FORM 10-Q

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 September 30, 2000

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 incorporation or organization)	(I.R.S. Employer 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 September 30, 2000
Common Stock, $1.00 Par Value	6,093,034

Synalloy Corporation

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

PART 1. FINANCIAL STATEMENTS

<TABLE>
Synalloy Corporation
Condensed Consolidated Balance Sheets

<S>	Sept 30, 2000 (Unaudited) <C>	Jan 1, 2000 (Note) <C>
Assets		
Current assets		
Cash and cash equivalents	$ 18,545	$ 120,549
Accounts receivable, less allowance for doubtful accounts	15,093,438	16,354,165
Inventories		
Raw materials	11,387,836	9,378,087
Work-in-process	5,485,991	6,033,389
Finished goods	16,116,083	13,407,243
Total inventories	32,989,910	28,818,719
Deferred income taxes	406,000	406,000
Prepaid expenses and other current assets	370,129	794,232
Total current assets	48,878,022	46,493,665
Cash value of life insurance	2,167,011	2,112,411
Investment	638,117	1,039,117
Property, plant & equipment, net of accumulated depreciation of $37,608,000 and $34,887,000	25,803,195	25,985,725
Deferred charges and other assets	2,879,134	2,421,655
Total assets	$80,365,479	$78,052,573
Liabilities and Shareholders' Equity		
Current liabilities		
Notes payable	$ 8,063,000	$ 3,084,000
Accounts payable	9,372,212	10,867,711
Income taxes	684,337	1,209,874

Accrued expenses	3,226,262	2,957,728
Current portion of environmental reserves	373,500	373,500
Total current liabilities	21,719,311	18,492,813
Long-term debt, less current portion	10,000,000	10,000,000
Environmental reserves	1,319,097	1,661,663
Deferred compensation	1,402,885	1,374,210
Deferred income taxes	1,823,000	1,864,000
Contingencies		
Shareholders' equity		
Common stock, par value $1 per share - authorized 12,000,000 shares; issued 8,000,000 shares	8,000,000	8,000,000
Capital in excess of par value	9,491	9,491
Retained earnings	52,333,863	51,325,183
Accumulated other comprehensive income	201,000	461,000
Less cost of Common Stock in treasury	(16,443,168)	(15,135,787)
Total shareholders' equity	44,101,186	44,659,887
Total liabilities and shareholders' equity	$80,365,479	$78,052,573

Note: The balance sheet at January 1, 2000 has been derived from the audited financial statements at that date. See accompanying notes to condensed consolidated financial statements

</TABLE>

<TABLE>
Synalloy Corporation
Condensed Consolidated Statements of Income

(Unaudited)	Three Months Ended		Nine Months Ended	
	Sep 30, 2000	Oct 2, 1999	Sep 30, 2000	Oct 2, 1999
<S>	<C>	<C>	<C>	<C>
Net sales	$24,963,661	$31,024,054	$89,126,032	$86,961,126
Cost of sales	22,733,500	26,424,178	76,762,940	75,658,723
Gross profit	2,230,161	4,599,876	12,363,092	11,302,403
Selling, general and administrative expense	2,484,258	3,159,168	8,566,366	8,567,623
Operating (loss) income	(254,097)	1,440,708	3,796,726	2,734,780
Other (income) and expense				
Interest expense	303,085	179,836	815,163	535,617
Other, net	(28,162)	(19,661)	(16,499)	(102,731)
(Loss)income before taxes	(529,020)	1,280,533	2,998,062	2,301,894
Provision for income tax	(201,000)	450,000	1,055,000	809,000
Net (loss) income	$ (328,020)	$ 830,533	$ 1,943,062	$ 1,492,894
Net (loss) income per common share				
Basic	($.05)	$.13	$.31	$.23
Diluted	($.05)	$.13	$.31	$.23
Dividends paid per Common share	$.05	$.05	$.15	$.15
Average shares outstanding				
Basic	6,120,511	6,576,279	6,222,098	6,627,686
Diluted	6,120,541	6,576,279	6,222,306	6,629,974

