number -----	Exhibit -----
4.8	Quanex Corporation Deferred Compensation Trust.
5.1	Opinion of Fulbright & Jaworski L.L.P.
23.1	Consent of Fulbright & Jaworski L.L.P. (included in Exhibit 5.1).
23.2	Consent of Deloitte & Touche LLP.
24.1	Powers of Attorney from certain members of the Board of Directors of the Company (contained on page II-5 and II-6 hereof).

QUANEX CORPORATION
DEFERRED COMPENSATION TRUST

This Agreement made by and between QUANEX CORPORATION (the "Company") and NBD Bank (the "Trustee");

WHEREAS, Company has adopted the nonqualified deferred compensation Plan named "Quanex Corporation Deferred Compensation Plan" (the "Plan");

WHEREAS, Company has incurred or expects to incur liability under the terms of such Plan with respect to the individuals participating in such Plan;

WHEREAS, Company wishes to establish a trust (the "Trust") and to contribute to the Trust assets that shall be held therein, subject to the claims of Company's creditors in the event of Company's Insolvency, as herein defined, until paid to Plan participants and their beneficiaries in such manner and at such times as specified in the Plan;

WHEREAS, it is the intention of the parties that this Trust shall constitute an unfunded arrangement and shall not affect the status of the Plan as an unfunded plan maintained for the purpose of providing deferred compensation for a select group of management or highly compensated employees for purposes of Title I of the Employee Retirement Income Security Act of 1974;

WHEREAS, it is the intention of Company to make contributions to the Trust to provide itself with a source of assets to assist it in the meeting of its liabilities under the Plan;

NOW, THEREFORE, the parties do hereby establish the Trust and agree that the Trust shall be comprised, held and disposed of as follows:

SECTION 1. ESTABLISHMENT OF TRUST

(a) Company hereby deposits with Trustee in trust 1,925 shares of the common stock of the Company which shall become the principal of the Trust to be held, administered and disposed of by Trustee as provided in this Trust Agreement.

(b) The Trust hereby established shall be irrevocable.

(c) The Trust is intended to be a grantor trust, of which Company is the grantor, within the meaning of subpart E, part I, subchapter J, chapter 1, subtitle A of the Internal Revenue Code of 1986, as amended, and shall be construed accordingly.

(d) The principal of the Trust, and any earnings thereon shall be held separate and apart from other assets of Company and shall be used exclusively for the uses and purposes of Plan participants and general creditors as herein set forth. Plan participants and their beneficiaries shall have no preferred claim on, or any beneficial ownership interest in, any assets of the Trust. Any rights created under the Plan and this Trust Agreement shall be mere unsecured contractual rights of Plan participants and their beneficiaries against Company. Any assets held by the Trust will be subject to the claims of Company's general creditors under federal and state law in the event of Insolvency, as defined in Section 3(a) herein.

(e) Company, in its sole discretion, may at any time, or from time to time, make additional deposits of cash, shares of common stock of Company or other property in trust with Trustee to augment the principal, which together with the assets purchased with earnings on the principal of the Trust, shall be held, administered and disposed of by Trustee as provided in this Trust Agreement. Neither Trustee nor any Plan participant or beneficiary shall have any right to compel such additional deposits except as provided in Section 1(f).

(f) Upon a Change of Control, Company shall, as soon as possible, but in no event longer than 30 days following the Change of Control, as defined herein, make an irrevocable contribution to the Trust in an amount that is sufficient to distribute each Plan participant or beneficiary the benefits to which Plan participants or their beneficiaries would be entitled pursuant to the terms of the Plan as of the date on which the Change of Control occurred.

SECTION 2. PAYMENTS TO PLAN PARTICIPANTS AND THEIR BENEFICIARIES.

