

## Summary:

Gauntlet recommends increasing supply and borrow caps for the following assets that have utilization rate of above 75%. The recommendations are made to improve capital efficiency - Gauntlet has not received any guidance from Circle on OP about removing support to USDC.e.

Asset

Chain

Current Supply Cap

New Supply Cap

Current Borrow Cap

New Borrow Cap

USDC.e

Optimism v3

18,000,000

30,000,000

15,500,000

28,000,000

## Motivation:

Gauntlet proposes to increase supply/borrow caps for the assets below in order to meet the increasing demand.

## Specifications:

### USDC.e on Optimism Aave v3

We propose an increase Supply cap for USDC.e by 67% and Borrow cap by 80% in line within our borrow/supply cap framework which considers tokens needed to break-even for a long attack as well as overall circulating supply.

[

image

2352×974 117 KB

](https://europe1.discourse-cdn.com/business20/uploads/aave/original/2X/0/0fdcbd08245552f9f0f072b17a3f2e3eb7b6398a.png)

### USDC.e Borrow Amount

USDC.e is the second largest asset by borrow amount on Optimism v3 markets with 14.8mm USDC.e borrowed, providing more impetus for increased cap values.

[

image

2964×1550 216 KB

](https://europe1.discourse-cdn.com/business20/uploads/aave/original/2X/a/a92a2f205aabbac34c2bad1a5f8bd91b46d3f5d4.png)

## Next Steps

Once we receive feedback from [@ChaosLabs](#) on the above recommendations, we will move forward with Risk Steward actions.