Applying Merge Modes (Text from X5 Help file)

You can apply a merge mode to a transparency to specify how the color of a transparency is combined with the color of the object behind it. The following merge modes available for transparencies can also be applied to drop shadows.

snadows.	
Merge mode	Description
Normal	Applies the transparency color on top of the base color
Add	Adds the values of the transparency color and the base color
Subtract	Adds the values of the transparency color and the base color together, and then subtracts 255
Difference	Subtracts the transparency color from the base color and multiplies by 255. If the transparency color
	value is 0, the result will always be 255.
Multiply	Multiplies the base color by the transparency color, and then divides by 255. This has a darkening effect, unless you are applying color to white. Multiplying black with any color results in black. Multiplying white with any color leaves the color unchanged.
Divide	Divides the base color by the transparency color, or conversely, divides the transparency color by the base color, depending on which color has the higher value
If lighter	Replaces any base color pixels that are a darker color with the transparency color. Base color pixels that are lighter than the transparency color are not affected.
If darker	Replaces any base color pixels that are a lighter color with the transparency color. Base color pixels that are darker than the transparency color are not affected.
Texturize	Converts the transparency color to grayscale, and then multiplies the grayscale value by the base
color	
Hue	Uses the hue of the transparency color, as well as the saturation and lightness of the base color. If you are adding color to a grayscale image, there will be no change because the colors are desaturated.
Saturation	Uses the lightness and hue of the base color and the saturation of the transparency color
Lightness	Uses the hue and saturation of the base color and the lightness of the transparency color
Invert	Uses the transparency color's complementary color. If a transparency color value is 127, there will be no change because the color value falls in the center of the color wheel.
Logical AND	
0	formula AND to these values
Logical OR	Converts the transparency and base colors to binary values, and then applies the Boolean algebraic formula OR to these values
Logical XOR	Converts the transparency and base colors to binary values, and then applies the Boolean algebraic formula XOR to these values
Red	Applies the transparency color to the red channel of RGB objects
Green	Applies the transparency color to the green channel of RGB objects
Blue	Applies the transparency color to the blue channel of RGB objects
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