

Securities and Exchange Commission
Washington, D. C. 20549

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
(Mark One)

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the quarter ended June 29, 1996

OR

_____ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number 0-19687

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

Delaware 57-0426694
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification Number)

Post Office Box 5627
Croft Industrial Park
Spartanburg, South Carolina 29304
(Address of principal executive offices) (Zip Code)

Registrant's Telephone Number, Including Area Code (864) 585-3605

Not Applicable
Former name, former address and former
fiscal year, if changed since last year.)

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports) and (2) has been subject to such
filing requirements for the past 90 days.
Yes X No _____

Indicate the number of shares outstanding of each of the issuer's classes of
Common Stock, as of the latest practical date.

Title of Class	Number of Shares Outstanding As of June 29, 1996
Common Stock, \$1.00 Par Value	6,975,017

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PART 1. FINANCIAL STATEMENTS
Synalloy Corporation

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Condensed Consolidated Balance Sheets

	June 29, 1996 (Unaudited) <C>	December 30, 1995 (Note) <C>
<S>		
Assets		
Current assets		
Cash and cash equivalents	80,213	267,061
Accounts receivable, less allowance for doubtful accounts	16,068,888	17,616,246
Inventories:		
Raw materials	13,483,332	10,574,040
Work-in-process	5,781,874	6,095,136
Finished goods	18,300,761	21,860,833
Total inventories	37,565,967	38,530,009
Deferred income taxes	218,000	218,000
Prepaid expenses and other current assets	790,064	119,592
Total current assets	54,723,132	56,750,908
Cash value of life insurance Investment	1,669,729 843,100	1,632,029 543,100
Property, plant & equipment, net of accumulated depreciation of \$23,326,655 and \$21,950,069	21,240,988	20,341,645
Deferred charges and other assets	893,480	957,891
Total assets	79,370,429	80,225,573
Liabilities and Shareholders' Equity		
Current liabilities		
Notes payable	5,734,000	4,740,000
Accounts payable	7,195,288	4,833,405
Income taxes		233,977
Accrued expenses	2,839,882	5,082,212
Current portion of environmental reserves	260,859	486,521
Current portion of long-term debt	276,923	276,923
Total current liabilities	16,306,952	15,653,038
Long-term debt, less current portion	12,580,769	12,619,231
Environmental reserves	1,702,800	1,702,800
Deferred compensation	1,271,752	1,267,353
Deferred income taxes	623,800	620,000
Contingencies		
Shareholders' equity		
Common stock, par value \$1 per share-authorized and issued 8,000,000 shares	8,000,000	8,000,000
Capital in excess of par value	81,746	417,030
Retained earnings	47,685,140	43,774,332
Less Common Stock in treasury	(8,882,530)	(3,828,211)
Total shareholders' equity	46,884,356	48,363,151

Total liabilities and shareholders' equity 79,370,429 80,225,573

Note: The balance sheet at December 30, 1995 has been derived from the audited financial statements at that date. See accompanying notes to condensed consolidated financial statements

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Synalloy Corporation

<TABLE>

Condensed Consolidated Statements of Income

(Unaudited)	Three Months Ended		Six Months Ended	
	June 29, 1996	July 1, 1995	June 29, 1996	July 1, 1995
<S>	<C>	<C>	<C>	<C>
Net sales	31,736,916	41,380,776	68,395,421	75,956,743
Cost of sales	25,909,347	30,581,922	55,138,329	57,983,113
Gross profit	5,827,569	10,798,854	13,257,092	17,973,630
Selling, general and administrative expense	2,335,056	3,101,255	4,895,366	5,687,572
Operating income	3,492,513	7,697,599	8,361,726	12,286,058
Other (income) and expense				
Interest expense	152,668	297,245	412,395	533,000
Other, net	3,056	4,933	10,512	8,880
Income before taxes	3,336,789	7,395,421	7,938,819	11,744,178
Provision for income taxes	1,218,000	2,782,000	2,898,000	4,369,000
Net income	2,118,789	4,613,421	5,040,819	7,375,178
Net income per common share	.30	.63	.71	1.01
Dividends paid per common share	.08	.06	.16	.13
Average shares outstanding	7,037,144	7,337,996	7,094,012	7,337,139

See accompanying notes to condensed consolidated financial statements

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Synalloy Corporation

<TABLE>

Condensed Consolidated Statements of Cash Flows

(Unaudited)

