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AND PROCESSES**

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# Preface

Classical Extreme Value Theory—the asymptotic distributional theory for maxima of independent, identically distributed random variables—may be regarded as roughly half a century old, even though its roots reach further back into mathematical antiquity. During this period of time it has found significant application—exemplified best perhaps by the book *Statistics of Extremes* by E. J. Gumbel—as well as a rather complete theoretical development.

More recently, beginning with the work of G. S. Watson, S. M. Berman, R. M. Loynes, and H. Cramér, there has been a developing interest in the extension of the theory to include, first, dependent sequences and then continuous parameter stationary processes. The early activity proceeded in two directions—the extension of general theory to certain dependent sequences (e.g., Watson and Loynes), and the beginning of a detailed theory for stationary sequences (Berman) and continuous parameter processes (Cramér) in the normal case.

In recent years both lines of development have been actively pursued. It has proved possible to unify the two directions and to give a rather complete and satisfying general theory along the classical lines, including the known results for stationary normal sequences and processes as special cases. A principal aim of this work is to present this theory in as complete and up-to-date a form as possible, alongside a reasonably comprehensive discussion of the classical case. The treatment is thus unified with regard to both the classical and dependent cases, and also in respect to consideration of normal and more general stationary sequences and processes.

Closely related to the properties of extremes are those of exceedances and upcrossings of high levels, by sequences and continuous parameter processes. By regarding such exceedances and upcrossings as point processes,

one may obtain some quite general results demonstrating convergence to Poisson and related point processes. A number of interesting results follow concerning the asymptotic behaviour of the magnitude and location of such quantities as the  $k$ th largest maxima (or local maxima, in the continuous setting). These and a number of other related topics have been taken up, especially for continuous parameter cases.

The volume is organized in four parts. Part I provides a reasonably comprehensive account of the central distributional results of classical extreme value theory—surrounding the Extremal Types Theorem. We have attempted to make this quite straightforward, using relatively elementary methods, and to highlight the main ideas on which the later extensions to dependent cases are based.

Part II contains the basic extension of the classical theory applying to stationary sequences and to some important nonstationary cases. The main key to this work is the appropriate restriction of dependence between widely separated members of the sequence, so that the classical limits still hold. Normal sequences are particularly emphasized and provide illuminating examples of the roles played by the various assumptions.

In Part III we turn to continuous parameter cases. The emphasis in this part is on stationary normal processes, which, for clarity, we treat in some detail before giving the general theory surrounding the Extremal Types Theorem. In addition to extremal theory, this part concerns properties of local maxima, point processes of upcrossings, models for local behaviour, and related topics.

Finally, Part IV contains specific applications of (and small extensions to) the theory for particular, real situations. Since the theory largely predicts the same extremal behaviour as in the classical case, there is limited usefulness in providing data which simply illustrate this well. Rather, we have tried to grapple with typical practical issues and problems which arise in putting theory to work. We have not attempted systematic case studies, but have primarily selected examples which involve interesting facets, and raise issues that demand thoughtful consideration.

Many of the results given here have appeared in print in various forms, but a number are hitherto unpublished. Most of the contents of this work may be easily understood by a reader who has taken a (non-measure-theoretic) introductory graduate probability course. Possible exceptions include the material on point process convergence (the details being given in an appendix), but even for this we feel that a reader should be able to obtain a good intuitive understanding from the text.

It is indeed a pleasure to acknowledge the support of the U.S. Office of Naval Research, the Swedish Natural Science Research Council, the Danish Natural Science Research Council, and the Swedish Institute of Applied Mathematics, in much of the research leading to this work. We are also most grateful to Drs. Jacques de Maré and Jan Lanke for their help and suggestions on various aspects of this project and to Dr. Olav Kallenberg for his

