

A Transformation for Spectrally Negative Lévy Processes and Applications



Marie Chazal, Andreas E. Kyprianou, and Pierre Patie

Abstract The aim of this work is to extend and study a family of transformations between Laplace exponents of Lévy processes which have been introduced recently in a variety of different contexts, Patie (Bull Sci Math 133(4):355–382, 2009; Bernoulli 17(2):814–826, 2011), Kyprianou and Patie (Ann Inst H Poincaré Probab Statist 47(3):917–928, 2011), Gnedin (Regeneration in Random Combinatorial Structures. arXiv:0901.4444v1 [math.PR]), Patie and Savov (Electron J Probab 17(38):1–22, 2012), as well as in older work of Urbanik (Probab Math Statist 15:493–513, 1995). We show how some specific instances of this mapping prove to be useful for a variety of applications.

Keywords Spectrally negative Lévy process · Fluctuation theory · Exponential functional · Positive self-similar Markov process · Intertwining · Hypergeometric function

1 Introduction

In this paper we are interested in a Lévy process with no positive jumps, possibly independently killed at a constant rate, henceforth denoted by $\xi = (\xi_t, t \geq 0)$ with law \mathbb{P} . That is to say, under \mathbb{P} , ξ is a stochastic process which has almost

The authors would like to thank an anonymous referee for his constructive comments.

M. Chazal · P. Patie

School of Operations Research and Information Engineering, Cornell University, Ithaca, NY, USA

e-mail: mc69@cornell.edu; pp396@cornell.edu

A. Kyprianou (✉)

Department of Mathematical Sciences, University of Bath, Bath, UK

e-mail: a.kyprianou@bath.ac.uk

© Springer Nature Switzerland AG 2021

157

L. Chaumont, A. E. Kyprianou (eds.), *A Lifetime of Excursions Through Random Walks and Lévy Processes*, Progress in Probability 78, https://doi.org/10.1007/978-3-030-83309-1_9

surely càdlàg paths, increments that are stationary and independent and killed at an independent rate $\kappa \geq 0$. The case that $\kappa = 0$ corresponds to no killing. Whilst it is normal to characterise Lévy processes by their characteristic exponent, in the case that the jumps are non-positive one may also comfortably work with the Laplace exponent which satisfies,

$$\mathbb{E}(e^{u\xi_t}) = e^{\psi(u)t}, \quad t \geq 0,$$

where $u \geq 0$. It is a well established fact that the latter Laplace exponent is strictly convex on $[0, \infty)$ and admits the following Lévy-Khintchine representation

$$\psi(u) = -\kappa + au + \frac{1}{2}\sigma^2 u^2 + \int_{(-\infty, 0)} (e^{ux} - 1 - ux\mathbf{1}_{(|x|<1)})\Pi(dx), \quad (1.1)$$

for $u \geq 0$ where $\kappa \geq 0$, $a \in \mathbb{R}$, $\sigma^2 \geq 0$ and Π is a measure concentrated on $(-\infty, 0)$ satisfying $\int_{(-\infty, 0)} (1 \wedge x^2)\Pi(dx) < \infty$, see for example Bertoin [1]. Note in particular that our definition includes the case that $-\xi$ is a (possibly killed) subordinator. Indeed, when Π satisfies $\int_{(-\infty, 0)} (1 \wedge |x|)\Pi(dx) < \infty$ and we choose $\sigma = 0$ and $a = -\mathfrak{d} + \int_{(-1, 0)} x\Pi(dx)$ we may write for $u \geq 0$,

$$\psi(u) = -\kappa - \mathfrak{d}u - \int_{(0, \infty)} (1 - e^{-ux})\nu(dx),$$

where $\nu(x, \infty) = \Pi(-\infty, -x)$. When $\mathfrak{d} \geq 0$, writing $S_t = -\xi_t$ for $t \geq 0$, \mathfrak{d} and ν should be thought of as the drift and Lévy measure of the subordinator $S = (S_t, t \geq 0)$ respectively. Moreover, writing $\phi(u) = -\psi(u)$ for $u \geq 0$, we may think of ϕ as the Laplace exponent of S in the classical sense, namely

$$\mathbb{E}(e^{-uS_t}) = e^{-\phi(u)t}, \quad t \geq 0.$$

In general we shall refer to Ψ_ℓ as the family of Laplace exponents of (possibly killed) Lévy processes with no positive jumps which are killed at rate $\kappa \geq 0$ and are well defined on (ℓ, ∞) for $\ell \leq 0$. Note that excluding the cases when $-\xi$ is not a subordinator then Ψ_ℓ boils down to the class of Laplace exponent of (possibly killed) spectrally negative Lévy processes.

Our main objective is to introduce a parametric family of linear transformations which serves as a mapping from the space of Laplace exponents of Lévy processes with no positive jumps into itself and therewith explore how a family of existing results for Lévy processes may be extrapolated further. The paper is structured as follows. In the next section we introduce our three-parameters transformation and derive some basic properties. We also describe its connection with some transformations which have already appeared in the literature. The remaining part of the paper deals with the applications of our transformation to different important issues arising in the framework of Lévy processes and related processes. More

specifically, in the third section we provide some ways for getting new expressions for the so-called scale function of Lévy processes. Section 4 is devoted to the exponential functional of Lévy processes and finally in the last section we develop some applications to the study of positive self-similar Markov processes.

2 The Transformation $\mathcal{T}_{\delta,\beta}$

We begin with the definition of our new transformation and consider its properties as a mapping on Ψ_ℓ .

Definition 2.1 Suppose that $\psi \in \Psi_\ell$ where $\ell \leq 0$. Then for $\delta, \beta \geq 0$, with the additional constraint that $\psi'(0+) = \psi(0) = 0$ if $\beta = 0$, let

$$\mathcal{T}_{\delta,\beta}\psi(u) = \frac{u + \beta - \delta}{u + \beta}\psi(u + \beta) - \frac{\beta - \delta}{\beta}\psi(\beta), \quad u \geq -\beta.$$

Let us make some immediate observations on the above definition. Firstly note that $\mathcal{T}_{\delta,\beta}$ is a linear transform. In the special case that $\delta = \beta$ we shall write \mathcal{T}_β in place of $\mathcal{T}_{\beta,\beta}$. The transform \mathcal{T}_β was considered recently for general spectrally negative Lévy processes in Kyprianou and Patie [23] and for subordinators (as a result of a path transformation known as sliced splitting) in Gnedin [17]. Next note that, for β, γ such that $\beta + \gamma \geq 0$,

$$\mathcal{T}_\gamma \circ \mathcal{T}_\beta = \mathcal{T}_{\gamma+\beta}.$$

In the special case that $\delta = 0$ and $\beta \geq 0$ we have $\mathcal{E}_\beta := \mathcal{T}_{0,\beta}$ satisfies

$$\mathcal{E}_\beta\psi(u) = \psi(u + \beta) - \psi(\beta), \quad u \geq -\beta,$$

where, as usual, $\psi \in \Psi_\ell$. This is the classical Esscher transform for Lévy processes with no positive jumps expressed in terms of Laplace exponents. It will be convenient to note for later that if $\Phi(u) := \psi(u)/u$ then we may write

$$\mathcal{T}_{\delta,\beta}\psi(u) = \mathcal{E}_\beta\psi(u) - \delta\mathcal{E}_\beta\Phi(u).$$

In particular we see that when $\beta = 0$, the assumption that $\psi'(0+) = 0$ allows us to talk safely about $\Phi(0+)$.

One may think of $\mathcal{T}_{\delta,\beta}$ as one of the many possible generalisations of the Esscher transform. For $\beta \geq 0$, the latter is a well-known linear transformation which maps Ψ_ℓ into itself and has proved to be a very effective tool in analysing many different fluctuation identities for Lévy processes with no positive jumps. It is natural to ask if $\mathcal{T}_{\delta,\beta}$ is equally useful in this respect. A first step in answering this question is to first prove that $\mathcal{T}_{\delta,\beta}$ also maps Ψ_ℓ into itself. This has already been done for the specific

family of transformations \mathcal{T}_β in Lemma 2.1 of [23] and also, for Lévy processes with two sided jumps, in Proposition 2.1 in [33].

