Appendix IX

An illustration of the relationships between log-price ratio and optimal token share

The generalized kinked specification (equation 3)

$\gamma = 0$ and $\delta > 0$
\( \gamma > 0 \) and \( \delta = 0 \)
\( \gamma > 0 \) and \( \delta > 0 \)
\[ \gamma = 0 \text{ and } \delta < 0 \]
$\gamma < 0$ and $\delta = 0$

Relation between $x_1/(x_1+x_3)$ and $\log(p_1/p_3)$ in the RDU: $(\gamma,\delta) = (-0.05, 0)$

Relation between $x_1/(x_1+x_2)$ and $\log(p_1/p_2)$ in the RDU: $(\gamma,\delta) = (-0.2, 0)$
$\gamma < 0$ and $\delta < 0$

Relation between $x_1/(x_1+x_3)$ and $\log(p_1/p_3)$ in the RDU: $(\gamma, \delta) = (-0.05, -0.05)$

Relation between $x_1/(x_1+x_2)$ and $\log(p_1/p_2)$ in the RDU: $(\gamma, \delta) = (-0.1, -0.1)$