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# Contents

|  |           |
|--|-----------|
| <b>PART I</b>  |           |
| <b>CLASSICAL THEORY OF EXTREMES</b>                              | <b>1</b>  |
| <br>   |           |
| <b>CHAPTER 1</b>   |           |
| <b>Asymptotic Distributions of Extremes</b>                      | <b>3</b>  |
| 1.1. Introduction and Framework                                  | 3         |
| 1.2. Inverse Functions and Khintchine's Convergence Theorem      | 5         |
| 1.3. Max-Stable Distributions                                    | 8         |
| 1.4. Extremal Types Theorem                                      | 9         |
| 1.5. Convergence of $P\{M_n \leq u_n\}$                          | 12        |
| 1.6. General Theory of Domains of Attraction                     | 15        |
| 1.7. Examples  | 19        |
| 1.8. Minima  | 27        |
| <br>   |           |
| <b>CHAPTER 2</b>   |           |
| <b>Exceedances of Levels and <math>k</math>th Largest Maxima</b> | <b>31</b> |
| 2.1. Poisson Properties of Exceedances                           | 31        |
| 2.2. Asymptotic Distribution of $k$ th Largest Values            | 33        |
| 2.3. Joint Asymptotic Distribution of the Largest Maxima         | 34        |
| 2.4. Rate of Convergence   | 36        |
| 2.5. Increasing Ranks  | 44        |
| 2.6. Central Ranks   | 46        |
| 2.7. Intermediate Ranks  | 47        |



|   |            |
|---|------------|
| <b>PART II</b>  |            |
| <b>EXTREMAL PROPERTIES OF DEPENDENT SEQUENCES</b>   | <b>49</b>  |
| <br>  |            |
| <b>CHAPTER 3</b>  |            |
| <b>Maxima of Stationary Sequences</b>   | <b>51</b>  |
| 3.1. Dependence Restrictions for Stationary Sequences   | 51         |
| 3.2. Distributional Mixing  | 52         |
| 3.3. Extremal Types Theorem for Stationary Sequences  | 55         |
| 3.4. Convergence of $P\{M_n \leq u_n\}$ Under Dependence  | 58         |
| 3.5. Associated Independent Sequences and Domains of Attraction   | 60         |
| 3.6. Maxima Over Arbitrary Intervals  | 61         |
| 3.7. On the Roles of the Conditions $D(u_n)$ , $D'(u_n)$  | 65         |
| 3.8. Maxima of Moving Averages of Stable Variables  | 72         |
| <br>  |            |
| <b>CHAPTER 4</b>  |            |
| <b>Normal Sequences</b>   | <b>79</b>  |
| 4.1. Stationary Normal Sequences and Covariance Conditions  | 79         |
| 4.2. Normal Comparison Lemma  | 81         |
| 4.3. Extremal Theory for Normal Sequences—Direct Approach   | 85         |
| 4.4. The Conditions $D(u_n)$ , $D'(u_n)$ for Normal Sequences   | 88         |
| 4.5. Weaker Dependence Assumptions  | 89         |
| 4.6. Rate of Convergence  | 92         |
| <br>  |            |
| <b>CHAPTER 5</b>  |            |
| <b>Convergence of the Point Process of Exceedances, and the Distribution of <math>k</math>th Largest Maxima</b> | <b>101</b> |
| 5.1. Point Processes of Exceedances   | 101        |
| 5.2. Poisson Convergence of High-Level Exceedances  | 102        |
| 5.3. Asymptotic Distribution of $k$ th Largest Values   | 104        |
| 5.4. Independence of Maxima in Disjoint Intervals   | 106        |
| 5.5. Exceedances of Multiple Levels   | 111        |
| 5.6. Joint Asymptotic Distribution of the Largest Maxima  | 114        |
| 5.7. Complete Poisson Convergence   | 117        |
| 5.8. Record Times and Extremal Processes  | 120        |
| <br>  |            |
| <b>CHAPTER 6</b>  |            |
| <b>Nonstationary, and Strongly Dependent Normal Sequences</b>   | <b>123</b> |
| 6.1. Nonstationary Normal Sequences   | 123        |
| 6.2. Asymptotic Distribution of the Maximum   | 127        |
| 6.3. Convergence of $P(\bigcap_{i=1}^n \{\xi_i \leq u_{ni}\})$ Under Weakest Conditions on $\{u_{ni}\}$         | 130        |
| 6.4. Stationary Normal Sequences with Strong Dependence   | 133        |
| 6.5. Limits for Exceedances and Maxima when $r_n \log n \rightarrow \gamma < \infty$                            | 135        |
| 6.6. Distribution of the Maximum when $r_n \log n \rightarrow \infty$   | 138        |