(a) Company shall deliver to Trustee a schedule (the "Payment Schedule") that indicates the amounts payable or assets distributable in respect of each Plan participant (and his or her beneficiaries), that provides a formula or other instruction, acceptable to Trustee for determining the amounts or assets so payable or distributable, the form in which such amount or asset is to be paid or distributed (as provided for or available under the Plan), and the time of commencement for payment or distribution of such amounts or assets. Except as otherwise provided herein, Trustee shall make payments or distributions to the Plan participants and their beneficiaries in accordance with such Payment Schedule. The Trustee shall make provision for the reporting and withholding of any federal, state or local taxes that may be required to be withheld with respect to the payment or distribution of benefits pursuant to the terms of the Plan and shall pay amounts withheld to the appropriate taxing authorities or determine that such amounts have been reported, withheld and paid by Company.

(b) The entitlement of a Plan participant or his or her beneficiaries to benefits under the Plan shall be determined by Company or such party as it shall designate under the Plan, and any claim for such benefits shall be considered and reviewed under the procedures set out in the Plan.

(c) Company may distribute benefits directly to Plan participants or their beneficiaries as they become due under the terms of the Plan. Company shall notify Trustee of its decision to distribute benefits directly prior to the time amounts are payable to participants or their beneficiaries. In addition, if the principal of the Trust, and any earnings thereon, are not sufficient to make distributions of benefits in accordance with the terms of the Plan, Company shall make the balance of each such distribution as it falls due. Trustee shall notify Company where assets (principal and earnings) are not sufficient.

SECTION 3. TRUSTEE RESPONSIBILITY REGARDING PAYMENTS TO TRUST BENEFICIARY WHEN COMPANY IS INSOLVENT.

(a) Trustee shall cease distribution of benefits to Plan participants and their beneficiaries if the Company is Insolvent. Company shall be considered "Insolvent" for purposes of this Trust Agreement if (i) Company is unable to pay its debts as they become due, or (ii) Company is subject to a pending proceeding as a debtor under the United States Bankruptcy Code.

(b) At all times during the continuance of this Trust, as provided in Section 1(d) hereof, the principal and income of the Trust shall be subject to claims of general creditors of Company under federal and state law as set forth below.

(1) The Board of Directors and the Chief Executive Officer of Company shall have the duty to inform Trustee in writing of Company's Insolvency. If a person claiming to be a creditor of Company alleges in writing to Trustee that Company has become Insolvent, Trustee shall determine whether Company is Insolvent and, pending such determination, Trustee shall discontinue distribution of benefits to Plan participants or their beneficiaries.

(2) Unless Trustee has actual knowledge of Company's Insolvency, or has received notice from Company or a person claiming to be a creditor alleging that Company is Insolvent, Trustee shall have no duty to inquire whether Company is Insolvent. Trustee may in all events rely on such evidence concerning Company's solvency as may be furnished to Trustee and that provides Trustee with a reasonable basis for making a determination concerning Company's solvency.

(3) If at any time Trustee has determined that Company is Insolvent, Trustee shall discontinue distributions to Plan participants or their beneficiaries and shall hold the assets of the Trust for the benefit of Company's general creditors. Nothing in this Trust Agreement shall in any way diminish any rights of Plan participants or their beneficiaries to pursue their rights as general creditors of Company with respect to benefits due under the Plan or otherwise.

(4) Trustee shall resume the distribution of benefits to Plan participants or their beneficiaries in accordance with Section 2 of this Trust Agreement only after Trustee has determined that Company is not Insolvent (or is no longer Insolvent).

(c) Provided that there are sufficient assets, if Trustee discontinues the distribution of benefits from the Trust pursuant to Section 3(b) hereof and subsequently resumes such distributions, the first distribution following such discontinuance shall include the aggregate amount of all distributions due to Plan participants or their beneficiaries under the terms of the Plan for the period of such discontinuance, less the aggregate amount of any distributions made to Plan participants or their beneficiaries

by Company in lieu of the distributions provided for hereunder during any such period of discontinuance.

SECTION 4. PAYMENTS TO COMPANY.

