

# How large to be on a market ? On (in)effective price dispersed arbitrage opportunities

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## Résumé

In this paper we explore the market game with multiple trading posts per commodity type, in order to explain on what principles hinges the failure of the law of one price and clarify the role of liquidity constraints. The market game that precludes wash-sales is used as a tool, so as to stress the key role of agents' relative weights on different posts (when being too large on a given trading-post, an agent may rather enter an other post with a less interesting price), and the critical influence of wash-sales. Then, we show the absence of liquidity considerations in not critical and extend to these situations the convergence to price uniformity and the impact of the market structure on equilibrium allocations.

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*Key words* : Market game, Multiple trading-posts, Arbitrage, Law of one price, Wash-sales

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