(Unaudited)	Six Months Ended	
	June 29, 1996	July 1, 1995
<S>	<C>	<C>
Operating activities		
Net income	5,040,819	7,375,178
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,455,833	1,237,463
Deferred compensation	4,399	(490)
Provision for losses on accounts receivable	(147,206)	347,210

Loss (gain) on sale of property, plant and equipment	23,271	(17,100)
Cash value of life insurance	(37,700)	(37,700)
Environmental reserves	(225,662)	(155,024)
Changes in operating assets and liabilities:		
Accounts receivable	1,694,564	(7,640,546)
Inventories	964,042	(8,882,842)
Other assets	(965,463)	(504,948)
Accounts payable and accrued expenses	119,553	6,019,809
Income taxes payable	(233,977)	268,334
Net cash provided by (used in) operating activities	7,692,473	(1,990,656)
Investing activities		
Purchases of property, plant and equipment	(2,345,568)	(3,746,520)
Proceeds from sale of property, plant and equipment	27,005	17,100
Proceeds from notes receivable	3,318	3,002
Net cash (used in) investing activities	(2,315,245)	(3,726,418)
Financing activities		
Proceeds from revolving lines of credit	30,800,000	39,821,231
Payments on revolving lines of credit	(29,806,000)	(37,057,231)
Additions to long-term debt		5,000,000
Principal payments on long-term debt	(38,462)	(110,577)
Proceeds from exercised stock options	234,008	100,441
Purchases of treasury stock	(5,623,611)	(1,078,718)
Dividends paid	(1,130,011)	(964,254)
Net cash (used in) provided by financing activities	(5,564,076)	5,710,892
Decrease in cash and cash equivalents	(186,848)	(6,182)
Cash and cash equivalents at beginning of year	267,061	20,770
Cash and cash equivalents at end of period	80,213	14,588

See accompanying notes to condensed consolidated financial statements

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Synalloy Corporation
Notes To Condensed Consolidated Financial Statements
(Unaudited)

June 29, 1996

NOTE 1--BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and six-month periods ended June 29, 1996, are not necessarily indicative of the results that may be expected for the year ending December 28, 1996. For comparative purposes, certain amounts in the 1995 financial statements have been reclassified to conform with the 1996 presentation. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended December 30, 1995.

NOTE 2--INVENTORIES

Inventories are stated at the lower of cost (first-in, first-out method) or market.

NOTE 3--LEGAL MATTERS

The Company is from time to time subject to various claims, other possible legal actions for product liability and other damages, and other matters arising out of the normal conduct of the Company's business. Management believes that based on present information, it is unlikely that liability, if any, exists that would have a materially adverse effect on the consolidated operating results or financial position of the Company.

NOTE 4--NET INCOME PER COMMON SHARE

Income per share is computed using the weighted average shares of common stock and dilutive Common Stock equivalents (options) outstanding during the respective periods. Stock options in the aggregate reduce earnings per share by less than three percent in all years presented, therefore diluted per share amounts are not disclosed.

Synalloy Corporation

Management's Discussion And Analysis Of The Financial
Condition And Results Of Operations

The following is management's discussion of certain significant factors which affected the Company during the quarter ended June 29, 1996.

Consolidated sales were \$31,737,000 for the quarter and \$68,395,000 year-to-date reflecting 23 and 10 percent decreases, respectively, compared to the same periods one year ago. Consolidated net income decreased 54 percent to \$2,119,000 for the quarter, or \$.30 per share, and decreased 32 percent to \$5,041,000 year-to-date, or \$.71 per share, compared to the same periods one year ago.

Chemical Segment sales were \$10,100,000 for the quarter and \$21,267,000 year-to-date reflecting 30 and 23 percent declines, respectively, compared to the same periods one year ago. Operating income declined 64 percent to \$880,000 for the quarter and decreased 46 percent to \$2,047,000 year-to-date, compared to the same periods one year ago. The decline in sales and operating income for the quarter resulted from two factors. First, very weak markets for textile dyes have been evident since the third quarter of 1995, as the markets for textile dyes are the worst they have been in more than a decade. Second, a significant decline occurred in operating income from non dye specialties, entirely because of the timing of production of annual volume requirements. Over half of 1995's profits from specialties were concentrated in the second quarter. Conversely, because of more even scheduling throughout 1996, the second quarter generated about a fourth of the year's anticipated profits from specialties. The third quarter is normally the seasonally weakest period for textile dyes. Accordingly, it is likely that the third quarter will be down compared to the second quarter. However, we expect to see substantial improvement in the fourth quarter.