Proposition 2.2 *Suppose that $\psi \in \Psi_\ell$ where $\ell \leq 0$. Fix $\delta, \beta \geq 0$ with the additional constraint that $\psi'(0+) = \psi(0) = 0$ if $\beta = 0$. Then $\mathcal{T}_{\delta,\beta}\psi \in \Psi_{\ell-\beta} \subseteq \Psi_\ell$ and has no killing component. Moreover, if ψ has Gaussian coefficient σ and jump measure Π then $\mathcal{T}_{\delta,\beta}\psi$ also has Gaussian coefficient σ and its Lévy measure is given by*

$$e^{\beta x} (\Pi(dx) + \delta \bar{\Pi}(x)dx) + \delta \frac{\kappa}{\beta} e^{\beta x} dx \text{ on } (-\infty, 0),$$

where $\bar{\Pi}(x) = \Pi(-\infty, x)$ and we understand the final term to be zero whenever $\kappa = 0$. Finally, one has $\mathcal{T}_\beta\psi \in \Psi_{\ell-\beta}$ with $l < \beta < 0$ under the additional requirements that $\kappa = 0$ and $(e^{\beta x} \bar{\Pi}(x))' = e^{\beta x} \Pi(dx) + \beta e^{\beta x} \bar{\Pi}(x)dx$ is a positive measure on $(-\infty, 0)$.

Proof Recall from earlier that $\mathcal{T}_{\delta,\beta}\psi(u) = \mathcal{E}_\beta\psi(u) - \delta\mathcal{E}_\beta\Phi(u)$. Moreover, from its definition, it is clear that argument of $\mathcal{T}_{\delta,\beta}$ may be taken for all u such that $u + \beta \geq \ell$. It is well understood that $\mathcal{E}_\beta\psi$ is the Laplace exponent of a spectrally negative Lévy process without killing whose Gaussian coefficient remains unchanged but whose Lévy measure is transformed from $\Pi(dx)$ to $e^{\beta x} \Pi(dx)$. See for example Chapter 8 of [21]. The proof thus boils down to understanding the contribution from $-\delta\mathcal{E}_\beta\phi(u)$. A straightforward computation based on integration by parts shows that

$$\Phi(u) = -\frac{\kappa}{u} + (a - \bar{\Pi}(-1)) + \frac{1}{2}\sigma^2 u + \int_{-\infty}^0 (\mathbf{1}_{(|x|<1)} - e^{ux}) \bar{\Pi}(x) dx.$$

From this it follows that

$$\begin{aligned} -\delta\mathcal{E}_\beta\Phi(u) &= -\delta\frac{\kappa}{\beta} \frac{u}{u+\beta} - \frac{\delta}{2}\sigma^2 u - \delta \int_{-\infty}^0 (1 - e^{ux}) e^{\beta x} \bar{\Pi}(x) dx \\ &= -\frac{\delta}{2}\sigma^2 u - \delta \int_{-\infty}^0 (1 - e^{ux}) e^{\beta x} \bar{\Pi}(x) dx - \delta\frac{\kappa}{\beta} \int_0^\infty (1 - e^{-ux}) e^{-\beta x} dx. \end{aligned}$$

Here we understand the final integral above to be zero if $\kappa = 0$. In that case we see that $-\delta\mathcal{E}_\beta\psi(u)$ is the Laplace exponent of a spectrally negative Lévy process which has no Gaussian component and a jump component which is that of a negative subordinator with jump measure given by $\delta e^{\beta x} \bar{\Pi}(x) dx + \beta^{-1} \kappa \delta e^{\beta x} dx$ on $(-\infty, 0)$. The last claim follows readily from the previous one by choosing $\delta = \beta$ and $\kappa = 0$. \square

Whilst it is now clear that the mappings $\mathcal{T}_{\delta,\beta}^\gamma$ may serve as a way of generating new examples of Lévy processes with no positive jumps from existing ones, our interest is largely motivated by how the aforesaid transformation interacts with certain path transformations and fluctuation identities associated to Lévy processes.

Indeed, as alluded to above, starting with Urbanik [38], the formalisation of these transformations is motivated by the appearance of particular examples in a number of such contexts. On account of the diversity of these examples, it is worth recalling them here briefly for interest. Kyprianou and Patie [23] use the transformation \mathcal{T}_β to give a natural encoding for the Ciesielski-Taylor identity for a class of self similar Markov processes (pssMp). In the setting of self-similar continuous-state branching processes, [28, Proposition 4.11] uses the \mathcal{T}_β transformation to describe a family of such processes with immigration. Finally, Gnedin [17] introduces a method of sliced splitting the path of subordinators to generate new examples of subordinators. The sliced splitting operation he used corresponds to the application of a special case of the transformation introduced here.

3 Scale Functions for Spectrally Negative Lévy Processes

Scale functions have occupied a central role in the theory of spectrally negative Lévy processes over the last ten years. They appear naturally in virtually all fluctuation identities of the latter class and consequently have also been instrumental in solving a number of problems from within classical applied probability. See Kyprianou [21] for an account of some of these applications. Despite the fundamental nature of scale functions in these settings, until recently very few explicit examples of scale functions have been found. However in the recent work of Hubalek and Kyprianou [18], Chaumont et al. [14], Patie [28], Kyprianou and Rivero [24] and the survey paper [20], many new examples as well as general methods for constructing explicit examples have been uncovered. We add to this list of contemporary literature by showing that the some of transformations introduced in this paper can be used to construct new families of scale functions from existing examples.

Henceforth we shall assume that the underlying Lévy process, ξ , is spectrally negative, but does not have monotone paths. Moreover, we allow, as above, the case of independent killing at rate $\kappa \geq 0$. For a given spectrally negative Lévy process with Laplace exponent ψ , its scale function $W_\psi : [0, \infty) \mapsto [0, \infty)$ is the unique continuous positive increasing function characterized by its Laplace transform as follows. For any $\kappa \geq 0$ and $u > \theta := \sup\{\lambda \geq 0; \psi(\lambda) = 0\}$,

$$\int_0^\infty e^{-ux} W_\psi(x) dx = \frac{1}{\psi(u)}.$$

In the case that $\kappa > 0$, W_ψ is also known as the κ -scale function.

Below we show how our new transformation generates new examples of scale functions from old ones; first in the form of a theorem and then with some examples.

Theorem 3.1 *Let $x, \beta \geq 0$. Then,*

$$W_{\mathcal{T}_\beta\psi}(x) = e^{-\beta x} W_\psi(x) + \beta \int_0^x e^{-\beta y} W_\psi(y) dy. \quad (3.1)$$

Moreover, if $\psi'(0+) \leq 0$, then for any $x, \beta, \delta \geq 0$, we have

$$W_{\mathcal{T}_{\delta,\theta}\psi}(x) = e^{-\theta x} \left(W_\psi(x) + \delta e^{\delta x} \int_0^x e^{-\delta y} W_\psi(y) dy \right)$$

Proof The first assertion is proved by observing that

$$\begin{aligned} \int_0^\infty e^{-ux} W_{\mathcal{T}_\beta\psi}(x) dx &= \frac{u + \beta}{u\psi(u + \beta)} \\ &= \frac{1}{\psi(u + \beta)} + \frac{\beta}{u\psi(u + \beta)}, \end{aligned} \quad (3.2)$$

which agrees with the Laplace transform of the right hand side of (3.1) for which an integration by parts is necessary. As scale functions are right continuous, the result follows by the uniqueness of Laplace transforms.

For the second claim, first note that $\mathcal{T}_{\delta,\theta}\psi = \frac{u+\theta-\delta}{u+\theta}\psi(u+\theta)$. A straightforward calculation shows that for all $u + \delta > \theta$, we have

$$\int_0^\infty e^{-ux} e^{(\theta-\delta)x} W_{\mathcal{T}_{\delta,\theta}\psi}(x) dx = \frac{u + \delta}{u\psi(u + \delta)}. \quad (3.3)$$

The result now follows from the first part of the theorem. \square

When $\psi(0+) > 0$ and $\psi(0) = 0$, the first identity in the above theorem contains part of the conclusion in Lemma 2 of Kyprianou and Rivero [24]. However, unlike the aforementioned result, there are no further restrictions on the underlying Lévy processes and the expression on the right hand side is written directly in terms of the scale function W_ψ as opposed to elements related to the Lévy triple of the underlying descending ladder height process of ξ .

Note also that in the case that ψ is the Laplace exponent of an unbounded variation spectrally negative Lévy process, it is known that scale functions are almost everywhere differentiable and moreover that they are equal to zero at zero; cf. Chapter 8 of [21]. One may thus integrate by parts the expressions in the theorem above and obtain the following slightly more compact forms,

$$W_{\mathcal{T}_\beta\psi}(x) = \int_0^x e^{-\beta y} W'_\psi(y) dy \quad \text{and} \quad W_{\mathcal{T}_{\delta,\theta}\psi}(x) = e^{-(\theta-\delta)x} \int_0^x e^{-\delta y} W'_\psi(y) dy.$$

We conclude this section by giving some examples.

