

Contents

Introduction	1
1 The Discrete Time Case	7
1.1 Normal Martingales	7
1.2 Stochastic Integrals	8
1.3 Multiple Stochastic Integrals	11
1.4 Structure Equations	13
1.5 Chaos Representation	15
1.6 Gradient Operator	18
1.7 Clark Formula and Predictable Representation	22
1.8 Divergence Operator	24
1.9 Ornstein-Uhlenbeck Semi-Group and Process	28
1.10 Covariance Identities	32
1.11 Deviation Inequalities	36
1.12 Logarithmic Sobolev Inequalities	42
1.13 Change of Variable Formula	49
1.14 Option Hedging	53
1.15 Notes and References	58
2 Continuous Time Normal Martingales	59
2.1 Normal Martingales	59
2.2 Brownian Motion	60
2.3 Compensated Poisson Martingale	63
2.4 Compound Poisson Martingale	71
2.5 Stochastic Integrals	74
2.6 Predictable Representation Property	84
2.7 Multiple Stochastic Integrals	86
2.8 Chaos Representation Property	89
2.9 Quadratic Variation	90
2.10 Structure Equations	93
2.11 Product Formula for Stochastic Integrals	96
2.12 Itô Formula	102
2.13 Exponential Vectors	107

2.14	Vector-Valued Case	109
2.15	Notes and References	111
3	Gradient and Divergence Operators	113
3.1	Definition and Closability	113
3.2	Clark Formula and Predictable Representation	114
3.3	Divergence and Stochastic Integrals	119
3.4	Covariance Identities	121
3.5	Logarithmic Sobolev Inequalities	123
3.6	Deviation Inequalities	125
3.7	Markovian Representation	127
3.8	Notes and References	130
4	Annihilation and Creation Operators	131
4.1	Duality Relation	131
4.2	Annihilation Operator	134
4.3	Creation Operator	138
4.4	Ornstein-Uhlenbeck Semi-Group	144
4.5	Deterministic Structure Equations	146
4.6	Exponential Vectors	151
4.7	Deviation Inequalities	154
4.8	Derivation of Fock Kernels	158
4.9	Notes and References	160
5	Analysis on the Wiener Space	161
5.1	Multiple Wiener Integrals	161
5.2	Gradient and Divergence Operators	166
5.3	Ornstein-Uhlenbeck Semi-Group	171
5.4	Covariance Identities and Inequalities	173
5.5	Moment Identities for Skorohod Integrals	177
5.6	Differential Calculus on Random Morphisms	180
5.7	Riemannian Brownian Motion	186
5.8	Time Changes on Brownian Motion	192
5.9	Notes and References	194
6	Analysis on the Poisson Space	195
6.1	Poisson Random Measures	195
6.2	Multiple Poisson Stochastic Integrals	203
6.3	Chaos Representation Property	212
6.4	Finite Difference Gradient	218
6.5	Divergence Operator	226
6.6	Characterization of Poisson Measures	231
6.7	Clark Formula and Lévy Processes	234
6.8	Covariance Identities	237

6.9	Deviation Inequalities	241
6.10	Notes and References	245
7	Local Gradients on the Poisson Space	247
7.1	Intrinsic Gradient on Configuration Spaces	247
7.2	Damped Gradient on the Half Line	255
7.3	Damped Gradient on a Compact Interval	263
7.4	Chaos Expansions	267
7.5	Covariance Identities and Deviation Inequalities	270
7.6	Some Geometric Aspects of Poisson Analysis	272
7.7	Chaos Interpretation of Time Changes	277
7.8	Notes and References	280
8	Option Hedging in Continuous Time	281
8.1	Market Model.....	281
8.2	Hedging by the Clark Formula	284
8.3	Black-Scholes PDE	288
8.4	Asian Options and Deterministic Structure	290
8.5	Notes and References	293
9	Appendix.....	295
9.1	Measurability	295
9.2	Gaussian Random Variables	295
9.3	Conditional Expectation	296
9.4	Martingales in Discrete Time.....	296
9.5	Martingales in Continuous Time	297
9.6	Markov Processes.....	298
9.7	Tensor Products of L^2 Spaces	299
9.8	Closability of Linear Operators	300
References		301
Index		309