Except as provided in Section 3 hereof or the terms of the Plan, after the Trust has become irrevocable, Company shall have no right or power to direct Trustee to return to Company or to divert to others any of the Trust assets before all distributions of benefits have been made to Plan participants and their beneficiaries pursuant to the terms of the Plan.

SECTION 5. INVESTMENT AUTHORITY.

(a) Trustee may invest in securities (including stock or rights to acquire stock) or obligations issued by Company. All rights associated with assets of the Trust shall be exercised by Trustee or the person designated by Trustee, and shall in no event be exercisable by or rest with Plan participants. However, the Trustee shall have no investment authority with respect to Company stock that is contributed to the Trust by the Company in accordance with the terms of the Plan. The Trustee shall hold such Company stock until the Company directs the Trustee to dispose of such Company stock. Any such direction shall be in writing and shall specify the number of shares to be sold.

(b) Company shall have the right at anytime, and from time to time in its sole discretion, to substitute assets of equal fair market value for any asset held by the Trust. This right is exercisable by Company in a nonfiduciary capacity without the approval or consent of any person in a fiduciary capacity.

SECTION 6. DISPOSITION OF INCOME.

During the term of this Trust, all income received by the Trust, net of expenses and taxes, shall be accumulated and reinvested.

SECTION 7. ACCOUNTING BY TRUSTEE.

Trustee shall keep accurate and detailed records of all investments, receipts, disbursements, and all other transactions required to be made, including such specific records as shall be agreed upon in writing between Company and Trustee. Within 90 days following the close of each fiscal year of the Trust (November 1 - October 31) and within 90 days after the removal or resignation of Trustee, Trustee shall deliver to Company a written account of its administration of the Trust during such year or during the period from the close of the last preceding year to the date of such removal or resignation, setting forth all investments, receipts, disbursements and other transactions effected by it, including a description of all securities and investments purchased and sold with the cost or net proceeds of such purchases or sales (accrued interest paid or receivable being shown separately), and showing all cash, securities and other property held in the Trust at the end of such year or as of the date of such removal or resignation, as the case may be.

SECTION 8. RESPONSIBILITY OF TRUSTEE.

(a) Trustee shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; provided, however, that Trustee shall incur no liability to any person for any action taken pursuant to a direction, request or approval given by Company which is contemplated by, and in conformity with, the terms of the Plan or this Trust

and is given in writing by Company. In the event of a dispute between Company and a party, Trustee may apply to a court of competent jurisdiction to resolve the dispute.

(b) If Trustee undertakes or defends any litigation arising in connection with this Trust, Company agrees to indemnify Trustee against Trustee's costs, expenses and liabilities (including, without limitation, attorneys' fees and expenses) relating thereto and to be primarily liable for such payments. If Company does not pay such costs, expenses and liabilities in a reasonably timely manner, Trustee may obtain payment from the Trust.

(c) Trustee may consult with legal counsel (who may also be counsel for Company generally) with respect to any of its duties or obligations hereunder.

(d) Trustee may hire agents, accountants, actuaries, investment advisors, financial consultants or other professionals to assist it in performing any of its duties or obligations hereunder.

(e) Trustee shall have, without exclusion, all powers conferred on Trustees by applicable law, unless expressly provided otherwise herein; provided, however, that if an insurance policy is held as an asset of the Trust, Trustee shall have no power to name a beneficiary of the policy other than the Trust, to assign the policy (as distinct from conversion of the policy to a different form) other than to a successor Trustee, or to loan to any person the proceeds of any borrowing against such policy.

(f) Notwithstanding any powers granted to Trustee pursuant to this Trust Agreement or to applicable law, Trustee shall not have any power that could give this Trust the objective of carrying on a business and dividing the gains therefrom, within the meaning of section 301.7701-2 of the Procedure and Administrative Regulations promulgated pursuant to the Internal Revenue Code.

SECTION 9. COMPENSATION AND EXPENSES OF TRUSTEE.