Example 3.2 ((Tempered) Stable Processes) Let $\psi_{\kappa,c}(u) = (u + c)^\alpha - c^\alpha - \kappa$ where $1 < \alpha < 2$ and $\kappa, c \geq 0$. This is the Laplace exponent of an unbounded variation tempered stable spectrally negative Lévy process ξ killed at an independent and exponentially distributed time with rate κ . In the case that $c = 0$, the underlying Lévy process is just a regular spectrally negative α -stable Lévy process. In that case it is known that

$$\int_0^\infty e^{-ux} x^{\alpha-1} E_{\alpha,\alpha}(\kappa x^\alpha) dx = \frac{1}{u^\alpha - \kappa}$$

and hence the scale function is given by

$$W_{\psi_{\kappa,0}}(x) = x^{\alpha-1} E_{\alpha,\alpha}(\kappa x^\alpha), \quad x \geq 0,$$

where $E_{\alpha,\beta}(x) = \sum_{n=0}^\infty \frac{x^n}{\Gamma(\alpha n + \beta)}$ stands for the generalized Mittag-Leffler function. (Note in particular that when $\kappa = 0$ the expression for the scale function simplifies to $\Gamma(\alpha)^{-1} x^{\alpha-1}$). Since

$$\int_0^\infty e^{-ux} e^{-cx} W_{\psi_{\kappa+c^\alpha,0}}(x) dx = \frac{1}{(u + c)^\alpha - c^\alpha - \kappa}$$

it follows that

$$W_{\psi_{\kappa,c}}(x) = e^{-cx} W_{\psi_{\kappa+c^\alpha,0}}(x) = e^{-cx} x^{\alpha-1} E_{\alpha,\alpha}((\kappa + c^\alpha)x^\alpha).$$

Appealing to the first part of Theorem 3.1 we now know that for $\beta \geq 0$,

$$W_{\mathcal{T}_\beta \psi_{\kappa,c}}(x) = e^{-(\beta+c)x} x^{\alpha-1} E_{\alpha,\alpha}((\kappa+c^\alpha)x^\alpha) + \beta \int_0^x e^{-(\beta+c)y} y^{\alpha-1} E_{\alpha,\alpha}((\kappa+c^\alpha)y^\alpha) dy.$$

Note that $\psi'_{\kappa,c}(0+) = \alpha c^{\alpha-1}$ which is zero if and only if $c = 0$. We may use the second and third part of Theorem 3.1 in this case. Hence, for any $\delta > 0$, the scale function of the spectrally negative Lévy process with Laplace exponent $\mathcal{T}_{\delta,0}\psi_{0,0}$ is

$$\begin{aligned} W_{\mathcal{T}_{\delta,0}\psi_{0,0}}(x) &= \frac{1}{\Gamma(\alpha - 1)} e^{\delta x} \int_0^x e^{-\delta y} y^{\alpha-2} dy \\ &= \frac{\delta^{\alpha-1}}{\Gamma(\alpha - 1)} e^{\delta x} \Gamma(\alpha - 1, \delta x) \end{aligned}$$

where we have used the recurrence relation for the Gamma function and $\Gamma(a, b)$ stands for the incomplete Gamma function of parameters $a, b > 0$. Moreover, we have, for any $\beta > 0$,

$$W_{\mathcal{T}_{\delta,0}^{\beta}\psi_{0,0}}(x) = \frac{1}{\Gamma(\alpha - 1)} \left(\frac{\beta^{\alpha}}{\beta - \delta} \Gamma(\alpha - 1, \beta x) - e^{(\beta - \delta)x} \frac{\delta^{\alpha}}{\beta - \delta} \Gamma(\alpha - 1, \delta x) \right).$$

Finally, the scale function of the spectrally negative Lévy process with Laplace exponent $\mathcal{T}_{\delta,0}^{\beta}\psi_{\kappa,0}$ is given by

$$W_{\mathcal{T}_{\delta,0}\psi_{\kappa,0}}(x) = (x/\delta)^{\alpha-1} E_{\alpha,\alpha-1} \left(x; \frac{\kappa}{\delta} \right)$$

$$W_{\mathcal{T}_{\delta,0}^{\beta}\psi_{\kappa,0}}(x) = \frac{\beta}{\beta - \delta} (x/\beta)^{\alpha-1} E_{\alpha,\alpha-1} \left(x; \frac{\kappa}{\beta} \right) - \frac{\delta}{\beta - \delta} e^{-(\beta - \delta)x} (x/\delta)^{\alpha-1} E_{\alpha,\alpha-1} \left(x; \frac{\kappa}{\delta} \right)$$

where we have used the notation

$$E_{\alpha,\beta}(x; \kappa) = \sum_{n=0}^{\infty} \frac{\Gamma(x; \alpha n + \beta) \kappa^n}{\Gamma(\alpha n + \beta)}.$$

4 Exponential Functional and Length-Biased Distribution

In this part, we aim to study the effect of the transformation to the law of the exponential functional of some Lévy processes, namely for subordinators and spectrally negative Lévy processes. We recall that this random variable is defined by

$$I_{\psi} = \int_0^{\infty} e^{-\xi_s} ds.$$

Note that $\lim_{t \rightarrow \infty} \xi_t = +\infty$ a.s. $\Leftrightarrow I_{\psi} < \infty$ a.s. which is equivalent, in the spectrally negative case, to $\mathbb{E}[\xi_1] = \psi'(0^+) > 0$. We refer to the survey paper of Bertoin and Yor [7] for further discussion on this random variable. We also mention that Patie in [29, 30] and [32], provides some explicit characterizations of its law in the case ξ is a spectrally positive Lévy process. We recall that in [4], it has been proved that the law of I_{ψ} is absolutely continuous with a density denoted by f_{ψ} .

4.1 The Case of Subordinators

Let us first assume that $\tilde{\xi} = (\tilde{\xi}_t, t \geq 0)$ is a proper subordinator, that is a non-negative valued Lévy process which is conservative. Let ξ be the subordinator $\tilde{\xi}$

killed at rate $\kappa \geq 0$ and we recall that the Laplace exponent ϕ of ξ is given by $\phi(u) = -\psi(u)$, $u \geq 0$. In that case we write I_ϕ in place of I_ψ and if $\phi(0) = \kappa$, we have that

$$I_\phi = \int_0^\infty e^{-\xi_s} ds = \int_0^{\mathbf{e}_\kappa} e^{-\tilde{\xi}_s} ds$$

where \mathbf{e}_κ stands, throughout, for an exponential random variable of mean $\kappa^{-1} > 0$, independent of ξ (we have $\mathbf{e}_0 = \infty$). Before stating our result, we recall that Carmona et al. [13] determine the law of I_ϕ through its positive entire moments as follows

$$\mathbb{E}[I_\phi^n] = \frac{n!}{\prod_{k=1}^n \phi(k)}, \quad n = 0, 1, \dots \tag{4.1}$$

Theorem 4.1 *For any $\kappa, \beta \geq 0$, the following identity*

$$f_{\mathcal{T}_\beta\phi}(x) = \frac{x^\beta f_\phi(x)}{\mathbb{E}[I_\phi^\beta]}, \quad x > 0, \tag{4.2}$$

holds.

Proof Carmona et al. [13], see also Maulik and Zwart [27, Lemma 2.1], determine the law of I_ϕ by computing its positive entire moments which they derive from the following recursive equation, for any $s, \beta > 0$ and $\kappa \geq 0$,

$$\begin{aligned} \mathbb{E}[I_{\mathcal{T}_\beta\phi}^s] &= \frac{\mathcal{T}_\beta\phi(s)}{s} \mathbb{E}[I_{\mathcal{T}_\beta\phi}^{s-1}] \\ &= \frac{\phi(s + \beta)}{s + \beta} \mathbb{E}[I_{\mathcal{T}_\beta\phi}^{s-1}]. \end{aligned} \tag{4.3}$$

On the other hand, we also have, for any $s, \beta > 0$,

$$\mathbb{E}[I_\phi^{s+\beta}] = \frac{\phi(s + \beta)}{s + \beta} \mathbb{E}[I_\phi^{s-1+\beta}].$$

We get the first assertion by invoking uniqueness, in the space of Mellin transform of positive random variable, of the solution of such a recurrence equation, given for instance in the proof of [34, Theorem 2.4, p. 64]. □

Before providing some new examples, we note from Theorem 4.1 that if $I_\phi \stackrel{(d)}{=} AB$ for some independent random variables A, B then the positive entire moments of $I_{\mathcal{T}_\beta\phi}$, $\beta > 0$, admit the following expression

$$\mathbb{E}[I_{\mathcal{T}_\beta\phi}^n] = \frac{\mathbb{E}[A^{n+\beta}]}{\mathbb{E}[A^\beta]} \frac{\mathbb{E}[B^{n+\beta}]}{\mathbb{E}[B^\beta]}, \quad n = 0, 1, \dots \tag{4.4}$$

