

Contents

Preface	xiii
Abbreviations	xvii
Notation	xix
1 Stable random variables on the real line	1
1.1 Equivalent definitions of a stable distribution	2
1.2 Properties of stable random variables	10
1.3 Symmetric α -stable random variables	20
1.4 Series representation	21
1.5 Series representation of skewed α -stable random variables . . .	30
1.6 Graphs and tables of α -stable densities and c.d.f.'s	35
1.7 Simulation	41
1.8 Exercises	49
2 Multivariate stable distributions	55
2.1 Stable random vectors	57
2.2 A counterexample for $0 < \alpha < 1$	63
2.3 Characteristic function of an α -stable random vector	65
2.4 Strictly stable and symmetric stable random vectors	72
2.5 Sub-Gaussian random vectors	77
2.6 Complex $S\alpha S$ random variables	84
2.7 Covariation	87
2.8 Covariation norm	95
2.9 James orthogonality	97
2.10 Codifference	103
2.11 Exercises	107

3	Stable random processes and stochastic integrals	111
3.1	Stable stochastic processes	112
3.2	Definition of stable integrals as a stochastic process	113
3.3	α -stable random measures	118
3.4	Constructive definition of stable integrals	121
3.5	Properties of stable integrals	126
3.6	Examples	135
	The $S_{\alpha S}$ Lévy motion	135
	Moving averages	138
	Ornstein-Uhlenbeck process	138
	Reverse Ornstein-Uhlenbeck process	139
	Well-balanced linear fractional stable motion	140
	Log-fractional stable motion	141
	Real stationary $S_{\alpha S}$ harmonizable process	141
3.7	Sub-Gaussian processes	142
3.8	Sub-stable processes	143
3.9	Series representation for α -stable random measures	145
3.10	A third definition of stable stochastic integrals using the series representation	149
3.11	Condition S	152
3.12	A fourth definition of stable stochastic integrals using a Poisson representation	155
3.13	Exercises	167
4	Dependence structures of multivariate stable distributions	173
4.1	Linear regression	174
4.2	Conditional laws that are symmetric around the conditional mean	181
4.3	Linear dependence	185
4.4	Probability tails of order statistics	187
4.5	Joint moments	200
4.6	Association of stable random variables	204
4.7	The codifference for stationary $S_{\alpha S}$ processes	208
4.8	The expected number of level crossings for stationary sub- Gaussian processes	215
4.9	Exercises	217
5	Non-linear regression	223
5.1	Conditional moments of order greater than or equal to α	224
5.2	Analytic representations of the non-linear regression functions .	236
5.3	Examples	251

5.4	Graphical representations	255
5.5	Numerical techniques	260
5.6	Exercises	270
6	Complex stable stochastic integrals and harmonizable processes	271
6.1	Complex-valued $S_{\alpha}S$ random measures	272
6.2	Integrals with respect to complex-valued $S_{\alpha}S$ random measures	275
6.3	The complex isotropic $S_{\alpha}S$ case	281
6.4	Series representation of complex-valued $S_{\alpha}S$ random measures and integrals	286
6.5	Harmonizable process	291
6.6	Stationary real harmonizable processes	300
6.7	The codifference for stationary real harmonizable processes . .	305
6.8	Exercises	306
7	Self-similar processes	309
7.1	Self-similarity	311
7.2	Fractional Brownian motion	318
7.2.1	“Moving average” representations of fractional Brownian motion	320
7.2.2	“Harmonizable” representations of fractional Brownian motion	325
7.2.3	Fractional Gaussian noise	332
7.3	General characteristics of processes that are α -stable and H -sssi	340
7.4	Linear fractional stable motion	343
7.5	α -stable Lévy motion	349
7.6	Log-fractional stable motion	352
7.7	The real harmonizable fractional stable motion	355
7.8	Complex harmonizable fractional stable motion	358
7.9	Subordinated processes	363
7.10	Fractional stable noises	366
7.11	Simulation of fractional noises and motions	370
7.12	ARMA sequences with stable innovations	376
7.13	Fractional ARIMA with stable innovations	380
7.14	Exercises	387
8	Chentsov random fields	391
8.1	Self-similar fields with stationary increments in the strong sense	392
8.2	Chentsov random fields	394
8.3	Example: the Lévy-Chentsov random field	400

8.4	Example: Takenaka random fields	402
8.5	Properties of Chentsov random fields	405
8.6	Properties of H -sssis Chentsov random fields	407
8.7	Codifference induced by (α, H) -Takenaka fields	410
8.8	Takenaka processes on $[0, \infty)$	414
8.9	Exercises	417
9	Introduction to sample path properties	419
9.1	Versions	420
9.2	Separability	421
9.3	Applications	427
9.4	Measurability	430
9.5	Zero-one laws	434
9.6	Exercises	439
10	Boundedness, continuity and oscillations	445
10.1	Introduction	446
10.2	Necessary conditions for sample boundedness	447
10.3	Necessary conditions for sample continuity	455
10.4	Necessary and sufficient conditions for sample boundedness and continuity when $0 < \alpha < 1$	460
10.5	Probability tails of suprema of bounded α -stable processes, with index $0 < \alpha < 2$	470
10.6	The oscillation process	476
10.7	The case $0 < \alpha < 1$	482
10.8	The case $1 \leq \alpha < 2$	483
10.9	The level sets of the oscillation function	484
10.10	A sample path alternative	486
10.11	How strong is the basic assumption?	488
10.12	Exercises	490
11	Measurability, integrability and absolute continuity	497
11.1	Existence of a measurable version	498
11.2	Integrability of the sample paths of stable processes	502
11.3	Conditions for integrability	504
11.4	Changing the order of integration	511
11.5	Tail behavior of the L^p -norm distribution	515
11.6	Inversion formula for harmonizable $S\alpha S$ processes	519
11.7	Absolute continuity of stable processes	524
11.8	Exercises	533

12 Boundedness and continuity via metric entropy	537
12.1 Metric entropy	538
12.2 Sufficient conditions in the case $1 \leq \alpha < 2$	542
12.3 Necessary conditions in the case $1 \leq \alpha < 2$	546
12.4 Boundedness and continuity of self-similar α -stable processes .	550
12.5 Exercises	556
13 Integral representation	559
13.1 Countable parameter space	560
13.2 Arbitrary parameter space	568
14 Historical notes and extensions	571
14.1 Notes to Chapter 1	571
14.2 Notes to Chapter 2	575
14.3 Notes to Chapter 3	577
14.4 Notes to Chapter 4	578
14.5 Notes to Chapter 5	582
14.6 Notes to Chapter 6	585
14.7 Notes to Chapter 7	586
14.8 Notes to Chapter 8	590
14.9 Notes to Chapter 9	592
14.10 Notes to Chapter 10	592
14.11 Notes to Chapter 11	593
14.12 Notes to Chapter 12	594
14.13 Notes to Chapter 13	595
Appendix:	597
A Tables of symmetric α-stable fractiles	597
Bibliography	603
Subject index	621
Author index	629