Metals Segment sales were \$21,637,000 for the quarter and \$47,128,000 year-to-date reflecting 20 and 3 percent decreases, respectively, compared to the same periods one year ago. Operating income decreased 49 percent to \$2,965,000 for the quarter and 25 percent to \$7,028,000 year-to-date, compared to the same periods one year ago. About half of the sales decrease for the quarter was from lower unit volume which management believes resulted mostly from the destocking of distributors' inventories. Shipments to distributors were extremely low during the quarter because they were motivated to reduce inventories in an environment of declining pipe prices. Lower sales prices also accounted for about half of the sales decline. The biggest impact on operating income was the effect of price level changes on inventory. In the second quarter of 1995 prices of stainless steel pipe were increasing rapidly. This led to high profit margins as the lower cost inventory was sold. The reverse occurred in 1996 when high cost inventory was sold in a market of declining prices. Operating margins were also hurt by the allocation of fixed costs over lower unit volumes and sales dollars, and somewhat more competitive markets. It is difficult to accurately predict future results in a business largely dependent on daily incoming orders. However, based on current conditions, it is likely that the third quarter will be comparable to or somewhat below the second quarter.

Selling and administrative expense for the quarter and year-to-date were approximately seven percent of consolidated sales which is consistent with prior years' amounts. Interest expense decreased significantly due to decreased borrowings needed for working capital requirements.

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Synalloy Corporation

Management's Discussion And Analysis Of The Financial
Condition And Results Of Operations - Continued

Cash flows provided from operations totaled \$7,692,000 during the first six months of the year compared to a \$1,991,000 use of cash flows during the same period one year ago. The decline in activity in the Metals Segment during the first six months of 1996 caused a reduction in inventories and accounts receivable which favorably impacted cash flows. Cash flows were negatively impacted during the first six months of 1995 by a significant increase in activity in the Metals Segment causing an expected increase in accounts receivable and inventories. During the first quarter, the Company purchased 324,000 shares of its common stock for the treasury for \$5,622,000, including \$4,980,000 for 289,000 shares purchased under a previously announced \$5,000,000 buyback program. The Company expects that available cash and existing lines of credit will be sufficient to meet normal operating requirements, including capital expenditures and payment of dividends over the near term.

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PART II: OTHER INFORMATION

Synalloy Corporation

Item 1. Legal Proceedings

None

Item 2. Change In Securities

None

Item 3. Defaults Upon Senior Securities

None

Item 4. Submission Of Matters To A Vote Of Security Holders

A. The Annual Meeting of Shareholders was held April 30, 1996 at the offices of the Company.

B. The following individuals were elected as directors at the Annual Meeting:

	Votes For	Votes Withheld
1. James G. Lane, Jr.	5,883,629	7,882
2. Sibyl N. Fishburn	5,882,012	9,499
3. Richard E. Ingram	5,882,991	8,520
4. Glenn R. Oxner	5,882,841	8,670
5. Carroll D. Vinson	5,882,991	8,520

C. By a vote of 5,773,199 for, 97,527 against and 20,785 abstaining, the shareholders voted to amend the Articles of Incorporation to increase the authorized shares from 8,000,000 shares, par value \$1.00 per share, to 12,000,000 shares, par value \$1.00 per share.

D. Ernst & Young LLP, independent certified accountants, were selected as independent auditors for the fiscal year ending December 28, 1996 by a vote of 5,867,842 for, 12,850 against and 10,819 abstentions.

Item 5. Other Information

None

Item 6. Exhibits And Reports On Form 8-K

The following exhibits are included herein:

None

The Company did not file any reports on Form 8-K during the three months ended June 29, 1996

Synalloy Corporation

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SYNALLOY CORPORATION
(Registrant)

Date: August 7, 1996 /s/ James G. Lane, Jr.
James G. Lane, Jr., Chairman and
Chief Executive Officer

Date: August 7, 1996 /s/ Gregory M. Bowie
Gregory M. Bowie
Vice President, Finance

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