Contents

1 Brownian Motion 1

- 1.1 Definition and Construction 1
- 1.2 The Markov Property 7
- 1.3 The Right Continuous Filtration, Blumenthal's 0-1 Law 11
- 1.4 Stopping Times 17
- 1.5 The Strong Markov Property 21
- 1.6 Martingale Properties of Brownian Motion 25
- 1.7 Hitting Probabilities, Recurrence, and Transience 27
- 1.8 The Potential Kernels 30
- 1.9 Brownian Motion in a Half Space 32
- 1.10 Exit Distributions for the Sphere 36
- 1.11 Occupation Times for the Sphere 39 Notes on Chapter 1 43

2 Stochastic Integration 44

- 2.1 Integration w.r.t. Brownian Motion 44
- 2.2 Integration w.r.t. Discrete Martingales 48
- 2.3 The Basic Ingredients for Our Stochastic Integral 50
- 2.4 The Variance and Covariance of Continuous Local Martingales 52

64

- 2.5 Integration w.r.t. Continuous Local Martingales 55
- 2.6 The Kunita-Watanabe Inequality 59
- 2.7 Stochastic Differentials, the Associative Law **62**
- 2.8 Change of Variables, Itô's Formula
- 2.9 Extension to Functions of Several Semimartingales 67
- 2.10 Applications of Itô's Formula 70
- 2.11 Change of Time, Lévy's Theorem 75
- 2.12 Conformal Invariance in $d \ge 2$, Kelvin's Transformations 78
- 2.13 Change of Measure, Girsanov's Formula 82
- 2.14 Martingales Adapted to Brownian Filtrations 85 Notes on Chapter 2 89 A Word about the Notes 90

3 Conditioned Brownian Motions 91

- 3.1 Warm-Up: Conditioned Random Walks 91
- 3.2 Brownian Motion Conditioned to Exit $H = R^{d-1} \times (0, \infty)$ at 0 94
- 3.3 Other Conditioned Processes in H 97
- 3.4 Inversion in $d \ge 3$, B_t Conditioned to Converge to 0 as $t \to \infty$ 100
- 3.5 A Zero-One Law for Conditioned Processes 102

4 Boundary Limits of Harmonic Functions 105

- 4.1 Probabilistic Analogues of the Theorems of Privalov and Spencer 105
- 4.2 Probability Is Less Stringent than Analysis 108
- 4.3 Equivalence of Brownian and Nontangential Convergence in d = 2 113
- 4.4 Burkholder and Gundy's Counterexample (d = 3) 116
- 4.5 With a Little Help from Analysis, Probability Works in $d \ge 3$: Brossard's Proof of Calderon's Theorem 119

5 Complex Brownian Motion and Analytic Functions 123

- 5.1 Conformal Invariance, Applications to Brownian Motion **123**
- 5.2 Nontangential Convergence in D 126
- 5.3 Boundary Limits of Functions in the Nevanlinna Class N 128
- 5.4 Two Special Properties of Boundary Limits of Analytic Functions 132
- 5.5 Winding of Brownian Motion in $C \{0\}$ (Spitzer's Theorem) 134
- 5.6 Tangling of Brownian Motion in $C \{-1, 1\}$ (Picard's Theorem) 139

6 Hardy Spaces and Related Spaces of Martingales 144

- 6.1 Definition of H^{p} , an Important Example 144
- 6.2 First Definition of \mathcal{M}^p , Differences Between p > 1 and p = 1 146
- 6.3 A Second Definition of M^p 152
- 6.4 Equivalence of H^p to a Subspace of \mathcal{M}^p 155
- 6.5 Boundary Limits and Representation of Functions in H^p 158
- 6.6 Martingale Transforms 162
- 6.7 Janson's Characterization of M^1 166
- 6.8 Inequalities for Conjugate Harmonic Functions 170
- 6.9 Conjugate Functions of Indicators and Singular Measures 180

7 H^1 and BMO, M^1 and \mathcal{BMC} 184

- 7.1 The Duality Theorem for \mathcal{M}^1 184
- 7.2 A Second Proof of $(\mathcal{M}^1)^* = \mathcal{B} \mathcal{M} \mathcal{O}$ 188
- 7.3 Equivalence of *BMO* to a Subspace of *BMC* 192
- 7.4 The Duality Theorem for H^1 , Fefferman-Stein Decomposition 199

Contents

- 7.5 Examples of Martingales in *BMO* 205
- 7.6 The John-Nirenberg Inequality 208
- 7.7 The Garnett-Jones Theorem 211
- 7.8 A Disappointing Look at $(\mathcal{M}^p)^*$ When p < 1 215

8 PDE's That Can Be Solved by Running a Brownian Motion 219

- A Parabolic Equations 219
- 8.1 The Heat Equation 220
- 8.2 The Inhomogeneous Equation 223
- 8.3 The Feynman-Kac Formula **229**
- 8.4 The Cameron-Martin Transformation 234
- B Elliptic Equations 245
- 8.5 The Dirichlet Problem 246
- 8.6 Poisson's Equation 251
- 8.7 The Schrödinger Equation 255
- 8.8 Eigenvalues of $\Delta + c$ 263

9 Stochastic Differential Equations 271

- 9.1 PDE's That Can Be Solved by Running an SDE 271
- 9.2 Existence of Solutions to SDE's with Continuous Coefficients 274
- 9.3 Uniqueness of Solutions to SDE's with Lipschitz Coefficients 278
- 9.4 Some Examples 283
- 9.5 Solutions Weak and Strong, Uniqueness Questions 286
- 9.6 Markov and Feller Properties 288
- 9.7 Conditions for Smoothness 290 Notes on Chapter 9 293

Appendix A Primer of Probability Theory 294

- A.1 Some Differences in the Language 294
- A.2 Independence and Laws of Large Numbers 296
- A.3 Conditional Expectation 300
- A.4 Martingales 302
- A.5 Gambling Systems and the Martingale Convergence Theorem 303
- A.6 Doob's Inequality, Convergence in L^p , p > 1 306
- A.7 Uniform Integrability and Convergence in L^1 307
- A.8 Optional Stopping Theorems 309

References 313

Index of Notation 325

Subject Index 327