

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 March 29, 1997

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

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 March 29, 1997
Common Stock, \$1.00 Par Value	6,985,917

Synalloy Corporation
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- Condensed consolidated statements of income - Three months
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- Condensed consolidated statements of cash flows - Three
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PART 1. FINANCIAL STATEMENTS

<TABLE>
Synalloy Corporation
Condensed Consolidated Balance Sheets
<CAPTION>

	Mar 29, 1997 (Unaudited) <C>	Dec 28, 1996 (Note) <C>
<S>		
Assets		
Current assets		
Cash and cash equivalents	\$ 163,417	\$ 115,828
Accounts receivable, less allowance for doubtful accounts	18,752,525	17,253,534
Inventories		
Raw materials	8,309,610	8,357,884
Work-in-process	3,858,209	5,112,695
Finished goods	14,423,689	16,384,891
Total inventories	26,591,508	29,855,470
Deferred income taxes	130,000	130,000
Prepaid expenses and other current assets	921,590	278,276
Total current assets	46,559,040	47,633,108
Cash value of life insurance	1,753,301	1,733,801
Investment	329,117	329,117
Property, plant & equipment, net of accumulated depreciation of \$26,269,000 and \$26,128,000	23,553,219	23,627,889
Deferred charges and other assets	3,202,395	3,265,211
Total assets	\$ 75,397,072	\$ 76,589,126
Liabilities and Shareholders' Equity		
Current liabilities		
Notes payable	\$ 460,000	\$ 1,500,000
Accounts payable	6,949,178	6,252,449
Income taxes	794,527	332,507
Accrued expenses	2,027,935	2,492,660
Current portion of environmental reserves	359,294	359,294
Current portion of long-term debt	1,400,000	1,400,000
Notes payable to an employee		1,154,805
Total current liabilities	11,990,934	13,491,715
Long-term debt, less current portion	11,200,000	11,200,000
Environmental reserves	1,185,921	1,300,100
Deferred compensation	1,297,001	1,299,176
Deferred income taxes	1,024,000	1,024,000
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	29,745	81,746
Retained earnings	49,457,541	49,074,919
Less cost of Common Stock in treasury	(8,788,070)	(8,882,530)
Total shareholders' equity	48,699,216	48,274,135
Total liabilities and shareholders' equity	\$ 75,397,072	\$ 76,589,126

Note: The balance sheet at December 28, 1996 has been derived from the audited financial statements at that date. See accompanying notes to condensed consolidated financial statements

</TABLE>

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<TABLE>

Synalloy Corporation
Condensed Consolidated Statements of Income
<CAPTION>

(Unaudited)	Three Months Ended	
	Mar 29, 1997	Mar 30, 1996
<S>	<C>	<C>
Net sales	\$ 30,903,356	\$ 36,658,505
Cost of sales	26,657,262	29,228,982
Gross profit	4,246,094	7,429,523
Selling, general and administrative expense	2,461,877	2,560,310
Operating income	1,784,217	4,869,213
Other (income) and expense		
Gain on sale of investment		0
Interest expense	213,127	259,727
Other, net	6,738	7,456
Income before taxes	1,564,352	4,602,030
Provision for income taxes	553,000	1,680,000
Net income	\$ 1,011,352	\$ 2,922,030
Net income per common share	\$.14	\$.41
Dividends paid per common share	\$.09	\$.08
Average shares outstanding	7,023,142	7,150,808

See accompanying notes to condensed consolidated financial statements

</TABLE>

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<TABLE>

Synalloy Corporation
Condensed Consolidated Statements of Cash Flows
<CAPTION>

(Unaudited) Three Months Ended

<S>	Mar 29, 1997	Mar 30, 1996
<C>	<C>	<C>
Operating activities		
Net income	\$ 1,011,352	\$ 2,922,030
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	798,916	699,867
Amortization of deferred charges	62,816	29,942
Deferred compensation	(2,175)	(401)
Deferred income taxes	0	0
Provision for losses on accounts receivables	14,990	(196,171)
Loss (gain) on sale of property, plant and	13,157	(650)
Cash value of life insurance	(19,500)	(18,850)
Environmental reserves	(114,179)	(149,814)
Changes in operating assets and liabilities:		
Accounts receivable	(1,513,981)	(2,345,615)
Inventories	3,263,962	4,091,260
Other assets	(645,124)	(962,378)
Accounts payable and accrued expenses	232,004	(965,911)
Income taxes payable	462,020	1,402,900
Net cash provided by operating activities	3,564,258	4,506,209
Investing activities		
Purchases of property, plant and equipment	(739,603)	(1,755,886)
Proceeds from sale of property, plant and equipment	2,200	650
Proceeds from notes receivable	1,810	1,638
Net cash (used in) investing activities	(735,593)	(1,753,598)
Financing activities		
Proceeds from revolving lines of credit	12,210,000	19,060,000
Payments on revolving lines of credit	(13,250,000)	(16,040,000)
Principal payments on long-term debt		(19,231)
Payment of notes payable to employee	(1,154,805)	
Proceeds from exercised stock options	42,462	234,008
Purchases of treasury stock		(5,622,131)
Dividends paid	(628,733)	(572,010)
Net cash (used in) financing activities	(2,781,076)	(2,959,364)
Increase (decrease) in cash and cash equivalents	47,589	(206,753)
Cash and cash equivalents at beginning of year	115,828	267,061
Cash and cash equivalents at end of period	\$ 163,417	\$ 60,308