Company shall pay all administrative and Trustee's fees and expenses. If not so paid, the fees and expenses shall be paid from the Trust.

SECTION 10. RESIGNATION AND REMOVAL OF TRUSTEE.

(a) Trustee may resign at any time by written notice to Company, which shall be effective 90 days after receipt of such notice unless Company and Trustee agree otherwise.

(b) Trustee may be removed by Company on 90 days notice or upon shorter notice accepted by Trustee.

(c) Upon a Change of Control, as defined herein, Trustee may not be removed by Company for three years.

(d) If Trustee resigns within three years after a Change of Control, as defined herein, Company shall apply to a court of competent jurisdiction for the appointment of a successor Trustee or for instructions.

(e) Upon resignation or removal of Trustee and appointment of a successor Trustee, all assets shall subsequently be transferred to the successor Trustee. The transfer shall be completed within 90 days after receipt of notice of resignation, removal or transfer, unless Company extends the time limit.

(f) If Trustee resigns or is removed, a successor shall be appointed, in accordance with Section 11 hereof, by the effective date of resignation or removal under paragraph (a) or (b) of this section. If no such appointment has been made, Trustee may apply to a court of competent jurisdiction for appointment of a successor or for instructions. All expenses of Trustee in connection with the proceeding shall be allowed as administrative expenses of the Trust.

SECTION 11. APPOINTMENT OF SUCCESSOR.

(a) If Trustee resigns or is removed in accordance with Section 10(a) or (b) hereof, Company may appoint any third party, such as a bank trust department or other party that may be granted corporate trustee powers under state law, as a successor to replace Trustee upon resignation or removal. The appointment shall be effective when accepted in writing by the new Trustee, who shall have all of the rights and powers of the former Trustee, including ownership rights in the Trust assets. The former Trustee shall execute any instrument necessary or reasonably requested by Company or the successor Trustee to evidence the transfer.

(b) The successor Trustee need not examine the records and acts of any prior Trustee and may retain or dispose of existing Trust assets, subject to Sections 7 and 8 hereof. The successor Trustee shall not be responsible for and Company shall indemnify and defend the successor Trustee from any claim or liability resulting from any action or inaction of any prior Trustee or from any other past event, or any condition existing at the time it becomes successor Trustee.

SECTION 12. AMENDMENT OR TERMINATION.

(a) This Trust Agreement may be amended by a written instrument executed by Trustee and Company. Notwithstanding the foregoing, no such amendment shall conflict with the terms of the Plan or shall make the Trust revocable.

(b) The Trust shall not terminate until the date on which Plan participants and their beneficiaries are no longer entitled to benefits pursuant to the terms of the Plan. Upon termination of the Trust any assets remaining in the Trust shall be returned to Company.

(c) Upon written approval of participants or beneficiaries entitled to payment of benefits pursuant to the terms of the Plan, Company may terminate this Trust prior to the time all benefit payments under the Plan have been made. All assets in the Trust at termination shall be returned to Company.

SECTION 13. MISCELLANEOUS.

(a) Any provision of this Trust Agreement prohibited by law shall be ineffective to the extent of any such prohibition, without invalidating the remaining provisions hereof.

(b) Benefits payable to Plan participants and their beneficiaries under this Trust Agreement may not be anticipated, assigned (either at law or in equity), alienated, pledged, encumbered or subjected to attachment, garnishment, levy, execution or other legal or equitable process.

