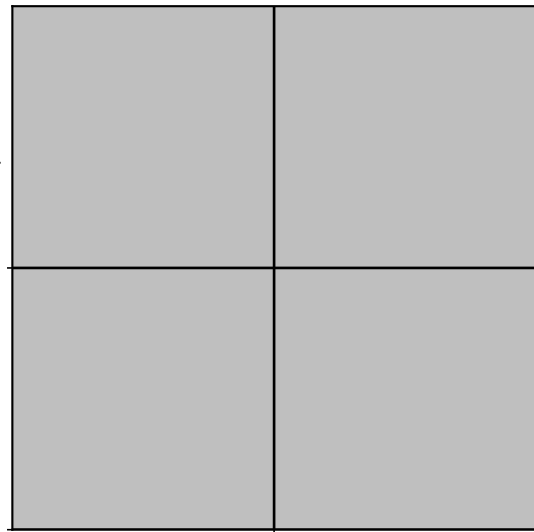


↑  $\sigma$  = ↓ Price Sensitivity

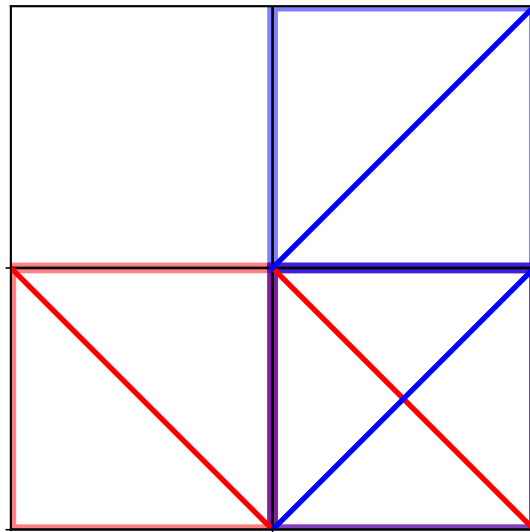
$H/L$  = Ratio of High to Low Price

Firm 1 Model

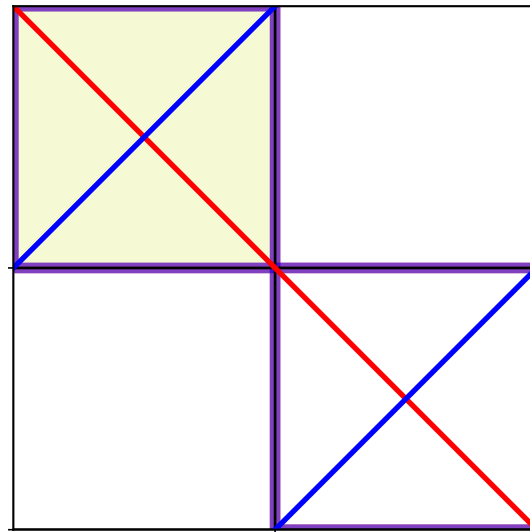
$H/L = 1.5, \sigma = 0.3$   
LR RF



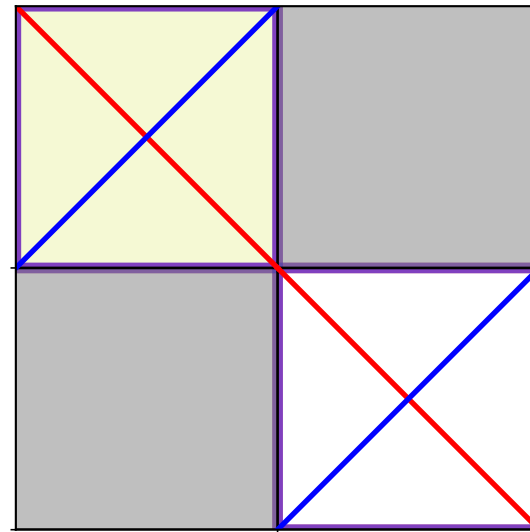
$H/L = 3, \sigma = 0.3$   
LR RF



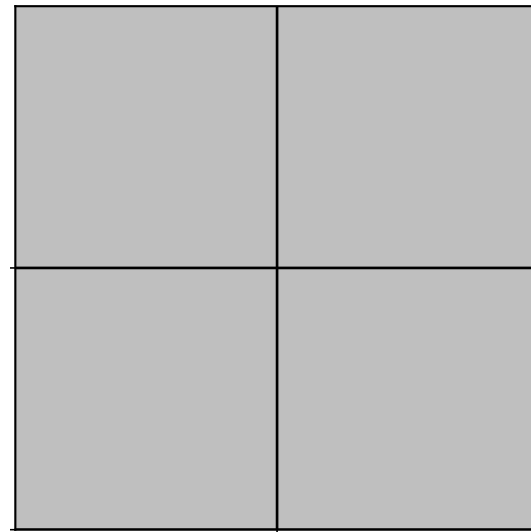
$H/L = 7, \sigma = 0.1$   
LR RF



$H/L = 10, \sigma = 0.2$   
LR RF



$H/L = 10, \sigma = 0.3$   
LR RF



Firm 2 Model