See accompanying notes to condensed consolidated financial statements

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Synalloy Corporation
Notes To Condensed Consolidated Financial Statements
(Unaudited)

March 29, 1997

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-month period ended March 29, 1997, are not necessarily indicative of the results that may be expected for the year ending January 3, 1998. For comparative purposes, certain amounts in the 1996 financial statements have been reclassified to conform with the 1997 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 period ended December 28, 1996.

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.

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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 March 29, 1997.

Consolidated sales and net income were \$30,903,000 and \$1,011,000, respectively, for the quarter. Net income declined 65 percent on a sales decline of 16 percent compared to the first quarter of 1996. On a sequential basis, however, sales for the quarter increased 6 percent over the fourth quarter of 1996, and removing the effect on net income of an after tax gain on the sale of an investment of \$431,000 in the fourth quarter of 1996, net income in the first quarter increased 4 percent. The Company continues to experience the effects of the unusual condition of cyclical weakness that has been occurring at the same time in both the Metals and Chemicals Segments since the second quarter of 1996.

Chemicals Segment sales were \$14,355,000 for the quarter reflecting a 29 percent increase compared to the same period one year ago. Operating income increased 27 percent to \$1,477,000 for the quarter compared to the same period one year ago. Improvement in sales and operating income in the quarter compared to the same quarter last year essentially resulted from the acquisition of Manufacturers Chemicals in the last quarter of 1996. Excluding the acquisition, sales were off slightly and operating income was up 4 percent. Textile dye and pigment demand continues to be weak and conditions in the market are intensely competitive. Weak denim markets and continued softness in pigment demand from textile printers more than offset increased sales of other dyes. Chemical specialties, bolstered by the acquisition, contributed 47 percent of sales and a substantially greater percent of operating income. The Company is positioned to benefit from any recovery in the textile dye and pigment demand. It will also continue its focus on growing non-dye specialties.

Metals Segment sales were \$16,548,000 for the quarter reflecting a 35 percent decline over the same period one year ago. Operating income decreased 86 percent to \$589,000 for the quarter over the same period one year ago. The sales decline compared to the first quarter of 1996 was primarily the result of 28 percent lower selling prices for stainless steel pipe. Market dynamics were completely different during these periods. Prices to date in 1997 appear to be at a cyclical low, while last year's first quarter benefited from prices only moderately below the cyclical peaks reached in the last half of 1995. Unit volume of loose pipe was up moderately, but overall unit volume was down 6 percent due to decreases in piping systems and process equipment. The decrease in operating income reflects the cyclically depressed condition of the pipe market and the modest loss incurred from piping systems and process equipment. After rescinding a November 11, 1996 price increase because of lack of support from other pipe producers, the Company announced an 8 percent price increase on April 7, 1997. Poor operating results throughout the industry should motivate other producers to support this increase. If this price increase holds in the marketplace, sales and operating income from stainless pipe should show better results on a sequential basis in the second quarter. The backlog for piping systems is at a good level. However, the first quarter was negatively impacted by customer delays in providing drawings

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necessary for the fabrication of pipe spool pieces. The Company currently expects the volume of drawings received to increase beginning in April which should lead to an increased level of sales and income from these products.

Selling and administrative expense for the quarter was down approximately four percent from the same quarter last year, but totaled eight percent of consolidated sales compared to last year's seven percent. The increase reflects adding selling and administrative costs from Manufacturers Chemical, offset by lower profit-based incentives.

Cash flows from operations totaled \$3,564,000 during the first quarter compared to \$4,506,000 generated during the same period one year ago. The decrease reflects the reduction of net income experienced in the first quarter of 1997 compared to the same period in 1996. 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.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

The statements contained in this management discussion and analysis that are not historical facts may be forward looking statements. The forward looking statements are subject to certain risks and uncertainties, including without limitation those identified below, which could cause actual results to differ materially from historical results or those anticipated. Readers are cautioned not to place undue reliance on these forward looking statements, which speak only as of their dates. The following factors could cause actual results to differ materially from historical results or those anticipated: adverse economic conditions, the impact of competitive products and pricing, product demand and acceptance risks, raw material and other increased costs, customer delays or difficulties in the production of products, and other risks detailed from time to time in Synalloy's Securities and Exchange Commission filings. Synalloy Corporation assumes no obligation to update the information included herein.

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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

None

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 March 29, 1997

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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: May 7, 1997 /s/ James G. Lane, Jr.
James G. Lane, Jr., Chairman and
Chief Executive Officer

Date: May 7, 1997 /s/ Gregory M. Bowie
Gregory M. Bowie
Vice President, Finance

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