Example 4.2 (Poisson process) Let ξ be a Poisson process with mean $c = -\log(q) > 0$ with $0 < q < 1$, i.e. $\phi(u) = -\log(q)(1 - e^{-u})$, $u \geq 0$. Biane et al. [3] computed the law of I_ϕ by means of q -calculus. More precisely, they show that its law is self-decomposable and is given by

$$f_\phi(dx) = \sum_{n=0}^{\infty} (-1)^n e^{-y/q^n} \frac{q^{\frac{n(n-1)}{2}}}{(q; q)_\infty (q; q)_n} dx, \quad x > 0,$$

where

$$(a; q)_n = \prod_{k=1}^{n-1} (1 - aq^k), \quad (q; q)_\infty = \prod_{k=1}^{\infty} (1 - aq^k)$$

and its Mellin transform is given, for any $s > 0$, by

$$\mathbb{E}[I_\phi^s] = \frac{\Gamma(1+s)(q^{1+s}; q)_\infty}{(q; q)_\infty}.$$

The image of ξ by the mapping \mathcal{T}_β is simply a compound Poisson process with parameter c and jumps which are exponentially distributed on $(0, 1)$ with parameter β , i.e. $\mathcal{T}_\beta\phi(u) = \frac{u}{u+\beta}(-\log(q)(1 - e^{-(u+\beta)}))$. Thus, we obtain that the law of $I_{\mathcal{T}_\beta\phi}$ has an absolute continuous density given by

$$f_{\mathcal{T}_\beta\phi}(dx) = \frac{x^\beta}{\mathbb{E}[I_\phi^\beta]} \sum_{n=0}^{\infty} e^{-x/q^n} (-1)^n \frac{q^{\frac{n(n-1)}{2}}}{(q; q)_\infty (q; q)_n} dx, \quad x > 0.$$

To conclude this example, we mention that Bertoin et al. [3] show that the distribution of the random variable L_ϕ defined, for any bounded Borel function f , by

$$\mathbb{E}[f(L_\phi)] = \frac{1}{\mathbb{E}[I_\phi^{-1}]} \mathbb{E}[I_\phi^{-1} f(I'_\phi I_\phi^{-1})]$$

with I'_ϕ an independent copy of I_ϕ , shares the same moments than the log normal distribution. It is not difficult to check that such transformation applied to $I_{\mathcal{T}_\beta\phi}$ does not yield the same properties.

Example 4.3 (Killed compound Poisson process with exponential jumps) Let ξ be a compound Poisson process of parameter $c > 0$ with exponential jumps of mean $b^{-1} > 0$ and killed at a rate $\kappa \geq 0$. Its Laplace exponent has the form $\phi(u) = c \frac{u}{u+b} + \kappa$ and its Lévy measure is given by $\nu(dr) = cbe^{-br} dr$, $r > 0$. We obtain from (4.1) that

$$\mathbb{E}[I_\phi^n] = \frac{n! \Gamma(n+b+1) \Gamma(\kappa_b+1)}{((\kappa+c))^n \Gamma(b+1) \Gamma(n+\kappa_b+1)}$$

where we have set $\kappa_b = \frac{\kappa}{\kappa+c}b$. Then, noting that $b - \kappa_b > 0$, we get the identity in distribution

$$I_\phi \stackrel{(d)}{=} ((\kappa + c))^{-1} \mathbf{e}_1 B(\kappa_b + 1, b - \kappa_b)$$

where $B(a, b)$ stands for a Beta random variable of parameters $a, b > 0$ and the random variables on the right-hand side are considered to be independent. The case $\kappa = 0$ was considered by Carmona et al. [12]. Finally, observing that, for any $\beta \geq 0$, $\mathcal{T}_\beta\phi(u) = c\frac{u}{u+b+\beta} + \kappa\frac{u}{u+\beta}$ and its Lévy measure is $\nu_\beta(dr) = e^{-\beta r}(c(b + \beta)e^{-br} + \kappa\beta)dr$, $r > 0$, we deduce from Theorem 4.1, the identity

$$I_{\mathcal{T}_\beta\phi} \stackrel{(d)}{=} (a(\kappa + 1))^{-1} G(\beta + 1)B(\kappa_b + \beta + 1, b - \kappa_b)$$

where $G(a)$ is an independent Gamma random variable with parameter $a > 0$.

Example 4.4 (The α -stable subordinator) Let us consider, for $0 < \alpha < 1$, $\phi(u) = u^\alpha$, $u \geq 0$ and in this case $\nu(dr) = \frac{\alpha r^{-(\alpha+1)}}{\Gamma(1-\alpha)}dr$, $r > 0$. The law of I_ϕ has been characterized by Carmona et al. [12, Example E and Proposition 3.4]. More precisely, they show that the random variable $Z = \log I_\phi$ is self-decomposable and admits the following Lévy-Khintchine representation

$$\begin{aligned} \log \mathbb{E}[e^{iuZ}] &= \log(\Gamma(1 + iu))^{1-\alpha} \\ &= (1 - \alpha) \left(-iuC_\gamma + \int_{-\infty}^0 (e^{ius} - ius - 1) \frac{e^s}{|s|(1 - e^s)} ds \right) \end{aligned}$$

where C_γ denotes the Euler constant. First, note that $\mathcal{T}_\beta\phi(u) = (u + \beta)^\alpha - \beta(u + \beta)^{\alpha-1}$ and $\nu_\beta(dr) = \frac{1}{\Gamma(1-\alpha)}e^{-\beta r}r^{-(\alpha+1)}(\alpha + \beta r)dr$, $r > 0$. Thus, writing $Z^\beta = \log(I_{\mathcal{T}_\beta\phi})$, we obtain

$$\begin{aligned} \log \mathbb{E}[e^{iuZ^\beta}] &= \log \left(\frac{\Gamma(1 + \beta + iu)}{\Gamma(1 + \beta)} \right)^{1-\alpha} \\ &= (1 - \alpha) \left(iu\Upsilon(1 + \beta) + \int_{-\infty}^0 (e^{ius} - ius - 1) \frac{e^{(1+\beta)s}}{|s|(1 - e^s)} ds \right) \end{aligned}$$

where Υ stands for the digamma function, $\Upsilon(z) = \frac{\Gamma'(z)}{\Gamma(z)}$. Observing that $\lim_{\alpha \rightarrow 0} \mathcal{T}_\beta\phi(u) = \frac{u}{u+\beta}$, by passing to the limit in the previous identity we recover the previous example.

Example 4.5 (The Lamperti-stable subordinator) Now let $\phi(u) = \phi_0(u) = (\alpha u)_\alpha$, $u \geq 0$, with $0 < \alpha < 1$. This example is treated by Bertoin and Yor in [7]. They obtain

$$I_\phi \stackrel{(d)}{=} \mathbf{e}_1 \mathbf{e}_1^{-\alpha}.$$

Hence, with $\mathcal{T}_\beta\phi(u) = \frac{u}{u+\beta}(\alpha(u+\beta))_\alpha$, we get

$$I_{\mathcal{T}_\beta\phi} \stackrel{(d)}{=} G(\beta+1)G(\beta+1)^{-\alpha}.$$

4.2 The Spectrally Negative Case

Let us assume now that ξ is a spectrally negative Lévy process. We recall that if $\mathbb{E}[\xi_1] < 0$, then there exists $\theta > 0$ such that

$$\mathbb{E}[e^{\theta\xi_1}] = 1 \tag{4.5}$$

and we write $\psi_\theta(u) = \psi(u+\theta)$. We proceed by mentioning that, in this setting, Bertoin and Yor [6] determined the law of I_ψ by computing its negative entire moments as follows. If $\psi(0) = 0$ and $\psi'(0^+) > 0$, then, for any integer $n \geq 1$,

$$\mathbb{E}[I_\psi^{-n}] = \psi'(0^+) \frac{\prod_{k=1}^{n-1} \psi(k)}{\Gamma(n)}, \tag{4.6}$$

with the convention that $\mathbb{E}[I_\psi^{-1}] = \psi'(0^+)$. Next, it is easily seen that the strong Markov property for Lévy processes yields, for any $a > 0$,

$$I_\psi \stackrel{(d)}{=} \int_0^{T_a} e^{-\xi_s} ds + e^{-a} I'_\psi$$

where $T_a = \inf\{s > 0; \xi_s \geq a\}$ and I'_ψ is an independent copy of I_ψ , see e.g. [35]. Consequently, I_ψ is a positive self-decomposable random variable and thus its law is absolutely continuous with an unimodal density, see Sato [36]. We still denote its density by f_ψ . Before stating our next result, we introduce the so-called Erdélyi-Kober operator of the first kind and we refer to the monograph of Kilbas et al. [19] for background on fractional operators. It is defined, for a smooth function f , by

$$\mathbb{D}^{\alpha,\delta} f(x) = \frac{x^{-\alpha-\delta}}{\Gamma(\delta)} \int_0^x r^\alpha (x-r)^{\delta-1} f(r) dr, \quad x > 0,$$

where $\Re(\delta) > 0$ and $\Re(\alpha) > 0$. Note that this operator can be expressed in terms of the Markov kernel associated to a Beta random variable. Indeed, after performing a change of variable, we obtain

$$\mathbb{D}^{\alpha,\delta} f(x) = \frac{\Gamma(\alpha+1)}{\Gamma(\alpha+\delta+1)} \mathbb{E}[f(B(\alpha+1, \delta)x)]$$

which motivates the following notation

$$\mathbf{D}^{\alpha, \delta} f(x) = \frac{\Gamma(\alpha + \delta + 1)}{\Gamma(\alpha + 1)} \mathbb{D}^{\alpha, \delta} f(x). \quad (4.7)$$

Theorem 4.6

(1) *If $\psi'(0^+) > 0$, then for any $\beta > 0$, we have*

$$f_{\mathcal{T}_\beta \psi}(x) = \frac{x^{-\beta} f_\psi(x)}{\mathbb{E}[I_\psi^{-\beta}]}, \quad x > 0. \quad (4.8)$$

In particular, I_ψ is the length-biased distribution of $I_{\mathcal{T}_1 \psi}$.

