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Uhlenbeck Process 2.2.4 Trending Ornstein-Uhlenbeck Processes

In the OU process the mean reversion was towards a constant equilibrium level. This can in a first step be generalised to a linearly growing trend $d(V_{tt}) = (V_{tt})dt + \sigma dW_t$: (2.13) 9 This means the process when it deviates from the trend it is pulled back with a rate proportional to its deviation. The trending Ornstein-Uhlenbeck Process and its ... The Ornstein-Uhlenbeck process is

an example of a Gaussian process that has a bounded variance and admits a stationary probability distribution, in contrast to the Wiener process; the difference between the two is in their "drift" term. For the Wiener process the drift term is constant, whereas for the Ornstein-Uhlenbeck process it is dependent on the current value of the process: if the ...Ornstein-Uhlenbeck process - Wikipedia

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