See accompanying notes to condensed consolidated financial statements.
</TABLE>

<TABLE>
Synalloy Corporation
Condensed Consolidated Statements of Cash Flows

<S>	Nine Months Ended Sep 30, 2000 <C>	Nine Months Ended Oct 2, 1999 <C>
Operating activities		
Net income	$ 1,943,062	$ 1,492,894
Adjustments to reconcile net income to net Cash provided by operating activities:		
Depreciation expense	2,966,624	2,921,634
Amortization of deferred charges	243,956	195,939
Deferred compensation	28,675	10,899
Deferred income taxes	100,000	-
Provision for losses on accounts receivable	103,986	594,107
(Gain) loss on sale of property, plant and equipment	(5,426)	5,864
Cash value of life insurance	(54,600)	(28,069)
Environmental reserves	(342,566)	(322,060)
Changes in operating assets and liabilities:		
Accounts receivable	1,156,741	(6,502,301)
Inventories	(4,171,191)	(1,795,436)
Other assets	155,668	223,955
Accounts payable and accrued expenses	(1,367,965)	5,460,640
Income taxes payable	(525,537)	981,319
Net cash provided by operating activities	231,427	3,239,385
Investing activities		
Purchases of property, plant and equipment	(2,793,858)	(2,675,197)
Proceeds from sale of property, plant and equipment	15,190	22,624
Acquisitions, net of cash	-	-
Increase in note receivables	(292,000)	(237,000)
Net cash used in investing activities	(3,070,668)	(2,889,573)
Financing activities		
Proceeds from revolving lines of credit	34,375,000	25,357,000
Payments on revolving lines of credit	(29,396,000)	(23,676,000)
Principal payments on long-term debt	-	-
Payment of notes payable to employee	-	-
Proceeds from exercised stock options	-	-
Purchases of treasury stock	(1,307,380)	(1,149,565)
Dividends paid	(934,383)	(993,950)
Net cash provided by (used in) financing activities	2,737,237	(462,515)
Decrease in cash and cash equivalents	(102,004)	(112,703)
Cash and cash equivalents at beginning of year	120,549	117,658
Cash and cash equivalents at end of period	$ 18,545	$ 4,955

See accompanying notes to condensed consolidated financial statements.
</TABLE>

Synalloy Corporation
Notes To Condensed Consolidated Financial Statements
(Unaudited)

September 30, 2000

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 nine-month periods ended September 30, 2000 are not necessarily indicative of the results that may be expected for the year ending December 30, 2000. 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 January 1, 2000.

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--COMPREHENSIVE INCOME

Comprehensive (loss) and income was ($515,000) and $1,683,000 for the three and nine months ended September 30, 2000, respectively. Comprehensive income consists of net income less unrealized losses on the Company's foreign equity investment, of $187,000 and $260,000, net of deferred income taxes of $101,000 and $141,000 for the three and nine months ended September 30, 2000, respectively, and is recorded in Shareholders' Equity.

NOTE 5--ACCOUNTING FOR DERIVITIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Company does not have any material derivative instruments nor does it participate in hedging activities, therefore management believes the adoption of Financial Accounting Statements 133, 137 and 138 will not have a material impact of the financial statements of the Company.

NOTE 6--SEGMENT INFORMATION

During the first quarter of 2000, the Company completed the reorganization of its Chemicals Segment changing the Segment into two separately managed product groups - Colors and Specialty Chemicals. Previously, the Segment had been managed by geographic location. The amounts presented for the third quarter and nine months of 1999 have been restated to reflect the reorganization.

NOTE 6--SEGMENT INFORMATION (Continued)

<TABLE>
(Dollar amounts are in thousands.)

	Three Months Ended		Nine Months Ended	
	Sep 30, 2000	Oct 2, 1999	Sep 30, 2000	Oct 2, 1999
<S>	<C>	<C>	<C>	<C>
Net sales				
Colors Group	$ 6,384	$ 7,331	$20,334	$22,895
Specialty Chemicals Group	5,240	5,709	16,424	17,319
Chemicals Segment	11,624	13,040	36,758	40,214
Metals Segment	13,340	17,984	52,368	46,747
	$24,964	$31,024	$89,126	$86,961
Operating (loss) income				
Colors Group	$ (353)	$ 37	$ (223)	$ 337
Specialty Chemicals Group	(773)	69	(1,245)	374

Chemicals Segment	(1,126)	106	(1,468)	711
Metals Segment	1,043	1,575	6,174	2,718
	(83)	1,681	4,706	3,429
Unallocated expenses				
Corporate	171	200	909	703
Interest and debt expense, net of interest inc	275	201	799	424
(Loss) income before income taxes	$ (529)	$ 1,280	$ 2,998	$ 2,302

</TABLE>

Synalloy Corporation

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

The following is management's discussion of certain significant factors that affected the Company during the quarter ended September 30, 2000. (Dollar amounts are in thousands except for per share data.)