(2) *Assume that $\psi'(0^+) < 0$. Then, for any $0 < \delta < \theta$, we have*

$$I_{\mathcal{T}_{\delta, \theta} \psi} \stackrel{(d)}{=} B^{-1}(\theta - \delta, \delta) I_{\psi_\theta}. \quad (4.9)$$

This identity reads in terms of the Erdélyi-Kober operator as follows

$$f_{\mathcal{T}_{\delta, \theta} \psi}(x) = \mathbf{D}^{\theta - \delta - 1, \delta} f_{\psi_\theta}(x), \quad x > 0.$$

In particular, we have

$$f_{\mathcal{T}_{\delta, \theta} \psi}(x) \sim \frac{\Gamma(\theta)}{\Gamma(\delta)\Gamma(\theta - \delta)} \mathbb{E}[I_{\psi_\theta}^{\theta - \delta}] x^{\delta - \theta - 1} \quad \text{as } x \rightarrow \infty, \quad (4.10)$$

($f(t) \sim g(t)$ as $t \rightarrow a$ means that $\lim_{t \rightarrow a} \frac{f(t)}{g(t)} = 1$ for any $a \in [0, \infty]$). Combining the two previous results, we obtain, for any $0 < \delta < \theta$ and $\beta \geq 0$,

$$f_{\mathcal{T}_{\delta, \theta}^\beta \psi}(x) = \frac{x^{-\beta}}{\mathbb{E}[I_{\mathcal{T}_{\delta, \theta}^\beta \psi}]} \mathbf{D}^{\theta - \delta - 1, \delta} f_{\psi_\theta}(x), \quad x > 0$$

and

$$f_{\mathcal{T}_{\delta, \theta}^\beta \psi}(x) \sim \frac{\Gamma(\theta)}{\Gamma(\theta - \delta)\Gamma(\delta)} \frac{\mathbb{E}[I_{\psi_\theta}^{-\beta}]}{\mathbb{E}[I_{\psi_\theta}^{\theta - \delta}]} x^{\delta - \theta - \beta - 1} \quad \text{as } x \rightarrow \infty.$$

Proof We start by recalling the following identity due to Bertoin and Yor [2]

$$I_\psi / I_\phi \stackrel{(d)}{=} e^{-M} \mathbf{e}_1$$

where $\phi(u) = \psi(u)/u$, $u \geq 0$, that is ϕ is the Laplace exponent of the ladder height process of the dual Lévy process, $M = \sup_{t \geq 0} \{-\xi_t\}$ is the overall maximum of the

dual Lévy process and the random variables are considered to be independent. Thus, recalling that $\mathbb{E}[e^{-sM}] = \psi'(0^+)/\phi(s)$, we have, for any $s > 0$,

$$\begin{aligned}\mathbb{E}[I_\psi^{-(s+1)}] &= \frac{\psi'(0^+)\Gamma(s+2)}{\phi(s+1)\mathbb{E}[I_\phi^{s+1}]} \\ &= \frac{\psi'(0^+)\Gamma(s+1)}{\mathbb{E}[I_\phi^s]} \\ &= \frac{\psi(s)}{s}\mathbb{E}[I_\psi^{-s}]\end{aligned}\tag{4.11}$$

where we have used the recurrence relationship satisfied by I_ϕ , see (4.3). Similarly to the case of subordinators, we have, for any $s > 0$,

$$\begin{aligned}\mathbb{E}[I_{\mathcal{T}_\beta\psi}^{-(s+1)}] &= \frac{\mathcal{T}_\beta\psi(s)}{s}\mathbb{E}[I_{\mathcal{T}_\beta\psi}^{-s}] \\ &= \frac{\psi(s+\beta)}{s+\beta}\mathbb{E}[I_{\mathcal{T}_\beta\psi}^{-s}]\end{aligned}$$

and

$$\mathbb{E}[I_\psi^{-(s+\beta+1)}] = \frac{\psi(s+\beta)}{s+\beta}\mathbb{E}[I_\psi^{-(s+\beta+1)}].$$

The first claim follows by invoking again uniqueness, in the space of Mellin transform of positive random variables, of the solution of such a recurrence equation, given for instance in the proof of [34, Theorem 2.4, p. 64]. Next, we have both $\psi'_\theta(0^+) > 0$ and $\mathcal{T}_{\delta,\theta}\psi'(0^+) = \frac{\theta-\delta}{\theta}\psi'_\theta(0^+) > 0$ as $\delta < \theta$. Thus, the random variables I_{ψ_θ} and $I_{\mathcal{T}_{\delta,\theta}\psi}$ are well defined. Moreover, from (4.6), we get, for any integer $n \geq 1$,

$$\begin{aligned}\mathbb{E}[I_{\mathcal{T}_{\delta,\theta}\psi}^{-n}] &= \frac{\psi'(\theta)(\theta-\delta)}{\theta} \frac{\prod_{k=1}^{n-1} \mathcal{T}_{\delta,\theta}\psi(k)}{\Gamma(n)} \\ &= \frac{\psi'(\theta)(\theta-\delta)}{\theta} \frac{\prod_{k=1}^{n-1} \frac{k+\theta-\delta}{k+\theta} \psi_\theta(k)}{\Gamma(n)} \\ &= \psi'(\theta) \frac{\Gamma(n+\theta-\delta)\Gamma(\theta)}{\Gamma(\theta-\delta)\Gamma(n+\theta)} \frac{\prod_{k=1}^{n-1} \psi_\theta(k)}{\Gamma(n)}.\end{aligned}$$

The identity (4.9) follows by moments identification. Then, we use this identity to get, for any $x > 0$,

$$\begin{aligned} f_{\mathcal{T}_{\delta,\theta}\psi}(x) &= \frac{\Gamma(\theta)}{\Gamma(\delta)\Gamma(\theta-\delta)} \int_0^1 r^{\theta-\delta-1} (1-r)^{\delta-1} f_{\psi_\theta}(xr) dr \\ &= \frac{x^{-\theta}\Gamma(\theta)}{\Gamma(\delta)\Gamma(\theta-\delta)} \int_0^x u^{\theta-\delta-1} (x-u)^{\delta-1} f_{\psi_\theta}(u) du \\ &= \mathbf{D}^{\theta-\delta-1,\delta} f(x). \end{aligned}$$

Next, we deduce readily from (4.11) that the mapping $s \mapsto \mathbb{E}[I_{\psi_\theta}^{-s}]$ is analytic in the right-half plane $\Re(s) > -\theta$. In particular, for any $0 < \delta < \theta$, we have $\mathbb{E}[I_{\psi_\theta}^{\theta-\delta}] < \infty$. Then, the large asymptotic behavior of the density is obtained by observing that

$$\begin{aligned} f_{\mathcal{T}_{\delta,\theta}\psi}(x) &= \frac{x^{\delta-\theta-1}\Gamma(\theta)}{\Gamma(\delta)\Gamma(\theta-\delta)} \int_0^x u^{\theta-\delta} (1-u/x)^{\delta-1} f_{\psi_\theta}(u) du \\ &\sim \frac{x^{\delta-\theta-1}\Gamma(\theta)}{\Gamma(\delta)\Gamma(\theta-\delta)} \int_0^\infty u^{\theta-\delta} f_{\psi_\theta}(u) du \quad \text{as } x \rightarrow \infty, \end{aligned}$$

which completes the proof. □

Example 4.7 (the spectrally negative Lamperti-stable process) Let us consider the Lamperti-stable process, i.e., for $1 < \alpha < 2$, $\psi(u) = ((\alpha-1)(u-1))_\alpha$, $u \geq 0$. Recall that $\psi(1) = 0$, $\psi_1(u) = ((\alpha-1)u)_\alpha$ and that this example is investigated by Patie [28]. We get

$$\mathbb{E}[I_{\psi_1}^{-n}] = \psi'(0^+) \frac{\Gamma((\alpha-1)n+1)}{\Gamma(\alpha+1)}.$$