(c) This Trust Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

(d) For purposes of this Trust, Change of Control shall mean the occurrence of one or more of the following events:

(1) Any "person", including a "syndication" or "group" as those terms are used in Section 13(d)(3) of the Securities Act, is or becomes the beneficial owner, directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company's then outstanding Voting Securities;

(2) The Company is merged or consolidated with another corporation and immediately after giving effect to the merger or consolidation either (i) less than 80% of the outstanding Voting Securities of the surviving or resulting entity

are then beneficially owned in the aggregate by (x) the stockholders of the Company immediately prior to such merger or consolidation, or (y) if a record date has been set to determine the stockholders of the Company entitled to vote on such merger or consolidation, the stockholders of the Company as of such record date, or (ii) the Board of Directors, or similar governing body, of the surviving or resulting entity does not have as a majority of its members the persons specified in clause (3)(i) and (ii) below;

(3) If at any time the following do not constitute a majority of the Board of Directors of the Company (or any successor entity referred to in clause (2) above):

(i) persons who are directors of the Company on January 1, 1995; and

(ii) persons who, prior to their election as a director of the Company (or successor entity if applicable) were nominated, recommended or endorsed by a formal resolution of the Board of Directors of the Company;

(4) If at any time during a calendar year a majority of the directors of the Company are not persons who were directors at the beginning of the calendar year; and

(5) The Company transfers substantially all of its assets to another corporation which is a less than 80% owned subsidiary of Quanex.

(e) For purposes of this Trust "Voting Securities" means any security which ordinarily possesses the power to vote in the election of the Board of Directors without the happening of any precondition or contingency.

SECTION 14. EFFECTIVE DATE.

The effective date of this Trust Agreement shall be August 1, 1996.

IN WITNESS WHEREOF, the Company and the Trustee have caused their duly authorized officers to execute this Agreement.

QUANEX CORPORATION

By /s/ Joseph K. Peery

COMPANY

Date: September 26, 1996

NBD BANK

By /s/ J. W. Dunham

TRUSTEE

Date: October 3, 1996

[FULBRIGHT & JAWORSKI L.L.P. Letterhead]

September 26, 1997

Quanex Corporation
1900 West Loop South, Suite 1500
Houston, Texas 77027

Ladies and Gentlemen:

We have acted as counsel for Quanex Corporation, a Delaware corporation (the "Company"), in connection with the registration under the Securities Act of 1933 of the resale of up to 200,000 shares of the Company's common stock, \$.50 par value (the "Shares"), upon the terms and subject to the conditions set forth in the Quanex Corporation Deferred Compensation Plan (the "Plan") and in the Company's Registration Statement on Form S-3 covering the Shares (the "Registration Statement") filed with the Securities and Exchange Commission.

In connection therewith, we have examined the Registration Statement, originals or copies certified or otherwise identified to our satisfaction of the Restated Certificate of Incorporation of the Company, the Amended and Restated By-laws of the Company, the Plan, the corporate proceedings with respect to the offering of the Shares and such other documents and instruments as we have deemed necessary or appropriate for the expression of the opinions contained herein.

We have assumed the authenticity and completeness of all records, certificates and other instruments submitted to us as originals, the conformity to original documents of all records, certificates and other instruments submitted to us as copies, the authenticity and completeness of the originals of those records, certificates and other instruments submitted to us as copies and the correctness of all statements of fact contained in all records, certificates and other instruments that we have examined.

Based on the foregoing, and having regard for such legal considerations as we have deemed relevant, we are of the opinion that the Shares proposed to be offered have been duly and validly authorized and, when issued in accordance with the terms of the Plan, will be duly and validly issued, fully paid and nonassessable.

The opinions expressed herein relate solely to, are based solely upon and are limited exclusively to the laws of the State of Texas, the Delaware General Corporation Law and the federal laws of the United States of America, to the extent applicable.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the use of our name under the caption "Legal Matters" in the Prospectus included as part of the Registration Statement.

Very truly yours,

/s/ Fulbright & Jaworski L.L.P.

Fulbright & Jaworski L.L.P.

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of Quanex Corporation on Form S-3 of our report dated November 22, 1996, appearing in the Annual Report on Form 10-K of Quanex Corporation for the year ended October 31, 1996 and to the reference to us under the heading "Experts" in the Prospectus, which is a part of this Registration Statement.

/s/ DELOITTE & TOUCHE LLP

Deloitte & Touche LLP

Houston, Texas
September 26, 1997