Randomly-shifted lattice rules for unbounded integrands

Frances Y. Kuo\textsuperscript{a}, Ian H. Sloan\textsuperscript{a}, Greg W. Wasilkowski\textsuperscript{b}, and Ben J. Waterhouse\textsuperscript{a}

\textsuperscript{a} School of Mathematics, University of New South Wales, Sydney NSW 2052, Australia
\textsuperscript{b} Computer Science Department, University of Kentucky, Lexington, KY, USA

We study the problem of multivariate integration over $\mathbb{R}^d$ with integrands of the form $f(x)\rho(x)$ where $\rho$ is a probability density function. Our study is motivated by problems in mathematical finance, where unbounded integrands over $[0,1]^d$ can arise as a result of using transformations to map the integral to the unit cube. We assume that the functions $f$ belong to some weighted Hilbert space. We carry out a worst-case analysis in this space and show that good randomly-shifted lattice rules can be constructed component-by-component to achieve a worst-case error of order $O(n^{-1/2})$. 