Thus, $I_{\psi_1} = \mathbf{e}_1^{-(\alpha-1)}$. Then, for any $0 < \delta < 1$,

$$I_{\mathcal{T}_{\delta,\theta}\psi} \stackrel{(d)}{=} B(1-\delta, \delta)^{-1} \mathbf{e}_1^{-(\alpha-1)},$$

and for any $\beta > 0$

$$I_{\mathcal{T}_{\delta,\theta}^\beta\psi} \stackrel{(d)}{=} B(1+\beta-\delta, \delta)^{-1} G(\beta+1)^{-(\alpha-1)}.$$

5 Entrance Laws and Intertwining Relations of pssMp

In this part, we show that the transformations $\mathcal{T}_{\delta,\beta}$ appear in the study of the entrance law of pssMps. Moreover, also they prove to be useful for the elaboration of intertwining relations between the semigroups of spectrally negative pssMps. We

recall that the Markov kernel Λ associated to the positive random variable V is the multiplicative kernel defined, for a bounded Borelian function f , by

$$\Lambda f(x) = \mathbb{E}[f(Vx)].$$

Then, we say that two Markov semigroups P_t and Q_t are intertwined by the Markov kernel Λ if

$$P_t \Lambda = \Lambda Q_t, \quad t \geq 0. \quad (5.1)$$

We refer to the two papers of Carmona et al. [11] and [13] for a very nice account of intertwining relationships. In particular, they show, by means of the Beta-Gamma algebra, that the semigroup of Bessel processes and the one of the so-called self-similar saw tooth processes are intertwined by the Gamma kernel. Below, we provide alternative examples of such relations for a large class of pssMps with stability index 1. Recall that the latter processes were defined in Sect. 2. We also mention that for any $\alpha > -1$, $\delta > 0$, the linear operator $\mathbf{D}^{\alpha, \delta}$ defined in (4.7) is an instance of a Markov kernel which is, in this case, associated to the Beta random variable $B(\alpha + 1, \delta)$. In what follows, when X is associated through the Lamperti mapping to a spectrally negative Lévy process with Laplace exponent ψ , we denote by P_t^ψ its corresponding semigroup. When $\min(\psi(0), \psi'(0^+)) < 0$ and $\theta < 1$, then P_t^ψ stands for the semigroup of the unique recurrent extension leaving the boundary point 0 continuously. Using the self-similarity property of X , we introduce the positive random variable defined, for any bounded borelian function f , by

$$P_t^\psi f(0) = \mathbb{E}[f(tJ_\psi)].$$

Recall that Bertoin and Yor [5] showed that, when $\psi'(0^+) \geq 0$, the random variable J_ψ is moment-determinate with

$$\mathbb{E} \left[J_\psi^n \right] = \frac{\prod_{k=1}^n \psi(k)}{\Gamma(n+1)}, \quad n = 1, 2, \dots \quad (5.2)$$

Before stating the new intertwining relations, we provide some further information concerning the entrance law of pssMps. In particular, we show that the expression (5.2) of the integer moments still holds for the entrance law of the unique continuous recurrent extension, i.e. when $\min(\psi(0), \psi'(0^+)) < 0$ with $\theta < 1$. We emphasize that we consider both cases when the process X reaches 0 continuously and by a jump.

Proposition 5.1 *Let us assume that $\min(\psi(0), \psi'(0^+)) < 0$ with $\theta < 1$. Then, we have the following identity in distribution*

$$J_\psi \stackrel{(d)}{=} B(1-\theta, \theta) / I_{\mathcal{T}_{1-\theta} \psi_\theta} \quad (5.3)$$

where $B(a, b)$ is taken independent of the random variable $I_{\mathcal{T}_{1-\theta}\psi_\theta}$. Moreover, the entrance law of the unique recurrent extension which leaves 0 continuously a.s. is determined by its positive entire moments as follows

$$\mathbb{E} \left[J_\psi^n \right] = \frac{\prod_{k=1}^n \psi(k)}{\Gamma(n + 1)}, \quad n = 1, 2 \dots$$

Proof We start by recalling that Rivero [35, Proposition 3] showed that the q -potential of the entrance law of the continuous recurrent extension is given, for a continuous function f , by

$$\int_0^\infty e^{-qt} \mathbb{E} [f(tJ_\psi)] dt = \frac{q^{-\theta}}{C_\theta} \int_0^\infty f(u) \mathbb{E} \left[e^{-quI_{\psi_\theta}} \right] u^{-\theta} du$$

where we have used the self-similarity property of X and set $C_\theta = \Gamma(1 - \theta) \mathbb{E} \left[I_{\psi_\theta}^{\theta-1} \right]$. Performing the change of variable $t = uI_{\psi_\theta}$ on the right hand side of the previous identity, one gets

$$\int_0^\infty e^{-qt} \mathbb{E} [f(tJ_\psi)] dt = \frac{q^{-\theta}}{C_\theta} \int_0^\infty e^{-qt} \mathbb{E} \left[f(tI_{\psi_\theta}^{-1}) I_{\psi_\theta}^{\theta-1} \right] t^{-\theta} dt.$$

Choosing $f(x) = x^s$ for some $s \in i\mathbb{R}$ the imaginary line, we get

$$\int_0^\infty e^{-qt} t^s dt \mathbb{E} [J_\psi^s] = \Gamma(s + 1) q^{-s-1} \mathbb{E} [J_\psi^s]$$

where we have used the integral representation of the Gamma function $\Gamma(z) = \int_0^\infty e^{-t} t^z dt, \Re(z) > -1$. Moreover, by performing a change of variable, we obtain

$$\int_0^\infty t^s \mathbb{E} [e^{-qtI_{\psi_\theta}}] t^{-1-\theta} dt = q^{-s-\theta-1} \Gamma(s - \theta + 1) \mathbb{E} [I_{\psi_\theta}^{-s+\theta-1}]. \tag{5.4}$$

Putting the pieces together, we deduce that

$$\mathbb{E} [J_\psi^s] = \frac{\Gamma(s - \theta + 1)}{\Gamma(s + 1) \Gamma(1 - \frac{\theta}{\alpha})} \frac{\mathbb{E} [I_{\psi_\theta}^{-s+\theta-1}]}{\mathbb{E} [I_{\psi_\theta}^{\theta-1}]} \tag{5.5}$$

and the proof of the first claim is completed by moments identification. Next, we have

$$\begin{aligned}
\mathbb{E} \left[J_{\psi}^n \right] &= \frac{\Gamma(n+1-\theta)}{\Gamma(n+1)\Gamma(1-\theta)\mathbb{E} \left[I_{\psi_{\theta}}^{\theta-1} \right]} \mathbb{E} \left[I_{\psi_{\theta}}^{-n+\theta-1} \right] \\
&= \frac{\Gamma(n+1-\theta)}{\Gamma(n+1)\Gamma(1-\theta)} \mathbb{E} \left[I_{\mathcal{T}_{1-\theta}\psi_{\theta}}^{-n} \right] \\
&= \frac{\Gamma(n+1-\theta)}{\Gamma(n+1)\Gamma(1-\theta)} \frac{\psi(1)}{1-\theta} \frac{\prod_{k=1}^{n-1} \frac{k}{k+1-\theta} \psi(k+1)}{\Gamma(n)} \\
&= \frac{\Gamma(n+1-\theta)\Gamma(n)\Gamma(2-\theta)}{\Gamma(n+1-\theta)\Gamma(n+1)\Gamma(1-\theta)} \frac{\psi(1)}{1-\theta} \frac{\prod_{k=1}^{n-1} \psi(k+1)}{\Gamma(n)} \\
&= \frac{\prod_{k=1}^n \psi(k)}{\Gamma(n+1)}
\end{aligned}$$

where we have used, from the second identity, successively the identities (5.5), (4.8), (4.6) and the recurrence relation of the gamma function. We point out that under the condition $\theta < 1$, $\psi(k) > 0$ for any integer $k \geq 1$. The proof of the Proposition is then completed. \square

Before stating our next result, we recall a criteria given by Carmona et al. [11, Proposition 3.2] for establishing intertwining relations between pssMps. If f and g are functions of $C_0(\mathbb{R}^+)$, the space of continuous functions vanishing at infinity, satisfying the condition:

$$\forall t \geq 0, \quad P_t f(0) = P_t g(0) \quad \text{then } f = g. \quad (5.6)$$

Then the identity (5.1) is equivalent to the assertion, for all $f \in C_0(\mathbb{R}^+)$,

$$P_1 \Lambda f(0) = Q_1 f(0).$$

Finally, we introduce the following notation, for any $s \in \mathbb{C}$,

$$\mathcal{M}_{\psi}(s) = \mathbb{E} \left[J_{\psi}^{is} \right].$$

Theorem 5.2

- (1) Assume that $\psi'(0^+) < 0$ and $\mathcal{M}_{\psi_{\theta}}(s) \neq 0$ for any $s \in \mathbb{R}$. Then, for any $\delta < \theta + 1$, we have the following intertwining relationship

$$P_t^{\psi_{\theta}} \mathbf{D}^{\theta, \delta} = \mathbf{D}^{\theta, \delta} P_t^{\mathcal{T}_{\delta, \theta} \psi}, \quad t \geq 0$$

and the following factorization

$$J_{\mathcal{T}_{\delta,\theta}\psi} \stackrel{(d)}{=} B(1 + \theta - \delta, \delta) J_{\psi_\theta} \tag{5.7}$$

holds.