Consolidated sales decreased 20 percent and increased three percent, respectively, for the quarter and year-to-date compared to the same periods one year ago. The Company had a consolidated net loss for the quarter of $328 compared to net income of $830 for the third quarter of 1999. However, consolidated net income year to date was up 30 percent to $1,943 compared to $1,493 compared to the same period one year ago.

Metals Segment sales decreased 26 percent and operating income declined 34 percent for the quarter. Sales year-to-date increased 12 percent and operating income increased over twice the level of the prior year. The decline in dollar sales in the quarter resulted from 42 percent lower unit volumes that were partially offset by a 27 percent increase in average selling prices. Unit volumes were also down the same 42 percent on a sequential quarterly basis. This is the steepest quarterly decline in unit volumes in management's memory. The decline appears to be caused by inventory liquidation resulting from lower prices for flat-rolled stainless steel and stainless pipe because of surcharge reductions that began in August. The surcharges reflect changes in the cost of certain raw materials, primarily nickel, that are added to the base price by the flat-rolled producers. The surcharge to be effective at the beginning of each month is announced in advance. This results in monthly price volatility that motivates distributors to add to inventories ahead of surcharge increases and reduce inventories ahead of surcharge decreases. If the decline in unit volume is not due to lower-end use demand but is the result of destocking, as industry sources believe, sales should recover quickly when distributor inventories are depleted.

Chemicals Segment sales decreased 11 and nine percent in the quarter and year-to-date, respectively, with both Colors and Specialty Chemicals contributing to the decline. The third quarter is traditionally the worst for the Textile Colors Group but management is nonetheless disappointed with the 13 percent decline in sales from a year earlier and the significant operating loss experienced during the quarter. The domestic textile color business can only be described as brutally competitive. Both unit volume demand and sales prices can't seem to find a bottom. An unavoidable consequence of price declines is inventory losses that lead to lower profit margins. This business will continue to be under pressure as long as the domestic textile industry continues to shrink because of imports from low wage countries. Management's focus is to consider all alternatives to generate a reasonable return on the capital utilized in this business.

The Augusta plant suffered a $539 operating loss in the quarter and has incurred $1,434 in losses for the first nine months of this year, which represents most of the loss of the Specialty Chemicals Group. Site preparation is underway in Spartanburg for the move of equipment from Augusta. The move should be completed by year-end after which the Augusta plant losses will be eliminated and profits in Spartanburg should be enhanced by improved utilization. However, the Company expects to take a restructuring charge in the fourth quarter, which has not been quantified. The Spartanburg plant also had a loss for the quarter as a result of lower than expected production. Management plans to bring expenses in line with production volume by year-end.

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

Selling and administrative expense for the quarter and year-to-date were ten percent of consolidated sales, respectively, compared to last year's ten percent.

Cash flows from operations totaled $231 during the first nine months of 2000 compared to $3,239 generated during the same period one year ago. The decrease in cash flows came primarily from an increase in inventories and a decrease in accounts payable, offset by a decrease in accounts receivable totaling $4,382 in 2000, compared to a net decrease of $2,837 from the same accounts in 1999. In addition, a decline in income taxes payable in 2000 of $526 compared to an increase of $981 in 1999 contributed to the decline. The Company used part of the cash flows generated in 2000 and short term borrowings to purchase 52,700 shares of the Company's common stock for $1,307. 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.

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:
Financial Data Schedule

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: November 10, 2000

/s/ James G. Lane, Jr.
James G. Lane, Jr., Chairman and
Chief Executive Officer

Date: November 10, 2000

/s/ Gregory M. Bowie
Gregory M. Bowie
Vice President, Finance

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