|  |            |
|--|------------|
| <b>PART III</b>  |            |
| <b>EXTREME VALUES IN CONTINUOUS TIME</b>                             | <b>143</b> |
| <br>   |            |
| <b>CHAPTER 7</b>   |            |
| <b>Basic Properties of Extremes and Level Crossings</b>              | <b>145</b> |
| 7.1. Framework   | 145        |
| 7.2. Level Crossings and Their Basic Properties                      | 146        |
| 7.3. Crossings by Normal Processes                                   | 151        |
| 7.4. Maxima of Normal Processes                                      | 154        |
| 7.5. Marked Crossings  | 156        |
| 7.6. Local Maxima  | 160        |
| <br>   |            |
| <b>CHAPTER 8</b>   |            |
| <b>Maxima of Mean Square Differentiable Normal Processes</b>         | <b>163</b> |
| 8.1. Conditions  | 163        |
| 8.2. Double Exponential Distribution of the Maximum                  | 166        |
| <br>   |            |
| <b>CHAPTER 9</b>   |            |
| <b>Point Processes of Upcrossings and Local Maxima</b>               | <b>173</b> |
| 9.1. Poisson Convergence of Upcrossings                              | 174        |
| 9.2. Full Independence of Maxima in Disjoint Intervals               | 177        |
| 9.3. Upcrossings of Several Adjacent Levels                          | 180        |
| 9.4. Location of Maxima  | 184        |
| 9.5. Height and Location of Local Maxima                             | 186        |
| 9.6. Maxima Under More General Conditions                            | 190        |
| <br>   |            |
| <b>CHAPTER 10</b>  |            |
| <b>Sample Path Properties at Upcrossings</b>                         | <b>191</b> |
| 10.1. Marked Upcrossings   | 191        |
| 10.2. Empirical Distributions of the Marks at Upcrossings            | 194        |
| 10.3. The Slepian Model Process                                      | 198        |
| 10.4. Excursions Above a High Level                                  | 201        |
| <br>   |            |
| <b>CHAPTER 11</b>  |            |
| <b>Maxima and Minima and Extremal Theory for Dependent Processes</b> | <b>205</b> |
| 11.1. Maxima and Minima  | 205        |
| 11.2. Extreme Values and Crossings for Dependent Processes           | 211        |
| <br>   |            |
| <b>CHAPTER 12</b>  |            |
| <b>Maxima and Crossings of Nondifferentiable Normal Processes</b>    | <b>216</b> |
| 12.1. Introduction and Overview of the Main Result                   | 216        |
| 12.2. Maxima Over Finite Intervals                                   | 218        |
| 12.3. Maxima Over Increasing Intervals                               | 233        |
| 12.4. Asymptotic Properties of $\varepsilon$ -upcrossings            | 237        |
| 12.5. Weaker Conditions at Infinity                                  | 239        |

|   |            |
|---|------------|
| <b>CHAPTER 13</b>   |            |
| <b>Extremes of Continuous Parameter Stationary Processes</b>      | <b>243</b> |
| 13.1. The Extremal Types Theorem                                  | 243        |
| 13.2. Convergence of $P\{M(T) \leq u_T\}$                         | 249        |
| 13.3. Associated Sequence of Independent Variables                | 253        |
| 13.4. Stationary Normal Processes                                 | 255        |
| 13.5. Processes with Finite Upcrossing Intensities                | 256        |
| 13.6. Poisson Convergence of Upcrossings                          | 258        |
| 13.7. Interpretation of the Function $\psi(u)$                    | 262        |
| <br>  |            |
| <b>PART IV</b>  |            |
| <b>APPLICATIONS OF EXTREME VALUE THEORY</b>                       | <b>265</b> |
| <br>  |            |
| <b>CHAPTER 14</b>   |            |
| <b>Extreme Value Theory and Strength of Materials</b>             | <b>267</b> |
| 14.1. Characterizations of the Extreme Value Distributions        | 267        |
| 14.2. Size Effects in Extreme Value Distributions                 | 271        |
| <br>  |            |
| <b>CHAPTER 15</b>   |            |
| <b>Application of Extremes and Crossings Under Dependence</b>     | <b>278</b> |
| 15.1. Extremes in Discrete and Continuous Time                    | 278        |
| 15.2. Poisson Exceedances and Exponential Waiting Times           | 281        |
| 15.3. Domains of Attraction and Extremes from Mixed Distributions | 284        |
| 15.4. Extrapolation of Extremes Over an Extended Period of Time   | 292        |
| 15.5. Local Extremes—Application to Random Waves                  | 297        |
| <br>  |            |
| <b>APPENDIX</b>   |            |
| <b>Some Basic Concepts of Point Process Theory</b>                | <b>305</b> |
| <br>  |            |
| <b>Bibliography</b>   | <b>313</b> |
| <b>List of Special Symbols</b>                                    | <b>331</b> |
| <b>Index</b>  | <b>333</b> |