- (2) Assume that $\min(\psi(0), \psi'(0^+)) < 0$ with $\theta < 1$, $\mathcal{M}_{\mathcal{T}_{-\theta}\psi_\theta}(s) \neq 0$ for any $s \in \mathbb{R}$ and that $(\int_0^\infty e^{-\theta y} \Pi(dy + x))'$ is a positive measure on \mathbb{R}^- . Then, we have the following intertwining relationship

$$P_t^{\mathcal{T}_{-\theta}\psi_\theta} \mathbf{D}^{1,\theta} = \mathbf{D}^{1,\theta} P_t^\psi, \quad t \geq 0$$

and

$$J_\psi \stackrel{(d)}{=} B(1 - \theta, \theta) J_{\mathcal{T}_{-\theta}\psi_\theta}.$$

- (3) Finally, assume that $\psi'(0^+) = 0$ and $\mathcal{M}_\psi(s) \neq 0$ for any $s \in \mathbb{R}$. Then, for any $\delta < 1$, we have the following intertwining relationship

$$P_t^\psi \mathbf{D}^{1,\delta} = \mathbf{D}^{1,\delta} P_t^{\mathcal{T}_{\delta,0}\psi}, \quad t \geq 0$$

and

$$J_{\mathcal{T}_{\delta,0}\psi} \stackrel{(d)}{=} B(1 - \delta, \delta) J_\psi.$$

Proof First, from the self-similarity property, we observe easily that the condition (5.6) is equivalent to the requirement that the kernel M_{ψ_θ} associated to the positive random variable J_{ψ_θ} is injective. Since $\mathcal{M}_{\psi_\theta}(s) \neq 0$ for any $s \in \mathbb{R}$, we deduce that the multiplicative kernel M_{ψ_θ} is indeed injective, see e.g. [8, Theorem 4.8.4]. Next, note that $\psi'_\theta(0^+) > 0$ and under the condition $\delta < \theta$, $\mathcal{T}_{\delta,\theta}\psi'(0^+) > 0$. Hence, from (5.2), we deduce that, for any $n \geq 1$,

$$\mathbb{E}[J_{\mathcal{T}_{\delta,\theta}\psi}^n] = \frac{\Gamma(n + 1 + \theta - \delta)\Gamma(\theta + 1)}{\Gamma(1 + \theta - \delta)\Gamma(n + \theta + 1)} \mathbb{E}[J_{\psi_\theta}^n].$$

The identity (5.7) follows. Both processes being pssMps, the first intertwining relation follows from the criteria given above. The proof of the Theorem is completed by following similar lines of reasoning for the other claims. We simply indicate that in the case (2), we note that if

$$e^{-\theta x} \left(\int_{-\infty}^x e^{\theta y} \Pi(dy) \right)' = \left(\int_{-\infty}^0 e^{\theta y} \Pi(dy + x) \right)'$$

is a positive measure on \mathbb{R}^- then according to Proposition 2.2, $\mathcal{T}_{-\theta}\psi_\theta$ is the Laplace exponent of a spectrally negative Lévy process. \square

A nice consequence of the previous result is some interesting relationships between the eigenfunctions of the semigroups of pssMps. Indeed, it is easily seen from the intertwining relation (5.1) that if a function f is an eigenfunction with eigenvalue 1 of the semigroup P_t then Λf is an eigenfunction with eigenvalue 1 of the semigroup Q_t . We proceed by introducing some notation taken from Patie [29]. Set $a_0(\psi) = 1$ and define for non-negative integers n

$$a_n(\psi)^{-1} = \prod_{k=1}^n \psi(k).$$

Next, we introduce the entire function \mathcal{I}_ψ which admits the series representation

$$\mathcal{I}_\psi(z) = \sum_{n=0}^{\infty} a_n(\psi) z^n, \quad z \in \mathbb{C}.$$

In [29, Theorem 1], it is shown that

$$\mathbf{L}^\psi \mathcal{I}_\psi(x) = \mathcal{I}_\psi(x), \quad x > 0, \quad (5.8)$$

where, for a smooth function f , the linear operator \mathbf{L}^ψ is the infinitesimal generator associated to the semigroup P_t^ψ and takes the form

$$\mathbf{L}^\psi f(x) = \frac{\sigma}{2} x f''(x) + b f'(x) + x^{-1} \int_0^\infty f(e^{-r}x) - f(x) + x f'(x) r \mathbb{1}_{\{|r| < 1\}} \nu(dr) - \kappa x f(x).$$

From the Feller property of the semigroup of X , we deduce readily that the identity (5.8) is equivalent to

$$e^{-t} P_t^\psi \mathcal{I}_\psi(x) = \mathcal{I}_\psi(x), \quad t, x \geq 0,$$

that is \mathcal{I}_ψ is 1-eigenfunction for P_t^ψ . Hence, we deduce from Theorem 5.2 the following interesting relationship between eigenfunctions.

Corollary 5.3

(1) Let $\psi'(0^+) < 0$. Then, for any $\delta < \theta + 1$, we have the following identity

$$\mathbf{D}^{\theta, \delta} \mathcal{I}_{\psi_\theta}(x) = \mathcal{I}_{\mathcal{T}_{\delta, \theta} \psi}(x).$$

(2) If $\psi'(0^+) < 0$ and $\theta < 1$, then

$$\mathbf{D}^{1, \theta} \mathcal{I}_{\mathcal{T}_{-\theta} \psi_\theta}(x) = \mathcal{I}_\psi(x).$$

(3) Finally, if $\psi'(0^+) = 0$, then, for any $\delta < 1$, we have

$$\mathbf{D}^{1,\delta} \mathcal{I}_\psi(x) = \mathcal{I}_{\mathcal{T}_{\delta,0}\psi}(x).$$

We illustrate this last result by detailing some interesting instances of such relationships between some known special functions.

Example 5.4 (Mittag-Leffler type functions) Let us consider, for any $1 < \alpha < 2$, the Laplace exponent $\psi(u) = (\alpha(u - 1/\alpha))_\alpha$. We easily check that $\theta = 1/\alpha$ and we have $\psi_{1/\alpha}(u) = (\alpha u)_\alpha$. Observing that

$$\prod_{k=1}^n \psi_{1/\alpha}(k) = \prod_{k=1}^n (\alpha k)_\alpha = \frac{\Gamma(\alpha(n+1))}{\Gamma(\alpha)}, \quad n \geq 1,$$

and using the fact that the random variable J_{ψ_θ} is moment-determinate, we readily check, from the expression (5.2), that

$$\mathcal{M}_{\psi_\theta}(s) = \frac{\Gamma(\alpha(is+1))}{\Gamma(\alpha)\Gamma(is+1)}$$

The pole of the gamma function being the negative integers, the condition $\mathcal{M}_{\psi_\theta}(s) \neq 0$ is satisfied for any $s \in \mathbb{R}$. Moreover, we obtain

$$\mathcal{I}_{\psi_{1/\alpha}}(x) = \Gamma(\alpha) \mathcal{E}_{\alpha,\alpha}(x)$$

where we recall that the Mittag-Leffler function $\mathcal{E}_{\alpha,\alpha}$ is defined in the Example 3.2. Next, for any $\delta < 1 + 1/\alpha$, we have

$$\begin{aligned} \mathcal{I}_{\mathcal{T}_{\delta,1/\alpha}\psi}(x) &= \frac{\Gamma(\alpha)\Gamma(1/\alpha+1-\delta)}{\Gamma(1/\alpha+1)} \sum_{n=0}^{\infty} \frac{\Gamma(n+1/\alpha+1)}{\Gamma(n+1/\alpha+1-\delta)\Gamma(\alpha n+\alpha)} x^n \\ &= {}_2F_2 \left(\begin{matrix} (1, 1/\alpha+1), (1, 1) \\ (1, 1/\alpha+1-\delta), (\alpha, \alpha) \end{matrix} \middle| x \right), \end{aligned}$$

where ${}_2F_2$ is the Wright hypergeometric function, see e.g. Braaksma [9, Chap. 12]. Hence, we have

$$\Gamma(\alpha) \mathbf{D}^{\theta,\delta} \mathcal{E}_{\alpha,\alpha}(x) = {}_2F_2 \left(\begin{matrix} (1, 1/\alpha+1), (1, 1) \\ (1, 1/\alpha+1-\delta), (\alpha, \alpha) \end{matrix} \middle| x \right).$$

Example 5.5 Now, for any $1 < \alpha < 2$, we set $\psi(u) = u^\alpha$ and we note that $\psi'(0^+) = 0$. Proceeding as in the previous example, we get

$$\mathcal{M}_\psi(s) = \Gamma^{\alpha-1}(is+1)$$

and hence the condition $\mathcal{M}_\psi(s) \neq 0$ is satisfied for any $s \in \mathbb{R}$. We have

$$\mathcal{I}_\psi(x) = \sum_{n=0}^{\infty} \frac{1}{\Gamma^\alpha(n+1)} x^n$$

and, for any $\delta < 1$, we write

$$\mathcal{I}_{\mathcal{T}_{\delta,0}\psi}(x) = \Gamma(1-\delta) \sum_{n=0}^{\infty} \frac{\Gamma(n+1)}{\Gamma(n+1-\delta)\Gamma^\alpha(n+1)} x^n.$$

Consequently,

$$\mathbf{D}^{1,\delta} \mathcal{I}_\psi(x) = \mathcal{I}_{\mathcal{T}_{\delta,0}\psi}(x).$$

References

1. Bertoin, J.: Lévy Processes. Cambridge University Press, Cambridge (1996)
2. Bertoin, J.: On the first exit time of a completely asymmetric stable process from a finite interval. *Bull. Lond. Math. Soc.* **28**, 514–520 (1996)
3. Bertoin, J., Biane, P., Yor, M.: Poissonian exponential functionals, q -series, q -integrals, and the moment problem for log-normal distributions. In: *Seminar on Stochastic Analysis, Random Fields and Applications IV*. Progress in Probability, vol. 58, pp. 45–56. Birkhäuser, Basel (2004)
4. Bertoin, J., Lindner, A., Maller, R.: On continuity properties of the law of integrals of Lévy processes. *Séminaire de probabilités XLI. Lecture Notes in Mathematics*, vol. 1934, pp. 137–159. Springer, Berlin (2008)
5. Bertoin, J., Yor, M.: The entrance laws of self-similar Markov processes and exponential functionals of Lévy processes. *Potential Anal.* **17**(4), 389–400 (2002)
6. Bertoin, J., Yor, M.: On the entire moments of self-similar Markov processes and exponential functionals of Lévy processes. *Ann. Fac. Sci. Toulouse Math.* **11**(1), 19–32 (2002)
7. Bertoin, J., Yor, M.: Exponential functionals of Lévy processes. *Probab. Surv.* **2**, 191–212 (2005)
8. Bingham, N.H., Goldie, C.M., Teugels, J.L.: Regular Variation. *Encyclopedia of Mathematics and Its Applications*, vol. 27. Cambridge University Press, Cambridge (1989)
9. Braaksma, B.L.J.: Asymptotic expansions and analytic continuations for a class of Barnes-integrals. *Compositio Math.* **15**, 239–341 (1964)
10. Caballero, M.E., Chaumont, L.: Conditioned stable Lévy processes and the Lamperti representation. *J. Appl. Probab.* **43**, 967–983 (2006)
11. Carmona, P., Petit, F., Yor, M.: Sur les fonctionnelles exponentielles de certains processus de Lévy. *Stoch. Stoch. Rep.* **47**(1–2), 71–101 (1994) (English version in Yor (2001), pp. 139–171)
12. Carmona, P., Petit, F., Yor, M.: On the distribution and asymptotic results for exponential functionals of Lévy processes. In: Yor, M. (ed.) *Exponential Functionals and Principal Values Related to Brownian Motion*. Biblioteca de la Rev. Mat. Iberoamericana, pp. 73–121. Madrid (1997)
13. Carmona, P., Petit, F., Yor, M.: Beta-gamma random variables and intertwining relations between certain Markov processes. *Rev. Mat. Iberoamericana* **14**(2), 311–368 (1998)

14. Chaumont, L., Kyprianou, A.E., Pardo, J.C.: Some explicit identities associated with positive self-similar Markov processes. *Stoch. Proc. Appl.* **119**, 980–1000 (2009)
15. Fitzsimmons, P.J.: On the existence of recurrent extension of positive self-similar Markov processes. *Elec. Commun. Probab.* **11**, 230–241 (2006)
16. Gettoor, R.K., Sharpe, M.J.: Excursions of Brownian motion and Bessel processes. *Z. Wahr.* **47**, 83–106 (1979)
17. Gnedin, A.V.: Regeneration in random combinatorial structures. (English summary) *Probab. Surv.* **7**, 105–156 (2010)
18. Hubalek, F., Kyprianou, A.E.: Old and new examples of scale functions for spectrally negative Lévy processes. In: Dalang, R., Dozzi, M., Russo, F. (eds.) *Stochastic Analysis, Random Fields and Applications. Progress in Probability.* Birkhäuser (2010). To appear
19. Kilbas, A.A., Srivastava, H.M., Trujillo, J.J.: *Theory and Applications of Fractional Differential Equations.* North-Holland Mathematics Studies, vol. 204. Elsevier Science B.V., Amsterdam (2006)
20. Kuznetsov, A., Kyprianou, A.E., Rivero, V.: *The Theory of Scale Functions for Spectrally Negative Levy Processes.* *Levy Matters II. Lecture Notes in Mathematics*, vol. 2061, pp. 97–186. Springer, Heidelberg
21. Kyprianou, A.E.: *Introductory Lectures on Fluctuations of Lévy Processes with Applications.* Universitext. Springer, Berlin (2006)
22. Kyprianou, A.E., Palmowski, Z.: A martingale review of some fluctuation theory for spectrally negative Lévy processes. In: *Séminaire de Probabilités XXXVIII. Lecture Notes in Mathematics*, vol. 1857, pp. 16–29. Springer, Berlin (2005)
23. Kyprianou, A.E., Patie, P.: A Ciesielski-Taylor type identity for positive self-similar Markov processes. *Ann. Inst. H. Poincaré Probab. Statist.* **47**(3), 917–928 (2011)
24. Kyprianou, A.E., Rivero, V.: Special, conjugate and complete scale functions for spectrally negative Lévy processes. *Electron. J. Probab.* **13**, 1672–1701 (2008)
25. Lamperti, J.: Semi-stable Markov processes. I. *Z. Wahrsch. Verw. Geb.* **22**, 205–225 (1972)
26. Lebedev, N.N.: *Special Functions and Their Applications.* Dover Publications, New York (1972)
27. Maulik, K., Zwart, B.: Tail asymptotics for exponential functionals of Lévy processes. *Stoch. Process. Appl.* **116**, 156–177 (2006)
28. Patie, P.: Exponential functional of one-sided Lévy processes and self-similar continuous state branching processes with immigration. *Bull. Sci. Math.* **133**(4), 355–382 (2009)
29. Patie, P.: Infinite divisibility of solutions to some self-similar integro-differential equations and exponential functionals of Lévy processes. *Ann. Inst. H. Poincaré Probab. Statist.* **45**(3), 667–684 (2009)
30. Patie, P.: Law of the exponential functional of one-sided Lévy processes and Asian options. *C. R. Acad. Sci. Paris, Ser. I* **347**, 407–411 (2009)
31. Patie, P.: On refined factorizations of the exponential law. *Bernoulli* **17**(2), 814–826 (2011)
32. Patie, P.: Law of the absorption time of positive self-similar markov processes. *Ann. Probab.* **40**(2), 765–787 (2012)
33. Patie, P., Savov, M.: Extended factorizations of exponential functionals of Lévy processes. *Electron. J. Probab.* **17**(38), 1–22 (2012)
34. Patie, P., Savov, M.: Bernstein-Gamma functions and exponential functionals of Lévy processes. *Electron. J. Probab.* **23**(75), 1–101 (2018)
35. Rivero, V.: Recurrent extensions of self-similar Markov processes and Cramér’s condition. *Bernoulli* **11**(3), 471–509 (2005)
36. Sato, K.: *Lévy Processes and Infinitely Divisible Distributions.* Cambridge University Press, Cambridge (1999)
37. Sato, K.: Density transformation in Lévy processes. Technical Report Lecture Notes 7, MaPhySto, Aarhus (2000)

38. Urbanik, K.: Infinite divisibility of some functionals on stochastic processes. *Probab. Math. Statist.* **15**, 493–513 (1995)
39. Yor, M.: *Exponential Functionals of Brownian Motion and Related Processes*. Springer Finance, Berlin (2001)
40. Zolotarev, V.M.: Mellin-Stieltjes transform in probability theory. *Theory Probab. Appl.* **2**, 433–460 (1957)